



Broadcasting Decision CRTC 2005-393

Ottawa, 11 August 2005

The Haliburton Broadcasting Group Inc.
North Bay, Ontario

Application 2004-0418-7
Public Hearing in the National Capital Region
16 May 2005

English-language FM radio station in North Bay

*The Commission **approves** an application by The Haliburton Broadcasting Group Inc. for a broadcasting licence to operate an English-language FM radio station in North Bay, Ontario.*

Introduction

1. In *Call for applications for broadcasting licences to carry on radio programming undertakings to serve North Bay, Ontario*, Broadcasting Public Notice CRTC 2004-69, 15 September 2004, the Commission announced that it had received an application for a broadcasting licence to provide a commercial radio service to North Bay, Ontario. Consistent with the procedures generally followed by the Commission in such cases, it called for applications from other parties wishing to obtain a broadcasting licence to serve the North Bay radio market. Subsequently, in *Broadcasting Notice of Public Hearing CRTC 2005-3*, 17 March 2005, the Commission announced that it would consider two applications, one by The Haliburton Broadcasting Group Inc. (Haliburton) and the other by Eternacom Inc. (Eternacom), for new English-language commercial radio stations to serve North Bay at a public hearing held in the National Capital Region commencing 16 May 2005.

The application

2. Haliburton requested a broadcasting licence to operate a new English-language FM commercial radio programming undertaking in North Bay at 106.3 MHz (channel 292B1) with an effective radiated power (ERP) of 10,000 watts.

Interventions

3. The Commission received many interventions in support of this application, and an intervention in opposition by Muskoka-Parry Sound Broadcasting Limited (MPS), the licensee of CFBK-FM Huntsville, Ontario.

4. The supporting interventions from country music artists and fans submitted that a radio station in North Bay devoted to country music would benefit Canadian country recording artists by giving them greater exposure north of Toronto. The Canadian Country Music Association maintained that the proposed country music station in North Bay would strengthen the Canadian country music community.
5. In MPS' view, the North Bay radio market is already well served by the existing stations. MPS also expressed concern that the proposed station could have a negative financial impact on CFBK-FM Huntsville.

Applicant's reply

6. In response to MPS' opposing intervention, Haliburton noted that Huntsville is located 133 kilometres south of North Bay and that the signal of the proposed station would not extend to the Huntsville market.

Commission's analysis and determination

7. In the Introductory Statement to Decisions CRTC 99-480, 99-481 and 99-482, 28 October 1999, the Commission indicated that, pursuant to its *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998 (the Commercial Radio Policy), the factors set out below are generally among those relevant to the evaluation of competitive commercial radio applications:
 - the quality of the application;
 - the diversity of news voices in the market;
 - the market impact of any proposed station on existing stations; and
 - the competitive state of the market.
8. The Commission has taken each of these factors into account in its consideration of Haliburton's application.

Quality of the application

9. The Commission generally assesses the quality of an application for a new commercial radio station by examining the quality of the business plan, including the proposed station format, the local programming proposals as well as the commitments to Canadian content and Canadian talent development (CTD).
10. The applicant stated that the proposed station would operate in a contemporary country music format. All of the programming would be locally-produced and would include regular newscasts between 6 a.m. and 6 p.m. daily. In addition, the proposed station would broadcast a weekly one-hour block of news and public affairs and a weekly one-hour community access show hosted by local charities and public services. The applicant confirmed that it would adhere to the minimum regulatory requirements with respect to Canadian content.

11. The applicant indicated that it would participate in the CTD plan created by the Canadian Association of Broadcasters. Under the plan, 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 North Bay are required to contribute, through eligible third parties, a minimum yearly amount of \$400 to the development of Canadian talent. Haliburton proposed to exceed the minimum contribution as set out in Public Notice 1995-196, by contributing an additional \$5,000 annually towards the development of Canadian talent. In accordance with the licensee's commitment, the Commission has imposed a **condition of licence**, as set out in the appendix to this decision.
12. The Commission is satisfied that Haliburton has filed a high-quality application.

Diversity of news voices in the market

13. The Commission notes that residents of North Bay have access to many local, regional and national news broadcast sources and that the approval of this application will add to this diversity.

Market impact on existing stations and competitive state of the market

14. Three English-language commercial radio stations are currently licensed to serve the North Bay market: CKAT, CKFX-FM and CHUR-FM. All three stations are owned by Rogers Broadcasting Limited. In 2004, the profit before interest and taxes margin for the North Bay radio market exceeded the 2004 average for all Canada of 18%.
15. North Bay is also served by CKTR-FM, a low-power FM station, which is operated by 1311831 Ontario Ltd. CKTR-FM provides an English-language tourist information service.
12. Based upon the above average profitability of the North Bay radio market over the past five years, the size of the market and the magnitude of the combined projected advertising revenues of the two new stations, the Commission concludes that the North Bay radio market is able to support Haliburton's proposed new station as well as the station proposed by Eternacom¹ without causing significant financial harm to the existing stations.
13. With respect to the concerns raised by MPS, the Commission notes that the proposed station will not provide a signal of quality to Huntsville, which is situated about 133 kilometres south of North Bay. Accordingly, the Commission is satisfied that Haliburton's proposed station will not have a significant negative impact on either the listening audience or advertising revenues of CFBK-FM Huntsville.

¹ In *Christian music FM radio station in North Bay*, Broadcasting Decision CRTC 2005-392, issued today, the Commission approves the application by Eternacom Inc.

Cultural diversity

14. In its Commercial Radio Policy, the Commission encouraged broadcasters to reflect the cultural diversity of Canada in their programming and employment practices, especially with respect to news, music and promotion of Canadian artists.
15. The Commission expects Haliburton to reflect Canada's cultural diversity in the proposed station's programming and employment practices.

Conclusion

16. The Commission considers that Haliburton's new contemporary country music FM radio station will increase the diversity of radio programming available in North Bay without having a significant impact on existing stations in the market. As a new entrant in the North Bay radio market, Haliburton will increase the diversity of editorial voices available in the market.
17. In light of all of the above, the Commission **approves** the application by The Haliburton Broadcasting Group Inc. for a broadcasting licence to operate an English-language FM commercial radio programming undertaking in North Bay at 106.3 MHz (channel 292B1) with an ERP of 10,000 watts.
18. The licence will expire 31 August 2011 and will be subject to the **conditions** set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, as well as to the **condition** set out in the appendix to this decision.

Issuance of the licence

19. The Department of Industry (the Department) has advised the Commission that, while this application is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.
20. The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.
21. Furthermore, the licence for this undertaking will be issued 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 11 August 2007. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before that date.

Employment equity

22. Because this licensee is subject to the *Employment Equity Act* and files reports concerning employment equity with the Department of Human Resources and Skills Development, its employment equity practices are not examined by the Commission.

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>

Appendix to Broadcasting Decision CRTC 2005-393

Conditions of licence

1. The licence is subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999.
2. In addition to the expenditures required under condition of licence number 5 set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, the licensee shall, upon commencement of operation, make direct expenditures of at least \$5,000 annually on the development and promotion of Canadian talent.