



## Broadcasting Decision CRTC 2006-180

Ottawa, 3 May 2006

**Newcap Inc.**  
Ottawa, Ontario

*Application 2006-0284-8*  
*Broadcasting Public Notice CRTC 2006-50*  
*13 April 2006*

### **CILV-FM Ottawa – Licence amendment**

*The Commission **approves** an application to amend CILV-FM Ottawa's condition of licence that specifies its required expenditures on Canadian talent development, in order to redirect \$700,000 from the Radio Starmaker Fund to Aboriginal Voices Radio (AVR) for the purpose of developing programming and implementing AVR's national radio network. The \$700,000 contribution to AVR may be paid either in a one-time lump sum, or in \$100,000 yearly payments over seven consecutive broadcast years.*

### **The application**

1. The Commission received an application by Newcap Inc. (Newcap) to amend the broadcasting licence for the radio programming undertaking CILV-FM Ottawa, in order to amend its condition of licence that specifies its required expenditures on Canadian talent development (CTD).
2. CILV-FM's current CTD condition of licence is set out in *English-language alternative rock FM radio station in Ottawa*, Broadcasting Decision CRTC 2005-253, 23 June 2005 (Decision 2005-253), and reads as follows:
  3. The licensee shall make direct expenditures of at least \$7 million over seven consecutive years on the development and promotion of Canadian talent, as detailed in this decision. Upon commencement of operation, this amount shall be distributed over seven consecutive broadcast years as follows:
    - \$400,000 in each broadcast year to the Radio Starmaker Fund;
    - \$50,000 in each broadcast year to the Nepean School of Music to support its annual summer music skills clinic and to develop an intensive year-long training program for selected students who wish to form a band; and
    - \$550,000 in each broadcast year to support three local bands, at least one of which will be an alternative rock band, chosen by a panel of judges and to provide sustained support for the band of the year.

3. In its application, Newcap proposed to redirect \$100,000 in each broadcast year over seven consecutive years from the Radio Starmaker Fund (Starmaker) to Aboriginal Voices Radio (AVR) for the purpose of developing programming and implementing AVR's national radio network.
4. Newcap acknowledged that its proposed contribution to AVR would not meet the Commission's eligibility criteria for contributions to CTD, as set out in Appendix 1 to *An FM policy for the nineties*, Public Notice CRTC 1990-111, 17 December 1990 (Public Notice 1990-111). However, Newcap submitted that there is a lack of Aboriginal programming on Canadian radio and that Aboriginal musical and artistic talent is deprived of radio airplay in Canada. Accordingly, in Newcap's view, its proposed contribution to AVR to assist it in developing programming and implementing its national radio network would provide an important benefit to the Canadian broadcasting system in accordance with section 3(1)(o) of the *Broadcasting Act* (the Act).
5. Newcap provided letters of support for its proposal by AVR and by the Canadian Association of Broadcasters (CAB), on behalf of Starmaker.

### **Interventions**

6. The Commission received interventions in connection with this application by the Canadian Independent Record Production Association (CIRPA) and by Starmaker.
7. CIRPA stated that a letter from the CAB does not constitute a letter from Starmaker. According to CIRPA, Starmaker never provided its support for the proposal and the application should therefore be denied.
8. For its part, Starmaker confirmed that it did not provide a letter of support to Newcap for this application. Nevertheless, Starmaker stated that it takes no position in this matter but that it "supports all broadcasters and the CRTC in determining the best use of CTD contributions with input from stakeholders and the public in general."

### **Applicant's reply**

9. In response, Newcap apologized for the misunderstanding noted in the interventions with respect to Starmaker's position on this application. Newcap nevertheless submitted that Starmaker's approval of the redirection of funds is not required for the disposition of this application.
10. Newcap also stated that, in its original application for a broadcasting licence to operate a radio station to serve Ottawa, it had proposed to contribute \$100,000 in each broadcast year to AVR.

## Commission's analysis and determination

11. In Newcap's original application for a radio broadcasting licence to serve Ottawa, it proposed to contribute \$100,000 in each broadcast year over seven consecutive years to Aboriginal Voices Radio Network (AVRN) to fund the salary, travel and office expenses to staff a new position of coordinator of Aboriginal talent. In Decision 2005-253, the Commission found that, consistent with the guidelines set out in Public Notice 1990-111, Newcap's proposed contribution to AVRN did not warrant acceptance as an eligible CTD initiative. In accordance with Newcap's commitment made at the 1 December 2004 public hearing, the Commission, directed Newcap to reallocate the proposed annual \$100,000 contribution to Starmaker.
12. In its evaluation of Newcap's present application to redirect this contribution back to AVR, the Commission has taken into consideration the fact that, under CILV-FM's current CTD condition of licence, the licensee must spend a minimum of \$1 million in each broadcast year, or \$7 million over seven consecutive years on CTD. Under the CTD plan established by the CAB and accepted by the Commission in *Contributions by radio stations to Canadian talent development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995 (Public Notice 1995-196), licensees serving markets the size of Ottawa are required, by condition of licence, to contribute a minimum yearly amount of \$8,000 to CTD. Accordingly, the Commission notes that, even if Newcap were permitted to redirect \$100,000 of its required annual CTD expenditures from Starmaker to AVR, the licensee's minimum required expenditures in this regard far exceed the minimum requirements set out in Public Notice 1995-196.
13. In the present case, the Commission notes that Newcap proposed to allocate funding to AVR for the purpose of developing programming and implementing its national radio network. The Commission considers that, while Newcap's proposed funding for AVR would not contribute directly to CTD, it would certainly contribute to the achievement of the objective set out in section 3(1)(o) of the Act, which states that "programming that reflects the aboriginal cultures of Canada should be provided within the Canadian broadcasting system as resources become available for the purpose." Accordingly, the Commission is satisfied that Newcap's proposed contribution to AVR would provide a benefit to the Canadian broadcasting system.
14. In light of the above, the Commission **approves** the application by Newcap Inc. to amend the broadcasting licence for the radio programming undertaking CILV-FM Ottawa, in order to amend its condition of licence that specifies its required expenditures on CTD. The Commission authorizes the licensee to redirect \$700,000 of its current required CTD expenditures from the Radio Starmaker Fund to Aboriginal Voices Radio (AVR) for the purpose of developing programming and implementing AVR's national radio network. The \$700,000 contribution to AVR may be paid either in a one-time lump sum or in \$100,000 yearly payments to be made over seven consecutive broadcast years. **Conditions of licence** to that effect are set out below.

3. The licensee shall make direct expenditures of at least \$6.3 million over seven consecutive years on the development and promotion of Canadian talent. Upon commencement of operation, this amount shall be distributed over seven consecutive broadcast years as follows:
  - \$300,000 in each broadcast year to the Radio Starmaker Fund;
  - \$50,000 in each broadcast year to the Nepean School of Music to support its annual summer music skills clinic and to develop an intensive year-long training program for selected students who wish to form a band; and
  - \$550,000 in each broadcast year to support three local bands, at least one of which will be an alternative rock band, chosen by a panel of judges and to provide sustained support for the band of the year.
4. The licensee shall devote a minimum of \$700,000 to Aboriginal Voices Radio (AVR), to be paid either in a one-time lump sum or in \$100,000 yearly payments over seven consecutive broadcast years, for the purpose of developing programming and implementing AVR's national radio network.

Secretary General

*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>*