



Broadcasting Decision CRTC 2006-629

Ottawa, 15 November 2006

King's Kids Promotions Outreach Ministries Inc.

Fort McMurray, Alberta

Application 2005-1110-7

Public Hearing at Edmonton, Alberta

19 June 2006

Christian music FM radio station in Fort McMurray

*In this decision, the Commission **approves** an application by King's Kids Promotions Outreach Ministries Inc. for a broadcasting licence to operate a new English-language low-power commercial specialty FM radio station in Fort McMurray.*

Background

1. At the 19 June Public Hearing in Edmonton, the Commission considered nine applications for broadcasting licences to operate new radio stations to serve Fort McMurray. The applicants were as follows:
 - Clear Sky Radio Inc. (Clear Sky)¹
 - Standard Radio Inc. (Standard)
 - Vista Radio Ltd. (Vista)²
 - Golden West Broadcasting Ltd. (Golden West)
 - Harvard Broadcasting Inc. (Harvard)
 - King's Kids Promotions Outreach Ministries Inc. (King's Kids)
 - Newcap Inc. (Newcap)
 - Radio CJVR Ltd. (CJVR)
 - Touch Canada Broadcasting Inc. (Touch Canada)
2. The Commission's determination that the Fort McMurray market can support the introduction of three new commercial FM radio stations is set out in *Licensing of new radio stations to serve Fort McMurray, Alberta – Introduction to Broadcasting Decisions CRTC 2006-627 to 2006-630*, Broadcasting Public Notice CRTC 2006-145 (Public Notice 2006-145) of today's date. That public notice also summarizes the rationale underlying the Commission's approval of the applications by Harvard, Newcap and King's Kids to serve Fort McMurray.³

¹ 1182743 Alberta Ltd. changed its name to Clear Sky Radio Inc. on 6 September 2006.

² On 31 August 2006, Vista Radio Ltd., CFCP Radio Ltd., CCIR Holdings Ltd. and Coast Radio Ltd. amalgamated under the name Vista Radio Ltd.

³ The Fort McMurray radio market is currently served by O.K. Radio Group Ltd., which operates CKYX-FM and CJOK-FM.

3. In *Denial of applications proposing radio service for Fort McMurray, Alberta*, Broadcasting Decision CRTC 2006-630, also dated today, the Commission has denied the competing applications for broadcasting licences to operate new radio stations in Fort McMurray by Clear Sky, Standard, Vista, Golden West, CJVR and Touch Canada.

The application

4. King's Kids is a not for profit organization that currently owns CKKK-FM Peterborough.
5. King's Kids proposed to establish an English-language commercial low-power specialty FM radio station that would operate at 91.1 MHz (channel 216LP) with an effective radiated power (ERP) of 35 watts. The proposed station would offer a Christian Hot Adult Contemporary/Contemporary Hit Radio music format targeting listeners between 18 and 34 years of age. At least 90% of all musical selections would be drawn from content subcategory 35 (Non-classic religious). A minimum of 15% of all musical selections from content category 3 (Special Interest Music) broadcast each broadcast week would be Canadian selections.
6. The proposed station would broadcast 15 hours of structured spoken word programming per broadcast week, including 4 hours of news and 6 hours of religious spoken word content.
7. The applicant stated that it would not participate in the Canadian talent development (CTD) plan developed by the Canadian Association of Broadcasters. Under this plan, a radio licensee serving a market the size of Fort McMurray is required to contribute a minimum of \$400 in each broadcast year to eligible third parties for the development of Canadian talent. Instead, King's Kids indicated that it would devote \$64,092 to CTD over seven consecutive broadcast years, upon commencement of operations. Its annual minimum commitments would be incremental as follows:
 - \$7,800 per year for the first three years;
 - \$8,832 for the fourth year;
 - \$10,150 per year for the fifth and six years; and
 - \$11,560 for the seventh year.

Interventions

8. The Commission received numerous interventions in support of this application. The Commission also received an intervention offering general comments from O.K. Radio Group Ltd. (O.K. Radio).⁴ In its intervention, O.K. Radio submitted an economic report that it had commissioned entitled “Economic Overview of Fort McMurray, Alberta”.⁵ This report highlights various challenges to be faced by any new market entrant, including population growth, employment rates, average salaries according to certain economic sectors, average cost of lodging and planned economic activities. O.K. Radio submitted this report in order to make the Commission and the applicants aware of the unique circumstances associated with operating a business in Fort McMurray.
9. The applicant did not reply to the intervention by O.K. Radio.

Commission’s analysis and determinations

10. In Public Notice 2006-145, the Commission set out its determination that, on the basis of the strength of the Fort McMurray market and the current profitability of Fort McMurray commercial radio stations, the market can support the introduction of three new commercial radio stations to serve Fort McMurray, including the station proposed by King’s Kids, without an undue negative impact on existing stations.
11. The proposed station would offer a Christian Hot Adult Contemporary/Contemporary Hit Radio music format designed to appeal to listeners between 18 and 34 years of age. At least 90% of its music would be drawn from content subcategory 35 (Non-classic religious). A minimum of 15% of all musical selections from content category 3 (Special Interest Music) broadcast each broadcast week would be Canadian selections.
12. The Commission notes that the proposed station would broadcast 15 hours of structured spoken word programming per broadcast week, including 4 hours of news programming and 6 hours of religious spoken word programming.
13. In the area of CTD, King’s Kids proposed to devote \$64,092 over seven consecutive broadcast years upon commencement of operations.

⁴ The Commission is considering an application (2006-0616-3) by Rogers Broadcasting Limited to acquire from O.K. Radio Group Ltd. the assets of the following radio programming undertakings in Alberta: CJOK-FM and CKYX-FM and its transmitter CJOK-FM-1 Fort McMurray; CFGP-FM Grande Prairie and its transmitters CFGP-FM-1 Peace River and CFGP-FM-2 Tumbler Ridge; and CHDI-FM and CKER-FM Edmonton. This application was scheduled on the agenda of the 11 September 2006 Québec Public Hearing.

⁵ Prepared by Myers Norris Penny, 15 May 2006.

14. The Commission is mindful of the inherent challenges to be faced by the new market entrants both in terms of the high costs of establishing and maintaining a local mass appeal, conventional type radio service in Fort McMurray and in terms of competing against an incumbent operator and its two FM stations. Accordingly, as noted in Public Notice 2006-145, the Commission is of the opinion that these new entrants require the expertise and resources of established radio broadcasters. The Commission recognizes, however, that King's Kids would not require the same depth of resources to operate its proposed niche specialty FM Christian music service, as this service is based on a modest business plan that would not compete directly with the existing conventional commercial services offered by the incumbent licensee or the other new stations. Additionally, the Commission notes the applicant's experience in operating a similar Christian music service at Peterborough and recognizes the knowledge King's Kids' local members have regarding the social issues relevant to a community such as Fort McMurray.
15. The Commission has considered all of the interventions received with respect to this application.
16. In light of all of the above, the Commission **approves** the application by King's Kids Promotions Outreach Ministries Inc. for a broadcasting licence to operate an English-language low-power commercial specialty FM radio programming undertaking in Fort McMurray. The new station will operate at 91.1 MHz (channel 216LP) with an ERP of 35 watts.
17. The Commission notes the applicant's commitments related to the broadcast of Canadian music and its contributions to CTD. **Conditions of licence** are set out in the appendix to this decision requiring the applicant to adhere to those commitments to minimum levels of Canadian music selections and minimum levels of annual financial contributions to CTD. In the area of CTD, the Commission expects the applicant to contribute a total of \$64,092 over a period of seven consecutive broadcast years upon commencement of operations, as proposed.
18. As stated in *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993 (the Religious Policy), licensees who broadcast religious programming have an obligation to provide balance in their programming. In the Religious Policy, the Commission noted a number of mechanisms that would assist licensees in achieving balance, including scheduling of periods for listener reactions, providing access to complainants, searching out alternative points of view, producing or acquiring programming and providing access to other local faith groups. The Commission has imposed a **condition of licence** requiring that King's Kids adhere to the balance requirement, and encourages the licensee to form a regulatory review committee that would oversee the handling of complaints regarding the content of balance programming.

19. The licence to be issued to King's Kids 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, with the exception of conditions number 5 and 8, as well as to the **conditions** set out in the appendix to this decision.

Cultural diversity

20. 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.
21. The Commission expects King's Kids to reflect the cultural diversity of Canada in its programming and employment practices.

Issuance of the licence

22. 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.
23. 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.
24. Given that the technical parameters approved in this decision are for a low-power unprotected FM service, the Commission also reminds the applicant that it will have to select another frequency if the Department so requires.
25. 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 15 November 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.

Employment equity

26. 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.

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 2006-629

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, with the exception of conditions number 5 and number 8.
2. The licensee shall operate the station within the specialty format as defined in *A Review of Certain Matters concerning Radio*, Public Notice CRTC 1995-50, 21 April 1995, and *Revised Content Categories and Subcategories for Radio*, Public Notice CRTC 2000-14, 28 January 2000, as amended from time to time.
3. The licensee shall ensure that, during each broadcast week, not less than 90% of all musical selections broadcast are drawn from subcategory 35 (Non-classic religious).
4. The licensee shall, as an exception to the percentage of Canadian musical selections set out in section 2.2(3) of the *Radio Regulations, 1986*, in any broadcast week, devote in that week a minimum of 15% of its musical selections from content category 3 (Special Interest Music) to Canadian selections, and schedule them in a reasonable manner throughout each broadcast week.

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*.

5. Upon commencement of operations, the licensee shall contribute annually to the promotion and development of Canadian talent. Commencing in its first year of operation, the licensee shall contribute a minimum of \$7,800 to the promotion and development of Canadian talent. This amount shall increase in subsequent years of the licence term in accordance with the terms set out in the application as approved.

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.

6. Where the licensee broadcasts religious programming as defined in the *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, as amended from time to time.