



## Broadcasting Decision CRTC 2023-403

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Reference: 2023-206

Ottawa, 4 December 2023

**United Christian Broadcasters Media Canada**  
Medicine Hat, Alberta

*Public record: 2023-0303-0*

*Public Hearing in the National Capital Region*

*14 September 2023*

### **CJLT-FM Medicine Hat – Acquisition of assets**

#### **Summary**

The Commission **approves** an application by United Christian Broadcasters Media Canada for authority to acquire from Vista Radio Ltd. the assets of the English-language commercial specialty (Religious music) radio station CJLT-FM Medicine Hat, Alberta, and for a new broadcasting licence to continue the operation of the station.

#### **Application**

1. United Christian Broadcasters Media Canada (UCBC), on behalf of Vista Radio Ltd. (Vista), filed an application for authorization to acquire from Vista the assets of the English-language commercial specialty (Religious music) radio station CJLT-FM Medicine Hat, Alberta. UCBC also requested a new broadcasting licence to continue the operation of the station under the same terms and conditions as those in effect under the current licence.
2. UCBC is a federal not-for-profit corporation, whose board members and CEO are all Canadians, i.e. Canadian citizens ordinarily residing in Canada. Accordingly, as UCBC is 100% owned and controlled by Canadians, the proposed transaction satisfies the eligibility criteria set out in *Direction to the CRTC (ineligibility of non-Canadians)*.<sup>1</sup>
3. The purchase price for the assets of the station is \$20,000. UCBC proposed a value of the transaction of \$185,437, which includes the purchase price and the total value of leases payable over 60 months. Additionally, UCBC requested an exemption to paying tangible benefits.

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<sup>1</sup> SOR/97-192, 8 April 1997.

4. The Commission received an intervention in support of this application, submitted by UCBC, which is comprised of a petition with 693 signatories in support of the application.

## **Background**

5. Vista is a privately owned Canadian radio broadcasting company controlled by Westerkirk Capital Corp. a wholly owned subsidiary of SEB Investments Ltd., which is majority held by the Thomson Investments Ltd. Vista is the licensee of 49 English-language commercial radio stations throughout Canada, with an additional 13 rebroadcasting transmitters.<sup>2</sup> According to Commission records, CJLT-FM Medicine Hat is Vista's only commercial specialty (Religious music) station.
6. UCBC is a not-for-profit registered charitable corporation controlled by its board of directors. UCBC is the licensee of various English-language specialty (Religious music) and commercial FM radio stations, with an additional six rebroadcasting transmitters.
7. Vista is currently operating the radio station CJLT-FM Medicine Hat at a loss. It intended to convert this station to a non-Christian music format, however its application to delete the conditions of licence relating to the specialty (Christian music) format was denied by the Commission in Broadcasting Decision 2017-122. Vista stated that it does not currently have the resources to support the station and is prepared to transfer the assets and control of the station to UCBC.

## **Regulatory framework**

8. The review of ownership transactions is an essential element of the Commission's regulatory and supervisory mandate under the *Broadcasting Act*. 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.
9. The Commission must consider each application on its merits, according to the circumstances specific to the application. In addition, consistent with subsection 5(1) of the *Broadcasting Act*, the Commission must be assured that approval of a proposed ownership transaction furthers the public interest. The public interest is reflected in the many objectives of the *Broadcasting Act* and of the Canadian broadcasting policy set out in subsection 3(1) of the *Broadcasting Act*.
10. When dealing with an application for a transfer of ownership or a change in effective control, section 11(4) of the *Radio Regulations, 1986* (the Regulations) requires that a

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<sup>2</sup> As of 22 August 2023.

broadcasting licensee obtain the prior approval of the Commission before entering into any action, agreement or transaction that will result in a direct or indirect change in the effective control of its broadcasting undertaking.

## **Issues**

11. After examining the record for this application in light of applicable regulations and policies, the Commission considers that the issues it must address are the following:
  - whether the proposed transaction is in the public interest;
  - the value of the transaction;
  - the tangible benefits package; and
  - employment practices.

## **Public interest of the proposed transaction**

12. 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 *Broadcasting Act*, including the nature of programming and service provided 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.
13. UCBC stated that, according to the 2021 Census of Population from Statistics Canada, more than 52% of the population of Medicine Hat identified as Christians, and its programming resonates with their lifestyle and viewpoints.
14. Additionally, UCBC stated that it has a long track record of providing significant promotional support to not-for-profit organizations and charities in the communities they serve and will provide this same support to the not-for-profits and charities of Medicine Hat.
15. UCBC submitted it would offer 98 hours of local programming and 28 hours of syndicated programming in each broadcast week. The licensee further noted that it would devote a total of 1 hour and 40 minutes (100 minutes) to pure news, which would include 50 minutes to local news, 30 minutes to national news and 20 minutes to international news.
16. The Commission notes that this transaction would support the viability of the radio station, and that UCBC has experience with other stations that operate in a similar format.
17. Additionally, the Commission notes that the presence of this station, which has been serving Medicine Hat since 2003 with dedicated religious musical programming, provides benefits to the broadcasting system by contributing to local interests and

programming diversity. Further, it recognizes that the overwhelming number of petitioners in support of the application demonstrates a desire in the market to maintain this service.

18. In light of the above, the Commission finds that approving this transaction is in the public interest.

### **Value of the transaction**

19. As set out in Broadcasting Regulatory Policy 2014-459 (the Tangible Benefits Policy), to calculate the value of tangible benefits, the Commission takes into account the value of the transaction as a whole, including the value of gross debt, working capital to be transferred at closing of the transaction, ancillary agreements and any leases assumed by the purchaser for real property (buildings, studios and offices) and transmission facilities. The value of leases is calculated over a period of five years. If applicable, these elements are added to the purchase price.
20. UCBC proposed a transaction value of \$185,437. This amount includes the purchase price (\$20,000), and two assumed leases.
21. The value of the transaction as proposed by UCBC is consistent with the Tangible Benefits Policy. Accordingly, the Commission determines that the value of the transaction is \$185,437.

### **Tangible benefits package**

22. Pursuant to the Tangible Benefits Policy, the Commission considers it appropriate to require that tangible benefits be paid pursuant to changes in the effective control of all licensed radio and television programming undertakings. Under this policy, tangible benefits resulting from a change in ownership or effective control of commercial radio stations must generally represent at least 6% of the value of the transaction.
23. However, in the Tangible Benefits Policy, the Commission stated that there may be cases where the public interest can be fully met without tangible benefits if the following criteria are met:
  - 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);
  - 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
  - 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.

24. 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 these criteria are met.
25. CJLT-FM is currently in its fourth license term and has experienced financial losses over the past five years.
26. Given the financial difficulties CJLT-FM is currently facing, UCBC notes Vista's inability to maintain the service, and imposing tangible benefits in the transaction could have an adverse effect on UCBC's efforts to stabilize the station's financial situation. The applicant provided sufficient evidence to demonstrate that the public interest benefits of an exception to tangible benefits would be sufficient to offset those which would be provided to the broadcasting system. As such, approval of the application would have a positive impact on CJLT-FM's viability, thereby providing local programming and news, and preserving the diversity of voices in the Medicine Hat market.
27. In light of the above, the Commission considers that an exception to the requirement to pay tangible benefits is in the public interest.

### **Employment practices**

28. The Commission has previously noted issues related to the hiring practices mentioned in UCBC's Employment Equity Policy and Policy Manual, which considered sexual orientation and marital status in its hiring practices.
29. In Broadcasting Decision 2022-286, the Commission reminded the licensee of its responsibility to adhere to the *Canadian Human Rights Act*, particularly in its hiring policies and practices, as well as its management of human resources.
30. During review of the licensee's current application, these discriminatory references still appeared in UCBC's Employment Equity Policy and Policy Manual. When questioned, the licensee indicated that the reference was an oversight and immediately removed it. Further, the applicant stated that its hiring policy is that of non-discrimination and equal opportunity for all qualified applicants. The Commission is now satisfied with the licensee's response with regard to its employment practices.
31. Subparagraph 3(1)(d)(iii) of the *Broadcasting Act* provides that the Canadian broadcasting system should, through its programming and the employment opportunities arising out of its operations, serve the needs and interests of all Canadians ... including Canadians of diverse sexual orientations and gender identities and expressions. In keeping with this objective, the Commission favourably notes the removal of the discriminatory reference against the 2SLGBTQI+ community in the licensee's employee manual. The Commission also continues to remind the licensee of its ongoing obligations under the *Canadian Human Rights Act*.

## Conclusion

32. In light of all of the above, the Commission **approves** the application by United Christian Broadcasters Media Canada for authority to acquire from Vista Radio Ltd. the assets of the English-language commercial specialty (Religious music) radio programming undertaking CJLT-FM Medicine Hat, Alberta and for a new broadcasting licence to continue the operation of the station.
33. Further, the Commission **directs** United Christian Broadcasters Media Canada to file the fully executed Purchase and Sale Agreement with the Commission within 30 days of it having been finalized.
34. UCBC shall notify the Commission of the close of the transaction, and upon surrender of the licence currently held by Vista Radio Ltd., the Commission will issue new broadcasting licence to UCBC, which will expire on **31 August 2027**.
35. The terms of licence, expectations and encouragements for CJLT-FM are set out in Appendix 1 to this decision. The Commission notes that the formal broadcasting licence document issued to the licensee may set out additional requirements for the undertaking, relating to, for example, technical parameters or prohibitions on transfer. The licensee shall, therefore, also adhere to any such requirements set out in the broadcasting licence for the undertaking.
36. The orders that the Commission proposes to make imposing conditions on the carrying on of the undertaking pursuant to subsection 9.1(1) of the *Broadcasting Act* are described below and are set out in Appendix 2 to this decision. In accordance with subsection 9.1(4), interested persons may make representations **only** on the proposed orders by no later than **14 December 2023** and the applicant may submit a reply to any representations received until **19 December 2023**. The Commission will issue final orders following the close of the comment period and its review of the submissions of the parties, if any.
37. Parties who wish to make representations on the proposed orders, may do so on the Commission's [public proceedings webpage](#).

## Proposed orders

38. Given that the licensee proposed to operate under the same terms and conditions as those in effect under the current licence, the Commission proposes to make orders consistent with the existing conditions of service.
39. With respect to the standard conditions of service, the Commission considers it appropriate that the licensee should adhere to the standard conditions of service for commercial stations as updated in the Appendix to Broadcasting Regulatory Policy 2022-334, with the exception of condition 7. This condition would be replaced with one which requires the licensee to be operated within the Specialty format.

40. Further, pursuant to subsection 49(2) of the *Online Streaming Act*, any regulation made under paragraphs 10(1)(a) or 10(1)(i) of the old *Broadcasting Act* is deemed to be an order made under section 9.1 of the new *Broadcasting Act*. As a result, these regulations must now be imposed as conditions of service.
41. Accordingly, pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **proposes to order** United Christian Broadcasters Media Canada, by **condition of service**, to adhere to the standard conditions of service, with the exception of condition 7, set out in the appendix to Broadcasting Regulatory Policy 2022-334, as well as to all applicable requirements set out in the Regulations, that were made under paragraph 10(1)(a) or under paragraph 10(1)(i) of the old *Broadcasting Act*.
42. The Commission also **proposes to order** United Christian Broadcasters Media Canada, by **condition of service**, to operate within the Specialty format as defined in Public Notice 1995-60 and Broadcasting Regulatory Policy 2022-333.
43. With respect to the other conditions of service, the Commission **proposes to order**, the licensee, by **conditions of service**, to:
- Devote at least 95% of all musical selections each broadcast week to selections from subcategory 35 (Non-classic religious) as defined in Broadcasting Regulatory Policy 2022-333;
  - Adhere to the guidelines set out in section III.B.2.a) and IV of Public Notice 1993-78 with respect to the provision of balance and ethics in religious programming;
  - Adhere to the policy regarding open-line programming as set out in Public Notice 1988-213.

## Reminders

44. Pursuant to section 22 of the *Broadcasting Act*, the broadcasting licence will cease to have any force or effect if the broadcasting certificate issued by the Department of Industry (also known as Innovation, Science and Economic Development Canada) lapses.

## Local news

45. Radio stations are an important daily source of local news and information for communities. Carrying on a broadcasting undertaking comes with conditions, regulatory obligations and responsibilities, which include contributing to the Canadian broadcasting system by ensuring that Canadians have access to local programming that reflects their needs and interests and informs them of important current issues.
46. Although the Revised Commercial Radio Policy does not specify a minimum level of weekly news to be broadcast, it does specify the type of spoken word material that

must be included as part of a station's local programming. In accordance with that regulatory policy, the Commission reminds the licensee that its station, in its local programming, must incorporate spoken word material of direct and particular relevance to the communities served, and that this programming must include local news, weather, sports coverage, and the promotion of local events and activities. In addition, the Commission encourages the licensee to ensure that a reasonable amount of daily local news and information is made available to those communities.

Secretary General

### **Related documents**

- *Revised conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2022-334, 7 December 2022
- *Revised content categories and subcategories for radio*, Broadcasting Regulatory Policy CRTC 2022-333, 7 December 2022
- *Specialty (religious music) FM radio stations in Kelowna and its transmitter in Kamloops; in Saskatoon and in Scarborough*, Broadcasting Decision CRTC 2022-286, 18 October 2022
- *CJLT-FM Medicine Hat – Licence amendments*, Broadcasting Decision CRTC 2017-122, 28 April 2017
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *A Review of Certain Matters Concerning Radio*, Public Notice CRTC 1995-60, 21 April 1995
- *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993
- *Policy regarding open-line programming*, Public Notice CRTC 1988-213, 23 December 1988

*This decision is to be appended to the licence.*



## **Appendix 1 to Broadcasting Decision CRTC 2023-403**

### **Terms, expectations and encouragement for the English-language commercial specialty (Religious music) radio programming undertaking CJLT-FM Medicine Hat, Alberta**

#### **Terms**

The licence will expire 31 August 2027.

#### **Expectations**

##### **Diversity**

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

The Commission also expects the licensee to engage in non-discriminatory employment practices. In particular, the Commission expects the licensee to conduct staffing activities in a manner compliant with the *Canadian Human Rights Act*, including when it comes to ensuring there is no discrimination on the basis of sexual orientation, gender identity or expression.

##### **Canadian emerging artists**

Consistent with the Commission's determination set out in *Revised Commercial Radio Policy*, Broadcasting Regulatory Policy CRTC 2022-332, 7 December 2022 (Broadcasting Regulatory Policy 2022-332), the Commission expects the licensee to devote, in each broadcast week, at least 5% of the station's musical selections to selections from Canadian emerging artists broadcast in their entirety. The licensee should report annually on how it has met this expectation, including the percentage of selections from Canadian emerging artists out of the total number of musical selections that were aired, and the number of distinct artists whose music has been aired. The licensee should also be able to provide, upon request, information such as a list of all titles, artists, and International Standard Recording Code (ISRC) numbers.

For the purposes of the above paragraph, the definition of "Canadian emerging artist" is the same as that set out in paragraph 346 of Broadcasting Regulatory Policy 2022-332.

##### **Indigenous musical selections**

Consistent with the Commission's determination set out in *Revised Commercial Radio Policy*, Broadcasting Regulatory Policy CRTC 2022-332, 7 December 2022 (Broadcasting Regulatory Policy 2022-332), the Commission expects the licensee to include Indigenous musical selections on the station's playlist. The licensee should report annually on the amount of Indigenous content aired on the station throughout the broadcast year (i.e., from 1 September to 31 August), including the percentage of Indigenous musical selections out of the total number of musical selections that were aired, and the number of distinct artists whose music has been aired. The licensee should

also be able to provide, upon request, information such as a list of all titles, artists, and International Standard Recording Code (ISRC) numbers.

For the purposes of the above paragraph, the licensee may use the provisional definition of “Indigenous-Canadian musical selection” set out in paragraph 441 of Broadcasting Regulatory Policy 2022-332 to determine whether a musical selection can be considered an Indigenous musical selection.

### **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 in its hiring practices and in all other aspects of its management of human resources.

## Appendix 2 to Broadcasting Decision CRTC 2023-403

### Conditions of service for the English-language commercial specialty (Religious music) radio programming undertaking CJLT-FM Medicine Hat, Alberta

#### Conditions of service

1. The licensee shall adhere to the conditions of service set out in *Revised conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2022-334, 7 December 2022, with the exception of condition 7. Further, the licensee shall adhere to the requirements set out in the broadcasting licence for the undertaking.
2. The licensee shall adhere to all applicable requirements set out in the *Radio Regulations, 1986*, that were made under paragraph 10(1)(a) or under paragraph 10(1)(i) of the old *Broadcasting Act*.<sup>3</sup>
3. The station shall be operated within the Specialty format as defined in *A Review of certain matters concerning radio*, Public Notice CRTC 1995-60, 21 April 1995, in conjunction with *Revised content categories and subcategories for radio*, Broadcasting Regulatory Policy CRTC 2022-333, 7 December 2022.
4. The licensee shall devote at least 95% of all musical selections broadcast each broadcast week to selections from subcategory 35 (Non-classic religious), as defined in *Revised content categories and subcategories for radio*, Broadcasting Regulatory Policy CRTC 2022-333, 7 December 2022.
5. Where the licensee broadcasts religious programming as defined in *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993, the licensee shall adhere to the guidelines set out in sections III.B.2.a) and IV of that public notice with respect to the provision of balance and ethics in religious programming.
6. The licensee shall adhere to the Commission's policy regarding open-line programming, as set out in *Policy regarding open-line programming*, Public Notice CRTC 1988-213, 23 December 1988.

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<sup>3</sup> Pursuant to subsection 49(2) of the *Online Streaming Act*, which made a certain number of amendments to the *Broadcasting Act* when it came into force on 27 April 2023, any regulation made under paragraphs 10(1)(a) or 10(1)(i) of the old *Broadcasting Act* is deemed to be an order made under section 9.1 of the new *Broadcasting Act*.