



Broadcasting Decision CRTC 2024-14

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Ottawa, 17 January 2024

Golden West Broadcasting Ltd.
Grande Prairie, Alberta

Public record: 2023-0052-3

CJGY-FM Grande Prairie and its transmitters CJGY-FM-1 Fort St. John and CJGY-FM-2 Dawson Creek – Licence amendment

Summary

The Commission **approves** an application by Golden West Broadcasting Ltd. to delete conditions of service relating to the specialty (Religious music) format of the English-language commercial specialty (Religious music) radio station CJGY-FM Grande Prairie, Alberta, and its transmitters CJGY-FM-1 Fort St. John and CJGY-FM-2 Dawson Creek, British Columbia.

Background

1. In Broadcasting Decision 2006-623, the Commission approved an application by Allan Hunsperger, on behalf of a corporation to be incorporated, to operate a new English-language commercial specialty radio station in Grande Prairie, Alberta. The Commission approved, in Broadcasting Decision 2016-27, the addition of two rebroadcasting transmitters in Fort St. John and Dawson Creek, British Columbia, to rebroadcast the programming of CJGY-FM Grande Prairie.
2. In Broadcasting Decision 2018-64, the Commission approved an application by Golden West Broadcasting Ltd. (Golden West) for the authority to acquire from Grande Prairie Radio Ltd. the assets of CJGY-FM and its transmitters CJGY-FM-1 Fort St. John and CJGY-FM-2 Dawson Creek.

Application

3. Golden West filed an application to delete conditions of service relating to the specialty (Religious music) format of CJGY-FM.
4. Specifically, Golden West requested to remove the following conditions of service, set out in Broadcasting Decision 2018-64:
 2. 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, and

Revised content categories and subcategories for radio, Broadcasting Regulatory Policy CRTC 2010-819, 5 November 2010.

3. The licensee shall devote at least 95% of all musical selections broadcast each broadcast week to selections from content subcategory 35 (Non-classic religious), as defined in *Revised content categories and subcategories for radio*, Broadcasting Regulatory Policy CRTC 2010-819, 5 November 2010.
4. 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.
5. Furthermore, Golden West proposed to adhere to the standard conditions of service for commercial radio stations set out in Broadcasting Regulatory Policy 2022-334 and proposed to increase the amount of Canadian content it broadcasts per broadcasting week to 40%.
6. Golden West stated that despite significant efforts, time and financial investments, CJGY-FM does not have a substantial audience and is not financially viable. It noted that the change in format will allow it to become competitive in the Grande Prairie market.
7. The Commission received two interventions in opposition to this application; one intervention by Vista Radio Ltd. (Vista), and one joint intervention by Pattison Media Ltd. (Pattison) and Bell Media Inc. (Bell).

Issues

8. The Commission has the authority, pursuant to subsections 9(1) and 9.1(1) of the *Broadcasting Act* (the Act), to issue and renew licences and to make orders imposing conditions on the carrying on of a broadcasting undertaking that it considers appropriate for the implementation of the broadcasting policy set out in subsection 3(1) of the Act.
9. After examining the record for this application in light of applicable regulations and policies, the Commission considers that it must address the following issues:
 - whether the licensee has demonstrated a compelling economic need justifying the requested amendments;
 - whether approval of the application would have an undue economic impact on incumbent radio stations;
 - whether the licensee has been in compliance with its regulatory requirements;
 - whether approval of the application would have a negative impact on the diversity of programming in the market; and
 - whether approval of the application would undermine the Commission's licensing process.

Economic need for the proposed amendments

10. Golden West stated that CJGY-FM has encountered financial struggles since its launch in 2007. While the station has undergone several changes in ownership, CJGY-FM continues to remain financially untenable. According to Golden West, this challenge stems from its current conditions of service related to religious programming.
11. Golden West projected a gradual decline in its total revenues over the next three years, should the application be denied. While the projections made by Golden West seem pessimistic when compared with revenues from the 2020-2021 and 2021-2022 broadcast years, the station's revenues are unlikely to increase as the pool of listeners of religious stations is scarce in Grande Prairie.
12. Conversely, the deletion of the conditions of service relating to religious programming would alleviate the competitive disadvantage that the station has experienced by granting it the opportunity to adapt its programming, thus generating more revenues.
13. In light of the above, the Commission finds that Golden West has demonstrated a compelling economic need for the proposed amendments.

Economic impact on incumbent stations

14. Grande Prairie is located approximately 456 kilometres northwest of Edmonton. Grande Prairie is currently served by five commercial radio stations operated by Rogers Media Inc. (CFGP-FM), Vista (CFRI-FM), Pattison (CJXX-FM and CIKT-FM) and Golden West. In addition, there are two Canadian Broadcasting Corporation radio stations; and two rebroadcasting transmitters, operated by CKUA Radio Foundation and Peace River Broadcasting Corporation Ltd.
15. The total revenue of the commercial market is in a downward trend at a compound annual growth rate (CAGR) of -9.9% over the last five years. However, the market reported a positive profit before interest and tax (PBIT) margin of 24% over the same period.
16. In their interventions, Vista, Pattison and Bell argued that the approval of this application would cause adverse economic impact on their respective stations, and that, as the licensee operates two rebroadcasting transmitters, consideration should also be given to the potential undue economic impact it could have on those markets.¹
17. Vista noted that the Commission determined that the Grande Prairie market could not sustain an additional commercial radio station in Broadcasting Decision 2020-215. Moreover, Vista noted that its similar application was denied in Broadcasting Decision 2017-122, where it sought to delete its conditions of licence relating to the specialty format of CJLT-FM Medicine Hat, Alberta, so that it could operate the station within a distinctive "new-to-the-market" Indie/Alternative music format.

¹ While Bell does not operate a radio station in Grande Prairie, it does operate CJDC in Dawson Creek.

18. In regard to the Commission's determination in Broadcasting Decision 2020-215, the Commission notes that it is not generally disposed to accept applications for new commercial radio stations for a period of two years from the date of the decision. Broadcasting Decision 2020-215 was published on 6 July 2020.
19. The Commission notes that while the Grande Prairie commercial market experienced revenue and profitability declines, the PBIT margin for the 2021-2022 broadcast year still stands at 17.4%, well above the 7.9% PBIT margin of the English-language commercial radio station market in Canada for that same year. Conversely, the Medicine Hat commercial market had a PBIT margin of 4.7% in the 2015-2016 broadcast year (the most recent broadcast year at the time of the decision rendered in Broadcasting Decision 2017-122), which was 17 percentage points lower than the English-language commercial radio market.
20. Furthermore, the licensee's proposal to change the format of its station would result in an existing station potentially generating additional incremental revenues, in comparison to a new service entering the market and generating revenues beyond what the existing stations generate. Therefore, any effect on the market would be substantially less than the entry of an entirely new station.
21. The Commission notes that the incumbent operators are experienced players that are well established in the Grande Prairie market and are positioned to sustain any additional competition that CJGY-FM could bring.
22. In regard to the rebroadcasting transmitters and their respective markets, the Commission notes that standard condition of service 8 set out in the appendix to Broadcasting Regulatory Policy 2022-334 prohibits licensees to solicit or accept local advertising when less than one third of the programming aired is local. CJGY-FM does not broadcast any local programming in Fort St. John and Dawson Creek.
23. In light of the above, the Commission finds that approval of the requested amendment would unlikely have an undue economic impact on incumbent stations.

Compliance with regulatory requirements

24. Licensees must comply at all times with their conditions of service, in accordance with the requirements set out in the Act and the *Radio Regulations, 1986* (the Regulations).
25. When requesting a licence amendment, the licensee must demonstrate that it has met all of its regulatory requirements. CJGY-FM is in compliance with the filing of its annual returns, as well as tangible benefit payments and Canadian content development contributions. Furthermore, Commission staff conducted a performance evaluation of the station's programming for the 19 to 25 February 2023 broadcast week and found that the licensee met all its regulatory requirements related to programming.
26. Consequently, the Commission finds that Golden West is in compliance with its regulatory requirements.

Negative impact on diversity of programming in the market

27. CJGY-FM is the sole religious music radio station in the Grande Prairie market. While the approval of this application would eliminate the religious programming offered in Grande Prairie, this type of programming garners a small tuned-in audience.
28. While Broadcasting Regulatory Policy 2022-332 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 licensee's station should incorporate spoken word material of direct and particular relevance to the communities served. This programming must include local news, weather, sports coverage, and the promotion of local events and activities.
29. Under its current specialty format, Golden West broadcasts approximately 165 minutes of pure news per broadcast week. In response to a request for information, Golden West indicated that it would broadcast approximately 317 minutes of pure news per broadcast week should its application be approved. Accordingly, the Commission considers that the level of news proposed by the licensee meets the requirements of the regulatory policy.
30. Furthermore, Golden West proposed to adhere to a condition of service requiring it to devote at least 40% of content category 2 (Popular Music) musical selections broadcast each broadcast week to Canadian selections broadcast in their entirety.
31. The Commission considers that the proposed level of Canadian content, which exceeds the minimum requirement set out in the Regulations, will provide enhanced exposure for Canadian popular music.
32. In light of the above, the Commission finds that while the approval of this application would eliminate the religious programming offered in Grande Prairie, the benefits resulting from the approval outweigh any impact on the loss of diversity of programming in the market.

Integrity of the Commission's licensing process

33. The Commission expects an applicant that is awarded a licence as part of a competitive process to maintain its programming commitments for at least the first licence term.
34. As noted above, the Commission approved the original licensing application in Broadcasting Decision 2006-623. CJGY-FM is now in its third licence term and has always operated as a specialty (Religious music) format.
35. In the past, the Commission has approved applications to delete conditions of service relating to the programming where the licensees were in compliance with regulatory requirements and demonstrated a compelling economic need for the amendment.
36. The Commission notes that all operators of CJGY-FM have struggled to garner a sufficient audience or advertiser base due to the station's niche programming. Furthermore, despite the efforts of an established licensee such as Golden West, CJGY-FM remains economically nonviable.

37. In light of the above, the Commission finds that approval of the present application would not undermine the integrity of the original licensing process.

Conclusion

38. In light of all of the above, the Commission **approves** the application by Golden West to delete conditions of service relating to the specialty (Religious music) format of the English-language commercial specialty (Religious music) radio programming undertaking CJGY-FM Grande Prairie, Alberta, and its transmitters CJGY-FM-1 Fort St. John and CJGY-FM-2 Dawson Creek, British Columbia.

39. Accordingly, the Commission deletes the conditions of service 2, 3 and 4 set out in the appendix to Broadcasting Decision 2018-64.

40. Furthermore, pursuant to subsection 9.1(1) of the Act, the Commission **orders** Golden West Broadcasting Ltd., as a **condition of service**, to devote at least 40% of content category 2 (Popular Music) musical selections broadcast each broadcast week to Canadian selections broadcast in their entirety. The specifics of this condition of service are set out in the appendix to this decision.

41. The Commission notes that this application, which included a proposed order setting out the above condition of service, was subject to a public proceeding which provided both the licensee and other interested parties notice of and an opportunity to make representations with respect to the particular conditions of service. The Commission is satisfied that, in this case, this public proceeding was sufficient to achieve the purposes of the publication and consultation requirement set out in subsection 9.1(4) of the Act.

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 Commercial Radio Policy*, Broadcasting Regulatory Policy CRTC 2022-332, 7 December 2022
- *Findings regarding market capacity and the appropriateness of issuing a call for applications to serve the Grande Prairie radio market*, Broadcasting Decision CRTC 2020-215, 6 July 2020
- *CJGY-FM Grande Prairie and its transmitters CJGY-FM-1 Fort St. John and CJGY-FM-2 Dawson Creek – Acquisition of assets*, Broadcasting Decision CRTC 2018-64, 15 February 2018
- *CJLT-FM Medicine Hat – Licence amendments*, Broadcasting Decision CRTC 2017-122, 28 April 2017

- *CJGY-FM Grande Prairie – New transmitters in Dawson Creek and Fort St. John, Broadcasting Decision CRTC 2016-27, 27 January 2016*
- *Christian music FM radio station in Grande Prairie, Broadcasting Decision CRTC 2006-623, 15 November 2006*

This decision is to be appended to the licence.

Appendix to Broadcasting Decision CRTC 2024-14

Revised conditions of service

1. The licensee shall adhere to the conditions set out in *Revised conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2022-334, 7 December 2022, as well as to the conditions set out in the broadcasting licence for the undertaking.
2. The licensee shall 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.