



Broadcasting Decision CRTC 2006-321

Ottawa, 2 August 2006

Harvard Broadcasting Inc.
Calgary, Alberta

Application 2004-1280-0
Public Hearing at Calgary, Alberta
21 February 2006

Alternative Rock FM radio station in Calgary

*In this decision, the Commission **approves** an application by Harvard Broadcasting Inc. for a broadcasting licence to operate a new English-language commercial FM radio station in Calgary.*

Background

1. At the 21 February Public Hearing in Calgary, the Commission considered ten applications for broadcasting licences to operate new radio stations to serve Calgary, as well as three applications to serve the nearby community of Airdrie, which is considered to be part of the Calgary Central Market Area. The applicants were as follows:

Calgary

- Touch Canada Broadcasting Inc. (Touch Canada)
- CHUM Limited (CHUM)
- 1182743 Alberta Ltd. (1182743 Alberta)
- Evanov Radio Group Inc., on behalf of a corporation to be incorporated (Evanov)
- Calgary Independent Radio Broadcasters Inc. (Calgary Independent)
- Jim Pattison Broadcast Group Ltd. (the general partner) and Jim Pattison Industries Ltd. (the limited partner), carrying on business as Jim Pattison Broadcast Group Limited Partnership (Pattison)
- Yadwinder S. Sivia, on behalf of a corporation to be incorporated (Sivia)
- Rawlco Radio Ltd. (Rawlco)
- Harvard Broadcasting Inc. (Harvard)
- Newcap Inc. (Newcap)

Airdrie

- Tiessen Media Inc. (Tiessen)
- Golden West Broadcasting Ltd. (Golden West)
- Newcap

2. The Commission's determination that the Calgary market can support the introduction of four new commercial FM radio stations as well as a new radio station to provide local service to Airdrie is set out in *Licensing of new radio stations to serve Calgary and Airdrie, Alberta – Introduction to Broadcasting Decisions CRTC 2006-321 to 2006-326*, Broadcasting Public Notice CRTC 2006-97 (Public Notice 2006-97) of today's date. That public notice also summarizes the rationale underlying the Commission's approval, in whole or in part, of the applications by Harvard, Rawlco, Newcap and CHUM to serve Calgary, as well as the application by Tiessen to serve Airdrie.
3. In *Denial of various applications proposing radio service for Calgary and Airdrie, Alberta*, Broadcasting Decision CRTC 2006-326, also dated today, the Commission has denied the competing applications for broadcasting licences to operate new radio stations in Calgary by Touch Canada, Evanov, 1182743 Alberta, Calgary Independent, Pattison and Sivia, as well as the applications for broadcasting licences to operate new radio stations in Airdrie by Golden West and Newcap.

The application

4. Harvard is a corporation ultimately controlled by Mr. Frederick W. Hill. It currently owns CFWF-FM, CHMX-FM and CKRM which serve Regina, Saskatchewan.
5. Harvard proposed to establish an English-language commercial FM radio station that would operate at 92.9 MHz (channel 225C1) with an average effective radiated power (ERP) of 45,000 watts. The proposed station would offer an Alternative Rock music format designed to appeal to listeners between 12 and 34 years of age, with a core audience of males between 12 and 24. A minimum of 40% of all musical selections from content category 2 (Popular Music) aired both during the broadcast week and between 6 a.m. and 6 p.m. Monday through Friday would be Canadian selections.
6. The proposed station would broadcast 8 hours and 31 minutes of scripted spoken word programming each broadcast week, including 3 hours of news and 4 hours and 30 minutes of surveillance programming.
7. The applicant indicated that it would participate in the Canadian talent development (CTD) plan created by the Canadian Association of Broadcasters (CAB). It would devote \$575,000 in direct expenditures to CTD per year resulting in a total of \$4.025 million over seven consecutive broadcast years upon commencement of operations. Annual expenditures would be allocated as follows:
 - \$50,000 to support a CTD coordinator
 - \$107,000 for an annual talent search
 - \$100,000 for the production of a CD featuring performances from the talent search
 - \$105,000 to support a travel assistance plan for musicians
 - \$60,000 for scholarships to music and journalism students
 - \$55,000 to the Radio Starmaker Fund

- \$40,000 to the Foundation to Assist Canadian Talent on Records (FACTOR)
 - \$50,000 to support VoicePrint
 - \$8,000 to fulfill its commitment related to participation in the CTD plan created by the CAB.
8. In addition to its commitments for CTD, the applicant proposed to contribute \$119,000 over seven consecutive broadcast years upon commencement of operations to a news mentoring program in association with the Aboriginal Peoples Television Network (APTN).

Interventions

9. The Commission received numerous interventions in support of this application, and interventions offering general comments were submitted by the Canadian Independent Record Production Association (CIRPA), Corus Entertainment Inc. (Corus) and the Centre for Communication Studies at Mount Royal College, Calgary.
10. CIRPA indicated that it generally supported applicants that offered higher levels of Canadian musical selections, contributed to diversity of ownership in the marketplace and offered programming diversity both in terms of musical format and with respect to the selections included in their playlists. CIRPA also expressed a general concern with the level of CTD funding proposed by applicants to be directed to FACTOR. In CIRPA's opinion, the recording industry in Canada would be better served if a substantial portion of CTD funds were directed to supporting FACTOR, an organization that assists in the development of new artists and the marketing of existing ones.
11. CIRPA also submitted that the applicant's plan to devote \$50,000 to the radio reading service VoicePrint, as well as the proposed funding for scholarships associated with broadcast training, do not contribute to the development of Canadian recording artists.
12. Corus, licensee of three existing commercial radio stations serving Calgary, recommended that any of the applicants in this proceeding that receives a broadcasting licence to serve the Calgary market should make a commitment to maintain its proposed format throughout its first term of licence.
13. Mount Royal College noted that Harvard's application included provisions for scholarships for Mount Royal students, and indicated it would be pleased to accept the proposed funds in support of student scholarships.

Applicant's replies

14. In reply to CIRPA, Harvard noted that it would accept a condition of licence requiring it to ensure that at least 40% of the category 2 musical selections that it would broadcast would be Canadian, that it would contribute to diversity of ownership in the Calgary

market, and that its proposed format and the musical selections that it would play would add to the diversity of programming available in the market. Harvard further noted that it would contribute \$40,000 annually to FACTOR as part of its CTD program.

15. With respect to the concerns expressed by CIRPA regarding Harvard's proposed contribution to VoicePrint, the applicant noted that the Commission has considered contributions to that organization to be a valid CTD contribution in the past on the basis that reading for VoicePrint is tantamount to acting or narration and therefore makes use of Canadian artistic talent.
16. The applicant did not reply to the interventions by Corus and Mount Royal.

Commission's analysis and determinations

17. In Public Notice 2006-97 the Commission set out its determination that, on the basis of the strength of the Calgary market and the current profitability of Calgary commercial radio stations, the Calgary radio market can support the introduction of four new commercial radio stations to serve Calgary, as well as a new radio station to provide local service to Airdrie, without an undue negative impact on existing stations.
18. The Commission considers that the Alternative Rock format offered by Harvard would provide additional musical diversity for youth and young adults aged 12 to 34, and may increase the tuning of younger Calgary listeners to commercial radio stations. It is further of the view that the new Harvard station would provide significant exposure for Canadian artists in that the applicant has made a commitment to ensure that at least 40% of all musical selections from content category 2 played both during each broadcast week and between 6 a.m. and 6 p.m. Monday through Friday are Canadian selections. As well, the Commission notes that Harvard would devote \$4.025 million to CTD over seven consecutive broadcast years upon commencement of operations, including \$3.304 million to support local artists. Although not a CTD initiative, Harvard would also assist in the development of Aboriginal journalists by devoting \$119,000 over seven consecutive broadcast years upon commencement of operations to a news mentoring program in association with APTN. Harvard would also provide a new radio voice and increase competition in the Calgary radio market.
19. The Commission notes the concerns expressed by CIRPA and the applicant's reply. The Commission considers that the initiatives proposed by the applicant, including its commitment to FACTOR, will provide valuable support for the development of Canadian talent. It reminds the applicant that, as established in *Contributions by radio stations to Canadian Talent Development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995, scholarships qualify as eligible CTD expenditures only when they support students engaged in music, journalism or other artistic studies. It further considers that contributions to VoicePrint qualify as acceptable CTD initiatives.

20. In light of all of the above, the Commission **approves** the application by Harvard Broadcasting Inc. for a broadcasting licence to operate an English-language, commercial FM radio programming undertaking in Calgary. The new station will operate at 92.9 MHz (channel 225C1) with an average ERP of 45,000 watts.
21. The Commission notes the applicant's commitments related to the broadcast of Canadian music and contributions to CTD. **Conditions of licence** are set out in the appendix to this decision requiring the applicant to adhere to those commitments. The Commission expects the applicant to contribute a total of \$4.025 million to CTD over a period of seven consecutive broadcast years upon commencement of operations, as proposed. In addition, the Commission expects the applicant to fulfill its commitment to devote \$119,000 over seven consecutive broadcast years upon commencement of operations to a news mentoring program in association with APTN.
22. The Commission does not consider that it is appropriate to impose a condition of licence requiring the applicant to maintain its program format throughout the first term of licence, as suggested by Corus.

Cultural diversity

23. In *Commercial Radio Policy, 1998*, Public Notice CRTC 1998-41, 30 April 1998, the Commission encouraged broadcasters to reflect Canada's cultural diversity in their programming and employment practices.
24. The Commission expects Harvard to reflect the cultural diversity of Canada in its programming and employment practices.

Employment equity

25. In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the applicant to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.

Issuance of the licence

26. The licence to be issued to Harvard will be effective 1 September 2006 and will expire 31 August 2013. It will be subject to the **conditions** set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999.
27. 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.

28. 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.
29. 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 2 August 2008. 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.

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 2006-321

Conditions of licence

1. The licence will be subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999.
2. The licensee shall, 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*, in any broadcast week:
 - (a) devote, in that broadcast week, a minimum of 40% of its musical selections from content category 2 (Popular Music) to Canadian selections broadcast in their entirety; and
 - (b) devote, between 6:00 a.m. and 6:00 p.m. in the period from Monday to Friday of the same broadcast week, 40% or more of its musical selections from content category 2 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 meaning as that set out in the *Radio Regulations, 1986*.

3. Upon commencement of operations, the licensee shall contribute an annual minimum of \$575,000 to the development and promotion of Canadian talent, allocated as follows:
 - \$50,000 to support a CTD coordinator
 - \$107,000 for an annual talent search
 - \$100,000 for the production of a CD featuring performances from the talent search;
 - \$105,000 to support a travel assistance plan for musicians
 - \$60,000 for scholarships to music and journalism students
 - \$55,000 to the Radio Starmaker Fund
 - \$40,000 to the Foundation to Assist Canadian Talent on Records (FACTOR)
 - \$50,000 to support VoicePrint
 - \$8,000 to fulfill its commitment related to participation in the CTD plan created by the CAB.

The Commission reminds the licensee that all Canadian talent development (CTD) expenditures must be made in accordance with the Commission’s policy on qualifying contributions to CTD, as set out in Appendix 1 to *An FM policy for the nineties*, Public Notice CRTC 1990-111, 17 December 1990.