



Broadcasting Decision CRTC 2015-124

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References: 2014-472 and 2014-472-1

Ottawa, 1 April 2015

Blackgold Broadcasting Inc.
Ponoka, Alberta

Application 2014-0676-0, received 16 July 2014
Public hearing in the National Capital Region
12 November 2014

English-language FM radio station in Ponoka

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

Application

1. Blackgold Broadcasting Inc. (Blackgold) filed an application for a broadcasting licence to operate an English-language commercial FM radio station in Ponoka, Alberta.
2. The proposed station would operate at 89.7 MHz (channel 209B1) with an effective radiated power of 10,000 watts (non-directional antenna with an effective height of antenna above average terrain of 111 metres).
3. The station would offer a Country music format targeting adults 25 to 54 years of age. It would broadcast 126 hours of local programming per broadcast week, with six hours and one minute devoted to news coverage, including four hours and forty-eight minutes of local and regional news coverage.
4. Blackgold committed to devote, by condition of licence, 40% of its content category 2 (Popular Music) musical selections broadcast during each broadcast week and between 6 a.m. and 6.p.m. from Monday to Friday to Canadian selections.
5. In addition, the applicant committed to exceed the minimum contribution to Canadian content development (CCD) required by section 15 of the *Radio Regulations, 1986* (the Regulations). Specifically, it committed to contribute, by condition of licence, over and above the basic annual contribution to CCD, a total of \$35,000 to CCD over seven consecutive broadcast years (\$5,000 per broadcast year) upon commencement of operations. Of this amount, at least 20% would be devoted to FACTOR, with the remainder to be directed to eligible initiatives as set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

6. The Commission received numerous interventions in support of this application, as well as opposing interventions from Newcap Inc. (Newcap) and L.A. Radio Group Inc. (L.A. Radio). Blackgold replied collectively to the interventions. The public record for this application can be found on the Commission's website at www.crtc.gc.ca or by using the application number provided above.

Commission's analysis

7. After examining the public record for this application in light of applicable regulations and policies, the Commission considers that the issue it must address is the impact the proposed station could have on existing stations.

Interventions

8. Newcap expressed concern that a new radio station would hinder the already overly-competitive radio market in Red Deer, Alberta and neighbouring areas. It submitted that its radio station CKJR Wetaskiwin would be negatively impacted by a radio station in Ponoka, as its station partially serves the Ponoka radio market. Newcap also stated that its Country music radio station CKGY-FM Red Deer reaches most of Ponoka and offers a similar type of music. Finally, the intervener noted that Blackgold projected a tuning rate of 50% in the Ponoka market, and characterized that rate as "very ambitious."
9. L.A. Radio stated that its station, CJUV-FM Lacombe, Alberta, provides significant and regular local news coverage dedicated to the Ponoka community. It submitted that its station would be negatively impacted by the proposed station.

Reply

10. According to Blackgold, the interveners' radio stations do not provide programming that is dedicated entirely to Ponoka residents. It indicated that it is not its intention to take away business from nearby stations. It also stated that while some Ponoka businesses use CJUV-FM to market their services, there is still space for a new local radio station.
11. Blackgold indicated that the proposed station's 0.5 mV/m contour would not enter the Red Deer market and that the signal should not be receivable in the city. It submitted that since the proposed service would be dedicated to Ponoka, it would be of little interest to residents of Red Deer, Lacombe or Wetaskiwin.
12. In regard to music format, Blackgold submitted that the proposed Country music format is different from the formats of CKJR (gold/oldies), and of CIHS-FM Wetaskiwin (gospel, folk and world music), which is licensed to 902890 Alberta Ltd.

Commission's decision

13. Although the applicant stated that the proposed station would be the first local service for Ponoka, the Commission notes that multiple radio stations originating from nearby markets reach Ponoka.
14. An examination of the service contours reveals that, while the town of Ponoka has a population of approximately 6,780 people according to the 2011 census, the proposed station would encompass approximately 17,000 people in its primary contour and approximately 73,000 people in its secondary contour. The proposed station's primary contour would overlap with those of several stations in Wetaskiwin, Lacombe and Red Deer, whereas its secondary contour would encompass portions of the Lacombe and Wetaskiwin radio markets. The Commission has examined the applicant's revenue projections and is not convinced that none of the projected revenues would come from existing stations, as was stated by the applicant. The Commission is also concerned that the proposed station might draw advertising revenues from nearby markets in order to achieve its financial objectives.
15. The Commission therefore finds that the proposed station could have an undue negative impact on existing radio stations, most notably those in Wetaskiwin and Lacombe.

Conclusion

16. In light of the above, the Commission **denies** the application by Blackgold Broadcasting Inc. for a broadcasting licence to operate a commercial FM radio programming undertaking in Ponoka, Alberta.

Secretary General