



Broadcasting Decision CRTC 2011-41

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Route reference: 2010-551

Ottawa, 25 January 2011

Golden West Broadcasting Ltd.
Humboldt, Saskatchewan

Fabmar Communications Ltd.
Humboldt, Saskatchewan

*Public Hearing in Saskatoon, Saskatchewan
6 October 2010*

Licensing of a new radio station in Humboldt

*In this decision, the Commission **approves** the application by Golden West Broadcasting Ltd. for a broadcasting licence to operate an English-language commercial FM radio station in Humboldt.*

*The Commission **denies** the application by Fabmar Communications Ltd. for a broadcasting licence to operate an English-language commercial FM radio station in Humboldt.*

Introduction

1. The Commission received applications by Golden West Broadcasting Ltd. (Golden West) and Fabmar Communications Ltd. (Fabmar) for broadcasting licences to operate English-language commercial FM radio programming undertakings in Humboldt, Saskatchewan. Both applications for new radio services proposed to use the frequency 107.5 MHz and as such are mutually exclusive on a technical basis.
2. As a part of this proceeding, the Commission received and considered interventions with respect to each application. The public record for this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."
3. After reviewing the positions of the parties to this proceeding, the Commission is of the view that the primary issues to be considered are as follows:
 - Can the Humboldt radio market sustain a radio service?
 - If so, which of the applications should be approved, based on the quality of the applications?

The Humboldt radio market and its ability to sustain a radio service

4. The Commission notes that both Golden West and Fabmar, in their applications and at the hearing, indicated that sufficient demand exists in the Humboldt radio market to support the introduction of a local radio station. In addition, at the hearing, Fabmar questioned whether the introduction of a local station serving Humboldt would have a significant negative impact on the advertising revenues of its stations located in Melfort, Saskatchewan.
5. The Commission considers that the overall population of Humboldt and the retail sales generated within the Humboldt market are such that it can support the addition of a local radio station. Further, given the overall size of the Humboldt radio market and the positive outlook for future economic growth, the evidence of market demand submitted by the applicants as well as the Commission's analysis of the market's ability to support a local radio station, the Commission is of the view that a local radio service based in Humboldt would stimulate radio advertising sales growth in the market, primarily at the expense of other advertising mediums such as print media. In regard to the concerns raised by Fabmar, the Commission further considers that medium to long-term growth in advertising revenues would serve to mitigate the impact of a Humboldt radio station on the revenues of stations operating in adjacent markets that currently derive advertising revenues from the Humboldt area.

Assessment of the applications

6. Having determined that the Humboldt radio market could sustain the addition of a local service, the Commission has considered the two applications for radio stations in Humboldt in light of the criteria for assessing the quality of competitive applications for new commercial radio services, set out in Decision 99-480. These criteria include the following:
 - the quality of the application (which includes, among other criteria, the quality of service to the local community);
 - the diversity of news voices in the market; and
 - the competitive state of the market and the level of market impact.

Details from the applications reflecting the applicants' commitments in these respects are set out in Appendix 1 to this decision.

7. Having considered both applications in light of the criteria set out above, the Commission finds that the proposal by Golden West best meets the needs of the Humboldt radio market. In the Commission's view, Golden West's experience in providing locally-centred services in small markets throughout Saskatchewan would enable it to introduce a valuable service to the Humboldt market. The Golden West proposal would also introduce a new local voice to the Humboldt region, which would serve to complement the regional service provided by Fabmar from its local

stations in Melfort and their related rebroadcasting transmitters. In comparison, given that Fabmar offered less live-to-air programming, less in the way of programming expenses, and a lower level of local expression through local news programming, the Commission considers that its proposed service would not have provided the Humboldt radio market with as adequate of a local radio service.

8. The Commission notes that Golden West's seven-year projection for programming expenses and its committed offering of pure news programming per broadcast week at least doubled those proposed by Fabmar. In addition, the Commission is of the view that Golden West's proposed service, through its focus on local news and its greater emphasis on live-to-air programming, would have more local relevance than the service proposed by Fabmar. In light of the above, the Commission considers that the service proposed by Golden West would add greater diversity in terms of format and local news to both the local community and the Humboldt radio market.
9. Golden West proposed to offer a variety hits music format targeting listeners between 18 and 54 years of age. The applicant indicated that this format is intentionally broad given that the station would be the sole and first local service to the market. The proposed service's programming would include 13 hours and 56 minutes of spoken word programming per broadcast week, which would consist of news, weather, sports, surveillance material, and local agricultural and farm news. Additionally, the service would provide promotion of local concerts, the local arts community and other community organizations.
10. The Commission notes that Golden West committed, by condition of licence, to devote at least 40% of all of its musical selections from category 2 (Popular Music) throughout the broadcast week and from 6:00 a.m. to 6:00 p.m., Monday to Friday, to Canadian selections. These levels exceed the minimum regulatory requirement set out in the *Radio Regulations, 1986* (the Regulations), as amended from time to time, and, in the Commission's view, would therefore help to provide an enhanced exposure for Canadian popular music.
11. The Commission also notes that stations located in single-station markets as defined in Public Notice 1993-121 are not required to adhere to specific levels of local programming so as to be able to solicit or accept local advertising for broadcast during the broadcast week. Although Golden West's proposed service would operate in a single-station market, the applicant nevertheless indicated at the hearing that all of the station's programming would be local, a commitment that the Commission views positively. In order to be consistent with the way it regulates local programming for stations in non single-station markets, the Commission considers it appropriate to require Golden West to adhere to condition of licence 8 set out in Broadcasting Regulatory Policy 2009-62, which requires licensees operating radio stations serving markets other than single-station markets to broadcast a minimum of 42 hours of local programming in any broadcast week in order to solicit and accept local advertising. The Commission further encourages Golden West to meet its commitments of 126 hours of local programming per broadcast week.

12. All commercial radio licensees must adhere to the requirements relating to contributions to Canadian content development (CCD) set out in section 15 of the Regulations. The Commission notes that Golden West committed to exceed these basic annual contributions by devoting a total of \$48,000 over seven consecutive broadcast years to CCD, upon commencement of operations. Of this amount, at least 20% would be devoted to FACTOR. The remainder would be directed to the following eligible initiatives:

- a scholarship for a high school student to attend band camp;
- the purchase of musical instruments;
- the staging of a musical production; and
- scholarships and financial assistance for local emerging artists.

Determinations

13. Based on all of the above, the Commission **approves** the following application for a broadcasting licence to operate an English-language FM commercial radio programming undertaking in Humboldt:

Golden West Broadcasting Ltd.

Application 2009-1737-0, received 22 December 2009

The terms and **conditions of licence** for the new undertaking are set out in Appendix 2 to this decision.

14. In light of the above, the Commission **denies** the following application for a broadcasting licence to operate an English-language FM commercial radio programming undertaking in Humboldt:

Fabmar Communications Ltd.

Application 2010-0304-5, received 18 February 2010

Secretary General

Related documents

- *Conditions of licence for commercial AM and FM radio stations, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009*
- *Introductory statement – Licensing new radio stations, Decision CRTC 99-480, 28 October 1999*
- *Local programming policy for FM radio – Definition of a single-station market, Public Notice CRTC 1993-121, 17 August 1993*

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

Appendix 1 to Broadcasting Decision CRTC 2011-41

Details from the applications for new broadcasting licences for English-language FM radio programming undertakings in Humboldt, Saskatchewan

Applicant	Details from the application
<p>Golden West Broadcasting Ltd. Application 2009-1737-0</p>	<p>Type: English-language commercial FM radio programming undertaking Technical parameters: 107.5 MHz (channel 298C1), average effective radiated power (ERP) of 59,000 watts (maximum ERP of 96,000 watts with an effective height of antenna above average terrain of 164.1 metres) Format: Variety Hits Target audience: Adults aged 18-54 with a core aged 35-49 Canadian content (music): 40% category 2* Local programming per broadcast week**: 126 hours Spoken word programming per broadcast week: 13 hours and 56 minutes News*** programming per broadcast week: 5 hours and 17 minutes Canadian content development contribution (over the basic annual contribution): \$48,000 over seven consecutive broadcast years Emerging Canadian artists programming per broadcast week: 3% Live-to-air programming per broadcast week: 82 hours</p>
<p>Fabmar Communications Ltd. Application 2010-0304-5</p>	<p>Type: English-language commercial FM radio programming undertaking Technical parameters: 107.5 MHz (channel 298C1), effective radiated power of 100,000 watts (non-directional antenna with an effective height of antenna above average terrain of 164.1 metres) Format: Classic Rock Target audience: Adults aged 25-54 generally with a core aged 35-54 Canadian content (music): 40% category 2 Local programming per broadcast week: 126 hours Spoken word programming per broadcast week: 12 hours and 15 minutes News programming per broadcast week: 2 hours and 12 minutes Canadian content development contribution (over the basic annual contribution): \$39,000 over seven consecutive broadcast years Emerging Canadian artists programming per broadcast week: 0% Live-to-air programming per broadcast week: 44 hours</p>

* Percentages shown for category 2 musical selections (Popular Music) are for both the broadcast week and the period from 6:00 a.m. to 6:00 p.m., Monday to Friday. The definition of "broadcast week" is the same as that set out in the *Radio Regulations, 1986*.

** The definition of "broadcast week" as it relates to local, spoken word and news programming is the same as that set out in the *Radio Regulations, 1986*.

*** As set out in *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000, "news" excludes related surveillance material, that is, weather, traffic, sports and entertainment reports.

Appendix 2 to Broadcasting Decision CRTC 2011-41

Golden West Broadcasting Ltd.

Application 2009-1737-0, received 22 December 2009

Terms, conditions of licence, expectation and encouragements

Issuance of the broadcasting licence to operate an English-language commercial FM radio programming undertaking in Humboldt, Saskatchewan

Terms

The licence will expire 31 August 2017.

The station will operate at 107.5 MHz (channel 298C1) with an average effective radiated power (ERP) of 59,000 watts (maximum ERP of 96,000 watts with an effective height of antenna above average terrain of 164.1 metres).

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.

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.

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 25 January 2013. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

Conditions of licence

1. The licence will be subject to the conditions set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009.
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* (the Regulations):
 - (a) devote, in each 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 any period beginning on Monday of a week and ending on Friday of the same week, a minimum of 40% of its musical selections from content category 2 (Popular Music) 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 Regulations.

3. In addition to the required basic annual contribution to Canadian content development (CCD), set out in section 15 of the *Radio Regulations, 1986*, as amended from time to time, the licensee shall, upon commencement of operations, make annual contributions according to the following schedule (for a total of \$48,000 over seven consecutive broadcast years): Year 1: \$5,000; Year 2: \$6,000; Year 3: \$6,000; Year 4: \$7,000; Year 5: \$7,000; Year 6: \$8,000; Year 7: \$9,000.

Of these amounts, the licensee shall allocate no less than 20% per broadcast year to FACTOR. The remaining amounts of this additional CCD contribution shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

Expectation

Cultural diversity

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

Encouragements

Employment equity

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

Local programming

The Commission encourages the licensee to meet its commitment to provide 126 hours of local programming per broadcast week to the Humboldt market. The term “broadcast week” shall have the same meaning as that set out in the *Radio Regulations, 1986*.