



## Broadcasting Decision CRTC 2008-195

Ottawa, 21 August 2008

### Various applicants

Winnipeg, Manitoba

*Public Hearing in Winnipeg, Manitoba*

*3 June 2008*

### Licensing of new radio stations to serve Winnipeg, Manitoba

*The Commission **approves** the application by Native Communication Inc. for a broadcasting licence to operate a new English- and Aboriginal-language Native Type B FM radio station to serve Winnipeg, Manitoba.*

*The Commission **approves in part** the application by Evanov Communications Inc., on behalf of a corporation to be incorporated, for a broadcasting licence to operate a new English-language commercial FM radio station to serve Winnipeg. Within 90 days of the date of this decision, the applicant must submit an amendment to the application proposing the use of an FM frequency other than 104.7 MHz (channel 284B) that is acceptable to both the Commission and the Department of Industry.*

*The Commission **denies** the remaining applications for broadcasting licences for radio stations to serve Winnipeg.*

### Introduction

1. At a public hearing commencing 3 June 2008 in Winnipeg, Manitoba, the Commission considered four applications for new radio programming undertakings to serve Winnipeg, some of which are mutually exclusive on a technical basis. The applicants were as follows:
  - Newcap Inc.
  - YO Radio Management Inc.
  - Evanov Communications Inc. , on behalf of a corporation to be incorporated
  - Native Communication Inc.
2. Native Communication Inc. (NCI) proposed to operate an English- and Aboriginal-language Native Type B FM radio station. The remaining three applicants proposed to operate English-language commercial FM radio stations.

3. As part of this process, the Commission received and considered interventions with respect to each application. The Commission notes that there were no interventions opposing the licensing of new radio stations to serve Winnipeg. The public record for this proceeding is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings."
4. After reviewing the applications and interventions, the Commission is of the view that the primary issues to be considered are as follows:
  - Can the Winnipeg radio market sustain additional radio services without an undue negative impact on existing stations?
  - If so, which of the applications should be approved, in light of the factors identified in Broadcasting Public Notice 2007-123 (the Call)?

### **The Winnipeg radio market and its ability to sustain new stations**

5. The Winnipeg central radio market includes the city of Winnipeg, the rural municipalities of East and West St. Paul, St. Clements, Brokenhead and Springfield in the north and Tache and Richot in the south. BBM Canada's 2007 Fall survey includes Selkirk within the Winnipeg central radio market.
6. At the time of June 2008 public hearing, the Winnipeg radio market was served by 24 local stations, i.e. fourteen commercial stations, four Canadian Broadcasting Corporation stations, one Native Type B station, one French-language Type A community station, two campus instructional stations, a University of Winnipeg campus-community station and a University of Manitoba campus-community station.
7. Most of Winnipeg's commercial radio stations target adults between the ages of 25 and 54 years.
8. The Native Type B station, CICY-FM, is owned by NCI and originates in Selkirk with transmitters in Peguis (CIPM-FM) and Fairford (CIFR-FM), Manitoba. CICY-FM receives most of its programming from NCI's station, CINC-FM Thompson, Manitoba and offers some local programming produced in studios in Winnipeg. Most of CICY-FM's programming targets Aboriginal audiences throughout the province of Manitoba.
9. Between 2002 and 2007, the Winnipeg radio market experienced significant changes with the introduction of four new commercial stations and two not-for-profit stations as well as various transfers of ownership.
10. Between 2003 and 2007, radio advertising revenues for commercial stations in the Winnipeg radio market increased from \$30.68 million in 2003 to \$37.84 million in 2007, representing a compound annual growth rate (CAGR) of 5.4% since 2003. During this period, the annual operating expenses grew from \$27.3 million to \$32.9 million, a CAGR of 4.8% since 2003.

11. In comparison, between 2003 and 2007, advertising revenues for all Canadian radio stations grew from \$1.2 billion to \$1.5 billion, representing a CAGR of 5.9% since 2003. The annual operating expenses grew from \$919.5 million to \$1.2 billion, a CAGR of 5.9% since 2003.
12. Overall, the Winnipeg radio market's profit before interest and tax (PBIT) margin has been positive over the last five years increasing from 7.5% in 2003 to a high of 14.5% in 2006, but declining to 11.5% in 2007. In comparison, the PBIT for all radio stations in Canada increased from 19.3% in 2003 to 20.0% in 2007.
13. The Conference Board of Canada (the Conference Board) reports that Winnipeg's economy is experiencing strong economic growth in several sectors including construction and manufacturing. According to the Conference Board, booming construction and thriving manufacturing will propel Winnipeg's economic growth in 2008. The Conference Board also projects that retail sales will grow at an annual rate of about 5% to \$10,301 million in 2010 and \$11,328 million in 2012.
14. According to Statistics Canada's 2006 Census, the population of the Winnipeg census metropolitan area was 694,668. The population had increased by 2.7% from the 2001 Census, as compared to 5.4% for Canada and 2.6% for the province of Manitoba, during the same period.
15. Based on the evidence of revenue growth in the Winnipeg radio market and based on the positive economic outlook for Winnipeg, the Commission is satisfied that the Winnipeg radio market could support the licensing of the Native Type B radio station proposed by NCI as well as one new commercial radio station without experiencing an undue negative impact.

## **Assessment of the applications**

### **Application for a new Native Type B station**

16. The Commission considered NCI's application in light of the Call as well as against the background of the Native Broadcasting Policy set out in Public Notice 1990-89.
17. Under the Native Broadcasting Policy, Native undertakings are defined by their ownership which, through their not-for-profit status, allows for membership on the board by the Aboriginal population of the region served. The Commission is satisfied that NCI is a not-for-profit corporation, which provides for board membership by the Native population of the region served by the proposed undertaking.
18. The Native Broadcasting Policy specifies that the orientation of Native undertakings should be toward an Aboriginal culture reflecting their needs and interests. NCI's proposed Native Type B FM station will operate in a Rock, pop and hip hop music format that will appeal to urban Aboriginal youth between the ages of 18 and 35 years. The proposed station will offer 126 hours of local programming in each broadcast week

with a music offering focusing on 40% Aboriginal selections and 60% commercial content. Of the 20 hours of spoken word programming broadcast weekly, at least 10 hours will be in an Aboriginal language. A number of spoken word features will be targeted to an Aboriginal audience. Overall, the station will devote 61 hours of the broadcast week to programming that is oriented to an Aboriginal audience.

19. Native radio stations are required to devote a minimum of 35% of all weekly musical selections from category 2 (Popular music) to Canadian selections. NCI made a commitment to exceed this minimum requirement indicating that, beginning in the station's third year of operation, 40% of all category 2 musical selections aired in each broadcast week will be Canadian. A **condition of licence** to that effect is set out in Appendix 2 to this decision. NCI also stated that approximately 50% of the Canadian content category 2 music will be performed by Aboriginal talent and approximately 5% will be in an Aboriginal language.
20. The Commission notes that, while NCI plans to solicit advertising, it also indicated that it will derive revenues from government grants and fundraising activities such as memberships and bingo. Taking into consideration the applicant's distinct target audience and the varied sources of revenue available to it, the Commission is of the view that the applicant's proposed station will not have an undue economic impact on the Winnipeg radio market.
21. The Commission considers that NCI's proposed station will complement the current province wide service offered by its station CICY-FM by focusing specifically on the needs and interests of urban Aboriginals in Winnipeg. The Commission is further satisfied that NCI's proposal meets the cultural objectives set out in the Native Broadcasting Policy and that it will serve an under-served group in the Winnipeg market.

#### **Applications for new commercial stations**

22. Having determined that there is room in the Winnipeg radio market for one additional commercial radio service, the Commission considered the commercial applications to serve Winnipeg in light of the factors relevant to the evaluation of the applications outlined in the Call, which include the factors set out in Decision 99-480:
  - the quality of the application;
  - the diversity of news voices;
  - addressing the Winnipeg radio market in terms of underserved listeners; and
  - the competitive state of the radio market and the level of market impact.
23. The details relevant to the assessment of the applications are set out in Appendix 1 to this decision.

24. Having considered all of the commercial applications in light of the criteria set out above, the Commission finds that the proposal by Evanov Communications Inc., on behalf of a corporation to be incorporated, (Evanov) best meets the needs of the Winnipeg radio market. In the Commission's view, Evanov presented a viable business plan and clearly demonstrated the capacity to fulfil its proposal. Evanov's proposed station will enhance the diversity of news voices in Winnipeg by introducing a new radio news voice. Since Evanov will be a new player in Winnipeg, the establishment of its station will also serve to enhance the level of competition in the market.
25. The Commission notes that, of the three commercial applicants, Evanov projected the highest expenditures on programming. Evanov also committed to the highest level of Canadian content for category 2 music. Specifically, Evanov committed, by condition of licence, to devote at least 40% of all popular music aired during each broadcast week and between 6:00 a.m. and 6:00 p.m. Monday to Friday to Canadian selections. This commitment exceeds the minimum requirements set out in the *Radio Regulations, 1986* (the Regulations).
26. Evanov proposed to offer an Adult contemporary (35%) and New easy listening (65%) music format targeted to those aged 45 years and over. The music offering will focus on soft melodic selections with less instrumental, a minimum of blues and no jazz selections. The Commission considers that the proposed format will add to the programming diversity in the Winnipeg radio market by complementing the musical offering currently provided by several of the incumbent radio stations in Winnipeg that provide similar music formats targeted to the same demographic.
27. Evanov committed to devote at least 100 hours of the broadcast week to local programming. The applicant indicated that, while it planned to offer local programming during the remaining 26 hours of the broadcast week, it wanted the flexibility to be able to offer special events during these hours as the opportunity arises. All of the programming will be live-to-air with the exception of occasional three-hour broadcasts of syndicated programming and training programs prepared by students and interns. In each broadcast week, 18.3 hours will be devoted to spoken word programming including 5.9 hours of pure news.
28. As of 1 September 2008, Evanov will be required to adhere to the requirements relating to contributions to Canadian content development (CCD) set out in section 15 of the Regulations, as amended by *Regulations Amending the Radio Regulations, 1986*, SOR/2008-177, 28 May 2008, announced in Broadcasting Public Notice 2008-67.
29. In addition, Evanov committed to devote, over and above the basic annual contribution to CCD, a total of \$1,350,548 over seven consecutive broadcast years, upon commencement of operations. Specifically, Evanov indicated that, in addition to the required basic annual contributions, it would, by condition of licence, allocate an over-and-above contribution of \$199,500 in the first year of operation decreasing to \$187,150 in the seventh year. Evanov proposed to direct \$42,500 of this first year over-and-above contribution to FACTOR rising to \$47,500 in the seventh year.

30. As part of its CCD contributions, Evanov proposed to allocate \$15,000 annually to the Catalogue of Canadian Instrumental Music. The Commission is of the view that the catalogue, in its present form, does not effectively support or promote Canadian instrumental artists. The Commission therefore finds that this proposal does not comply with the definition of eligible parties and initiatives set out in Broadcasting Public Notice 2006-158. As stated in that public notice:

contributions should be dedicated to initiatives that will provide high quality audio content for broadcast. All CCD initiatives must involve direct expenditures, and must be allocated to the support, promotion, training and development of Canadian musical and spoken word talent, including journalists.

31. Accordingly, the Commission requires Evanov to direct the remainder of its CCD contributions including the annual \$15,000 allocation noted above to eligible parties and initiatives as defined in Broadcasting Public Notice 2006-158.
32. The application by Evanov proposing the use of the frequency 104.7 MHz was technically mutually exclusive with the application by NCI, which proposed the use of the same frequency. The Commission considers that the service proposed by NCI would make better use of that frequency than would the service proposed by Evanov. The Commission notes that alternative frequencies have been identified as being capable of serving the Winnipeg radio market. Accordingly, Evanov will be required to identify an alternative frequency to operate its proposed service.

### **Determinations**

33. Based on all of the foregoing, the Commission **approves** the following application for a broadcasting licence to operate an English- and Aboriginal-language Native Type B FM radio programming undertaking in Winnipeg:

**Native Communication Inc.**

*Application 2007-1163-1, received 20 August 2007*

34. The terms and **conditions of licence** for this new service are set out in Appendix 2 to this decision.
35. In addition, the Commission **approves in part** the following application for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Winnipeg:

**Evanov Communications Inc., on behalf of a corporation to be incorporated**

*Application 2008-0060-9, received 16 January 2008*

36. The terms and **conditions of licence** for this new service are set out in Appendix 3 to this decision.

37. As set out in Appendix 3 to this decision, Evanov must submit, within 90 days of the date of this decision, an amendment to the application proposing the use of an FM frequency other than 104.7 MHz (channel 284B) and related technical parameters that are acceptable to both the Commission and the Department of Industry.
38. In light of the above, the Commission **denies** the two remaining applications for broadcasting licences to operate radio programming undertakings in Winnipeg, as set out below:

**Newcap Inc.**

*Application 2007-0951-1, received 27 June 2007*

**YO Radio Management Inc.**

*Application 2008-0061-6, received 16 January 2008*

### **Employment equity**

39. Because Evanov is subject to the *Employment Equity Act* and files reports concerning employment equity with the department of Human Resources and Social Development Canada, its employment equity practices are not examined by the Commission.

Secretary General

### **Related documents**

- *Amendments to the Radio Regulations, 1986 – Implementation of the Commercial Radio Policy 2006 and the Digital Radio Policy*, Broadcasting Public Notice CRTC 2008-67, 23 July 2008
- *Call for applications for a broadcasting licence to carry on a radio programming undertaking to serve Winnipeg, Manitoba*, Broadcasting Public Notice CRTC 2007-123, 7 November 2007
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000
- *Introductory statement – Licensing new radio stations*, Decision CRTC 99-480, 28 October 1999
- *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999

- *Revised Policy on the Use of Hits by English-Language FM Radio Stations*, Public Notice CRTC 1997-42, 23 April 1997
- *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990

*This decision and the appropriate appendix are to be appended to each licence. This document 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 1 to Broadcasting Decision CRTC 2008-195

### Specific details relevant to the assessment of the applications for new broadcasting licences for FM radio programming undertakings to serve Winnipeg, Manitoba

#### Applicant

#### Details from the application

**Newcap Inc.**

Application 2007-0951-1,  
received 27 June 2007

**Type:** English-language commercial FM radio programming undertaking  
**Technical parameters:** 106.3 MHz (channel 292C1), effective radiated power of 100,000 watts  
**Format:** Classic Alternative Rock format – music mix to feature 15% later 70s and 80s alternative rock, 50% 90s alternative rock, 15% 2000+ alternative rock and 20% new and emerging alternative rock  
**Target audience:** Defined broad target audience as young adults 18 to 34 years; core target young adults 25 to 34 years  
**Canadian content (music):** 35% category 2\*; weekly and Monday to Friday 6:00 a.m. to 6:00 p.m.  
**Local programming per broadcast week\*\*\*:** 126 hours  
**Spoken word programming per broadcast week\*\*\*:** 20 hours, 15 minutes  
**News programming per broadcast week\*\*\*:** 7 hours, 0 minutes devoted to newscasts that consist of 5 hours 36 minutes of pure news (75% local)  
**Canadian content development contribution (over basic annual contribution):** \$2,800,000 over seven consecutive broadcast years  
**Emerging artists programming per broadcast week\*\*\*:** 25% of Canadian content  
**Hit material\*\*\*\*\*:** 49.9% of music programming

**YO Radio Management Inc.**

Application 2008-0061-6,  
received 16 January 2008

**Type:** English-language commercial FM radio programming undertaking  
**Technical parameters:** 106.3 MHz (channel 292C1), effective radiated power of 100,000 watts  
**Format:** Pop Alternative, “hybrid format comprised of current, recurrent and gold – with infusion of current pop”  
**Target audience:** broad target 18 to 34 years; core target 23 to 31 years  
**Canadian content (music):** 35% category 2  
**Local programming per broadcast week:** 126 hours  
**Spoken word programming per broadcast week:** 16 hours, 30 minutes  
**News programming per broadcast week:** 6 hours, 10 minutes (local not specified); 2 hours, 25 minutes of pure news  
**Canadian content development contribution (over basic annual contribution):** \$1,042,048 over seven consecutive years  
**Emerging artists programming per broadcast week:** 5% of all musical selections  
**Hit material:** less than 49.9% of music programming

**Evanov Communications Inc., on behalf of a corporation to be incorporated**  
Application 2008-0060-9,  
received 16 January 2008

**Type:** English-language commercial FM radio programming undertaking  
**Technical parameters:** 104.7 MHz (channel 284B), average effective radiated power of 6,500 watts (maximum ERP 10,000 watts)  
**Format:** New easy listening (65%) and Adult contemporary (35%) including 5% of selection from category 3 (Special interest music)  
**Target audience:** broad target 45+ skew slightly more female; core target 55 to 64 years  
**Canadian content (music):** 40% category 2  
**Local programming per broadcast week:** 100 hours minimum. While the remaining 26 hours will be local programming most of the time, the applicant would like the flexibility to offer special events.  
**Spoken word programming per broadcast week:** 18.3 hours  
**News programming per broadcast week:** 5.9 hours (60% local news)  
**Canadian content development contribution (over basic annual contribution):** \$1,350, 548 over seven consecutive years  
**Emerging artists programming per broadcast week:** 12% of all musical selections  
**Hit material:** 49.9% of music programming

**Native Communication Inc.**  
Application 2007-1163-1,  
received 20 August 2007

**Type:** English- and Aboriginal-language Native Type B FM radio programming undertaking  
**Technical parameters:** 104.7 MHz (channel 284A), effective radiated power of 3,000 watts  
**Format:** Musical component will focus on 40% Aboriginal selections and 60% commercial content; mix of Rock, Pop and Hip Hop  
**Target audience:** urban Aboriginal youth 18 to 30 years  
**Canadian content (music):** 40% category 2  
**Local programming per broadcast week:** not specified  
**Spoken word programming per broadcast week:** 20 hours  
**News programming per broadcast week:** 2.5 hours  
**Canadian content development contribution (over basic annual contribution):** does not apply to Native Type B stations  
**Aboriginal content:**

- 10 hours of Aboriginal-language spoken word; combined 61 hours of Aboriginal spoken word and music (including all languages Aboriginal or otherwise)
- Musical selections performed in an Aboriginal language: approximately 5% of Canadian content category 2 music  
Total music performed by Aboriginal talent: approximately 50% of Canadian content category 2 music

\* Percentages shown for category 2 musical selections (Popular Music) are for both the broadcast week and the period from 6:00 a.m. to 6:00 p.m., Monday to Friday. The definition of "broadcast week" is the same as that set out in the *Radio Regulations, 1986*.

\*\* Percentages shown for category 3 musical selections (Special Interest Music) are for the broadcast week. The definition of "broadcast week" is the same as that set out in the *Radio Regulations, 1986*.

\*\*\* The definition of "broadcast week," as it relates to local, spoken word and news programming, is the same as that set out in the *Radio Regulations, 1986*.

\*\*\*\* As set out in Public Notice 2000-14, "news" excludes related surveillance material, that is, weather, traffic, sports and entertainment reports.

\*\*\*\*\* The definition of "hit material" is the same as that set out in Public Notice 1997-42.

## **Appendix 2 to Broadcasting Decision CRTC 2008-195**

**Native Communication Inc.**

*Application 2007-1163-1, received 20 August 2007*

### **Terms, conditions of licence and encouragement**

**Issuance of the broadcasting licence to operate an English- and Aboriginal-language Native Type B FM radio programming undertaking in Winnipeg, Manitoba**

#### **Terms**

The licence term will begin 1 September 2008 and expire 31 August 2015.

The station will operate at 104.7 MHz (channel 284A) with an effective radiated power of 3,000 watts.

The Department of Industry (the Department) has advised the Commission that, while this application is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.

The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.

Furthermore, the licence for this undertaking will be issued once the applicant has informed the Commission in writing that it is prepared to commence operations. The undertaking must be operational at the earliest possible date and in any event no later than 24 months from the date of this decision, unless a request for an extension of time is approved by the Commission before 21 August 2010. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

*Consistent with Native Broadcasting Policy, Public Notice CRTC 1990-89, 20 September 1990, the undertaking is owned and controlled by a not-for-profit organization whose structure provides for board membership by the Native population of the region served by the proposed undertaking.*

#### **Conditions of licence**

1. Effective 1 September of the third year of operation, the licensee shall devote, in each broadcast week, a minimum of 40% of its musical selections from content category 2 (Popular music) to Canadian selections broadcast in their entirety.

For the purposes of this condition, the terms “broadcast week,” “Canadian selection,” “content category” and “musical selection” shall have the same meaning as that set out in the *Radio Regulations, 1986*.

2. The licensee shall adhere to the Canadian Association of Broadcasters’ *Equitable Portrayal Code*, as amended from time to time and approved by the Commission. However, the application of the foregoing condition of licence will be suspended if the licensee is a member in good standing of the Canadian Broadcast Standards Council.
3. The licensee shall adhere to the Canadian Association of Broadcasters’ *Broadcast code for advertising to children*, as amended from time to time and approved by the Commission.

### **Encouragement**

The Commission encourages the licensee, should it wish to broadcast wrap-around programming after its daily sign-off, to use programming obtained from another Native radio station or network.

## Appendix 3 to Broadcasting Decision CRTC 2008-195

Evanov Communications Inc. , on behalf of a corporation to be incorporated  
Application 2008-0060-9, received 16 January 2008

### Terms, conditions of licence and expectation

**Issuance of the broadcasting licence to operate an English-language commercial FM radio programming undertaking in Winnipeg, Manitoba**

#### Terms

The licence term will begin 1 September 2008 and expire 31 August 2015.

The Commission will only issue the licence, and the licence will only be effective at such time as:

- the applicant submits, within 90 days of the date of this decision, an amendment to its application proposing the use of an FM frequency other than 104.7 MHz (channel 284B) and related technical parameters that are acceptable to both the Commission and the Department of Industry (the Department). This amended application will form part of a public process;
- pursuant to section 22(1) of the *Broadcasting Act*, the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued;
- the applicant has satisfied the Commission, with supporting documentation, that an eligible Canadian corporation has been incorporated in accordance with the application in all material respects; and
- the applicant has informed the Commission in writing that it is prepared to commence operations.

#### 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 conditions of licence number 1 and 5.
2. The licensee shall, as an exception to the percentage of Canadian musical selections set out in sections 2.2(8) and 2.2(9) of the *Radio Regulations, 1986* (the Regulations):
  - a) devote, in each broadcast week, a minimum of 40% of its musical selections from content category 2 (Popular music) to Canadian selections broadcast in their entirety; and

- b) devote, between 6:00 a.m. and 6:00 p.m., in any period beginning on Monday of a week and ending on Friday of the same week, a minimum of 40% of its musical selections from content category 2 (Popular music) to Canadian selections broadcast in their entirety.

For the purposes of this condition, the terms “broadcast week,” “Canadian selection,” “content category” and “musical selection” shall have the same meaning as that set out in the Regulations.

3. In addition to the required basic annual contribution to Canadian content development (CCD), set out in section 15 of the *Radio Regulations, 1986*, as amended by *Regulations Amending the Radio Regulations, 1986*, SOR/2008-177, 28 May 2008, announced in Broadcasting Public Notice 2008-67, 23 July 2008, the licensee shall, upon commencement of operations, contribute the following amounts to CCD:

Year 1	\$199,500
Year 2	\$196,308
Year 3	\$194,609
Year 4	\$192,846
Year 5	\$191,016
Year 6	\$189,118
Year 7	\$187,150

These amounts are over and above the licensee’s required basic annual CCD contribution.

The licensee shall allocate the following amounts of its additional annual CCD contribution to FACTOR:

Year 1	\$39,900
Year 2	\$39,262
Year 3	\$38,922
Year 4	\$38,569
Year 5	\$38,203
Year 6	\$37,824
Year 7	\$37,430

4. If the licensee originates 42 or more hours of programming in any broadcast week, the licensee shall adhere to the Canadian Association of Broadcasters’ *Equitable Portrayal Code*, as amended from time to time and approved by the Commission. The application of the foregoing condition of licence will be suspended if the licensee is a member in good standing of the Canadian Broadcast Standards Council.

## **Expectation**

### **Cultural diversity**

The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.