



Broadcasting Decision CRTC 2016-356

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Reference: 2015-366

Ottawa, 2 September 2016

Blackgold Broadcasting Inc.
Ponoka, Alberta

Application 2015-0359-0, received 17 April 2015
Public hearing in the National Capital Region
21 October 2015

English-language FM radio station in Ponoka

*The Commission **approves** an application for a broadcasting licence to operate an English-language commercial FM radio station in Ponoka.*

Background

1. In Broadcasting Decision 2015-124, the Commission denied an application by Blackgold Broadcasting Inc. (Blackgold) for a broadcasting licence to operate an English-language commercial FM radio station in Ponoka, Alberta. Blackgold proposed to operate that station at frequency 89.7 MHz (channel 209B1) with an effective radiated power (ERP) of 10,000 watts (non-directional antenna with an effective height of antenna above average terrain (EHAAT) of 111 metres).
2. In that decision, the Commission noted that multiple radio stations originating from nearby markets reach Ponoka, that the station's primary service contour would overlap with those of several stations in Wetaskiwin, Lacombe and Red Deer, Alberta (located, respectively, about 35 kilometres south, 25 kilometres north, and 50 kilometres south of Ponoka), and that its secondary contour would encompass portions of the Lacombe and Wetaskiwin radio markets. Further, the Commission was not convinced of Blackgold's claim that none of its projected revenues for the station would come from existing stations. It expressed concern over the possibility that the proposed station would draw advertising revenues from nearby markets in order to achieve its financial objectives.

Application

3. Blackgold has filed a new application for a broadcasting licence to operate an English-language commercial FM radio station in Ponoka. It proposed to operate the station on frequency 89.7 MHz (channel 209A) with an ERP of 1,000 watts (non-directional antenna with an EHAAT of 111 metres). Consequently, the station would operate with smaller service contours than those proposed in the previous application.

Blackgold stated that the revised technical parameters would still deliver a strong first local FM radio service to Ponoka, without impacting stations in nearby communities.

4. Blackgold is owned by Mr. Mark Tamagi and Ms. Robin Curtis-Tamagi, and controlled by Mr. Tamagi pursuant to a Unanimous Shareholders Agreement dated 4 June 2012.
5. The station would offer a Country music format targeting adults 25 to 54 years of age. It would broadcast 126 hours of local programming per broadcast week, with 13 hours and 24 minutes each week devoted to spoken word programming. Further, six hours and one minute of programming each week would be devoted to newscasts, of which four hours and 48 minutes would be local and regional news.
6. Blackgold committed to devote, by condition of licence, 40% of its content category 2 (Popular Music) musical selections broadcast during each broadcast week and between 6 a.m. and 6 p.m. from Monday to Friday to Canadian selections. It further committed to devote 15% of its weekly airplay to emerging Canadian artists.
7. In addition, the applicant committed to exceed the minimum contribution to Canadian content development (CCD) required by section 15 of the *Radio Regulations, 1986* (the Regulations). Specifically, it committed to contribute, by condition of licence, over and above the basic annual contribution to CCD, a total of \$35,000 over seven consecutive broadcast years (\$5,000 per broadcast year) upon commencement of operations. Of this amount, at least 20% would be devoted to FACTOR, with the remainder to be directed in equal amounts to Global Country Canada and to Wolf Creek Public Schools – Division #72/Music in Schools.
8. The Commission received an intervention in opposition to this application from Newcap Inc. (Newcap), the licensee of the English-language commercial radio stations CIZZ-FM and CKGY-FM Red Deer, CKJR Wetaskiwin, and CFCW and CFCW-FM Camrose. It also received a joint opposing intervention from Golden West Broadcasting Ltd. (Golden West) and L.A. Radio Group Inc. (L.A. Radio), who, at the time of their intervention, had entered into an agreement for Golden West to purchase from L.A. Radio the assets of CJUV-FM Lacombe.¹ Blackgold did not reply to the interventions. The public record for this application can be found on the Commission's website at www.crtc.gc.ca or by using the application number provided above.

Commission's analysis

9. After examining the public record for this application in light of applicable regulations and policies, the Commission considers that the issue it must address is whether the proposed station would have an undue negative impact on radio stations operating in nearby communities.

¹ This transaction was subsequently approved by the Commission in Broadcasting Decision 2015-570.

Interventions

10. Newcap stated that approval of the application would have a negative impact on its Wetaskiwin station CKJR given that its primary contour encompasses Ponoka County,² from which it draws revenues. It further stated that about 5% of the revenues for its Red Deer stations CIZZ-FM and CKGY-FM comes from Ponoka. Finally, Newcap submitted that Blackgold's business plan is not sustainable without accessing revenues from nearby markets.
11. Golden West and L.A. Radio stated that the proposed station would have a negative financial impact on CJUV-FM given that Ponoka is one of the station's key markets. They noted that L.A. Radio has dedicated significant resources to ensure that Ponoka is properly served by CJUV-FM, and that it has taken several years to develop key relationships in the community. The intervenors added that Blackgold did not conduct an independent economic analysis and has misread Statistics Canada data, making its revenue projections for Ponoka unrealistic and unachievable.

Commission's decision

12. According to the 2011 census, the population of Ponoka is 6,773. An examination of the proposed station's service contours reveals that approximately 8,300 people would be encompassed in its primary contour (compared to approximately 17,000 people in its previous application), limiting the primary contour to the town of Ponoka and its rural surroundings. Further, approximately 21,200 people would be encompassed in the proposed station's secondary contour (compared to approximately 73,000 people in its previous application).
13. Although the primary contour of the proposed station would overlap those of Red Deer stations that reach Ponoka, and although the secondary contour would encompass a small portion of the nearby Lacombe radio market, neither would reach a significant portion of any other nearby radio markets. As a consequence, it is unlikely that any of the projected revenues for the proposed station would come from other markets.
14. In addition, although the secondary contours of certain radio stations in the nearby communities of Lacombe and Wetaskiwin reach into Ponoka, none of those stations are specifically licensed to serve that community. Ponoka is not encompassed within the respective radio markets of the other stations as defined by the Regulations.
15. Finally, Blackgold also operates CJLD-FM Leduc, Alberta, a small-market English-language commercial FM radio station that launched in April 2013.³ Through its operation of CJLD-FM, Blackgold has demonstrated its ability to meet revenue

² Although the primary contour of CKJR partially encompasses Ponoka County, it does not extend to the town of Ponoka.

³ The Commission approved the application for a broadcasting licence to operate that station in Broadcasting Decision 2012-110.

projections. Further, synergies with that station could help the applicant achieve its projections for the new station and ensure its financial viability.

16. Accordingly, the Commission finds that the proposed station would not have an undue negative financial impact on radio stations operating in nearby communities.

Conclusion

17. In light of the above, the Commission **approves** the application by Blackgold Broadcasting Inc. for a broadcasting licence to operate a commercial FM radio programming undertaking in Ponoka, Alberta. The terms and **conditions of licence** are set out in the appendix to this decision.

Secretary General

Related documents

- *CJUV-FM Lacombe – Acquisition of assets*, Broadcasting Decision CRTC 2015-570, 21 December 2015
- *English-language FM radio station in Ponoka*, Broadcasting Decision CRTC 2015-124, 1 April 2015
- *English-language FM radio station in Leduc*, Broadcasting Decision CRTC 2012-110, 22 February 2012

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

Appendix to Broadcasting Decision CRTC 2016-356

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

Terms

The licence will expire 31 August 2023.

The station will operate at 89.7 MHz (channel 209A) with an effective radiated power of 1,000 watts (non-directional antenna with an effective height of antenna above average terrain of 111 metres).

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 **2 September 2018**. 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, as well as to the conditions set out in the broadcasting licence for the undertaking.
2. 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), the licensee shall:
 - a) devote, 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) devote, between 6 a.m. and 6 p.m., in any period from 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 the purposes of this condition, the terms “broadcast week,” “Canadian selection,” “content category” and “musical selection” shall have the same meanings as those 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 \$5,000 (\$35,000 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.