



Broadcasting Decision CRTC 2014-637

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Route reference: 2014-383

Ottawa, 9 December 2014

Clear Sky Radio Inc.
Strathmore, Alberta

*Application 2013-1293-3, received 23 September 2013
Public hearing in the National Capital Region
25 September 2014*

English-language FM radio station in Strathmore

*The Commission **approves** an application for a broadcasting licence to operate an English-language commercial FM radio station in Strathmore. The new station will provide a local radio service to Strathmore residents.*

Application

1. Clear Sky Radio Inc. (Clear Sky) filed an application for a broadcasting licence to operate an English-language commercial FM radio station in Strathmore, Alberta.
2. Clear Sky is a corporation jointly controlled by Paul Larsen and Mary McKinnon Mills.
3. The proposed station would operate at 104.5 MHz (channel 283B1) with an average effective radiated power (ERP) of 2,800 watts (maximum ERP of 7,000 watts with an effective height of antenna above average terrain of 101.5 metres).
4. The station would offer a country music format targeting adults 18 to 54 years of age. All 126 hours of programming during the broadcast week would be local programming. Spoken word programming would include news, weather, road and highway reports, information on agriculture, community updates and outdoor lifestyle reports. Five hours and thirty-three minutes of spoken word programming per broadcast week would be devoted to news, 85% of which would be devoted to stories that are local and regional in scope. Clear Sky indicated that it would not solicit advertising in the Calgary market.
5. Clear Sky indicated that it would, by condition of licence, devote at least 40% of all musical selections from content category 2 (Popular Music) to Canadian selections both during the broadcast week and between 6 a.m. to 6 p.m. Monday to Friday. This exceeds the minimum 35% level required by the *Radio Regulations, 1986* (the Regulations).

6. In addition to the required basic contribution to Canadian content development (CCD) set out in section 15 of the the Regulations, Clear Sky proposed to devote, by condition of licence, \$84,000 over seven broadcast years (\$12,000 per broadcast year) in direct contributions to CCD, beginning in the first year of operations.

Interventions

7. The Commission received interventions in support of the application as well as one commenting on the application from Corus Entertainment Inc. (Corus). The public record for this application is available on the Commission's website at www.crtc.gc.ca or by using the application number provided above.
8. While Clear Sky indicated that it would not solicit advertising in Calgary, Corus expressed concern that Clear Sky might seek a power increase in the future that would enable it to reach the Calgary market. Accordingly, Corus requested that the Commission impose a condition of licence that would prohibit Clear Sky from soliciting or accepting advertising in the Calgary market.
9. Clear Sky did not reply to the Corus intervention.

Commission's analysis and decisions

10. The Commission considers that the proposed station would introduce a local radio service to Strathmore. It would increase the diversity of radio programming available to Strathmore listeners with the news, information and music that it would provide. The proposed station would also serve as an advertising venue for local businesses.
11. With respect to the Corus intervention, the Commission notes that the proposed primary contour does not reach the BBM Canada Calgary central radio market and the secondary contour reaches only the periphery of the Calgary market. If Clear Sky applies for a power increase in the future, concerns about soliciting advertising in the Calgary market could be addressed at that time. The Commission therefore considers that it is not necessary to impose a condition of licence prohibiting Clear Sky from soliciting or accepting advertising in the Calgary market, as Corus proposed.

Conclusion

12. In light of all of the above, the Commission **approves** the application by Clear Sky Radio Inc. for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Strathmore. The terms and **conditions of licence** are set out in the appendix to this decision.

Canadian content development

13. The Commission reminds the licensee that it must adhere to the requirements relating to contributions to CCD set out in section 15 of the Regulations, as amended from time to time. The Commission notes that according to Clear Sky's financial projections, the station would generate annual revenues below the \$1.25 million

threshold set out in the Regulations throughout its licence term and therefore may not be required to make any basic CCD contributions.

14. The Commission further notes that Clear Sky made commitments to exceed the minimum required contribution to CCD. Specifically, Clear Sky committed to devote, by condition of licence, over and above the basic annual contribution to CCD, a total of \$84,000 to CCD over seven consecutive broadcast years (\$12,000 per broadcast year) upon commencement of operations. Of this amount, at least 20% shall be devoted to FACTOR or MUSICACTION on an annual basis with the remainder going 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. A **condition of licence** to that effect is set out in the appendix to this decision.

Secretary General

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

Appendix to Broadcasting Decision CRTC 2014-637

Terms, conditions of licence, expectation and encouragement for the English-language commercial FM radio programming undertaking in Strathmore, Alberta

Terms

The licence will expire 31 August 2021.

The station will operate on frequency 104.5 MHz (channel 238B1) with an average effective radiated power (ERP) of 2,800 watts (maximum ERP of 7,000 watts with an effective height of antenna above average terrain of 101.5 metres).

The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department of Industry 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 **9 December 2016**. 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 licensee shall adhere 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), devote:
 - a) In each broadcast week, at least 40% of its musical selections from content category 2 (Popular Music) to Canadian selections broadcast in their entirety; and
 - b) Between 6 a.m. and 6 p.m., in any period beginning on Monday of a week and ending on Friday of the same week, at least 40% of its musical selections from content category 2 to Canadian selections broadcast in their entirety.

For 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 Regulations.

3. In addition to the basic annual contribution to Canadian content development, set out in section 15 of the *Radio Regulations, 1986*, the licensee shall, upon commencement of operations, make an annual contribution of \$12,000 (\$84,000 over seven consecutive broadcast years) to the promotion and development of Canadian content. Of this amount, at least 20% per broadcast year shall be devoted to FACTOR or MUSICACTION. The remainder 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

The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.

Encouragement

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.