



Broadcasting Decision CRTC 2019-254

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Reference: 2019-72

Ottawa, 15 July 2019

Société CKRP Radio Rivière la Paix
Father (Alberta)

Public record for this application: 2018-1064-8

CKRP-FM Falher – Acquisition of assets

*The Commission **approves** an application by Société CKRP Radio Rivière-la-Paix for authorization to acquire from the Association canadienne française de l'Alberta – Régionale de Rivière-la-Paix the assets of the French-language community radio station CKRP-FM Falher, Alberta, and its transmitters CKRP-FM-1 Nampa and CKRP-FM-2 Peace River, and for a new broadcasting licence to continue the operation of this station, which will expire 31 August 2021.*

Application

1. Société CKRP Radio Rivière-la-Paix (Société CKRP) filed an application for authorization to acquire from the Association canadienne française de l'Alberta – Régionale de Rivière-la-Paix (ACFA) the assets of the French-language community radio station CKRP-FM Falher, Alberta, and its transmitters CKRP-FM-1 Nampa and CKRP-FM-2 Peace River. Société CKRP also requested a new broadcasting licence to continue the operation of the undertaking under the same terms and conditions in effect under the current licence. The Commission did not receive any interventions regarding this application.
2. Société CKRP is a not for profit corporation controlled by its board of directors, and all of the members of the board or directors are Canadians. Consequently, Société CKRP is eligible to hold a broadcasting licence pursuant to *Direction to the CRTC (Ineligibility of Non-Canadians)*.
3. The current licensee wishes to dispose of the station's assets due to the accumulated losses of the station. To avoid the closure of CKRP-FM, the only local station in Falher, community members formed Société CKRP to acquire the station's assets and continue its operation.
4. On 21 June 2018, the Commission approved an application by Société CKRP to change the effective control of CKRP-FM under a temporary management agreement until the filing of the present application. On 28 March 2019, the temporary management was renewed until 31 August 2019 in order to allow for the processing of this application by the Commission.

5. Following the closing of the transaction, Société CKRP would become the licensee of CKRP-FM and its transmitters.
6. In Broadcasting Notice of Consultation 2019-72, the Commission noted that CKRP-FM's current licensee, the ACFA, is in apparent non-compliance with section 9(2) of the *Radio Regulations, 1986* (the Regulations), relating to the filing of complete annual returns by no later than 30 November of each year for the 2015-2016 through 2017-2018 broadcast years.

Regulatory framework

7. The review of ownership transactions is an essential element of the Commission's regulatory and supervisory mandate under the *Broadcasting Act* (the Act). Since the Commission does not solicit competitive applications for changes in effective control of broadcasting undertakings, the onus is on the applicant to demonstrate that approval is in the public interest, that the benefits of the transaction are commensurate with the size and nature of the transaction and that the application represents the best possible proposal under the circumstances.
8. The Commission must consider each application on its merits, based on the circumstances specific to the application. In addition, the Commission must be assured that approval of a proposed ownership transaction furthers the public interest as expressed in the objectives set out in section 3(1) of the Act.

Commission's analysis and decisions

9. After examining the record for this application in light of applicable regulations and policies, the Commission considers that the issues it must address are the following:
 - whether the proposed transaction would be in the public interest; and
 - the length of the new licence term for CKRP-FM.

Public interest

10. CKRP-FM is the only local service in Falher, where an official language minority community is present. Société CKRP was incorporated to acquire the assets of CKRP-FM and continue its operation since the current licensee no longer wishes to operate the station.
11. The Commission notes that CKRP-FM is an important tool for the promotion of activities and services offered in French and for the development of this French-language community.
12. Approval of the application would ensure the survival of the only local station in Falher and would contribute to the vitality of a French-language minority language community and to its development.

13. In light of the above, the Commission finds that the transaction would be in the public interest.

Length of the new licence term for CKRP-FM

14. The Commission's approach to non-compliance by radio stations is set out in Broadcasting Information Bulletin 2014-608. Under that approach, each instance of non-compliance is evaluated in its context and in light of factors such as the quantity, recurrence and seriousness of the non-compliance. The circumstances, the arguments provided by the licensee and the actions taken to rectify the situation are also considered.
15. In Broadcasting Notice of Consultation 2019-72, the Commission indicated that the current licensee is in apparent non-compliance with section 9(2) of the Regulations relating to the filing of complete annual returns by 30 November of each year for the 2015-2016 through 2017-2018 broadcast years.
16. Section 9(2) of the Regulations requires radio station licensees to file annual returns, including financial statements, with the Commission by 30 November of each year for the broadcast year ending on the previous 31 August. The specific filing requirements are detailed in Broadcasting Information Bulletin 2011-795.
17. According to Commission records, the annual returns and the financial statements for CKRP-FM for the 2015-2016 and 2016-2017 broadcast years were filed late. Specifically, these annual returns were received on 17 October 2018. In addition, the annual returns did not include any data and did not include the financial statements.
18. Although the annual return for the 2017-2018 broadcasting year was filed on time, the figures provided in that return did not match those provided in the financial statements.
19. All of missing documents have since been filed. However, the documents filed were prepared based on a fiscal year ending 31 March, instead of 31 August as required by the Regulations.
20. In light of the above, the Commission finds the current licensee, the ACFA, in non-compliance with section 9(2) of the Regulations for the 2015-2016 through 2017-2018 broadcast years. Consequently, the Commission will issue a new broadcasting licence to Société CKRP, which will expire 31 August 2021. The new licensee's compliance with regulatory requirements will be reviewed at the next licence renewal for the station.

Conclusion

21. In light of all of the above, the Commission **approves** the application by Société CKRP Radio Rivière-la-Paix for authorization to acquire from the Association canadienne française de l'Alberta – Régionale de Rivière-la-Paix the assets of the French-language community radio programming undertaking CKRP-FM Falher,

Alberta and its transmitters CKRP-FM-1 Nampa and CKRP-FM-2 Peace River.

22. Société CKRP must advise the Commission of the closing of the transaction. Upon surrender of the current licence issued to the ACFA, the Commission will issue a new broadcasting licence to Société CKRP Radio Rivière-la-Paix, which will expire 31 August 2021. The terms and **conditions of licence** are set out in the appendix to this decision.

Reminders

23. The licensee must comply at all times with the requirements set out in the Act, the Regulations and its conditions of licence.
24. The Commission is charged with the supervision and regulation of the Canadian broadcasting system. Annual returns are key components for the Commission's ongoing monitoring plan and contribute to an authoritative source of statistics on the Canadian broadcasting industry for all stakeholders. In addition, annual returns allow the Commission to effectively assess, supervise, and regulate the radio broadcasting industry as a whole. They also allow the Commission to monitor a licensee's performance as well as its compliance with regulatory requirements. The timely filing of complete annual returns is therefore an important regulatory obligation.
25. Pursuant to section 22 of the Act, the broadcasting licence renewed in this decision will cease to have any force or effect if the broadcasting certificate issued by the Department of Industry lapses.

Secretary General

Related documents

- *Notice of hearing*, Broadcasting Notice of Consultation CRTC 2019-72, 12 March 2019
- *Update on the Commission's approach to non-compliance by radio stations*, Broadcasting Information Bulletin CRTC 2014-608, 21 November 2014
- *Filing annual returns for radio programming undertakings*, Broadcasting Information Bulletin CRTC 2011-795, 20 December 2011

This decision is to be appended to the licence.

Appendix to Broadcasting Decision CRTC 2019-254

Terms, conditions of licence, expectations and encouragement for the French-language community radio programming undertaking CKRP-FM Falher, Alberta, and its transmitters CKRP-FM-1 Nampa and CKRP-FM-2 Peace River

Terms

The licence will expire 31 August 2021.

Conditions of licence

1. The licensee shall adhere to the conditions of licence set out in *Standard conditions of licence for campus and community radio stations*, Broadcasting Regulatory Policy CRTC 2012-304, 22 May 2012, with the exception of condition of licence 6, as well as to the conditions set out in the broadcasting licence for the undertaking.
2. The licensee must devote at least 8.5% of the broadcast week to Spoken Word programming.

Expectations

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

As set out in *Campus and community radio policy*, Broadcasting Regulatory Policy CRTC 2010-499, 22 July 2010, the Commission expects all community and campus licensees to file yearly updates on the composition of their board of directors. These annual updates can be submitted at the time of submission of annual returns, following annual board of directors' elections or at any other time. As noted in Appendix 3 to that regulatory policy, licensees may submit such information through the Commission's website.

Encouragement

The Commission considers that campus and community radio stations should be particularly sensitive to employment equity issues in order to fully reflect the communities they serve. The Commission encourages the licensee to consider these issues in its hiring practices and in all other aspects of its management of human resources.