



Broadcasting Decision CRTC 2020-383

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Reference: 2020-262

Ottawa, 27 November 2020

Radius Holdings Inc.

Kelowna, British Columbia

Public record for this application: 2020-0373-9

Public hearing in the National Capital Region

13 October 2020

CKOO-FM Kelowna – Acquisition of assets

*The Commission **approves** an application by Radius Holdings Inc. for authority to acquire the assets of the English-language commercial radio station CKOO-FM Kelowna and to obtain a new broadcasting licence to continue the operation of the station.*

*The Commission **denies** the applicant's request for an exception to the payment of tangible benefits as set out in Broadcasting Regulatory Policy 2014-459.*

Application

1. Radius Holdings Inc. (Radius) filed an application for authority to acquire from Grant Thornton Limited (Grant Thornton), in its capacity as trustee in the bankruptcy of Avenue Radio Ltd. (Avenue), the assets of the English-language commercial radio station CKOO-FM Kelowna, British Columbia. Radius also requested a new broadcasting licence to continue the operation of the undertaking under the same terms and conditions as those in effect under the current licence.
2. Radius is a corporation wholly owned by the Paul Larsen Family Trust. Paul Larsen, a Canadian citizen, is the sole trustee of the Paul Larsen Family Trust and exercises effective control of Radius.
3. Avenue is wholly owned by Early Frost Investments Ltd., which in turn is wholly owned and controlled by Nicholas J. Frost. Avenue declared bankruptcy on 31 March 2020 and Grant Thornton was the appointed trustee.
4. Pursuant to the Confidential Information Memorandum between Radius and Grant Thornton dated 13 May 2020, Radius would purchase the assets of the undertaking for \$500,000. Due to the bankruptcy of Avenue, all leases were terminated and therefore no leases were assumed. Radius therefore proposed a value of the transaction of \$500,000. Radius did not propose tangible benefits and requested an exception to the requirement to pay tangible benefits as provided in Broadcasting Regulatory Policy 2014-459 (the Policy).

5. Following the close of the transaction, Radius would become the licensee of CKOO-FM.

Background

6. CKOO-FM (formerly CJUI-FM) was initially licensed by the Commission in Broadcasting Decision 2008-62 wherein the Commission approved an application by Vista Radio Ltd. to operate an English-language commercial FM radio station in Kelowna. The station commenced operations on 29 September 2008. In Broadcasting Decision 2017-358, the Commission approved an application by Avenue to purchase the assets of CKOO-FM.
7. On 30 March 2020, Avenue informed the Commission that it would like to relinquish its licence and would cease broadcasting on 6 April 2020, by which date it would have filed for bankruptcy.
8. On 31 March 2020, the Commission received a letter and a Certificate of Appointment from Lewis Birnberg Hanet, LLP, legal counsel retained by Grant Thornton, indicating that Avenue had declared bankruptcy and that Grant Thornton was assigned as the licensed insolvency trustee. The letter also sought a temporary suspension of the licence instead of relinquishing the licence, as was originally indicated by Avenue. The letter further informed the Commission that Grant Thornton intended to hold a creditors meeting on 17 April 2020, which would determine whether there may be parties who could acquire the assets of the broadcasting undertaking (subject to Commission approval) to continue the operation of CKOO-FM.
9. Following Avenue's declaration of bankruptcy, CKOO-FM effectively ceased its operations on 6 April 2020.
10. On 17 April 2020, the broadcasting licence for CKOO-FM was discussed at the meeting of Avenue's creditors and among those that had expressed interest in the purchase of Avenue's broadcasting assets, Radius confirmed that it intended to submit a bid. It submitted a proposal to Grant Thornton and, on 10 June 2020, Grant Thornton accepted Radius's offer.

Intervention and replies

11. One intervention was submitted as part of this proceeding by Jim Pattison Broadcast Group Limited Partnership and Stingray Radio Inc. (Stingray) (collectively "the interveners"). The interveners, which each own commercial radio stations in Kelowna, filed a joint intervention opposing the application, to which both the applicant and Grant Thornton replied.
12. On 23 September 2020, following the reply of the applicant and Grant Thornton, the Commission received a second intervention from the interveners as well as a procedural request asking that the second intervention be accepted.

13. On 24 September 2020, Lewis Birnberg Hanet, LLP, counsel for Radius, filed a procedural request asking that either the second intervention be returned and not form part of the record or that the applicant be granted the opportunity to file a final reply.
14. On 30 September 2020, a Commission letter was issued to all parties involved in this matter stating that it would accept the second intervention and that the applicant would have the opportunity to reply to the second intervention.
15. On 5 October 2020, the Commission received a final reply from Lewis Birnberg Hanet, LLP on behalf of the applicant and Grant Thornton.
16. Issues raised in the interventions and the replies are addressed throughout this decision.

Regulatory framework

17. Pursuant to section 5(1) of the *Broadcasting Act* (the Act), the Commission's mandate is to regulate and supervise all aspects of the Canadian broadcasting system in the public interest. When the Commission assesses whether a transaction is in the public interest, it considers the extent to which the transaction enhances the Canadian broadcasting system and contributes to the achievement of the objectives of the broadcasting policy for Canada, as set out in section 3(1) of the Act. The review of ownership transactions in the public interest forms part of the Commission's regulatory and supervisory mandate under the Act.
18. Since the Commission does not solicit competitive applications for changes in effective control of broadcasting undertakings, the onus is on the applicant to demonstrate that approval is in the public interest, that the benefits of the transaction are commensurate with the size and nature of the transaction, and that the application represents the best possible proposal under the circumstances. The Commission must consider each application on its merits, based on the specific circumstances of the application. In addition, the Commission must be assured that approval of a proposed ownership transaction furthers the public interest as expressed in the objectives set out in section 3(1) of the Act.

Commission's analysis and decisions

19. 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:
 - status of the licence;
 - whether the transaction is in the public interest;
 - the value of the transaction;
 - tangible benefits; and
 - programming requirements.

Status of the licence

20. Radius applied to acquire the assets of CKOO-FM according to section 11(4) of the *Radio Regulations, 1986* (the Regulations), which requires that the prior approval of the Commission be obtained in respect of any act, agreement or transaction that directly or indirectly would result in a change to the effective control of a broadcasting undertaking.

Position of the interveners

21. The interveners argued that, when it shut down the station, Avenue had abandoned the licence for CKOO-FM. They cited the termination of Avenue's transmitter lease as proof that it had abandoned both its broadcasting licence issued by the Commission and the broadcasting certificate issued by Innovation Science and Economic Development (ISED).
22. As a result, the interveners argued that the application should be denied and if the Commission were to approve the transaction, the Commission should first issue a competitive call for new applications, including an evaluation of the ability of the Kelowna market to support an additional commercial radio station.
23. The interveners further noted that Grant Thornton had indicated that the licence had been suspended when it had advised creditors that the station had ceased operations and it was seeking potential buyers. These concerns were reiterated in the interveners' second intervention.

Replies

24. In its reply, Grant Thornton referred to section 24(1) of the Act which states:

24(1) No licence shall be suspended or revoked under this Part unless the licensee applies for or consents to the suspension or revocation unless, after a public hearing in accordance with section 18, the Commission is satisfied that

- (a) the licensee has contravened or failed to comply with any condition of the licence or with any order made under subsection 12(2) or any regulation made under this Part; or
 - (b) the licence was, at any time within the two years immediately preceding the date of publication in the *Canada Gazette* of the notice of the public hearing, held by a person to whom the licence could not have been issued at that time by virtue of a direction to the Commission issued by the Governor in Council under this Act.
25. Grant Thornton stated that it did not apply for revocation of CKOO-FM's licence and consequently the Commission did not issue a public notice in accordance with section 18(1)(b) of the Act which could lead to a revocation. Grant Thornton also confirmed that the broadcasting certificate for CKOO-FM, issued by ISED, had not been revoked. Additionally, Grant Thornton submitted that there is no provision listed on the certificate or the standard conditions of licence for CKOO-FM that would result in automatic revocation in the event that broadcast operations were paused.

26. Grant Thornton indicated that it had immediately retained counsel following the issuance of the Certificate of Appointment on 31 March 2020 and then contacted the Commission fewer than 72 hours after the issuance of the Certificate to inform the Commission of its situation, along with potential timelines for a creditor meeting. Notwithstanding the difficulties experienced during the early onset of the COVID-19 pandemic, which saw the imposition of national restrictions affecting business operations, Grant Thornton successfully organized virtual creditor meetings, compiled lists of assets and contacted prospective purchasers of the assets, all within the timelines required under the *Bankruptcy and Insolvency Act*. The trustee submitted that it had operated expeditiously and in good faith, which led to an application being filed for transfer of control at the earliest possible time.
27. In response to the interveners' proposal that the Commission perform an evaluation of the market, Grant Thornton stated that such a position is completely contrary to the policy framework set out in Broadcasting Public Notice 2008-4 and the revised criteria for the application of the licence trafficking policy set out in Broadcasting Information Bulletin 2010-220. In this regard, Grant Thornton submitted that Avenue was granted approval to acquire CKOO-FM in 2017 and has operated the station for more than one complete licence term, which means that it qualifies for a licence transfer without a competitive call for applications.
28. With respect to the transmitter site, Grant Thornton indicated that when the Canadian Broadcasting Corporation (CBC), which owns the transmitter site, provided notice of termination of the agreement for use of the site, Grant Thornton entered into direct discussions with the CBC to ensure that the transmitting equipment remained in place pending the disposition of assets and approval of the transfer of ownership by the Commission.
29. In the final reply, counsel representing both Radius and Grant Thornton addressed the matter of licence suspension. Counsel stated there was no suspension of the broadcasting licence in the sense set out in the Act. Counsel explained that Grant Thornton inadvertently used the phrase "licence suspended" to advise creditors that the station had ceased operations while potential buyers were sought, however the trustee's report also clarified to creditors that any transfer of assets would be subject to CRTC approval.

Commission's analysis and decision

30. Section 9(1)(b) of the Act states that the Commission may issue licences for such terms not exceeding seven years and 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). It is pursuant to that authority that the Commission, in Broadcasting Decision 2017-358, granted Avenue a broadcasting licence expiring 31 August 2024 for CKOO-FM. While Avenue ceased to operate the station, due to its bankruptcy, there was no action completed on the Commission's part to either suspend or revoke CKOO-FM's broadcasting licence. Licences granted by the Commission are authorizations to broadcast, not obligations to do so. Further, the broadcasting certificate from ISED remains valid.

31. The interveners argued that Avenue and Grant Thornton abandoned the licence when CKOO-FM went off the air. However, the Commission is of the view that this position is not borne out by the facts of this case. Grant Thornton acted expeditiously and in good faith to seek a potential viable operator for CKOO-FM at the creditors meeting and by informing the Commission that the potential buyer would submit an application. This, in combination with a search for a potential buyer, demonstrates a good faith effort to expeditiously resume operations. In this regard the Commission notes that Grant Thornton accepted a proposal on 10 June 2020 and, by 19 June 2020, the current application was submitted to the Commission.
32. Accordingly, the Commission finds the licence for CKOO-FM continues to be validly issued and of full legal effect. As a result, the application to transfer the assets of CKOO-FM can be considered by the Commission.

Public interest

33. To determine whether a proposed transaction is in the public interest, the Commission takes into account a wide set of factors set out in the Act, including the nature of programming and service to the communities involved as well as regional, social, cultural, economic and financial considerations. The Commission must be persuaded that the proposed transaction benefits Canadians and the broadcasting system.

Applicant's position

34. According to Radius, CKOO-FM has been serving the Kelowna market with a soft adult contemporary music format and providing local news. Radius stated that it would relaunch the format so that local citizens 45 years of age and older would once again have a service featuring their music preference and advertisers wishing to target that audience would once again have a dedicated radio option.
35. Radius submitted that approval of the application would maintain the diversity of news voices in the Kelowna market through an experienced locally owned and operated independent broadcaster. Radius remained confident in its ability to acquire or create local news content and would allocate appropriate resources towards news programming.
36. Mr. Larsen, who will operate the station, was born and raised in British Columbia and has resided in Kelowna since 2013. Radius stated that Mr. Larsen has 33 years of experience in all aspects of the broadcasting industry and would be able to provide the station with a strong local focus and the attention it requires to have long-term viability and success in the competitive Kelowna market.
37. Radius also submitted that it has crafted a modern business plan for CKOO-FM that will utilize the latest technologies to provide the highest quality local service. This will provide CKOO-FM with the opportunity to be a modern local media company that can compete successfully in the market.

Position of the interveners

38. In their joint intervention, the interveners referred to the Canadian Association of Broadcasters' (CAB) report *The Crisis in Canadian Media and the Future of Public Broadcasting*, an economic study conducted by Communications Management Inc. According to the interveners, the CAB report indicates that the most vulnerable operations are AM stations as well as independent and other private radio and TV stations in smaller markets, such as Kelowna, across Canada.
39. The interveners raised concerns about the impact that the COVID-19 pandemic has had and continues to have on their operations. They submitted that the pandemic did not cause many of the current problems, but rather accelerated negative trends already in place. They cautioned that, when the pandemic ends, it would be unrealistic to expect traditional media to return immediately to pre-pandemic economic levels.
40. Accordingly, the interveners submitted the Kelowna market cannot support the number of stations that are presently licenced for the market, even with the continued shutdown of CKOO-FM, and requested that the application by Radius be denied.

Replies

41. Radius did not dispute the contents of the CAB report but noted that the data is national in scope, does not detail regional differences, and does not separate profitability of AM and FM stations.
42. Radius did not underestimate the impact that the COVID-19 pandemic has had on local radio. While it realizes local radio advertising has not rebounded to pre-pandemic levels, it stated that there has most certainly been a rise since June 2020.
43. Radius re-iterated its position that it was not introducing a new service to the Kelowna market but rather returning a service that has existed in Kelowna since 2008.

Commission's analysis and decision

44. Excluding CKOO-FM, there are six commercial stations serving the Kelowna radio market. Two are owned by Jim Pattison Broadcast Group, one by Stingray and three by Bell Media Inc. In 2019, the market garnered revenues of \$9.3 million with a profit before income and tax (PBIT) margin of -19%. The market's revenues have remained stable in the past five years with a compound annual growth rate (CAGR) of -1%, while PBIT remained negative throughout.
45. While the Commission acknowledges that the Kelowna market has seen a significant loss in revenue in the months following the start of the COVID-19 pandemic, it is of the view that approval of the acquisition of CKOO-FM by Radius is unlikely to further exacerbate the situation. The Commission also notes that the interveners are part of large broadcasting groups with significant resources and synergies while CKOO-FM under Radius would be an independent player. Further, the station's projected revenue share is consistent with historical levels and the lowest among radio broadcasters in the market.

46. The Commission further considers that Mr. Larsen's experience as an independent broadcaster in smaller markets would improve the station's chances at achieving long-term viability.

47. In light of the above, the Commission finds that the transaction is in the public interest.

Value of the transaction

48. For the purpose of calculating tangible benefits, the Commission looks at the value of the transaction as a whole, including the value of the gross debt, working capital to be transferred at closing, ancillary agreements, any leases assumed by the purchaser for real property (buildings, studios and offices), and transmission facilities.

Applicant's position

49. Radius proposed a value of the transaction of \$500,000, which is the purchase price for CKOO-FM. Since the assets are being purchased out of bankruptcy, all leases have terminated.

Position of the interveners

50. The interveners did not comment on the value of the transaction.

Commission's analysis and decision

51. The Commission notes that CKOO-FM is off-air, no longer has office space, and the licence with the CBC for use of the transmitter site has been terminated.

52. Further, the asset purchase agreement does not include any leases or ancillary agreements to be assumed by the purchaser as part of this transaction. In these circumstances, the Commission is of the view that it would be inappropriate to ascribe a hypothetical value to possible future leases or ancillary agreements that Radius may enter into.

53. Accordingly, the Commission accepts Radius's proposal that the value of the transaction be \$500,000.

Tangible benefits

54. As set out in the Policy, commercial enterprises typically purchase commercial undertakings because they anticipate that such acquisitions will ultimately serve their financial interests. In their estimation, despite the possible risks, the long-term benefit, whether strategic or purely financial, will outweigh those risks. In the absence of a competitive licensing process for transfers of ownership or control of radio or television services, the Commission generally requires purchasers to make significant and unequivocal financial contributions to the broadcasting system as a whole and to the communities served by the services in question. These contributions, known as tangible benefits, are defined as direct financial contributions that are made to Canadian content development and represent at least 6% of the value of a transaction for radio services.

55. While the Policy provides for an exception to the payment of tangible benefits, the onus is on the applicant to show that the exception is in the public interest. The Policy sets out the following three criteria that should be met for an exception to be granted:

1. the undertaking to be acquired is not in its first licence term (many undertakings take up to one full term from the time of licensing to achieve profitability);
2. the undertaking has suffered significant financial losses over an extended period of time (that is, for at least five consecutive years following the first licence term); and
3. the purchaser demonstrates that there is a public interest either for the broadcasting system as a whole or the community served in maintaining the failing undertaking.

56. The Policy also states that the Commission may use its discretion at all times and that an exception will not necessarily be granted even if the three criteria are met.

Tangible benefits stemming from the current transaction

Applicant's position

57. Radius requested that the Commission provide it with an exception to the payment of tangible benefits. With respect to the first two criteria, Radius noted that the undertaking being acquired is not in its first licence term and that CKOO-FM has suffered significant financial losses over an extended period of time. Radius also stated that CKOO-FM was unprofitable through its first licence term and has remained unprofitable through five consecutive years of its second licence term.

58. With respect to the third criteria, Radius argued that there is significant public benefit for both the broadcasting system and the community served by maintaining a local and independently owned radio service that has been serving the community since 2008. Additionally, Radius submitted that it has significant broadcasting experience, which would assist in bringing the station back on-air and provide CKOO-FM with the opportunity to be a modern local media company that can compete successfully with digital competitors. Furthermore, Radius stated that it is confident in its ability to acquire or create local news content and will allocate appropriate resources to news programming.

59. Radius stated, however, that it was willing to pay tangible benefits should the Commission deny its request for an exception.

Position of the interveners

60. The interveners submitted that Kelowna is not an underserved market, and Radius has not demonstrated that the public interest benefits related to re-establishing CKOO-FM are sufficient to offset the requirement to pay tangible benefits.

Commission's analysis and decision

61. CKOO-FM is not in its first licence term and has garnered losses in the previous five years. Therefore, the Commission determines that the first two criteria for an exception to the obligation to pay tangible benefits have been met.
62. With respect to criterion 3, the Commission is of the view that, while Radius demonstrated that there is a public interest in approving the transaction, it did not adequately demonstrate how re-establishing the station into the Kelowna market would justify an exception to the Policy. While the Commission recognizes the benefit of Radius' proposal to reinstate a service for the 45+ audience that have been left with fewer options since that station has ceased broadcasting on 6 April 2020, the Kelowna market would still maintain a level of diversity of voices, whether or not the station were to go back on air.
63. The Commission must also balance the needs of other players in the broadcasting system and ensure that the benefits are commensurate with the assets being acquired. In this case, it must also ensure that eligible third-party Canadian content development (CCD) recipients receiving tangible benefits can also continue to contribute to the broadcasting system.
64. In light of the above, the Commission **denies** Radius' request for an exception to the payment of tangible benefits as set out in the Policy.

Allocation of tangible benefits

65. Pursuant to the Policy, tangible benefits representing at least 6% of the value of the transaction as determined by the Commission must be allocated to the Radio Starmaker Fund or Fonds Radiostar (3%), FACTOR or MUSICACTION (1.5%), eligible CCD initiatives at the discretion of the purchaser (1%) and the Community Radio Fund of Canada (CRFC) (0.5%).
66. In accordance with the Policy, the Commission **directs** Radius to pay tangible benefits amounting to \$30,000, to be allocated as follows in equal annual payments over seven consecutive broadcast years:
 - 3% (\$15,000) to Radio Starmaker Fund or Fonds Radiostar;
 - 1.5% (\$7,500) to FACTOR or MUSICACTION;
 - 1% (\$5,000) to any eligible CCD initiative at the discretion of the purchaser; and
 - 0.5% (\$2,500) to the CRFC.

Tangible benefits stemming from previous transactions

67. The Commission approved Avenue's acquisition of CKOO-FM in Broadcasting Decision 2017-358 wherein Avenue was directed to contribute \$77,788 in tangible benefits spread equally over seven consecutive broadcast years. Avenue was only in CKOO-FM's third broadcast year when it filed for bankruptcy. Five contributions have not yet been made.

Applicant's position

68. In its application, Radius committed to making all of Avenue's outstanding tangible benefits contributions by 31 August 2024, which is the end of the current licence term. Radius also submitted that the tangible benefits contribution for 2019-2020 was not made by Avenue prior to the declaration of bankruptcy and cessation of broadcast operations, and Grant Thornton was unable to make that contribution. The applicant considered that the delay in payment of the 2019-2020 tangible benefits should not be considered an instance of non-compliance for CKOO-FM. Radius proposed to add the missing payment for 2019-2020 to the payment it will make for the 2023-2024 broadcast year.

Position of the interveners

69. The interveners submitted that Avenue was in a situation of non-compliance for not completing the payment of tangible benefits in the 2019-2020 broadcast year. They did not comment specifically on Radius's plans to defer the payment of outstanding tangible benefits.

Commission's analysis and decision

70. The Commission notes that Avenue filed for bankruptcy at the end of March 2020, just over halfway through the broadcast year. It further notes that making equal tangible benefits contributions over seven consecutive broadcast years was not imposed as a condition of licence. In light of the above, and given that Radius has made a commitment to pay all of Avenue's outstanding benefits contributions, which equal \$55,560, the Commission will not consider the late contribution for 2019-2020 to be an instance of non-compliance.

71. With regard to Radius's proposal to add the missing contribution for 2019-2020 to the contribution for the 2023-2024 broadcast year, the Commission notes that this postponement would represent a four-year delay. However, it is also aware that Radius will have to make additional tangible benefits contributions as a result of the present transaction.

72. In light of the above, the Commission considers that it is appropriate to divide the shortfall for 2019-2020 into four equal contributions of \$2,778 to be added to the outstanding contributions for the next four broadcast years.

73. Accordingly, the Commission **directs** Radius to pay an outstanding tangible benefits contribution of \$55,560 payable in equal annual contributions of \$13,890 in each of the following broadcast years: 2020-2021, 2021-2022, 2022-2023 and 2023-2024 and submit acceptable proofs of payment. The contributions shall be allocated as set out in the Policy.

Programming requirements

74. The Commission has examined the applicant's programming proposals, including those for local programming and considers that they meet the requirements of the Regulations and the conditions of licence for CKOO-FM. The Commission will examine Radius's

compliance with the Regulations and its conditions of licence at the time of licence renewal.

Conclusion

75. In light of all of the above, the Commission **approves** the application by Radius Holdings Inc. for authority to acquire from Grant Thornton Limited, in its capacity as trustee in the bankruptcy of Avenue Radio Ltd., the assets of the English-language commercial radio station CKOO-FM Kelowna and for a new broadcasting licence to continue the operation of the undertaking under the same terms and conditions as those in effect under the current licence.
76. In addition, the Commission **denies** Radius's request for an exception to the payment of tangible benefits. The Commission **directs** Radius to pay tangible benefits amounting to \$30,000, to be allocated as set out in paragraph 66 of this decision.
77. Further, the Commission **directs** Radius to pay an outstanding tangible benefits contribution of \$55,560 as set out in paragraph 73 of this decision.
78. Radius shall notify the Commission of the close of the transaction, and upon surrender of the current licence, the Commission will issue a new broadcasting licence to Radius. The new licence will expire 31 August 2024, the same expiry date of the current licence. The terms and **conditions of licence** for the undertaking are set out in the appendix to this decision.

Secretary General

Related documents

- *CJUI-FM Kelowna – Acquisition of assets*, Broadcasting Decision CRTC 2017-358, 11 October 2017
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *Revised criteria for the application of the licence trafficking policy*, Broadcasting Information Bulletin CRTC 2010-220, 19 April 2010
- *Licensing of new radio stations to serve Kelowna, British Columbia*, Broadcasting Decision CRTC 2008-62, 14 March 2008
- *Regulatory Policy – Diversity of voices*, Broadcasting Regulatory Policy CRTC 2008-4, 15 January 2008

This decision is to be appended to the licence.

Appendix to Broadcasting Decision CRTC 2020-383

Terms, conditions of licence, expectation and encouragement for the English-language commercial radio programming undertaking CKOO-FM Kelowna, 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 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. 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), the licensee shall devote at least 40% of its musical selections from content category 2 (Popular Music) in each broadcast week and between 6 a.m. and 6 p.m. from Monday to Friday 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.

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.