



Broadcasting Decision CRTC 2008-196

Ottawa, 21 August 2008

Golden West Broadcasting Ltd.
Humboldt, Saskatchewan

Application 2007-1897-6, received 21 December 2007
Public Hearing in Winnipeg, Manitoba
3 June 2008

English-language FM radio station in Humboldt

*The Commission **denies** an application for a broadcasting licence to operate an English-language commercial FM radio station in Humboldt, Saskatchewan.*

The application

1. The Commission received an application by Golden West Broadcasting Ltd. (Golden West) for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Humboldt. The new station would operate on frequency 107.5 MHz (channel 298C1) with an effective radiated power of 100,000 watts.
2. The proposed station would offer a Country music format.
3. The Commission received several interventions in support of this application, as well as interventions in opposition to the application from Harvard Broadcasting Inc. (Harvard) and Radio CJVR Ltd. (Radio CJVR), the latter having also made an oral presentation at the public hearing. The interventions and the replies to the interventions can be found on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Commission's analysis

4. After examining the application, the interventions and the applicant's replies to the interventions, the Commission considers that the primary issue arising from this application relates to whether approval of the present application would be consistent with the Commission's Common Ownership Policy. The Commission also has concerns relating to the quality of the application, specifically as it pertains to evidence of demand for the proposed service and to the potential impact that the proposed station would have on Radio CJVR's radio stations based in Melfort, Saskatchewan.

The Commission's Common Ownership Policy

5. In its review of its Common Ownership Policy, set out in Public Notice 1998-41 and reiterated in Broadcasting Public Notice 2006-158, the Commission considered a number of factors, including the impact on the diversity of news voices in markets of different sizes, the possible impact on diversity of formats, and the implications for competition.

The Commission concluded that in markets with less than eight commercial stations operating in a given language, a person may be permitted to own or control as many as three stations operating in that language, with a maximum of two stations in any one frequency band. In the case of an FM station, a “market” is defined in section 2 of the *Radio Regulations, 1986* as the “F.M. 3mV/m contour [of a station] or the central area as defined by the Bureau of Broadcast Measurement (BBM), whichever is smaller.”

6. Currently, in the Saskatoon radio market, Golden West (through 629112 Saskatchewan Ltd.) owns and operates two FM stations, CJMK-FM and CKBL-FM. In the present case, the Commission notes that the 3mV/m contour of the proposed Humboldt station overlaps the 3mV/m contours of the existing Golden West stations in Saskatoon, while also overlapping the Saskatoon radio market, as defined by BBM Canada. According to the Commission’s definition of “market,” should the Commission approve the present application, Golden West would own three FM stations in the Saskatoon radio market and would require an exception to the Commission’s Common Ownership Policy.
7. In response to the Commission’s inquiries, Golden West submitted that, in its view, the Common Ownership Policy was not applicable to the proposed Humboldt station given the fact that no stations are currently dedicated to serving Humboldt specifically. However, Golden West conceded that if the Commission deemed the contour overlaps to be relevant, the application would require an exception to the Commission’s Common Ownership Policy.
8. Exceptions to the Common Ownership Policy are generally based on either technical considerations or economic need. In the Commission’s view, which was echoed by concerns raised by both Harvard and Radio CJVR in their interventions, Golden West failed to provide evidence of economic or technical need that would support the granting of an exception to its Common Ownership Policy. Accordingly, the Commission does not consider that such an exception would be warranted.

Quality of the application (demand for the proposed service)

9. Golden West identified its principal marketing area as the city of Humboldt (located approximately 115 kilometres east of Saskatoon) and its surrounding area. According to Statistics Canada’s 2006 Census, the population of the city of Humboldt was 4,998, representing a 3.2% decrease from 2001. The Commission notes that there are currently no radio stations based in Humboldt.
10. Based on the relatively small size of the city of Humboldt, the Commission considers it fundamental to determine whether or not sufficient demand exists in Humboldt to support the entry of the proposed station.

11. In its application, Golden West did not provide the Commission with evidence to demonstrate potential demand for its proposed Humboldt station. When further questioned on this by the Commission prior to the publication of the application, Golden West provided only anecdotal evidence of demand, stating: “we know our kind of service will be well received in Humboldt [...] we do not need to conduct market research to know this. We know this by our experience.” Upon being questioned further on this subject at the hearing, Golden West suggested that it had no additional proof of potential demand for the proposed Humboldt station and reiterated its position that it was basing potential demand on its previous experience in similar markets.
12. Further, the Commission considers that the proposed Country music format to be offered by Golden West would not provide musical diversity for Humboldt listeners, as this music format is currently provided to these listeners by stations in Melfort, Moose Jaw and Saskatoon, Saskatchewan, among other places.
13. The Commission considers that the onus falls on each applicant to provide evidence that sufficient demand exists within its targeted market to support the entry of a new radio station. In the present case, the Commission considers that the applicant has not demonstrated that there is a demand for the proposed service.

Market impact

14. Radio CJVR, through its stations CJVR-FM and CKJH, both of which are based in Melfort (located 115 kilometres northeast of Humboldt), as well as through its rebroadcasting transmitter CJVR-FM-1 Dafoe, Saskatchewan (located 85 kilometres southeast of Humboldt), programs a Country music service and provides some local programming to the Humboldt area. Radio CJVR has been the voice of the Humboldt Broncos Junior A hockey club since 1984.
15. In its application, Golden West indicated that it expects to have no financial impact on existing stations. However, in its intervention, Radio CJVR submitted that it derived approximately 14% of its 2006 revenues from Humboldt and the surrounding area. The intervener also estimated that a Golden West station in Humboldt would cause revenues currently derived by Radio CJVR from the Humboldt area to drop by approximately 75%.
16. After giving full consideration to the arguments made by Golden West and by Radio CJVR, the Commission considers that Golden West has underestimated the potential impact that its proposed station would have on the audience and on advertising revenues generated in Humboldt and the surrounding area by Radio CJVR’s radio stations in Melfort.

Commission's determination

17. Since approval of the present application would be inconsistent with the Commission's Common Ownership Policy; since the applicant has not provided justification for an exception to that policy; in light of the lack of evidence supporting a demand for the proposed service; and given the potential undue negative impact that the proposed service could have on stations currently available in, and providing some local programming to, the Humboldt radio market, the Commission **denies** the application by Golden West Broadcasting Ltd. for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Humboldt, Saskatchewan.

Secretary General

Related documents

- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998

This decision 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>.