



Broadcasting Decision CRTC 2010-328

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Route reference: 2009-793

Ottawa, 31 May 2010

Sound of Faith Broadcasting

London, Ontario

Application 2009-0026-8, received 8 January 2009

CHJX-FM London – Licence renewal

The Commission renews the broadcasting licence for the low-power, English-language commercial specialty radio station CHJX-FM London from 1 June 2010 to 31 August 2011. This short-term licence renewal will enable the Commission to review, at an earlier date, the licensee's compliance with the Radio Regulations, 1986 and its conditions of licence.

Introduction

1. The Commission received an application by Sound of Faith Broadcasting (Sound of Faith) to renew the broadcasting licence for the low-power, English-language commercial specialty FM radio programming undertaking CHJX-FM London, which expires 31 May 2010.¹ The Commission did not receive any interventions in connection with this application.
2. In Broadcasting Notice of Consultation 2009-793, the Commission stated that the licensee may have failed to comply with section 9(2) of the *Radio Regulations, 1986* (the Regulations), which relates to the filing of annual returns for the broadcast years 2006 through 2008. The Commission also noted that Sound of Faith may have failed to comply with its condition of licence relating to Canadian talent development (CTD) contributions for the 2007 and 2009 broadcast years.

Commission's analysis and determinations

3. After examining the application in light of applicable regulations and policies, the Commission considers that the issues to be addressed in its determinations relate to the following:
 - the provision of annual returns, and

¹ The current licence was administratively renewed from 1 January 2010 until 31 May 2010 in Broadcasting Decision 2009-785 and from 1 September 2009 to 31 December 2009 in Broadcasting Decision 2009-506.

- contributions to CTD.

Provision of annual returns

4. As set out in section 9(2) of the Regulations:

On or before November 30 of each year, a licensee shall submit to the Commission a statement of accounts, on the annual return of broadcasting licensee form, for the year ending on the previous August 31.

The Commission notes that the annual returns for CHJX-FM for the 2006, 2007 and 2008 broadcast years were filed after the 30 November deadline for each of those broadcast years. Sound of Faith stated that this was due to an oversight by inexperienced staff and noted that, in order to ensure future compliance in regard to the filing of annual returns, it has centralized all of its bookkeeping functions in Kitchener and will file all necessary returns in a timely fashion in the future. The Commission considers that the late filing of the annual returns for CHJX-FM constitutes non-compliance with the licensee's requirements relating to the provision of those returns, and, consequently, that a short-term renewal period for CHJX-FM would be appropriate.

Contributions to Canadian talent development

5. CHJX-FM's condition of licence relating to contributions to CTD, set out in Broadcasting Decision 2002-416, reads as follows:

The licensee shall contribute a minimum of \$5,000.00 per year in direct cost expenditures toward the development of Canadian talent. This will entail holding an annual talent contest for all styles of Christian music with the winners having an opportunity to record a CD. In addition, the licensee will put out a compilation CD of the top 18 artists in the talent contest.

6. The Commission notes that, although the licensee surpassed its required CTD contributions for certain broadcast years, it incurred shortfalls in its contributions for the 2007 and 2009 broadcast years, resulting in a total shortfall of \$449.97 from the broadcast years 2004 through 2010. The Commission further notes that the licensee failed to direct its CTD contribution for the 2007 and 2009 broadcast years to an annual talent contest and to the proposed compilation CD of the top 18 artists in that talent contest. In addition, in a letter to the Commission dated 28 September 2009, the licensee indicated that it had incurred a CTD expenditure shortfall for the 2009 broadcast year.
7. According to Sound of Faith, the 2007 CTD shortfall was due to having two management changes at the station within a six-month period, with the resulting instability making it impossible to put together a committee that could host a talent search. It stated that it expects to fulfil its CTD obligations by August 2010 and that it is willing to sponsor the talent search event held in Kitchener by CJTW-FM Kitchener, another of its stations, and make a cash contribution to that event.

8. The Commission considers that the above proposal regarding the Kitchener talent search event would be acceptable as long as the licensee submits to the Commission the appropriate proof of payment demonstrating that the CTD expenses were directed to support a third party (i.e., the talent search).
9. Finally, in regard to the compilation CD noted in its CTD condition of licence, Sound of Faith stated that it was not able to fulfil this requirement as it was unable to attract eighteen contestants to any talent search.
10. The Commission considers that the above constitute non-compliance with the licensee's CTD obligations. In addition, the Commission notes that the fulfillment of those obligations is a condition of approval for the licensee's new FM radio station in London, which is discussed below. Accordingly, the Commission considers that, in this regard, a short-term renewal period of two years for CHJX-FM is warranted.

Conclusion

11. The Commission therefore **renews** the broadcasting licence for the low-power, English-language commercial specialty FM radio programming undertaking CHJX-FM London from 1 June 2010 to 31 August 2011, two years from the original expiry date of 31 August 2009. The licence will be subject to the **conditions** set out in the appendix to this decision.

Other matters

12. In Broadcasting Decision 2009-39, the Commission approved an application by Sound of Faith for a broadcasting licence to operate a new Christian music specialty FM radio programming undertaking to serve London, which would replace the low-power station CHJX-FM. However, in light of the above-noted non-compliance issues, the Commission issued a short-term licence for the new FM radio station, to expire 31 August 2012, and indicated that approval of that application was subject to the Commission's notification of the acceptability of the following documentation to be submitted by the licensee:
 - proof of CHJX-FM's payments made to various CTD initiatives, as required in Broadcasting Decision 2002-416, and
 - a breakdown of CHJX-FM's payments made and a detailed description of the initiatives sponsored with those payments, so as to allow the Commission to determine the eligibility of the initiatives.

The Commission also stated that, if certain payments made by Sound of Faith were directed to ineligible recipients, it must, as a condition of approval for the new FM radio station, redirect funding to eligible initiatives before 30 June 2009 in order to fulfil its prior CTD contributions.

13. The documents requested by the Commission were filed by the licensee on 29 April 2009. In regard to the above-noted shortfall in the licensee's required CTD contributions, the Commission notes that Sound of Faith has not yet met the condition of approval set out in Broadcasting Decision 2009-39 as there is still a shortfall in regard to those required contributions. The Commission considers that the short-term licence renewal term approved in the present decision will provide the licensee with the time it needs to implement the new FM station, while permitting the Commission to evaluate the licensee's compliance with CHJX-FM's condition of licence relating to CTD prior to the launch of the new station.
14. Accordingly, the Commission **directs** the licensee to submit, no later than **3 August 2010** a report indicating proof of payment on its outstanding CTD contribution of \$449.97. Upon confirmation of full payment of the licensee's CTD shortfall, the Commission will consider that Sound of Faith has met its condition of approval for the new FM radio station approved in Broadcasting Decision 2009-39.

Secretary General

Related documents

- *Notice of applications received*, Broadcasting Notice of Consultation CRTC 2009-793, 21 December 2009
- *Administrative renewals*, Broadcasting Decision CRTC 2009-785, 17 December 2009
- *Administrative renewals*, Broadcasting Decision CRTC 2009-506, 20 August 2009
- *Licensing of new radio stations to serve London, Ontario*, Broadcasting Decision CRTC 2009-39, 2 February 2009
- *Low-power Christian music FM radio station in London*, Broadcasting Decision CRTC 2002-416, 9 December 2002

**This decision is to be appended to the licence.*

Appendix to Broadcasting Decision CRTC 2010-328

Conditions of licence and encouragement

Conditions of licence

1. The licence will be subject 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 number 7.
2. The station shall be operated within the Specialty format as defined in *A Review of certain matters concerning radio*, Public Notice CRTC 1995-60, 21 April 1995, and *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000, as amended from time to time.
3. A minimum of 95% of all musical selections broadcast during each broadcast week shall be devoted to selections drawn from subcategory 35 (Non-classic religious).
4. The licensee shall not broadcast more than four minutes of advertising material per clock hour.
5. The licensee shall adhere to the guidelines on ethics for religious programming as set out in section IV of *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993, as amended from time to time.

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.