



## Broadcasting Decision CRTC 2007-368

Ottawa, 12 October 2007

### **CTV Limited**

Vancouver, British Columbia

*Application 2007-0486-8, received 30 March 2007*

*Public Hearing in the National Capital Region*

*27 August 2007*

### **Acquisition of assets**

*The Commission **approves** the application by CTV Limited to acquire the assets of the radio programming undertaking CFBT-FM Vancouver from The Beat Broadcasting Corporation.*

### **Introduction**

1. The Commission received an application by CTV Limited<sup>1</sup> to acquire the assets of the radio programming undertaking CFBT-FM Vancouver from The Beat Broadcasting Corporation and for a new broadcasting licence to continue the operation of the undertaking under the same terms and conditions as those in effect under the current licence.
2. The Commission received many interventions in support of this application.

### **Commission's analysis and determinations**

3. The Commission has carefully examined the application and has identified the following two issues to be addressed in its determinations:
  - Is the proposed value of the transaction reasonable and the associated value of the tangible benefits package adequate?
  - Is the proposed allocation of the tangible benefits package acceptable?

#### **Is the proposed value of the transaction reasonable and the associated value of the tangible benefits package adequate?**

4. Because the Commission does not solicit competing applications for authority to transfer the ownership or control of radio, television and other programming undertakings, the onus is on the applicant to demonstrate that the tangible benefits proposed in the

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<sup>1</sup> CHUM Limited changed its name to CTV Limited on 31 July 2007.

application are adequate and that the proposed value of the transaction is acceptable and reasonable. In this regard, the Commission generally expects applicants to make commitments to tangible benefits representing a financial contribution of 6% of the value of the transaction for radio undertakings.

5. The applicant submitted that the value of the transaction is \$45 million. Consistent with its practice for the purpose of calculating the tangible benefits package, the Commission added the assumed operating lease commitments and the assumed consulting fees. As a result, the Commission determines that the value of the transaction amounts to \$46,006,717.

**Is the proposed allocation of the tangible benefits package acceptable?**

6. Consistent with the Commission's tangible benefits policy outlined in Broadcasting Public Notice 2006-158, CTV Limited proposed a tangible benefits package equal to 6% of the proposed \$45 million value of the transaction (\$2.7 million). CTV Limited proposed to allocate the following amounts per broadcast year:
  - \$192,857 to the Radio Starmaker Fund (Starmaker);
  - \$128,571 to FACTOR;
  - \$50,000 to Aboriginal Voices Radio (AVR);
  - \$14,286 to the "Beat Boot Camp" to be held at the New Music West music festival.
7. Funding to Starmaker and FACTOR are required by the current tangible benefits policy and is therefore considered appropriate. Moreover, the Commission considers funding to AVR to be an eligible expense because it will aid in the development of Aboriginal audio content for broadcast. The Commission also approves of the funding to the "Beat Boot Camp" given its intention to support and train Canadian musical talent.
8. Considering the Commission's determination of the value of the transaction, the value of the proposed tangible benefits package will increase from the proposed \$2.7 million to \$2.76 million (i.e. 6% of the revised amount of \$46,006, 717).
9. In light of the amendment to the value of the transaction and consequently to the amount of the tangible benefits package, the Commission expects CTV Limited to file, within 30 days of the date of this decision, an amended tangible benefits package reflecting these changes to the proposed initiatives.

**Conclusion**

10. The Commission **approves** the application by CTV Limited to acquire the assets of the radio programming undertaking CFBT-FM Vancouver from The Beat Broadcasting Corporation and for a new broadcasting licence to continue the operation of the undertaking under the same terms and conditions as those in effect under the current licence.

11. Upon surrender of the current licence, the Commission will issue a new licence to CTV Limited that will expire on the same date as that of the current licence. The licence will be subject to the terms and **conditions** set out in the appendix to this decision.

Secretary General

**Related documents**

- *CFBT-FM Vancouver – Licence renewal*, Broadcasting Decision CRTC 2007-275, 3 August 2007
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006

*This decision is to be appended to the licence. It is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*

# Appendix to Broadcasting Decision CRTC 2007-368

## Terms, conditions of licence and encouragement

**CFBT-FM Vancouver**

### Terms

The licence will expire 31 August 2014.

### Conditions of licence

1. The licence will be subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of condition of licence number 5.
2. In the broadcast year ending 31 August 2008, the licensee shall expend a minimum of \$469,033 to support the development of Canadian talent, as detailed in Appendix C of *Proposal to defer Canadian talent development expenditures*, Broadcasting Decision CRTC 2004-210, 17 June 2004.
3. a) The licensee shall make a basic annual contribution to Canadian content development (CCD). The amount of this contribution shall be determined in accordance with *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006 (Broadcasting Public Notice 2006-158), as amended from time to time;  
  
b) the licensee shall allocate 60% of its basic annual CCD contribution to FACTOR or MUSICACTION;  
  
c) the remaining amounts of this basic annual contribution shall be allocated to eligible parties and activities as defined in Broadcasting Public Notice 2006-158.

This condition of licence shall expire upon the coming into force of the amendments to the *Radio Regulations, 1986* relating to CCD.

4. In addition to the basic annual contribution, the licensee shall contribute \$15,100 annually to the promotion and development of Canadian content. This amount is over and above the licensee's required basic annual CCD contribution. Of this amount, \$3,020 per year shall be devoted to FACTOR or MUSICACTION. The remainder, \$12,080, shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives in Broadcasting Public Notice 2006-158.

## **Encouragement**

### **Employment equity**

In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the licensee to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.