



Broadcasting Decision CRTC 2011-42

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Route reference: 2010-551

Ottawa, 25 January 2011

Golden West Broadcasting Ltd.
Estevan, Saskatchewan

Application 2009-0596-1, received 14 April 2009
Public Hearing in Saskatoon, Saskatchewan
6 October 2010

English-language FM radio station in Estevan

*The Commission **approves** the application by Golden West Broadcasting Ltd. for a broadcasting licence to operate an English-language commercial FM radio station in Estevan.*

Introduction

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 Estevan, Saskatchewan. The new station would operate on frequency 106.1 MHz (channel 291C1) with an effective radiated power of 100,000 watts (non-directional antenna with an effective height of antenna above average terrain of 70.8 metres).
2. Golden West is a corporation indirectly controlled by Elmer Hildebrand.
3. The new station would offer a Classic Rock and New Rock music format with 126 hours of local programming per broadcast week, including five hours and 45 minutes of news. Local programming would include regular local news casts, weather, sports and surveillance material, as well as the promotion of local concerts, the arts community, and all community and business organizations. The applicant indicated that the station would target adults between 18 and 49 years of age (skewed to males).
4. Golden West noted that the proposed station would complement its existing stations in the same locality, namely, CJSJ Estevan, which offers a Country/Oldies format, and CHSN-FM Estevan, which offers an Adult Contemporary format.
5. The applicant committed to devote 40% of its category 2 (Popular music) musical selections broadcast each broadcast week and from 6:00 a.m. to 6:00 p.m., Monday to Friday, to Canadian selections, which exceeds the minimum requirement in this regard set out in the *Radio Regulations, 1986* (the Regulations). It further proposed to

exceed the basic annual contribution to Canadian content development (CCD) by providing an additional \$5,000 a year to CCD, for a total of \$35,000 over seven broadcast years.

6. The Commission received an intervention in opposition to this application from 5777152 Manitoba Ltd. (5777152 Manitoba). The public record for this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Commission's analysis and determinations

7. After examining the application in light of applicable policies and regulations, and taking into account the intervention received and the applicant's reply, the Commission considers that the issues to be addressed in making its determinations relate to the capacity of the Estevan radio market to support a new entrant and the diversity of voices in that radio market.
8. In its intervention, 5777152 Manitoba expressed its concern regarding market entry for future competitors and submitted that the Estevan radio market would be better served by another operator who would add to the diversity of voices in that market.
9. In its reply, Golden West indicated that it would bring diversity to the Estevan radio market by offering an alternative musical genre to a currently under-served demographic. It further indicated that it is economically viable for it to establish a second FM station in the community as it is already the incumbent in Estevan and has studios and transmitting facilities in place.
10. In considering applications for new radio services, the Commission's predisposition generally lies in favour of increased competition and diversity, along with the improvements in the overall quality of available services that these promote. However, it must also ensure that markets are able to support the entry of new stations, and that the introduction of competition in a radio market will not have an undue negative impact on the incumbent stations in that market.
11. Currently, the Estevan radio market is served by the commercial stations CJSL and CHSN-FM. Owned and operated by Golden West, they together recorded strong compound annual growth in revenues of approximately 4% between 2005 and 2009, while achieving solid profitability levels.
12. Although the outlook for both economic and retail sales growth in the Estevan radio market is generally positive, it is the Commission's view that this market is not capable of supporting a new competitive radio entrant at this time, given its relatively modest size and the extent of its anticipated growth. However, the Commission considers that Golden West, by realizing efficiencies and maximizing synergies among its existing radio stations in Estevan, would be able to provide a viable third local radio service in that market.

13. Further, the Commission notes that Golden West, in addition to exceeding the basic annual CCD contribution as well as the minimum regulatory requirement relating to Canadian content for category 2 musical selections (which would result in enhanced exposure for Canadian music), would offer the Estevan radio market an alternative music format with its proposed radio station.

Conclusion

14. In light of all of the above, the Commission **approves** the application by Golden West Broadcasting Ltd. for a broadcasting licence to operate an English-language FM commercial radio programming undertaking in Estevan. The terms and **conditions of licence** for the new undertaking are set out in the appendix to this decision.

Secretary General

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

Appendix to Broadcasting Decision CRTC 2011-42

Terms, conditions of licence, expectation and encouragements

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

Terms

The licence will expire 31 August 2017.

The station will operate at 106.1 MHz (channel 291C1) with an effective radiated power of 100,000 watts (non-directional antenna with an effective height of antenna above average terrain of 70.8 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 of licence, 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 an annual contribution to CCD of \$5,000 per broadcast year (for a total of \$35,000 over seven consecutive broadcast years).

Of this amount, 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 Estevan radio market. The term “broadcast week” shall have the same meaning as that set out in the *Radio Regulations, 1986*.