



Broadcasting Decision CRTC 2020-181

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Reference: Part 1 application posted on 12 July 2019

Ottawa, 5 June 2020

Bayshore Broadcasting Corporation

Orillia, Ontario

Public record for this application: 2019-0418-6

CISO-FM Orillia – Licence amendment

*The Commission **approves** an application by Bayshore Broadcasting Corporation to amend the broadcasting licence of the English-language commercial radio station CISO-FM Orillia, Ontario by deleting its condition of licence relating to content category 3 (Special Interest Music).*

Application

1. Bayshore Broadcasting Corporation (Bayshore) filed an application to amend the broadcasting licence of the English-language commercial radio station CISO-FM Orillia, Ontario, by deleting its condition of licence relating to content category 3 (Special Interest Music).
2. Specifically, Bayshore requested the deletion of condition of licence 3 set out in the appendix to *Various commercial radio stations - Licence renewals*, Broadcasting Decision CRTC 2015-208, 21 May 2015, which read as follows:
 3. The licensee shall, in any broadcast week, devote a minimum of 12% of all musical selections broadcast to musical selections drawn from content category 3 (Special Interest Music).
3. The licensee submitted that local advertisers are dissatisfied with their rate of return following the purchase of category 3 music block time and that there is virtually no national advertising currently carried during this block.
4. The licensee also indicated that it operates as a stand-alone radio station in Orillia where it competes with Bell Media Inc. (Bell Media), one of the largest broadcasting companies in Canada.
5. Finally, the licensee argues that the proposed amendment is necessary for the financial viability of CISO-FM.
6. The Commission did not receive any interventions regarding this application.

Regulatory framework

7. Section 9(1) of the *Broadcasting Act* authorizes the Commission to issue licences subject to such conditions related to the circumstances of the licensee as the Commission deems appropriate for the implementation of the broadcasting policy set out in section 3(1) and to amend any condition on application of the licensee. The Commission considers these types of applications on a case-by-case basis.
8. In general, the Commission expects licensees of radio stations that were granted licences through a competitive process to maintain their original conditions of licence for at least the first licence term and to be in compliance with the conditions of licence they are seeking to amend or delete. It also expects applicants to demonstrate a compelling need and to submit any other relevant factors that would support the proposal.

Commission's analysis and decisions

9. After examining the public record for this application in light of applicable regulations and policies, the Commission considers that it must address the following issues:
 - whether Bayshore demonstrated a compelling economic need to justify the amendment;
 - whether the proposed licence amendment would have an undue negative impact on incumbent stations in the market; and
 - whether the amendment would undermine the integrity of the Commission's original licensing processes.

Has Bayshore demonstrated a compelling economic need to justify the amendment?

10. The Commission notes that the licensee has suffered significant financial losses in the past five years and in the event that the application is denied, the applicant projects to incur further financial losses. Even after offering significant discounts and promotions, Bayshore was unable to improve the interest of advertisers and listeners during CISO-FM's category 3 music programming blocks. CISO-FM is also competing against CICX-FM, a station that is owned and operated by Bell Media.
11. In light of the above, the Commission finds that the applicant has demonstrated sufficient economic need to justify the amendment.

Would the proposed licence amendment have an undue negative impact on incumbent stations in the market?

12. CICX-FM, which operates a country music format, does not have a condition of licence to broadcast a minimum percentage of content category 3 music.

13. The Commission notes that Bayshore's projected total increase in advertising would represent a negligible share of the market's total advertising revenues in 2019.
14. In light of the above, the Commission finds that the proposed amendment would not have an undue negative impact on the incumbent station in the market.

Would the amendment undermine the integrity of the Commission's original licensing processes?

15. In general, the Commission expects licensees of radio stations that were granted licences through a competitive process to maintain their original conditions of licence for at least the first licence term and to be in compliance with the conditions of licence they are seeking to amend or delete.
16. The first licence term for CISO-FM ended in 2015 and it is currently operating in its second licence term. A monitoring evaluation of the music programming broadcast on CISO-FM determined that the licensee was fully compliant with its conditions of licence involving the content category 3 music. Therefore, the Commission is satisfied that the applicant has demonstrated compliance with the regulatory requirement it is seeking to remove.
17. Additionally, the Commission considers that CISO-FM would continue to offer an independent news voice as well as programming that is unique to the Orillia market.
18. In light of the above, the Commission finds that approval of the amendment would not undermine the Commission's original licensing process.

Conclusion

19. In light of all of the above, the Commission **approves** the application by Bayshore Broadcasting Corporation to delete CISO-FM Orillia's condition of licence relating to Special Interest Music.

Secretary General

This decision is to be appended to the licence.

Appendix to Broadcasting Decision CRTC 2020-181

Conditions of licence for the English-language commercial radio programming undertaking CISO-FM Orillia, Ontario.

Conditions of licence

1. The licensee shall adhere to the conditions of licence set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009, as well as to the conditions set out in the broadcasting licence for the undertaking.
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), in any broadcast week:
 - devote, in that broadcast week, a minimum of 40% of its musical selections from content category 2 (Popular Music) to Canadian selections broadcast in their entirety; and
 - devote, between 6 a.m. and 6 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 meanings set out in the Regulations.