



## Broadcasting Decision CRTC 2012-577

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Route reference: 2012-370

Ottawa, 19 October 2012

### **Vista Radio Ltd.**

Bancroft, Barry's Bay, Bolton, Bracebridge, Caledon, Cochrane, Elliot Lake, Espanola, Fort Erie, Haldimand, Haliburton, Hearst, Huntsville, Iroquois Falls, Kapuskasing, Kemptville, Niagara Falls, North Bay, Parry Sound, Prescott, St. Catharines, Stratford, Sturgeon Falls and Timmins, Ontario

*Application 2012-0497-4, received 25 April 2012*

*Public hearing in Montréal, Quebec*

*10 September 2012*

### **Various radio programming undertakings – Acquisition of assets**

*The Commission **approves** the application by Vista Radio Ltd. for authority to acquire from Haliburton Broadcasting Group Inc. (Haliburton) the assets of Haliburton's AM and FM radio stations located in the communities listed above. New broadcasting licences for those stations will be issued subject to the terms and conditions of licence set out in Appendix 2 to this decision.*

### **The application**

1. The Commission received an application by Vista Radio Ltd. (Vista) for authority to acquire from Haliburton Broadcasting Group Inc. (Haliburton) the assets of Haliburton's AM and FM radio programming undertakings and their transmitters located in Bancroft, Barry's Bay, Bolton, Bracebridge, Caledon, Cochrane, Elliot Lake, Espanola, Fort Erie, Haldimand, Haliburton, Hearst, Huntsville, Iroquois Falls, Kapuskasing, Kemptville, Niagara Falls, North Bay, Parry Sound, Prescott, St. Catharines, Stratford, Sturgeon Falls and Timmins, Ontario, and for new broadcasting licences to continue the operation of the undertakings under the same terms and conditions as those in effect under the current licences.<sup>1</sup> The Commission did not receive any interventions in connection with this application. A list of the undertakings to be acquired as part of the present transaction (including rebroadcasting transmitters where relevant) is set out in Appendix 1 to this decision.

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<sup>1</sup> The Commission notes that it approved applications by Haliburton to operate FM radio stations in Barry's Bay and Prescott in Broadcasting Decisions 2011-20 and 2011-698, respectively, but that these stations have not yet launched and no broadcasting licences have been issued for them.

2. Vista is a corporation controlled by Westerkirk Capital Inc., in turn controlled by Thompson Investments Limited.
3. Haliburton is the licensee of the radio stations located in the above-noted communities across Ontario.
4. In Broadcasting Notice of Consultation 2012-370, the Commission noted that Haliburton, for some of its stations, appeared to be in non-compliance with certain of its regulatory requirements. Specifically, for CKNR-FM Elliot Lake, it appears that the licensee is in non-compliance with section 15 of the *Radio Regulations, 1986* (the Regulations), which pertains to contributions to Canadian content development (CCD), for the 2008-2009 broadcast year. For CKJN-FM Haldimand, it appears that the licensee is in non-compliance with the station's condition of licence relating to Canadian talent development<sup>2</sup> (CTD) for the 2007-2008 and 2008-2009 broadcast years.

### **Commission's analysis and decisions**

5. After examining the application in light of applicable regulations and policies, the Commission considers that the issues it must address are the following:
  - the assessment of the value of the transaction;
  - the assessment of the proposed tangible benefits package;
  - the unfulfilled benefits from previous transactions;
  - the licensee's non-compliance with its obligations relating to CCD and CTD;
  - the acquisition of the assets of radio stations recently acquired by Haliburton, and the Commission's licence trafficking policy; and
  - the acquisition of the assets of radio stations recently authorized to Haliburton, and the Commission's licence trafficking policy.

### **Assessment of the value of the transaction**

6. Pursuant to the Asset Purchase Agreement dated 7 February 2012 (the Agreement), the purchase price for the transaction is \$31,500,000. Following certain adjustments, the applicant calculated the value of the transaction to be \$32,335,415.
7. The Commission notes that according to the proposed transaction, the applicant would not be assuming any debt, but that it would be assuming leases. In the present case, as per the notes to Haliburton's financial statements dated 31 August 2011 (the Financial Statements), the value of the lease commitments amounts to \$2,712,445.

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<sup>2</sup> This condition of licence is set out in the appendix to Broadcasting Decision 2005-169.

8. Of this amount, the applicant deducted \$1,208,127 for the value of leases not to be assumed by the purchaser. Further, the applicant deducted \$687,103 for lease payments to be made until closing. As a result, the applicant calculated the total value of assumed leases to be \$817,215.
9. It is Commission practice to calculate the value of assumed leases as of the date of the transaction (in the present case, 7 February 2012) rather than as of the closing date.<sup>3</sup> Accordingly, the Commission has not accepted the deduction made by the applicant to that effect (i.e., \$687,103). The Commission has therefore calculated the total value of assumed leases to be \$1,504,318.
10. The Commission notes that the Financial Statements do not include the financial obligations associated with radio stations recently purchased by Haliburton in Bolton and Caledon (see Broadcasting Decision 2012-148) because these stations were acquired months after the preparation of the Financial Statements. The applicant confirmed that it will be assuming the leases that Haliburton assumed in that transaction, which amount to \$54,855.
11. In addition, Haliburton recently received authorization to launch three new radio stations in Barry's Bay, Kemptville and Prescott. The Commission notes that these stations are not included in the Financial Statements. The applicant confirmed that it will be assuming two leases for the Kemptville station, and that there are no leases with respect to the other two stations. The value of these assumed leases for the Kemptville station amounts to \$160,875.
12. Finally, the Agreement provides for commercial airtime to be provided to the benefit of the vendor. The applicant originally estimated the value of such commercial airtime to be \$18,200, but then submitted a corrected estimate of \$54,600. The Commission notes that the second amount is included in the value of the transaction.
13. In light of the above, the revised value of the transaction amounts to \$33,274,648. The following table shows the applicant's calculation as well as the Commission's revised calculation.

<b>Items for calculation (including adjustments)</b>	<b>Applicant's calculation (\$)</b>	<b>Commission's calculation (\$)</b>
<b>Purchase price</b>	<b>31,500,000</b>	<b>31,500,000</b>
<b>Assumed debts</b>	<b>0</b>	<b>0</b>
Assumed leases as per the Financial Statements	2,712,445	2,712,445
Deduction for lease payments between the date of the transaction and closing	(687,103)	0
Deduction for leases not assumed	(1,208,127)	(1,208,127)

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<sup>3</sup> In this case, the values listed in the Financial Statements have been used as proxies for the values as of the date of the transaction.

Sub-total for the assumed leases disclosed in the notes to the Financial Statements	817,215	1,504,318
Newly acquired leases not included in the Financial Statements	0	54,855
Newly awarded leases not included in the Financial Statements	0	160,875
<b>Total – Assumed leases</b>	<b>817,215</b>	<b>1,720,048</b>
<b>Commercial airtime</b>	<b>54,600</b>	<b>54,600</b>
<b>Value of the transaction</b>	<b>32,371,815</b>	<b>33,274,648</b>

### Assessment of the proposed tangible benefits package

14. Consistent with the Commission’s tangible benefits policy set out in Broadcasting Public Notice 2006-158 (the Commercial Radio Policy), the applicant proposed a tangible benefits package of \$1,939,000, equal to 6% of the proposed value of the transaction (i.e., \$32,335,415 x 6%).
15. In accordance with the revised value of the transaction, the required value of the proposed tangible benefits package will increase from the proposed \$1,939,000 to \$1,996,400 (rounded) (i.e., \$33,274,648 x 6%).
16. In accordance with Broadcasting Regulatory Policy 2010-499 (the Campus and Community Radio Policy), the Commission directs the applicant to allocate the benefits contributions as follows, spread equally over seven consecutive broadcast years (all dollar figures are rounded):
  - 3% (i.e., \$998,200) to the Radio Starmaker Fund;
  - 1.5% (i.e., \$499,100) to FACTOR;
  - 1% (i.e., \$332,700) to an eligible CCD initiative, at the discretion of the purchaser; and
  - 0.5% (i.e., \$166,400) to the Community Radio Fund of Canada.
17. The applicant indicated that it would direct its discretionary benefits to the MusiCounts Band Aid Grant Program and Canadian Women in Communications (CWC) in support of the CWC/Vista Radio Career Accelerator Program. The Commission notes that the contributions made to the CWC initiative would be devoted to the professional development of radio industry executives, which is not considered an eligible initiative under the Commercial Radio Policy. The applicant is therefore required, by no later than 30 days following the date of this decision, to notify the Commission of the eligible initiative to which the sums will be re-directed in substitution of the contribution to the CWC initiative.

### Unfulfilled benefits from previous transactions

18. The Commission notes the applicant's commitment to honouring Haliburton's unfulfilled tangible benefits commitments resulting from previous transactions. The remaining amounts that must be paid by the applicant are as follows:

Commission decision	Remaining amount (as of 31 August 2011)	Required completion date
Broadcasting Decision 2007-106	\$82,456	31 August 2014
Broadcasting Decision 2010-565	\$7,662	31 August 2016
Broadcasting Decision 2011-110	\$209,612	31 August 2017
Broadcasting Decision 2011-111	\$27,500	31 August 2017
Broadcasting Decision 2011-364	\$318,214	31 August 2017
Broadcasting Decision 2012-148	\$17,091	31 August 2018

### Non-compliance with Canadian content development and Canadian talent development obligations

19. In regard to CKNR-FM Elliot Lake, Commission analysis revealed that Haliburton was in apparent non-compliance with section 15 of the Regulations, which relates to contributions to CCD, for the 2008-2009 broadcast year. Specifically, the licensee had a CCD shortfall of \$100 for that broadcast year. Haliburton explained that it was under the impression that it was supposed to contribute under the old Canadian Association of Broadcasters' plan until the renewal of its licence. When it discovered that its licence was subject to the CCD regime, the licensee paid the additional \$100 in the subsequent broadcast year (i.e., 2009-2010) to ensure compliance. The Commission therefore considers that this shortfall has been rectified.
20. In regard to CKJN-FM Haldimand, Commission analysis revealed that Haliburton was in apparent non-compliance with its condition of licence relating to CTD contributions. Specifically, the licensee had a CTD shortfall of \$10,000 in the 2007-2008 broadcast year<sup>4</sup> and a shortfall of \$20,000 in the 2008-2009 broadcast year. The licensee indicated that it was not possible to contribute to its original commitment involving CTD expenditures being directed to non-profit events that would showcase Canadian talent. The licensee subsequently paid the full \$30,000 shortfall in the 2009-2010 broadcast year. As such, the Commission considers that these shortfalls have also been rectified. The Commission notes that in Broadcasting Decision 2009-558, it approved a request by Haliburton that the missing contributions be directed to FACTOR.

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<sup>4</sup> As set out in Broadcasting Decision 2005-169, this condition of licence stipulates that for the first three years, the licensee shall contribute \$30,000 annually to CTD. However, the licensee only launched its station in February 2008. Therefore a prorated amount of \$15,000 should have been contributed in the 2007-2008 broadcast year.

21. Although all shortfalls have now been paid, the Commission finds that for CKNR-FM Elliot Lake, the licensee was in non-compliance with section 15 of the Regulations, and that for CKJN-FM Haldimand, it was in non-compliance with its condition of licence relating to CTD contributions, for the broadcast years identified above. The Commission reminds the licensee that all contributions owing under the relevant contribution regime must be paid in full by the end of each broadcast year.

### **Acquisition of assets of radio stations recently acquired by Haliburton, and the Commission's licence trafficking policy**

22. The Commission notes that Haliburton recently acquired the radio stations CJJM-FM Espanola, CHGK-FM Stratford, CJCS Stratford, CFSF-FM Sturgeon Falls, CFLZ-FM Fort Erie, CJED-FM Niagara Falls, CJFB-FM Bolton and CFGM-FM Caledon. Vista, in its application, noted that as set out in Broadcasting Information Bulletin 2010-220 (the Licence Trafficking Policy), any licence issued following a decision authorizing a change in effective control would be excluded from the application of the Licence Trafficking Policy. Vista further stated that the broadcasting licences for the above-noted radio stations were granted to Haliburton long before negotiations between Haliburton and Vista began, and that Vista was acquiring the radio stations for the same amount Haliburton paid when it acquired them.

23. The Commission notes that the broadcasting licences for the aforementioned radio stations were issued following a decision authorizing a previous change in effective control, and that those radio stations form part of a much larger transaction in that they represent only eight of the 22 stations Haliburton intends to transfer to Vista. Accordingly, the Commission determines that the sale of those radio stations does not fall within the scope of its Licence Trafficking Policy.

### **Acquisition of assets of radio stations recently authorized to Haliburton, and the Commission's licence trafficking policy**

24. As part of its application, Vista requested the authority to acquire from Haliburton the assets of the radio stations located in Barry's Bay, Kemptville and Prescott. It also requested a new broadcasting licence for the radio station in Kemptville, as well as prior approval for the transfer of the authority granted to Haliburton to operate FM radio stations in Prescott and Barry's Bay and for the issuance of licences to Vista once such authority can be implemented, under the same terms and conditions as those found in Broadcasting Decision 2011-698 (for Prescott) and in Broadcasting Decision 2011-20 (for Barry's Bay).

25. In this regard, the applicant referenced the Licence Trafficking Policy, which states that transactions involving a licence granted through a non-competitive process do not undermine the integrity of the licensing process and consequently are excluded from the scope of the Licence Trafficking Policy. Further, Vista argued that it was in the interest of those small markets to ensure that the radio stations would be launched as soon as possible. The applicant claimed that a requirement to file new applications for

these markets would be inefficient, would engage Commission resources needlessly, and could jeopardize implementation of the stations in a timely fashion, thus depriving the affected communities of local radio services.

26. The Commission notes that its Licence Trafficking Policy does not apply when the original licence was granted following a non-competitive process, as in this case. It further notes that Vista has not assigned a value to these undertakings, that Haliburton would not benefit from the sale of these undertakings, and that denying Vista's request would only delay the implementation of new local services in Barry's Bay and Prescott. Accordingly, the Commission is satisfied that the integrity of the licensing process is not undermined under the circumstances.

## **Conclusion**

27. In light of the above, the Commission **approves** the application by Vista Radio Ltd. for authority to acquire from Haliburton Broadcasting Group Inc. the assets of Haliburton's AM and FM radio programming undertakings and their transmitters located in Bancroft, Barry's Bay, Bolton, Bracebridge, Caledon, Cochrane, Elliot Lake, Espanola, Fort Erie, Haldimand, Haliburton, Hearst, Huntsville, Iroquois Falls, Kapuskasing, Kemptville, Niagara Falls, North Bay, Parry Sound, Prescott, St. Catharines, Stratford, Sturgeon Falls and Timmins, Ontario.
28. For the radio stations located in Bancroft, Bolton, Bracebridge, Caledon, Cochrane, Espanola, Fort Erie, Haliburton, Huntsville, Iroquois Falls, Kapuskasing, Kemptville, Niagara Falls, North Bay, Parry Sound, Stratford, Sturgeon Falls and Timmins, the Commission determines that the licensee is in compliance with the Regulations and with the stations' conditions of licence. Accordingly, upon surrender of the broadcasting licences currently issued to Haliburton for the radio stations located in the above-noted communities, the Commission will issue new broadcasting licences to Vista. These licences will expire 31 August 2019. The terms and **conditions of licence** for these stations are set out in Appendix 2.
29. In regard to the radio stations located in Elliot Lake (CKNR-FM) and Haldimand (CKJN-FM), the Commission has considered appropriate licence renewal terms in light of Broadcasting Information Bulletin 2011-347, in which it announced a revised approach to dealing with instances of non-compliance. In that information bulletin, the Commission noted in particular that each instance of non-compliance would be evaluated in light of factors such as quantity, recurrence and seriousness of the non-compliance. It also noted that it would consider the circumstances leading to the non-compliance in question, the licensee's arguments, and the measures taken to rectify the situation.
30. Consistent with this revised approach, and taking into account the circumstances related to the non-compliance and the immediate measures taken by Haliburton to correct the shortfalls discussed above, the Commission considers that for CKNR-FM, a licence term of six years would be appropriate, and that for CKJN-FM, a licence term of five years would be appropriate. Accordingly, upon surrender of the

broadcasting licence currently issued to Haliburton for CKNR-FM, the Commission will issue a new licence to Vista, which will expire 31 August 2018. Upon surrender of the broadcasting licence currently issued to Haliburton for CKJN-FM, the Commission will issue a new licence to Vista, which will expire 31 August 2017. The terms and **conditions of licence** for these stations are also set out in Appendix 2. The Commission notes that these short-term licence renewals will allow for an earlier review of Vista's compliance with the Regulations and with its conditions of licence for those stations.

31. As noted above, broadcasting licences have not yet been issued for the radio stations located in Barry's Bay and Prescott. Once Vista has satisfied the terms set out in Broadcasting Decisions 2011-20 and 2011-698, which are repeated (with adjustments) in Appendix 2 to the present decision, the Commission will issue broadcasting licences to operate the radio stations approved in those decisions.

Secretary General

#### **Related documents**

- *Notice of hearing*, Broadcasting Notice of Consultation CRTC 2012-370, 10 July 2012
- *CJFB-FM Bolton and CFGM-FM Caledon – Acquisition of assets*, Broadcasting Decision CRTC 2012-148, 14 March 2012
- *English-language FM radio station in Prescott*, Broadcasting Decision CRTC 2011-698, 10 November 2011
- *CFLZ-FM Niagara Falls and CKEY-FM Fort Erie and its transmitter CKEY-FM-1 St. Catharines – Acquisition of assets*, Broadcasting Decision CRTC 2011-364, 8 June 2011
- *Revised approach to non-compliance by radio stations*, Broadcasting Information Bulletin CRTC 2011-347, 26 May 2011
- *CFSF-FM Sturgeon Falls – Acquisition of assets*, Broadcasting Decision CRTC 2011-111, 21 February 2011
- *CJCS and CHGK-FM Stratford – Acquisition of assets*, Broadcasting Decision CRTC 2011-110, 21 February 2011
- *English-language FM radio station in Barry's Bay*, Broadcasting Decision CRTC 2011-20, 12 January 2011
- *CJJM-FM Espanola – Acquisition of assets*, Broadcasting Decision CRTC 2010-565, 12 August 2010

- *Campus and community radio policy*, Broadcasting Regulatory Policy CRTC 2010-499, 22 July 2010
- *Revised criteria for the application of the licence trafficking policy*, Broadcasting Information Bulletin CRTC 2010-220, 19 April 2010
- *CKJN-FM Haldimand County – Licence amendment*, Broadcasting Decision CRTC 2009-558, 3 September 2009
- *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009
- *CFDR Halifax – Conversion to FM band*, Broadcasting Decision CRTC 2007-106, 4 April 2007
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *English-language FM radio station in Haldimand County*, Broadcasting Decision CRTC 2005-169, 20 April 2005

*\*This decision is to be appended to each licence.*

## **Appendix 1 to Broadcasting Decision CRTC 2012-577**

**Undertakings to be acquired as part of the transaction approved in the present decision (rebroadcasting transmitters indicated in parentheses)**

CFBG-FM Bracebridge  
CFBK-FM Huntsville  
CFGM-FM Caledon  
CFIF-FM Iroquois Falls  
CFLZ-FM Fort Erie (CKEY-FM-1 St. Catharines)  
CFSF-FM Sturgeon Falls  
CFXN-FM North Bay  
CFZN-FM Haliburton  
CHBY-FM Barry's Bay  
CHGK-FM Stratford  
CHMS-FM Bancroft  
CHMT-FM Timmins  
CHPB-FM Cochrane  
CJCS Stratford  
CJED-FM Niagara Falls  
CJFB-FM Bolton  
CJIM-FM Espanola  
CKAP-FM Kapuskasing (CKHT-FM Hearst)  
CKJN-FM Haldimand  
CKLP-FM Parry Sound  
CKNR-FM Elliot Lake (CKNR-FM-1 Elliot Lake)  
CKPP-FM Prescott  
CKVV-FM Kemptville

## Appendix 2 to Broadcasting Decision CRTC 2012-577

### Terms and conditions of licence for the undertakings to be acquired as part of the transaction approved in the present decision

#### Terms

**Term for CFBG-FM Bracebridge, CFBK-FM Huntsville, CFGM-FM Caledon, CFIF-FM Iroquois Falls, CFLZ-FM Fort Erie and its transmitter CKEY-FM-1 St. Catharines, CFSF-FM Sturgeon Falls, CFXN-FM North Bay, CFZN-FM Haliburton, CHGK-FM Stratford, CHMS-FM Bancroft, CHMT-FM Timmins, CHPB-FM Cochrane, CJCS Stratford, CJED-FM Niagara Falls, CJFB-FM Bolton, CJJM-FM Espanola, CKAP-FM Kapuskasing and its transmitter CKHT-FM Hearst, CKLP-FM Parry Sound and CKVV-FM Kemptville**

The licences will expire 31 August 2019.

**Term for CKNR-FM Elliot Lake and its transmitter CKNR-FM-1 Elliot Lake**

The licence will expire 31 August 2018.

**Term for CKJN-FM Haldimand**

The licence will expire 31 August 2017.

**Terms for CKPP-FM Prescott (repeated from English-language FM radio station in Prescott, Broadcasting Decision CRTC 2011-698, 10 November 2011, with adjustments)**

The licence will expire 31 August 2019.

The new station will operate at 107.9 MHz (channel 300A) with an average effective radiated power (ERP) of 1,000 watts (maximum ERP of 4,200 watts with an effective height of antenna above average terrain of 120 metres).

The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department of Industry 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 **10 November 2013**, unless a request for an extension of time is approved by the Commission before that date. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before that date.

**Terms for CHBY-FM Barry's Bay (repeated from *English-language FM radio station in Barry's Bay*, Broadcasting Decision CRTC 2011-20, 12 January 2011, with adjustments)**

The licence will expire 31 August 2019.

The new station will operate on frequency 106.5 MHz (channel 293B) with an effective radiated power of 12,000 watts (non-directional antenna with an effective height of antenna above average terrain of 127 metres).

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 **12 January 2013**, unless a request for an extension of time is approved by the Commission before that date. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before that date.

### **Conditions of licence**

**Standard conditions of licence applicable to CFBG-FM Bracebridge, CHMS-FM Bancroft, CKLP-FM Parry Sound, CKAP-FM Kapuskasing and its transmitter CKHT-FM Hearst, CHPB-FM Cochrane, CFIF-FM Iroquois Falls, CHMT-FM Timmins, CKNR-FM Elliot Lake and its transmitter CKNR-FM-1 Elliot Lake, CFXN-FM North Bay, CKJN-FM Haldimand, CFBK-FM Huntsville, CJJM-FM Espanola, CHGK-FM Stratford, CJCS Stratford, CFSF-FM Sturgeon Falls, CJED-FM Niagara Falls, CFLZ-FM Fort Erie and its transmitter CKEY-FM-1 St. Catharines, CJFB-FM Bolton, CFGM-FM Caledon, CKVV-FM Kemptville, CKPP-FM Prescott and CHBY-FM Barry's Bay**

1. The licensee shall adhere to the conditions set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009.

**Standard conditions of licence applicable to CFZN-FM Haliburton and CFSF-FM Sturgeon Falls**

2. The licensee shall adhere to the conditions set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009, with the exception of condition of licence 8 relating to the solicitation of local advertising, which does not apply to stations operating in a single-station market.

**Condition of licence specific to CFZN-FM Haliburton**

3. The licensee shall make direct expenditures of at least \$5,000 in each broadcast year to the development of Canadian talent.

**Condition of licence specific to CFIF-FM Iroquois Falls**

4. The licensee shall devote a minimum of \$1,000 per year in direct expenditures to support the development of Canadian talent.

**Condition of licence specific to CFXN-FM North Bay**

5. In addition to the basic annual contribution to Canadian content development (CCD) set out in section 15 of the *Radio Regulations, 1986*, as amended from time to time, the licensee shall, upon commencement of operations, make an annual contribution of \$5,000 to the promotion and development of Canadian content.

Of this amount, the licensee shall allocate no less than 20% per broadcast year to FACTOR or MUSICACTION. The remainder of this additional CCD contribution shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

**Conditions of licence specific to CKJN-FM Haldimand**

6. 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), in any broadcast week:
- (a) devote, in that broadcast week, 60% or more 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 the period from Monday to Friday of the same broadcast week, 60% or more of its musical selections from content category 2 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.

7. In order to fulfill its total contribution of \$290,000 over seven broadcast years for the development of Canadian talent as set out in *English-language FM radio station in Haldimand County*, Broadcasting Decision CRTC 2005-169, 20 April 2009, the licensee shall distribute its remaining payments to the development of Canadian talent as follows:

2012-2013 broadcast year: \$50,000  
2013-2014 broadcast year: \$10,000

8. The licensee shall refrain from soliciting local advertising in Brantford and in the Town of Simcoe, Ontario.

**Conditions of licence specific to CJJM-FM Espanola**

9. 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), in any broadcast week, devote, between 6:00 a.m. and

6:00 p.m., in the period from Monday to Friday of the same 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 Regulations.

10. The licensee shall, in each broadcast week, broadcast 10 hours of content category 3 (Special interest music) musical selections.

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

11. In addition to the basic annual contribution, the licensee shall contribute a minimum of \$800 annually to the promotion and development of Canadian content. This amount is over and above the licensee’s required basic annual Canadian content development contribution. Of this amount, \$200 shall be allocated to FACTOR. The remainder, \$600 per year, shall be allocated to local initiatives and to funding for local musicians.

**Condition of licence specific to CJCS Stratford**

12. 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), in any broadcast week where at least 90% of musical selections from content category 2 (Popular music) that it broadcasts are selections released before 1 January 1981:

- (a) devote, in that broadcast week, 30% or more of its musical selections from content category 2 to Canadian selections broadcast in their entirety; and

- (b) devote, between 6:00 a.m. and 6:00 p.m., in the period from Monday to Friday of the same broadcast week, 30% or more of its musical selections from content category 2 to Canadian selections broadcast in their entirety.

The licensee shall specify, on the music lists it provides to the Commission, the year of release for all musical selections it broadcasts.

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.

**Condition of licence specific to CJED-FM Niagara Falls**

13. 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), in any broadcast week where at least 90% of musical selections from content category 2 (Popular music) that it broadcasts are selections released before 1 January 1981.

(a) devote, in that broadcast week, 30% or more of its musical selections from content category 2 to Canadian selections broadcast in their entirety; and

(b) devote, between 6:00 a.m. and 6:00 p.m., in the period from Monday to Friday of the same broadcast week, 30% or more of its musical selections from content category 2 to Canadian selections broadcast in their entirety.

The licensee shall specify, on the music lists it provides to the Commission, the year of release for all musical selections it broadcasts.

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.

**Condition of licence specific to CFLZ-FM Fort Erie and its transmitter CKEY-FM-1 St. Catharines**

14. During each broadcast week, the licensee shall broadcast, at a minimum, three hours of news programming. Of this amount, a minimum of 30% (54 minutes) each week shall be devoted to local news of direct and particular relevance to Fort Erie and the Niagara region.

**Conditions of licence specific to CFGM-FM Caledon**

15. 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), in any broadcast week:

(a) devote, in that broadcast week, a minimum of 75% 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 the period from Monday to Friday of the same broadcast week, a minimum of 75% of its musical selections from content category 2 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.

16. 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 from time to time, the licensee shall, upon commencement of operations, make an annual contribution of \$300 (\$2,100 over seven consecutive broadcast years) to the promotion and development of Canadian content.

Of this amount, the licensee shall allocate no less than 20% per broadcast year to FACTOR. The remaining amounts of this additional CCD contribution shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

**Conditions of licence specific to CKVV-FM Kemptville**

17. 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 that broadcast week, 40% or more 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 the period from Monday to Friday of the same broadcast week, 40% or more of its musical selections from content category 2 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.

18. 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 from time to time, the licensee shall, upon commencement of operations, make an annual contribution to CCD of \$6,000 per broadcast year (for a total of \$42,000 over seven consecutive broadcast years).

Of this amount, the licensee shall allocate no less than 20% per broadcast year to FACTOR. The remaining amounts of this additional CCD contribution shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

**Conditions of licence specific to CKPP-FM Prescott**

19. 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), in any broadcast week:

(a) devote, in that broadcast week, 40% or more 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 the period from Monday to Friday of the same broadcast week, 40% or more of its musical selections from content category 2 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.

20. In addition to the basic annual contribution to Canadian content development (CCD) set out in section 15 of the *Radio Regulations, 1986*, as amended from time to time, the licensee shall, upon commencement of operations, make an annual contribution of \$5,000 per broadcast year (for a total of \$35,000 over seven consecutive broadcast years) to the promotion and development of Canadian content.

Of this amount, the licensee shall allocate no less than 20% per broadcast year to FACTOR or MUSICACTION. The remainder of this additional CCD contribution shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

**Conditions of licence specific to CHBY-FM Barry's Bay**

21. 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), in any broadcast week:

(a) devote, in that broadcast week, 40% or more 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 the period from Monday to Friday of the same broadcast week, 40% or more of its musical selections from content category 2 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.

22. In addition to the basic annual contribution to Canadian content development (CCD) set out in section 15 of the *Radio Regulations, 1986*, as amended from time to time, the licensee shall, upon commencement of operations, make an annual contribution of \$6,000 (\$42,000 over seven consecutive broadcast years) to the promotion and development of Canadian content.

Of this amount, the licensee shall allocate no less than 20% per broadcast year to FACTOR or MUSICACTION. The remainder of this additional CCD contribution shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.