Broadcasting Decision CRTC 2016-11

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Reference: 2015-303

Ottawa, 14 January 2016

Golden West Broadcasting Ltd.
Cochrane, Alberta

Application 2014-1261-8, received 4 December 2014

English-language commercial FM radio station in Cochrane

The Commission denies an application for a broadcasting licence to operate an English-language commercial FM radio station in Cochrane.

Application

1. Golden West Broadcasting Ltd. (Golden West) filed an application for a broadcasting licence to operate an English-language commercial FM radio station in Cochrane, Alberta.

2. The proposed station would replace CFIT-FM-1 Cochrane, the current rebroadcasting transmitter of the commercial radio station CFIT-FM Airdrie, and would operate at the transmitter’s frequency of 91.5 MHz. In addition, the applicant proposed to offer original programming and operate the station under different technical parameters. As such, it requested to modify the authorized contours of CFIT-FM-1 by changing the class from A1 to B1 and the antenna’s radiation pattern from non-directional to directional, by increasing the average effective radiated power (ERP) from 100 to 4,800 watts (maximum ERP from 100 to 10,000 watts) and by decreasing the effective height of antenna above average terrain from 135 to 115.7 metres.

3. The station would offer a hybrid Country music format consisting of music from the 80’s, 90’s and today. It would broadcast 126 hours of local programming each broadcast week, including 20 hours and 53 minutes of spoken word programming, of which 3 hours and 20 minutes would be devoted to pure news. Spoken word programming would include news, sports, weather, local features, traffic, and farm and agriculture reports.

4. Golden West committed to devote, by condition of licence, 40% of its content category 2 (Popular Music) musical selections broadcast each broadcast week and between 6 a.m. and 6 p.m. from Monday to Friday to Canadian selections.

5. According to the applicant’s projections, the station would generate annual revenues below the $1.25 million threshold set out in the Radio Regulations, 1986 (the Regulations). As such, the station would not be required to make any basic...
Canadian content development (CCD) contributions so long as its annual revenues remain below $1.25 million. However, as part of its application, Golden West committed to contribute, by condition of licence, a total of $50,400 to CCD over seven consecutive broadcast years ($7,200 per broadcast year) upon commencement of operations. Of this amount, at least 20% would be devoted to FACTOR, with the remainder to be directed to eligible initiatives as set out in paragraph 108 of Commercial Radio Policy 2006, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

6. Finally, Golden West stated that it would accept a condition of licence prohibiting the station from soliciting advertising in the city of Calgary.

Interventions

7. The Commission received one joint intervention in support of this application. It also received one joint intervention in opposition to this application from Newcap Inc., Corus Entertainment Inc., Harvard Broadcasting Inc., Jim Pattison Broadcast Group Limited Partnership,1 Bell Media Inc. and Rogers Media Inc. (collectively, the Interveners), to which the applicant replied. The public record for this proceeding can be found on the Commission’s website at www.crtc.gc.ca or by using the application number provided above.

8. The Interveners submitted that Cochrane is already well served by multiple formats and expressed concern that with this application, Golden West has attempted to gain “back door” entry to the Calgary radio market.

9. Further, the Interveners indicated that it would be inappropriate to add another station in Cochrane in light of the recent decline in oil and gas prices, which have had a significant impact on the city’s short- and medium-term economic future.

10. Finally, should the application be approved, the Interveners requested that the Commission impose a condition of licence prohibiting the station from soliciting or accepting local advertising from the Calgary market, noting that a radio station in a market the size of Cochrane may not be able to realize its revenue projections.

Reply by Golden West

11. Golden West replied that the primary contour of its proposed station would barely touch Calgary’s boundary and would encompass only 138 people in that city. The applicant added that the Commission’s policy on ownership in a market is based on the primary contour, not the secondary contour. Golden West also argued that Cochrane should not be considered as part of the Calgary radio market since the

1 Jim Pattison Broadcast Group Ltd. (the general partner) and Jim Pattison Industries Ltd. (the limited partner), carrying on business as Jim Pattison Broadcast Group Limited Partnership
12. The applicant argued that its proposal constitutes a first service as it would provide intense, locally focused programming to the residents of Cochrane. It also argued that its proposal would not add another station to the Calgary market and that it is not an attempt to gain “back door” entry to the Calgary radio market. The applicant added that its station would benefit from operational synergies with other Golden West stations and would not need to target the Calgary market.

13. Further, Golden West indicated that since the economic outlook for Calgary is projected to improve in 2016, the proposed station would begin operation after the downturn, during a time of economic growth.

14. Finally, the applicant argued that the condition of licence proposed by the Interveners is too restrictive, while the condition of licence that it proposed in its application matches the current condition of licence for its Airdrie station and would be more appropriate for Cochrane.

Commission’s analysis and decision

15. After examining the public record for this proceeding, the Commission is of the view that the issue to be considered is whether the addition of a radio station in Cochrane would have an undue negative impact on existing stations in Calgary.

16. The town of Cochrane is located approximately 20 kilometres northwest of Calgary and 45 kilometres southwest of Airdrie. While there are no radio stations licensed to serve Cochrane specifically, multiple stations originating from Calgary and Airdrie reach Cochrane.

17. An examination of the service contours reveals that, while the town of Cochrane has a population of 17,580 people, the proposed station would encompass approximately 25,500 people in its primary contour and 740,000 in its secondary contour. Further, the primary contour would reach a limited portion of Calgary and overlap with the primary contours of Calgary stations, while the secondary contour would encompass a significant portion of Calgary.

18. Given the contours of the proposed station and the relative size of the Calgary and Cochrane markets, there is a risk that the station would direct programming and marketing activities outside Cochrane to achieve its financial objectives. The Commission considers that this would be the case even if it were to impose the condition of licence that Golden West stated it was willing to accept, which would prohibit the station from soliciting advertising in Calgary.

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2 BBM is now known as Numeris.

3 These numbers are in accordance with Statistics Canada’s 2011 Census.
19. While the Interveners argued that a condition of licence prohibiting the soliciting and accepting of advertising from Calgary would be more appropriate, the applicant opposed the imposition of such a condition, viewing it as too restrictive. The Commission does not generally impose conditions restricting the solicitation or accepting of advertising, and, in any event, considers that if it did in the present case, the proposed station could nonetheless result in some negative impact on the audience and advertising revenues of stations already operating in the Calgary market.

20. In light of all of the above, the Commission **denies** the application by Golden West Broadcasting Ltd. for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Cochrane.

Secretary General