



## Broadcasting Decision CRTC 2006-127

Ottawa, 5 April 2006

**Kelowna Christian Center Society**  
Kelowna, British Columbia

*Application 2004-0980-7*  
*Public Hearing in the National Capital Region*  
*16 January 2006*

### English-language FM radio station in Kelowna

*The Commission **denies** an application for a broadcasting licence to operate an English-language commercial specialty FM radio station in Kelowna, British Columbia.*

#### The application

1. The Commission received an application by the Kelowna Christian Center Society (KCC) for a broadcasting licence to operate an English-language commercial specialty FM radio programming undertaking in Kelowna, British Columbia. The proposed station would operate at 91.1 MHz (channel 216LP) with an effective radiated power of 47.8 watts.
2. The applicant stated that the proposed station would provide a service to the Kelowna Christian community, and would offer faith-based programming with a local focus in terms of programming and on-air talent. The proposed station would operate in the specialty format with at least 94% of the music aired during each broadcast week drawn from subcategory 35 (Non-classic religious). The applicant further indicated that the proposed station would provide approximately 5 hours per week of news, as well as 14 to 18 hours of other spoken word material, including religious programming.
3. The applicant made a commitment to devote \$3,000 per year to the development of Canadian talent through an annual talent contest.

#### Interventions

4. The Commission received interventions in support of this application, as well as interventions that, while not opposing the concept of a Christian music station, raised concerns about the applicant's proposal.
5. The Canadian Association of Broadcasters (CAB) suggested that, if approved, "appropriate safeguards in the form of conditions of licence respecting programming content be imposed in order to ensure there is no undue negative commercial impact upon the operations of the incumbent commercial broadcasters." The CAB submitted

that such safeguards would be consistent with the Commission's policy on low-power radio as expressed in *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002 (Public Notice 2002-61).

6. An intervention filed by In House Communications Inc. (In House) focused on the timing and quality of KCC's application. In House made reference to a letter sent by the Commission to the applicant requesting that KCC withdraw its application due to the inability of the Kelowna market to sustain a new entrant at the current time. In House stated, however, that it did not oppose the application based on the type of service offered.
7. Silk FM Broadcasting Ltd. (Silk FM) also expressed support for the notion of a Christian radio station in Kelowna but was concerned about the quality of the overall application submitted by KCC. Silk FM submitted that there was a lack of written support from other church organizations in the area, and expressed concern that much of the programming would not be reflective of the many diverse views and churches in Kelowna. Silk-FM was also concerned about the ability of the applicant to support the losses projected for the initial years of operations.
8. Jim Pattison Broadcast Group Limited Partnership (Pattison) echoed the concerns about the ability of the Kelowna market to sustain a new station raised by In House. Pattison further submitted that, while it was not necessarily opposed to the introduction of a Christian radio service, it was concerned that the applicant has made "it quite clear that they plan on programming Adult Contemporary and Hot AC music throughout the day sprinkled with religious and/or Christian music." Moreover, Pattison argued that much of the long-form religious programming that the applicant intended to offer is already available from incumbents in the market.
9. Standard Radio Inc. (Standard) argued that the application, as presented, does not meet all of the goals as set out in Public Notice 2002-61 and that the application appeared to be a "back door entry into commercial broadcasting" given, in particular, that "few of the programming descriptions, music, surveillance or features resemble that of a specialty licence but are more akin to any other commercial broadcast undertaking." Standard also questioned the applicant's business plan, particularly KCC's anticipated revenues and the potential impact on the market.
10. The applicant did not respond to the interventions.

### **Commission's analysis and determination**

11. While the Commission notes concerns expressed about the quality of the application and the details of KCC's programming proposal, it is of the view that the ability of the Kelowna market to sustain an additional radio station is of primary concern in this instance.

12. In *Specialty radio station in Kelowna*, Broadcasting Decision CRTC 2005-87 (Decision 2005-87), the Commission denied an application by Newlife Communications Inc. (Newlife) to operate a low-power specialty English-language commercial FM radio programming undertaking in Kelowna. Newlife proposed to offer a Christian music service complemented by religious spoken word programming. The Commission's determination to deny the Newlife application was based on financial data which showed that, since 1999, the average annual profit before interest and tax (PBIT) of the radio stations in the Kelowna market was 2.0%. In comparison, the Commission noted that the average PBIT for stations overall in Canada was 16.6% while, more specifically in British Columbia, the Yukon Territory and the Northwest Territories, the average PBIT was 13.5%. The Commission therefore determined that the station proposed by Newlife could have an undue negative impact on the ability of existing broadcasters in the market to meet their programming commitments.
13. Consistent with Decision 2005-87, the Commission sent to KCC, on 22 June 2005, a letter requesting that it withdraw its application, citing specifically the relatively low profitability of the Kelowna market and the detrimental effect that a new radio station would have on that market. In response to the 22 June 2005 letter, the applicant asked that its application still be considered given that the surrounding areas would benefit from the proposed service and its belief that the market situation would improve. While 2005 financial data reveals some modest improvement in the market, the Commission continues to believe that it would be premature to licence a new radio station in Kelowna at this time.
14. Accordingly, the Commission **denies** the application by Kelowna Christian Center Society for a broadcasting licence to operate an English-language commercial specialty FM radio programming undertaking in Kelowna, British Columbia.

Secretary General

*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>*