NewCap Broadcasting

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FACSIMILE COVER SHEET

DATE: March 21, 2005

TO: Mr. Peter Muhl

COMPANY: CRTC

CITY/PROVINCE: Ottawa

FAX NUMBER: 819-994-0218

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Sender's Name: Mark Maheu

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Re: Applications No: 2004-0871-7 (CJYQ)

Please find attached our reply to deficiency letter. We have sent this electronically to procedures @crtc.gc.ca as well. Thank you.

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NewCap Broadcasting

A DIVISION OF NEWCAP INC.

Via Facsimile: 819-994-0218

March 21, 2005

Mr. Peter Muhl
Broadcasting Analysis
Canadian Radio-television and Telecommunications Commission
Ottawa, Ontario K1A 0N2

Dear Mr. Muhl

Re: Application 2004-0871-7 (CJYQ)

I am writing in response to your correspondence of 4 March 2005 regarding the Application to renew the radio programming undertaking licence of CJYQ, St. John's, Newfoundland, specifically a complaint from Mr. Jeff Rose-Martland regarding conditions of licence of CJYQ.

Question: In Decision CRTC 2000-399, *Addition of conditions to the licence for CJYQ*, dated 5 October 2000, the Commission approved the application to amend the broadcasting licence for CJYQ St. John's. Specifically, by condition of licence, the licensee will:

- *broadcast, as an exception to the percentage of Canadian musical selections set out in the Radio Regulations, 1986, a minimum Canadian content level of 40% in Category 2 (popular) musical selections during the broadcast week and during the period between the hours of 6:00 a.m. and 6:00 p.m. throughout the broadcast week;*

- *broadcast Newfoundland musical selections representing a minimum of 20% of all Category 2 musical selections aired during the broadcast week and during the period between the hours of 6:00 a.m. and 6:00 p.m. throughout the broadcast week;*

- *produce and distribute during each broadcast week, eight hours of Newfoundland-based programming for broadcast on each of the stations acquired from Radio VOCM; and*

- *expend a minimum of $100,000 over seven years on the production of compact discs and demonstration recordings to assist artists specializing in the performance of traditional Newfoundland music.*

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As you are aware, the Commission has received electronic correspondence from Mr. Jeff Rose-Martland outlining concerns regarding the apparent failure of CJYQ to abide by its conditions of licence as noted above.

In a response to the complaint, dated 2 February 2005, Newcap Inc. indicates that CJYQ it is not producing and distributing during each broadcast week eight hours of Newfoundland-based programming for broadcast on each of the stations acquired from Radio VOCM.

"Among the very first programs created for Radio Newfoundland was "Live at O'Reilly's" *which was aired on radio Newfoundland and edited for play on Newcap's other AM stations in Newfoundland and Labrador. "*

"Having experience with this program for almost one year we found there were other ways to deliver the programming that had much greater merit in the local community. Locally produced programs in the same genre provided far better opportunities of exposure for the local performer and the ensuing programming information exchanges created province-wide opportunity. We concluded it would be better to air many shows of great variety in prime times right across Newfoundland and Labrador."

As such, please indicate to the Commission if Newcap Inc. wishes to amend its existing condition of licence to *produce and distribute during each broadcast week, eight hours of Newfoundland-based programming for broadcast on each of the stations acquired from Radio VOCM*, with a condition of licence that would better reflect the approach Newcap Inc. is currently undertaking.

Response: In our letter of February 2, 2005, in response to the complaint, we demonstrated that we are in compliance with all of the measurable conditions to the licence. For example Canadian Content minimum of 40% has been exceeded by playing more than 90% Canadian while Newfoundland musical content, which was set at 20%, is also well over 90%.

We trust the list of many special Newfoundland programs that we have created as indicated in our February 2, 2005 letter demonstrates our sincere goal of making CJYQ a unique listening opportunity reflecting the culture of the people that we are licensed to serve.

Reference to the condition to "produce and distribute during each broadcast week, eight hours of Newfoundland-based programming for broadcast on each of the stations acquired from Radio VOCM;" we feel we are in complete compliance with this condition.

The eight hours of Newfoundland –based programming continues to be aired on each of the stations acquired from Radio VOCM and there has not been any interruption in this schedule. We moved from the pre-produced programming at CJYQ with the intention to develop and grow our own announcer talent in the local communities through live programming interacting with the Newfoundland artists in those communities.

> We wish to reiterate our commitment to comply with the letter of the Regulations and within the spirit of providing programming within the framework of the conditions which we fully accept. We will therefore immediately return to creating these eight hours at CJYQ and delivering the programming to the VOCM stations for airplay.

We trust that this information answers all the Commission's concerns; however, if there are more questions, we will be prepared with a prompt response.

Sincerely,

Mark Maheu/lae

Mark Maheu
Executive Vice President
Newcap Broadcasting Inc.