



Broadcasting Decision CRTC 2021-93

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Reference: Part 1 licence renewal application posted on 30 October 2020

Ottawa, 24 February 2021

South Fraser Broadcasting Inc.
Surrey, British Columbia

Public record for this application: 2019-0815-4

CISF-FM Surrey – Licence renewal

*The Commission **renews** the broadcasting licence for the English-language commercial radio station CISF-FM Surrey, British Columbia, from 1 March 2021 to 31 August 2024. This short-term renewal will allow for an earlier review of the licensee's compliance with its regulatory requirements.*

Application

1. The Commission has the authority, pursuant to section 9(1) of the *Broadcasting Act*, to issue and renew licences for such terms not exceeding seven years and subject to such conditions related to the circumstances of the licensee as it deems appropriate for the implementation of the broadcasting policy set out in section 3(1) of the *Broadcasting Act*.
2. On 3 June 2019, the Commission issued Broadcasting Notice of Consultation 2019-194, which listed the radio stations for which the broadcasting licences would expire 31 August 2020 and therefore needed to be renewed to continue their operations. In that notice of consultation, the Commission requested that the licensees of those stations submit renewal applications for their broadcasting licences.
3. In response, South Fraser Broadcasting Inc. (South Fraser) filed an application to renew the broadcasting licence for the English-language commercial radio station CISF-FM Surrey, British Columbia, which expires 28 February 2021.¹ The Commission did not receive any interventions in regard to this application.

Issues

4. 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:

¹ The original licence expiry date for this station was 31 August 2020. The licence was administratively renewed from 1 September 2020 until 28 February 2021 as a result of Broadcasting Decision 2020-284.

- whether the licensee operated CISF-FM without a broadcasting licence for a period immediately following the launch of the station; and
- the licensee's apparent non-compliance with requirements relating to the filing of annual returns and with CISF-FM's condition of licence relating to over-and-above Canadian content development (CCD) contributions.

Did the licensee operate CISF-FM without a broadcasting licence for a period immediately following the launch of the station?

5. In order to broadcast in whole or in part in Canada, a broadcasting undertaking must have a licence from the Commission or operate subject to an exemption. In this regard, section 32 of the *Broadcasting Act* makes it an offence for any person to carry on a broadcasting undertaking without a licence or without authority pursuant to a valid exemption.
6. Pursuant to section 22(1) of the *Broadcasting Act*, no licence shall be issued by the Commission unless the Department of Industry (the Department) certifies to the Commission that the applicant has satisfied the requirements of the *Radiocommunication Act* and the regulations made thereunder, and has been or will be issued a broadcasting certificate with respect to the radio apparatus that the applicant would be entitled to operate under the licence. In accordance with sections 22(3) and 22(4) of the *Broadcasting Act*, any licence issued in contravention of section 22 is of no force or effect.
7. In Broadcasting Decision 2014-412, following a competitive public hearing, the Commission approved an application by South Fraser for a broadcasting licence to operate a new English-language FM radio station to serve Surrey, which would launch as CISF-FM. In Appendix 2 to that decision, the Commission set out the following standard terms relating to the issuance of the broadcasting licence for the station:

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 Commission will only issue a licence for this undertaking 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 6 August 2016. 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.

8. On 26 April 2016, Commission staff informed South Fraser that the 24-month period to launch the station would expire on 6 August 2016. In its reply, the licensee indicated that the station would be ready to commence operations in May 2016; this launch date was confirmed in subsequent correspondence provided by the licensee during the present renewal process. It is important to note that no broadcasting licence was issued by the Commission in May 2016.

9. On 4 May 2016, South Fraser informed the Department that the station was in full operational mode. In its reply, the Department indicated that it needed to receive further documentation before the Minister of Industry² (the Minister) would issue a broadcasting certificate for the station. The broadcasting certificate for CISF-FM that was finally issued by the Minister under the *Radiocommunication Act* indicated an effective date of 14 March 2017. Once the Commission received the broadcasting certificate from the Department, it issued to South Fraser a broadcasting licence for CISF-FM, which covered the period from 27 March 2017 to 31 August 2020.
10. It therefore appears that, for a period beginning in May 2016 and ending in March 2017, South Fraser was carrying on a broadcasting undertaking without a licence issued by the Commission, contrary to the *Broadcasting Act*.
11. When questioned by the Commission on the above, South Fraser acknowledged that it had been broadcasting without a broadcasting licence as of 1 May 2016, but submitted that this was not intentional. According to the licensee, it thought that its reply to the Commission's April 2016 correspondence satisfied the requirement to inform the Commission of the station's pending launch date, and that the broadcasting licence was therefore *de facto* issued.³ South Fraser added that the consultant who usually oversaw the station's adherence to regulatory requirements passed away during that time. Finally, the licensee stated that the issuance of the broadcasting licence in March 2017 did not suggest to it that the station had been operating without a licence since May 2016.
12. In light of the above, the Commission finds that from May 2016 to 27 March 2017, the licensee carried on a broadcasting undertaking without a valid broadcasting licence issued by the Commission, contrary to the provisions of the *Broadcasting Act*. It furthermore considers that the licensee's regulatory obligations and licence conditions attached to the broadcasting licence for CISF-FM have been in effect since 27 March 2017, the date on which the broadcasting licence issued by the Commission entered into force. Consequently, the Commission's assessment of the licensee's regulatory compliance in regard to its regulatory requirements will begin as of that date.

Non-compliance

Filing of annual returns

13. Section 10(1)(i) of the *Broadcasting Act* authorizes the Commission, in furtherance of its objects, to make regulations requiring licensees to submit to the Commission such information regarding their programs and financial affairs or otherwise relating to the conduct and management of their affairs as the regulations may specify.

² Minister of Innovation, Science and Industry

³ The licensee indicated that it had also notified the Department of this in a separate correspondence, and provided proof of that correspondence to the Commission.

14. Pursuant to this authority, the Commission made section 9(2) of the *Radio Regulations, 1986* (the Regulations), which requires licensees to file an annual return, including financial statements, by no later than 30 November of a given year for the broadcast year ending the previous 31 August. The specific filing requirements, including the requirement to file financial statements, are set out in Broadcasting Information Bulletin 2011-795.
15. In a letter dated 6 October 2020, the Commission informed the licensee that the station's annual return for the 2016-2017 broadcast year did not include financial statements.
16. In its reply, South Fraser stated that it did not prepare formal financial statements for CISF-FM in time given that it was not aware that such statements were required.
17. The licensee added that the missing financial statements for the 2016-2017 broadcast year would be filed by 16 October 2020, and that all future financial statements would be prepared earlier to ensure that they are included in the annual returns filed each 30 November. The Commission notes, however, that the licensee filed the missing financial statements for the 2016-2017 broadcast year on 28 November 2020, almost three years after the deadline set out in the Regulations and more than 40 days after what it had promised in its reply.
18. In light of the above, the Commission finds the licensee in non-compliance with section 9(2) of the Regulations for the 2016-2017 broadcast year.

Canadian content development contributions

19. Sections 3(1)(e) and (s) of the *Broadcasting Act* declare that each element of the Canadian broadcasting system shall contribute in an appropriate manner to the creation and presentation of Canadian programming, and that private networks and programming undertakings should, to an extent consistent with the financial and other resources available to them, contribute significantly to the creation and presentation of Canadian programming.
20. Pursuant to the authority granted by section 9(1) of the *Broadcasting Act*, and consistent with sections 3(1)(e) and 3(1)(s)(i), the Commission has imposed conditions of licence requiring programming undertakings to contribute in various ways to the creation of Canadian programming, including imposing CCD contribution requirements.
21. In Broadcasting Decision 2014-412, the original licensing decision for CISF-FM, consistent with a proposal by South Fraser to make an over-and-above CCD contribution of \$700,000 over seven consecutive broadcast years, the Commission imposed the following condition of licence, set out in Appendix 2 to that decision:

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 from time to time, the licensee shall, upon commencement of operations, make an annual contribution of \$100,000 (\$700,000 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. 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.

22. Given that a broadcasting licence was granted for CISF-FM in March 2017, the Commission determines that the 2016-2017 broadcast year was the station's first year of operation. As the station was authorized by the Commission to operate for only part of that broadcast year (i.e., from 27 March 2017 to 31 August 2017), the licensee should have made a pro-rated contribution of \$41,667, with the remainder (\$58,333) to be paid at the end of the first seven-year licence term.⁴ For the station's first broadcast year, the licensee claimed a payment of \$6,600.⁵ However, this payment was only made in November 2020, with no proof of payment provided. Consequently, the Commission finds that the licensee did not make a CCD contribution for the 2016-2017 broadcast year, resulting in a CCD contribution shortfall of \$41,667.
23. As set out in Broadcasting Information Bulletin 2011-795, radio station licensees are required to provide to the Commission proof of payment for CCD contributions made, as well as the links between all supporting documentation and the payments made, as identified in the CCD form.⁶
24. For the 2017-2018 broadcast year, South Fraser reported CCD contributions totalling \$100,000, which were allocated to FACTOR, the Surrey School Board, the City of Surrey, Kwantlen Polytechnic University and the British Columbia Institute of Technology (BCIT). However, according to Commission records, in regard to the contributions directed to the Surrey School Board, the City of Surrey and BCIT, which amounted to \$75,000, the documents filed by the licensee did not provide sufficient proof of eligibility to clearly demonstrate the use of the funds and how the

⁴ For an explanation of pro-rated CCD contributions, see Broadcasting Information Bulletin 2009-251.

⁵ In fact, the licensee claimed this payment for the 2015-2016 broadcast year given that, as noted above, the station was in operation as of 1 May 2016, prior to being granted a broadcasting certificate and a broadcasting licence. Given that the 2016-2017 broadcast year was the station's first year of operation, the Commission determined that it would be appropriate to apply the \$6,600 CCD contribution to that broadcast year. However, due to insufficient proof of payment, this payment is deemed ineligible.

⁶ As specified in paragraph 16 of that information bulletin: "Supporting documentation must clearly indicate the name of the recipient of the CCD payment, the amount paid and the cheque and/or invoice number, and include copies of cancelled cheques or receipts, as well as documentation supporting the eligibility of the supported initiative."

expenditures were in line with the Commission's specification set out in paragraph 19 of Broadcasting Information Bulletin 2011-795. Further, in regard to a \$20,000 contribution allocated to FACTOR for the same broadcast year, the required proof of payment was not provided to the Commission.

25. For the 2019-2020 broadcast year, South Fraser also reported a CCD contribution of \$20,000 directed to FACTOR. However, the required proof of payment for this contribution showed that the payment was made in November 2018 and, therefore, that the contribution covered a broadcast year different than that reported by the licensee. This payment was therefore accepted but allocated to the 2018-2019 broadcast year requirement. Additionally, the required \$20,000 payment to FACTOR was not claimed as part of the 2017-2018 broadcast year annual return.
26. Consequently, the Commission finds that for the 2017-2018 and 2019-2020 broadcast years, the licensee incurred a CCD contribution shortfall of \$115,000.
27. South Fraser submitted that genuine confusion on its part over what the Commission considered to be the station's launch date was the reason behind the CCD contribution shortfall incurred for the 2016-2017 broadcast year. Specifically, it stated that following discussions with Commission staff, it understood that it had until the end of the full seven-year licence term to fulfill the CCD contribution requirements for the part of the 2016-2017 broadcast year that followed the station's launch. The licensee added that the downturn in the economy stemming from the COVID-19 pandemic affected its ability to make other required payments to FACTOR, and that it was unable to make contributions to other initiatives given that, due to the pandemic, the target institutions identified in its application were not in a position to confirm that they could meet the eligibility criteria regarding CCD contributions.
28. In regard to the missing proof of payment for the 2016-2017 broadcast year, the licensee submitted that as a first time broadcaster, it was not aware of the 30 November reporting requirement. It added that the Commission, believing that the station had not launched, did not send out a reminder or notice to report in the fall of 2016.⁷
29. In regard to the missing proof of eligibility for the 2017-2018 broadcast year, South Fraser indicated that it filed documentation to demonstrate the eligibility of the initiatives to which it directed CCD contributions, and submitted that it was in compliance with the requirement to make payment and did not incur a shortfall.
30. In regard to the 2019-2020 broadcast year, the licensee indicated that, according to its records, both the receipt and the invoice were filed through the Commission's website. Nevertheless, South Fraser refiled these documents as part of its reply to the Commission. It expressed the view that since the payments were made, it would be unfair and unnecessary to require any additional CCD contributions and to impose a condition of licence relating to the shortfall. Nevertheless, the licensee stated that it

⁷ The Commission notes that in 2017, it did send such a reminder to the licensee.

would be more diligent in the future in making sure files are uploaded into the Commission's web-based Data Collection System (DCS) as part of its annual returns.

31. In light of the above, the Commission finds the licensee in non-compliance with condition of licence 3 set out in Appendix 2 to Broadcasting Decision 2014-412 for the 2016-2017, 2017-2018 and 2019-2020 broadcast years. The total CCD contribution shortfall incurred by the licensee over that period of time is \$156,667 (i.e., \$41,667 for the 2016-2017 broadcast year and \$115,000 for the 2017-2018 and 2019-2020 broadcast years).

Regulatory measures

32. The Commission's approach to non-compliance by radio stations is set out in Broadcasting Information Bulletin 2014-608. Under that approach, each instance of non-compliance is evaluated in its context and in light of factors such as the number, recurrence and seriousness of the instances of non-compliance. The circumstances leading to the non-compliance, the arguments provided by the licensee and the actions taken to rectify the situation are also considered.
33. As set out in Broadcasting Regulatory Policy 2014-554, for stations that are in non-compliance, and depending on the nature of the non-compliance, the Commission may apply, on a case-by-case basis, measures such as renewing the licence for a short term; imposing additional conditions of licence; calling the licensee to a public hearing to respond to and discuss apparent non-compliance; issuing a mandatory order requiring the licensee to comply with regulatory requirements; or suspending, not renewing, or revoking the licence.
34. In regard to the operation of CISF-FM without a broadcasting licence in contravention of the *Broadcasting Act*, for the period beginning in May 2016 and ending 27 March 2017, the Commission considers that the licensee's error is severe as it constitutes an offence pursuant to section 32(1) of the *Broadcasting Act*. The Commission further considers, however, that the error was made in good faith and under exceptional circumstances. In this regard, the licensee provided the Commission with an exchange of emails showing that it had directed its consultant to contact the Commission and the Department to advise of the station's commencement of operations. Further, the licensee subsequently rectified the situation by obtaining, in March 2017, both the broadcasting certificate from the Department and a broadcasting licence from the Commission. Given that the licensee promptly remedied this situation and now operates its broadcasting undertaking in accordance with the provisions of the *Broadcasting Act*, the Commission does not consider that any additional measures are required in this regard.
35. The Commission notes the licensee's willingness to ensure the station's compliance with regulatory requirements. However, given the above, and given the seriousness of the licensee's non-compliance with requirements relating to the filing of annual returns and to over-and-above CCD contributions, the Commission finds that it would be appropriate to renew the broadcasting licence for CISF-FM for a short-term period, which will allow for an earlier review of the licensee's compliance with its regulatory requirements.

36. It is important that radio station licensees fulfill their CCD contribution requirements. In Broadcasting Public Notice 2006-158, the Commission emphasized the importance of radio station licensees making their required CCD contributions to eligible initiatives, given that these initiatives not only help to develop and advance the careers of emerging Canadian artists, but also increase the supply of high-quality Canadian music in a variety of genres and the demand for Canadian music by listeners. Failure by licensees to make their required CCD contributions therefore causes harm to the broadcasting system; the loss of funds provided through such contributions has a negative impact on the creation of new Canadian content, which can have long-term implications for Canadian artists and the presentation of Canadian content.

37. South Fraser's commitment to make an over-and-above CCD contribution formed part of its application for a broadcasting licence to operate a radio station in Surrey, which was approved by the Commission in the context of a competitive licensing hearing. The licensee is now subject to a condition of licence relating to that over-and-above CCD contribution. Further, the CCD contribution shortfall incurred by South Fraser resulted in a loss to the Canadian broadcasting system. As a consequence, the Commission finds that it would be appropriate to require the licensee to rectify the shortfall relating to its over-and-above CCD contributions for the 2016-2017, 2017-2018 and 2019-2020 broadcast years, which, as noted above, amounts to \$156,667, and to make equal payments each representing half of that amount, with the first payment to be made by no later than **31 August 2021** and the second payment to be made by no later than **31 August 2022**. A **condition of licence** to that effect is set out in the appendix to this decision.

38. In regard to non-compliance with requirements relating to CCD contributions, the Commission may, in addition to requiring a licensee to rectify the shortfall, require the licensee to make an additional CCD contribution equivalent to the amount of the shortfall as a remedial measure for the harm caused to the broadcasting system. As for the amount that would be appropriate to impose on a licensee as an additional contribution, the Commission may take into account factors such as the following:

- the nature, severity and recurrence of the non-compliance;
- the circumstances surrounding the non-compliance, such as any demonstrated, legitimate attempt by the licensee to comply with its regulatory obligations;
- the harm caused to the Canadian broadcasting system by the non-compliance;
- whether and when any CCD contribution shortfall has been repaid; and
- the annual revenues of the licensee.

39. When questioned on the possible imposition of an additional CCD contribution as a remedial measure to compensate for the loss incurred to the broadcasting system, South Fraser stated that given the current economic crisis, it hopes that the Commission takes a longer-term view of imposing an additional financial burden on an independent broadcaster. It added that the Commission has the financial statements

for CISF-FM and submitted that if the station was profitable or even approaching profitability, such a burden might be sustainable. The licensee further submitted that adding to the station's financial burden at this time would do more harm to the broadcasting system by possibly removing an independent voice from that system, which would lead to FACTOR and other initiatives supported by CISF-FM not receiving the ongoing support that a financially viable station provides. Nevertheless, South Fraser, in addition to agreeing to a short-term renewal for the station's broadcasting licence, stated that it would adhere to a condition of licence relating to rectifying the CCD contribution shortfall, but only that incurred for the portion of the 2016-2017 broadcast year during which the station was authorized by the Commission to operate.

40. The Commission considers that South Fraser's non-compliance with its over-and-above CCD contribution requirements is serious. Not only has the non-compliance occurred over a period of almost four years, with none of the shortfall amounts having been rectified, but the total shortfall amount represents a significant portion of the licensee's total CCD contribution obligations through the 2019-2020 broadcast year. In addition, the Commission considers that the licensee's failure to prove that it has complied with its regulatory requirement contributes to the severity of the apparent non-compliance. Finally, as noted above, South Fraser's commitment to make over-and-above CCD contributions was made during a competitive licensing process, where several other applicants were also vying for a broadcasting licence to operate radio stations to serve the Surrey market.
41. However, based on CISF-FM's financial performance, it is the Commission's view that requiring South Fraser to make an additional CCD contribution for the station as a corrective measure could impose an undue financial hardship on the licensee. Accordingly, the Commission does not consider that it would be appropriate to require the licensee to make any additional CCD contributions, other than that to rectify the above-noted CCD contribution shortfall, in regard to its non-compliance with CISF-FM's CCD contribution requirements.

Conclusion

42. In light of all of the above, the Commission **renews** the broadcasting licence for the English-language commercial radio programming undertaking CISF-FM Surrey, British Columbia, from 1 March 2021 to 31 August 2024. The **conditions of licence** are set out in the appendix to this decision.

Remaining Canadian content development contributions

43. CISF-FM's above-noted condition of licence relating to CCD contributions required the licensee to make, upon commencement of operations, an annual over-and-above CCD contribution of \$100,000 (\$700,000 over seven consecutive broadcast years) to the promotion and development of Canadian content. Based on this payment schedule, the licensee will fulfill the above CCD contribution requirement by the end of the 2022-2023 broadcast year, after which it will only be subject to the basic

annual CCD contribution requirement set out in the Regulations. Accordingly, the Commission considers that it would be appropriate to reiterate the condition of licence imposed on CISF-FM in Broadcasting Decision 2014-412, but with modifications to indicate the remaining broadcast years during which the licensee must make over-and-above CCD contributions. This **condition of licence** is set out in the appendix to this decision.

Reminders

Annual returns

44. Licensees are responsible for filing complete annual returns on time, including the financial statements. In addition, as set out in Broadcasting Information Bulletin 2011-795, it is the licensees' responsibility to ensure that all appropriate forms and documentation are included with their annual returns and to contact the Commission if further clarification is required.

Canadian content development contributions

45. It is important that radio station licensees make their required contributions to CCD, given that CCD initiatives not only help to develop and advance the careers of emerging Canadian artists, but increase the supply of high-quality Canadian music in a variety of genres and the demand for Canadian music by listeners. The non-payment of CCD contributions therefore has the potential to cause harm to the Canadian broadcasting system.
46. It is incumbent upon licensees to provide, by the required deadlines, proof of payment to such initiatives. They must also provide sufficient documentation to support the eligibility of their contributions. Failure to do so may result in the Commission finding a contribution ineligible, which in turn may affect a station's compliance with regulatory obligations.

Force and effect of broadcasting licences

47. Pursuant to section 22 of the *Broadcasting Act*, the broadcasting licence renewed in this decision will cease to have any force or effect if the broadcasting certificate issued by the Department lapses.

Secretary General

Related documents

- *Various radio programming undertakings – Administrative renewals*, Broadcasting Decision CRTC 2020-284, 21 August 2020
- *Call for licence renewal applications*, Broadcasting Notice of Consultation CRTC 2019-194, 3 June 2019

- *Update on the Commission's approach to non-compliance by radio stations*, Broadcasting Information Bulletin CRTC 2014-608, 21 November 2014
- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014
- *Licensing of new radio stations to serve Surrey and Vancouver*, Broadcasting Decision CRTC 2014-412, 6 August 2014
- *Filing annual returns for radio programming undertakings*, Broadcasting Information Bulletin CRTC 2011-795, 20 December 2011
- *Clarifications regarding Canadian content development contributions made by commercial radio stations*, Broadcasting Information Bulletin CRTC 2009-251, 5 May 2009

This decision is to be appended to the licence.

Appendix to Broadcasting Decision CRTC 2021-93

Terms, conditions of licence, expectation and encouragement for the English-language commercial radio programming undertaking CISF-FM Surrey, British Columbia

Terms

The licence will expire 31 August 2024.

Conditions of licence

1. The licensee shall adhere to the conditions set out in *Conditions of licence for 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 section 2.2(8) of the *Radio Regulations, 1986* (the Regulations), 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 meanings as those set out in the Regulations.

3. In order to rectify the Canadian content development (CCD) shortfall specified in *CISF-FM Surrey – Licence renewal*, Broadcasting Decision CRTC 2021-93, 24 February 2021, the licensee shall, by no later than the dates indicated below, make the following contributions to CCD, which are over and above the CCD contributions currently required pursuant to the *Radio Regulations, 1986* or by condition of licence:
 - by 31 August 2021: \$78,333.50;
 - by 31 August 2022: \$78,333.50.

These contributions shall be devoted to FACTOR, Musicaction and/or an eligible initiative set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006. In addition, the licensee shall file, by 30 November 2021 for the 31 August 2021 contribution and by 30 November 2022 for the 31 August 2022 contribution, in a form deemed acceptable by the Commission, proof of payment regarding the additional contributions to CCD as well as supporting documentation for the eligibility of the portion of the contributions not made in whole or in part to FACTOR or Musicaction.

4. To fulfill its outstanding commitments to Canadian content development (CCD) set out in Appendix 2 to *Licensing of new radio stations to serve Surrey and Vancouver*, Broadcasting Decision CRTC 2014-412, 6 August 2014, the licensee shall, in addition to the basic annual contribution to CCD set out in section 15 of the *Radio Regulations, 1986*, make contributions of \$100,000 during the 2020-2021 broadcast year, \$100,000 during the 2021-2022 broadcast year, and \$158,333 (the annual over-and-above CCD contribution of \$100,000 and the pro-rated amount of \$58,333 representing the remaining portion of the station's first year of operation) during the 2022-2023 broadcast year to the promotion and development of Canadian content. Of these amounts, no less than 20% per broadcast year shall be devoted to FACTOR or Musicaction. The remainder 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.

Expectation

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

Encouragement

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.