



## Broadcasting Decision CRTC 2006-89

Ottawa, 24 March 2006

**Maritime Broadcasting System Limited**  
Charlottetown, Prince Edward Island

*Application 2005-0430-0*

*Public Hearing at Charlottetown, Prince Edward Island*

*3 October 2005*

### **CFCY Charlottetown – Conversion to FM band**

*In this decision, the Commission **approves** the application by Maritime Broadcasting System Limited (Maritime) for a broadcasting licence to operate a new English-language commercial FM radio station in Charlottetown at 95.1 MHz. The new radio station will replace Maritime's existing AM station CFCY, and will offer a Country music format.*

### **Background**

1. The application by Maritime Broadcasting System Limited (Maritime) was one of four applications to serve Charlottetown considered at the 3 October 2005 public hearing. Maritime and Newcap Inc. (Newcap) both proposed to convert existing local AM stations to the FM band. In addition, Newcap and Coast Broadcasting Ltd. (Coast) each proposed to establish new FM radio stations.
2. The Commission's determination that the Charlottetown market can support the conversion of the two existing local AM radio stations, as well as a new commercial FM radio station is set out in *Licensing of new radio stations to serve Charlottetown, Prince Edward Island – Introduction to Broadcasting Decisions CRTC 2006-88 to 2006-91*, Broadcasting Public Notice CRTC 2006-34, 24 March 2006 (Public Notice 2006-34). That public notice also summarizes the rationale underlying the Commission's approval of two conversions from the AM band to the FM band, as well as the Newcap application for a broadcasting licence to operate a new commercial FM radio programming undertaking.
3. In *CHTN Charlottetown – Conversion to FM band*, Broadcasting Decision CRTC 2006-88 of today's date, the Commission has approved an application by Newcap to convert CHTN from the AM band to the FM band. In *English-language FM radio station in Charlottetown*, Broadcasting Decision CRTC 2006-90, also of today's date, the Commission has approved in part an application by Newcap for a broadcasting licence to operate a new FM radio station to serve Charlottetown. In *Denial of application proposing radio service for Charlottetown, Prince Edward Island*, Broadcasting Decision CRTC 2006-91, also dated 24 March 2006, the Commission has denied a competing application by Coast.

## The application

4. Maritime is ultimately controlled by Robert L. Pace through its subsidiary, Green Radio Limited. Maritime owns radio stations in Prince Edward Island, Nova Scotia and New Brunswick.
5. Maritime proposed to convert CFCY from the AM band to the FM band. The new station would operate as an English-language commercial FM radio programming undertaking at 95.1 MHz (channel 236C1) with an average effective radiated power of 73,300 watts. The applicant submitted that radio in general has experienced challenges in maintaining audience as a result of emerging technologies such as satellite and the Internet. The applicant asserted that, when listeners choose local radio for entertainment and information, they instinctively search the FM band rather than the AM band. Maritime was of the view that a conversion to the FM band is essential for CFCY's survival in the Charlottetown radio market.
6. The proposed station would offer the Country music format currently provided by CFCY, targeting listeners aged 25 to 54. All of the station's programming would be locally produced, and would include 5 hours and 23 minutes of spoken word programming, of which news would make up approximately 4 hours and 51 minutes. Other spoken word programming would include *Backstage Pass*, a 30-second artist spotlight feature to be heard five times each weekday, the *Farm Market Report*, a 90-second feature to be broadcast at noon on weekdays, a two-minute feature to be known as *Agricultural Today*, and a two and one-half minute *4-H Report* on Saturday afternoons.
7. The applicant indicated that it would continue to broadcast programs currently offered by CFCY, including the weekly *Saturday Night Hoedown*. Other features would include a one-hour program to be called *Bluegrass Island* and a one-hour program on Sunday evenings called *Country Roots*, which would pay tribute to country music pioneers.
8. Maritime proposed that a minimum of 35% of the popular (category 2) musical selections aired during each broadcast week would be Canadian selections, in accordance with the minimum level for category 2 musical selections set out in the *Radio Regulations, 1986*. In addition, the applicant made a commitment that 15% of all Canadian category 2 musical selections broadcast during the broadcast week and during the period from 6:00 a.m. to 6:00 p.m. Monday to Friday, would be Maritime Canadian selections.

9. The applicant indicated that it would participate in the Canadian talent development (CTD) plan created by the Canadian Association of Broadcasters (CAB). Under the plan, accepted by the Commission in *Contributions by radio stations to Canadian talent development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995, licensees serving markets the size of Charlottetown are required to contribute, through eligible third parties, a minimum yearly amount of \$400 to the development of Canadian talent. Maritime indicated that, in addition to its contribution under the CAB CTD plan, it would expend an additional \$14,285 in each broadcast year for a total of \$100,000 over seven years, to support the following initiatives:
- \$11,000 yearly for four scholarships of \$2,750 each, to be awarded to Print Journalism students at the University of Prince Edward Island.
  - \$3,285 yearly in funding towards the establishment of a University of Prince Edward Island Music Archive dedicated to preserving the musical heritage of Prince Edward Island.
10. The Commission received a number of interventions in support of this application.

### **Commission's analysis and determinations**

11. In Public Notice 2006-34, the Commission set out its determination that the Charlottetown market can support the conversion of the two existing local AM stations to the FM band without creating any undue negative impact on the Charlottetown radio market, as well as a new commercial FM radio station that would concentrate on providing service to the Charlottetown market.
12. The Commission considers that the conversion of CFCY to the FM band will increase the technical quality of the station's sound, and will strengthen Maritime's competitive position in the Charlottetown radio market.
13. In light of the above, the Commission **approves** the application by Maritime Broadcasting System Limited for a broadcasting licence to operate a new English-language commercial FM radio programming undertaking at Charlottetown to replace its AM station CFCY.
14. The station will operate at 95.1 MHz (channel 236C1) with an average effective radiated power of 73,300 watts.

15. The licence will expire 31 August 2012 and will be subject to the **conditions** set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999. The Commission notes the commitments by the applicant to participate in the CTD plan created by the CAB, and to make additional contributions to CTD. A **condition of licence** is set out in the appendix to this decision requiring the applicant to adhere to its commitments to minimum annual financial contributions to CTD following the commencement of operations. The Commission expects the applicant to contribute a total of \$100,000 over a period of seven consecutive broadcast years as proposed.
16. The licensee is authorized, by **condition of licence**, to simulcast the programming of the new FM station on CFCY for a transition period of three months following the commencement of operations of the FM station. Pursuant to sections 9(1)(e) and 24(1) of the *Broadcasting Act* (the Act), and consistent with the licensee's request, the Commission **revokes** the licence for CFCY effective at the end of the simulcast period.

### **Issuance of the licence**

17. 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.
18. The Commission reminds the applicant that, pursuant to section 22(1) of the 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.
19. 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 24 March 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.

### **Cultural diversity**

20. In *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998, the Commission encouraged broadcasters to reflect the cultural diversity of Canada in their programming and employment practices, especially with respect to news, music and promotion of Canadian artists.
21. The Commission expects Maritime to reflect Canada's cultural diversity in the proposed station's programming and employment practices.

## **Employment equity**

22. 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.

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 2006-89

### 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 (Public Notice 1999-137).
2. In addition to making annual payments to third parties involved in Canadian talent development at the level identified for it in the Canadian Association of Broadcasters' Distribution Guidelines for Canadian talent development, as required under condition of licence number 5 set out in Public Notice 1999-137, the licensee shall, upon commencement of operations, contribute an annual minimum of \$14,285 to the development and promotion of Canadian talent, as follows:
  - \$11,000 for four scholarships of \$2,750 each, to be awarded to Print Journalism students at the University of Prince Edward Island.
  - \$3,285 in funding towards the establishment of a University of Prince Edward Island Music Archive dedicated to preserving the musical heritage of Prince Edward Island.