



Broadcasting Decision CRTC 2006-627

Ottawa, 15 November 2006

Harvard Broadcasting Inc.

Fort McMurray, Alberta

Application 2005-1120-6

Public Hearing at Edmonton, Alberta

19 June 2006

Adult Contemporary FM radio station in Fort McMurray

*In this decision, the Commission **approves** an application by Harvard Broadcasting Inc. for a broadcasting licence to operate a new English-language commercial FM radio station in Fort McMurray.*

Background

1. At the 19 June Public Hearing in Edmonton, the Commission considered nine applications for broadcasting licences to operate new radio stations to serve Fort McMurray. The applicants were as follows:
 - Clear Sky Radio Inc. (Clear Sky)¹
 - Standard Radio Inc. (Standard)
 - Vista Radio Ltd. (Vista)²
 - Golden West Broadcasting Ltd. (Golden West)
 - Harvard Broadcasting Inc. (Harvard)
 - King's Kids Promotions Outreach Ministries Inc. (King's Kids)
 - Newcap Inc. (Newcap)
 - Radio CJVR Ltd. (CJVR)
 - Touch Canada Broadcasting Inc. (Touch Canada)
2. The Commission's determination that the Fort McMurray market can support the introduction of three new commercial FM radio stations is set out in *Licensing of new radio stations to serve Fort McMurray, Alberta – Introduction to Broadcasting Decisions CRTC 2006-627 to 2006-630*, Broadcasting Public Notice CRTC 2006-145 (Public Notice 2006-145) of today's date. That public notice also summarizes the rationale underlying the Commission's approval of the applications by Harvard, Newcap and King's Kids to serve Fort McMurray.³

¹ 1182743 Alberta Ltd. changed its name to Clear Sky Radio Inc. on 6 September 2006.

² On 31 August 2006, Vista Radio Ltd., CFCP Radio Ltd., CCIR Holdings Ltd. and Coast Radio Ltd. amalgamated under the name Vista Radio Ltd.

³ The Fort McMurray radio market is currently served by O.K. Radio Group Ltd., which operates CKYX-FM and CJOK-FM.

3. In *Denial of applications proposing radio service for Fort McMurray, Alberta*, Broadcasting Decision CRTC 2006-630, also dated today, the Commission has denied the competing applications for broadcasting licences to operate new radio stations in Fort McMurray by Clear Sky, Standard, Vista, Golden West, CJVR and Touch Canada.

The application

4. Harvard is a corporation ultimately controlled by Mr. Frederick W. Hill. It currently owns CFWF-FM, CHMX-FM and CKRM, all of which serve Regina, Saskatchewan, and has been granted a broadcasting licence to operate a new English-language commercial FM radio station in Calgary.⁴
5. Harvard proposed to establish an English-language, commercial FM radio station that would operate at 103.7 MHz (channel 279B) with an effective radiated power (ERP) of 20,000 watts. The proposed station would primarily offer an Adult Contemporary music format targeting listeners between 25 and 54 years of age, in the evening turning to a Top-40 format targeting listeners younger than 25 years of age. A minimum of 40% of all musical selections from content category 2 (Popular Music) broadcast both during the broadcast week and between 6 a.m. and 6 p.m. Monday through Friday would be Canadian selections.
6. The proposed station would broadcast approximately 5 hours and 53 minutes of news and information programming per broadcast week. In all, Harvard anticipated offering a total of approximately 15 hours and 53 minutes of structured spoken word programming per broadcast week including public affairs programming, sports, weather and surveillance and numerous local focus features including reports on local events and recreation.
7. At the hearing, the Commission also explored with Harvard its plans for the use of voice-tracking, automation or live-to-air programming. Harvard indicated that none of the programming broadcast on the proposed station during each broadcast week would be “voice-tracked” programming.
8. Harvard indicated that it would establish a Local Advisory Committee (the Committee) to ensure that the operation and services provided by the proposed undertaking are best suited to the interests and needs of the Fort McMurray community. The Committee would be selected from members of the community who are representative of the proposed target audience. There would be no fewer than 5 and no more than 9 members, none of whom, except for the Chairperson, would be employed by the station.

⁴ *Alternative Rock FM radio station in Calgary*, Broadcasting Decision 2006-321, 2 August 2006.

9. The applicant indicated that it would not participate in the Canadian talent development (CTD) plan created by the Canadian Association of Broadcasters. Under this plan, a radio licensee serving a market the size of Fort McMurray is required to contribute a minimum of \$400 in each broadcast year to eligible third parties for the development of Canadian talent. Instead, Harvard indicated that it would devote a minimum of \$700,000 over seven consecutive broadcast years in direct expenditures for CTD, representing a contribution of least \$100,000 per broadcast year. Annual expenditures would be allocated as follows:
- \$40,000 for the sponsorship of a music stage at the Interplay Visual and Performing Arts Festival, for the purpose of paying artist fees.
 - \$40,000 for four annual \$10,000 scholarships to support students studying visual and performing arts at Keyano College.
 - \$20,000 in contributions to VoicePrint, the English-language national audio programming service.
10. In addition to its commitments to CTD, Harvard proposed to promote Canadian talent development through various music showcase programs featuring new Canadian artists and talent, including artists from the Fort McMurray area and the province of Alberta.
11. Finally, Harvard committed to the development of Aboriginal news staff through a cooperative effort with Aboriginal Peoples Television Network (APTN). Specifically, Harvard proposed a news mentoring program wherein, during each year of the licence term, it would accept and train at least one person from the local Aboriginal community in news reporting.

Interventions

12. The Commission received numerous interventions in support of this application. The Commission also received interventions offering general comments, submitted by the Canadian Independent Record Production Association (CIRPA) and O.K. Radio Group Ltd. (O.K. Radio).⁵
13. Regarding all of the applications for broadcasting licences to serve Fort McMurray, CIRPA raised general issues pertaining to Canadian content, ownership, diversity of formats and the development of Canadian talent. CIRPA especially noted the lack of support for the Foundation Assisting Canadian Talent on Recordings (FACTOR) and for other established third party organizations focused on the development of Canadian talent. CIRPA noted that it is not generally supportive of private funds administered by

⁵ The Commission is considering an application (2006-0616-3) by Rogers Broadcasting Limited to acquire from O.K. Radio Group Ltd. the assets of the following radio programming undertakings in Alberta: CJOK-FM and CKYX-FM and its transmitter CJOK-FM-1 Fort McMurray; CFGP-FM Grande Prairie and its transmitters CFGP-FM-1 Peace River and CFGP-FM-2 Tumbler Ridge; and CHDI-FM and CKER-FM Edmonton. This application was scheduled on the agenda of the 11 September 2006 Québec Public Hearing.

stations, station sponsored talent contests and training programs which, in its view, provide little tangible benefit to the recording industry. Moreover, CIRPA indicated that it is not supportive of Canadian “artist spotlight” programs, if they are relegated to low-listener time periods. CIRPA also indicated its desire for clearer definitions of “emerging” and “developing” artists, in the context of proposed CTD initiatives.

14. As it pertains to Harvard’s application, CIRPA indicated that it was supportive of the contribution of \$40,000 per year to sponsor a stage at a local music festival, as long as all the funding is earmarked for artist appearing fees.⁶ CIRPA did not, however, support Harvard’s plan to train future broadcasters, as such funding does nothing to advance the careers of Canadian artists. Furthermore, CIRPA considered that VoicePrint has nothing to do with the development of Canadian talent and, therefore, did not support Harvard’s rationale for supporting this service.
15. O.K. Radio, in its intervention, submitted an economic report that it had commissioned entitled “Economic Overview of Fort McMurray, Alberta”.⁷ This report highlights various challenges to be faced by any new market entrant, including population growth, employment rates, average salaries according to certain economic sectors, average cost of lodging and planned economic activities. O.K. Radio submitted this report in order to make the Commission and the applicants aware of the unique circumstances associated with operating a business in Fort McMurray.

Applicant’s replies

16. In response to CIRPA, Harvard noted that its application would bring diversity to the market in terms of ownership and format. Harvard also noted that it had accepted a condition of licence requiring an elevated Canadian content level of 40% for Category 2 musical selections. As well, Harvard noted that its CTD package would directly target new and emerging artists.
17. As it pertains specifically to certain CTD initiatives, Harvard stated its belief that there are a variety of means by which to support the development of Canadian artists and that, in Fort McMurray, this would be best accomplished by locally focused support.
18. With respect to CIRPA’s concerns about the applicant’s plans to train future broadcasters, Harvard noted that its contributions in this regard are consistent with Commission policy.
19. In considering the eligibility of its contribution to VoicePrint, Harvard pointed out that the Commission has already pronounced on the admissibility of VoicePrint as an eligible direct CTD expenditure.

⁶ In response to deficiency requests and at the public hearing, Harvard confirmed that this contribution would be “directed 100 percent to artists.”

⁷ Prepared by Myers Norris Penny, 15 May 2006.

20. Harvard did not reply to the intervention by O.K. Radio.

Commission's analysis and determinations

21. In Public Notice 2006-145, the Commission set out its determination that, on the basis of the strength of the Fort McMurray market and the current profitability of Fort McMurray commercial radio stations, the Fort McMurray radio market could support the introduction of three new commercial radio stations to serve Fort McMurray, including the station proposed by Harvard, without an undue negative impact on existing stations.
22. The Commission considers that Harvard's proposal for an Adult Contemporary music format targeting listeners between 25 and 54 years of age, along with an evening Top-40 format targeting listeners under 25 years of age would promote additional programming diversity in Fort McMurray. The proposed station would broadcast approximately 5 hours and 53 minutes of news and information programming per broadcast week. In all, Harvard would offer a total of approximately 15 hours and 53 minutes of structured spoken word programming per broadcast week, including public affairs programming, sports, weather and surveillance and numerous local focus features including reports on local events and recreation. The Commission also notes that Harvard would provide a new radio voice and increase competition in the Fort McMurray radio market.
23. The Commission further notes that the new station would provide significant exposure for Canadian artists through the applicant's commitment to ensure that at least 40% of all musical selections from content category 2 (Popular Music) broadcast both during each broadcast week and between 6 a.m. and 6 p.m. Monday to Friday would be Canadian selections. The Commission also notes Harvard's commitment to devote \$700,000 to CTD over seven consecutive broadcast years, upon commencement of operations, including \$560,000 to support local talent development. This would represent a contribution of \$100,000 per broadcast year.
24. Additionally, Harvard has committed to the development of Aboriginal news staff through a cooperative effort with APTN. Specifically, Harvard has proposed a news mentoring program wherein, during each year of the licence term, it would accept and train at least one person from the local Aboriginal community in news reporting. Harvard indicated that it would adhere to this commitment as a condition of licence.
25. Harvard would also establish a Local Advisory Committee to ensure that the operation of the new station and the services it would provide are best suited to the interests and needs of the Fort McMurray community. The Committee would be selected from members of the community who are representative of the proposed target audience. There would be no fewer than 5 and no more than 9 members, none of whom, except for the Chairperson, would be employed by the station.

26. The Commission is mindful of the inherent challenges to be faced by the new market entrants both in terms of the high costs of establishing and maintaining a local radio service in Fort McMurray and in terms of competing against an incumbent operator and its two FM stations. Accordingly, the Commission is of the opinion that these new entrants require the expertise and resources of established broadcasters. In the Commission's view, Harvard, as an established radio broadcaster, provides the expertise and resources necessary to compete in Fort McMurray.
27. The Commission has considered all of the interventions received with respect to Harvard's application. Noting the concerns expressed by CIRPA, the Commission considers that the initiatives proposed by the applicant are eligible as CTD contributions and will provide valuable support for the development of Canadian talent, including at the local level.
28. In light of all of the above, the Commission **approves** the application by Harvard Broadcasting Inc. for a broadcasting licence to operate an English-language, commercial FM radio programming undertaking in Fort McMurray. The new station will operate at 103.7 MHz (channel 279B) with an ERP of 20,000 watts.
29. The Commission notes the applicant's commitments related to the broadcast of Canadian music and its contributions to CTD, as well as its association with APTN in establishing a news mentoring program. **Conditions of licence** are set out in the appendix to this decision requiring the applicant to adhere to those commitments. In the area of CTD, the Commission expects the applicant to contribute a total of \$700,000 over a period of seven consecutive broadcast years upon commencement of operations, as proposed.
30. The Commission also notes the commitment made by Harvard that none of the programming to be broadcast on the new station will be "voice-tracked" programming, and expects the applicant to adhere to this commitment throughout the licence term.
31. The licence to be issued to Harvard will expire 31 August 2013. It will be subject to the **conditions** set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of condition number 5, as well as to the **conditions** set out in the appendix to this decision.

Cultural diversity

32. In *Commercial Radio Policy, 1998*, Public Notice CRTC 1998-41, 30 April 1998, the Commission encouraged broadcasters to reflect Canada's cultural diversity in their programming and employment practices.
33. The Commission expects Harvard to reflect the cultural diversity of Canada in its programming and employment practices.

Issuance of the licence

34. 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.
35. 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.
36. 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 15 November 2008. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before that date.

Employment equity

37. In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the applicant to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.

Secretary General

This decision is to be appended to the licence. It 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>

Appendix to Broadcasting Decision CRTC 2006-627

Conditions of licence

1. The licence will be subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of condition number 5.
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*, in any broadcast week:
 - (a) devote, in that 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 a.m. and 6 p.m., in the period from Monday to Friday of the same broadcast week, 40% or more of its musical selections from content category 2 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 *Radio Regulations, 1986*.

3. Upon commencement of operations, the licensee shall contribute an annual minimum of \$100,000 to the development and promotion of Canadian talent, allocated as follows:
 - \$40,000 for the sponsorship of a music stage at the Interplay Visual and Performing Arts Festival for the purpose of paying artist fees;
 - \$40,000 for four annual \$10,000 scholarships to support students studying visual and performing arts at Keyano College; and
 - \$20,000 in contributions to VoicePrint, the English-language national audio programming service.

The Commission reminds the licensee that all Canadian talent development (CTD) expenditures must be made in accordance with the Commission’s policy on qualifying contributions to CTD, as set out in Appendix 1 to *An FM policy for the nineties*, Public Notice CRTC 1990-111, 17 December 1990.

4. Through a cooperative effort with the Aboriginal Peoples Television Network, the licensee shall train at least one person from the local Aboriginal community in news reporting during each year of the licence term.

