



Broadcasting Decision CRTC 2020-410

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Reference: 2020-332

Ottawa, 22 December 2020

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, on behalf of Merritt Broadcasting Ltd.
Merritt, British Columbia

Application 2020-0173-3 received 26 March 2020

Merritt Broadcasting Ltd. – Change in ownership and effective control

*The Commission **approves** an application by 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 (Pattison), on behalf of Merritt Broadcasting Ltd. (MBL), for authority to change the ownership and effective control of MBL through the transfer of all the issued and outstanding shares to Jim Pattison Industries Ltd.*

The Commission also grants Pattison an exception to the Common Ownership Policy permitting Pattison to own and control 3 FM presences in the Merritt market, subject to certain conditions of licence. The Commission is of the view that such an exception is in the public interest and consistent with the objectives of the Broadcasting Act, the Common Ownership Policy and the Diversity of Voices Policy (Broadcasting Public Notice 2008-4), since it would maintain this small market's already limited diversity of programming.

Application

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 (Pattison), on behalf of Merritt Broadcasting Ltd. (MBL), filed an application pursuant to section 11(4) of the *Radio Regulations, 1986* (the Regulations), for authority to change the ownership and effective control of MBL through the transfer of all the issued and outstanding shares to Jim Pattison Industries Ltd.
2. MBL is a corporation wholly owned and controlled by Elizabeth Laird, who wishes to retire and divest herself of her broadcasting interests. MBL is the licensee of one broadcasting undertaking: the English-language commercial radio station CKMQ-FM Merritt, British Columbia.
3. Jim Pattison Industries Ltd., Jim Pattison Broadcast Group Ltd. and Jim Pattison Broadcast Group Limited Partnership are all ultimately controlled by James A. Pattison, who is a

Canadian, satisfying the *Direction to the CRTC (Ineligibility of Non-Canadians)*, SOR/97-192.

4. Following the close of the transaction, MBL would remain the licensee of CKMQ-FM, and the ultimate effective control of the station would be exercised by James A. Pattison. The applicant proposed to operate CKMQ-FM under the same terms and conditions as those in effect under the current licence.
5. The applicant proposed a transaction value of \$678,030 and a tangible benefits package worth 6% of the transaction value (\$40,682) in accordance with Broadcasting Regulatory Policy 2014-459 (the Tangible Benefits Policy). Pattison further committed to paying MBL's outstanding tangible benefits amounting to \$6,198 resulting from a previous transaction.
6. Pattison acknowledged that, should the application be approved, it would own and operate three FM presences in Merritt: CKMQ-FM and two rebroadcasting transmitters (CIFM-FM-3 and CKBZ-FM-3) of its English-language commercial radio stations CIFM-FM and CKBZ-FM Kamloops. Pattison submitted that the Common Ownership Policy (COP)¹ does not apply in this case because the primary contours of its Kamloops stations do not overlap with that of CKMQ-FM. However, Pattison reluctantly agreed to shut down its rebroadcasting transmitter CKBZ-FM-3 should the Commission deem this necessary for the approval of the proposed transaction.

Background

7. Merritt, which is located approximately 90 km southwest of Kamloops, is a single-station market.² CKMQ-FM is the only originating commercial radio station in the Merritt market. The market also comprises Pattison's two Kamloops rebroadcasting transmitters and a Canadian Broadcasting Corporation rebroadcasting transmitter (CBUP). On 5 October 2020, the Commission approved an application by N L Broadcasting Ltd. to delete its rebroadcasting transmitter CJNL Merritt from the licence for the radio station CHNL Kamloops. As of 15 September 2020, the signal of CJNL is no longer available in Merritt.

Interventions

8. The Commission received 48 interventions (including 45 joint interventions filed by Pattison) all of which supported the application. The interventions were from residents of Merritt as well as businesses and community organizations located in Merritt and surrounding areas. Pattison did not reply to the interventions.
9. Intervenors pointed out Pattison's good reputation and extensive resources, as well as its experience operating stations in markets of similar size to Merritt. They indicated that Pattison's proposed local programming, news coverage and community involvement on

¹ The Common Ownership Policy is set out in Public Notice 1998-41 and reproduced in broadcasting public notices 2006-158 and 2008-4, and its guidelines are revised in Broadcasting Information Bulletin 2010-341.

² In Public Notice 1993-121, the Commission announced its policy on local programming for commercial radio stations and defined the concept of a single-station market.

CKMQ-FM would benefit the community of Merritt. Intervenors also highlighted the importance of Pattison's tangible benefits commitment for the community. In addition, several intervenors encouraged the Commission not to require Pattison to shut down a rebroadcasting transmitter in light of the considerations related to the COP.

Regulatory framework

10. Pursuant to sections 5(1) and 5(2)(b) of the *Broadcasting Act* (the Act), the Commission has the mandate to regulate and supervise all aspects of the Canadian broadcasting system to implement the Broadcasting Policy for Canada, set out in section 3(1) of the Act, in a flexible manner that takes into account regional needs and concerns.
11. The review of ownership transactions in accordance with the public interest is an integral part of the Commission's regulatory and supervisory mandate under the Act. To this effect, section 11(4) of the Regulations requires a licensee to obtain prior approval of the Commission in respect of any act, agreement or transaction that directly or indirectly would result in a change, by whatever means, of the effective control of its undertaking.
12. 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 the application is the best possible proposal and that approval is in the public interest, consistent with the overall objectives of the Act. The Commission must consider each application on its merits, based on the circumstances specific to the application.
13. When the Commission assesses whether a transaction is in the public interest, it considers the extent to which the transaction enhances the Canadian broadcasting system and contributes to the achievement of the objectives of the Act, which describes a broadcasting system that contributes to the creation and presentation of high-standard Canadian programming that reflects the varied demographics of the country and ensures that a diversity of voices is available to audiences.
14. As one way of ensuring that the public interest is served, the Commission expects applicants to propose financial contributions (known as tangible benefits) that are proportionate to the size and nature of the transaction and will yield measurable improvements to the communities served by the broadcasting undertaking to be acquired, as well as the Canadian broadcasting system as a whole.

Commission's analysis and decisions

15. After examining the public record for this application in light of applicable regulations and policies, the Commission considers that it must address the following issues:
 - whether the transaction is in the public interest;
 - the value of the transaction and tangible benefits;
 - the payment of outstanding tangible benefits from a previous ownership transaction;

- the application of the COP in the context of this transaction; and
- whether additional conditions of licence should be imposed on CKMQ-FM.

Public interest

Pattison's position

16. Pattison considers itself one of the most experienced and well-established radio operators in Canada's Western provinces. It currently operates 47 radio stations, most in small markets. Pattison operates an independent television station (CFJC-TV) and two radio stations (CIFM-FM and CKBZ-FM) in Kamloops. Pattison indicated that its presence in Kamloops would enable it to provide resources and support to CKMQ-FM, especially on weekends and in times of emergency.
17. Pattison stated its intention to offer continued employment to all of CKMQ-FM's current employees including a local news journalist. It also plans to leverage its synergies, expertise and research to invest in CKMQ-FM to develop brand strategies and to increase audiences, professionalism and growth opportunities for each employee. Pattison also plans to maintain CKMQ-FM's current studio in Merritt.
18. Pattison indicated that it intends to use its resources to enhance the quality of the local programming on CKMQ-FM. CKMQ-FM currently broadcasts 126 hours of local programming per broadcast week, 50 of which are "local automation" without local live announcers or voice tracks. Pattison proposed to maintain the current level of 76 hours per broadcast week of non-automated local programming. In addition, Pattison plans to reduce the number of hours of automated local programming and provide additional locally reflective and relevant content, should the impact of the COVID-19 pandemic on CKMQ-FM's advertising revenue still enable it do so.
19. Elizabeth Laird indicated that she was not successful in finding another purchaser to take over MBL, and the Commission did not receive any interventions from parties that would be interested in acquiring the station.

Commission's analysis and decision

20. The Commission is of the view that Pattison possesses the financial capability and available synergies to support and develop a radio station like CKMQ-FM, especially through the period of financial uncertainty related to the COVID-19 pandemic.
21. The Commission recognizes that CKMQ-FM could shut down if this application is not approved.
22. The Commission notes Pattison's intention to enhance the local programming on CKMQ-FM. The Commission also recognizes Pattison's intention to maintain the studio in Merritt, as well as the station's current local management and staff, including a local news journalist. The Commission is of the view that these efforts will enable CKMQ-FM to continue

contributing to high-quality and diversified local programming relevant to the Merritt community.

23. In light of the above, the Commission considers that approval of the transaction would be in the public interest. The Commission also considers that the tangible benefits package proposed by Pattison, described in the following section, would support the Canadian broadcasting industry as a whole.

Value of the transaction and tangible benefits

Value of the transaction

24. For the purpose of calculating tangible benefits, the Commission takes into account the value of the transaction as a whole, including the value of gross debt, working capital to be transferred at closing, ancillary agreements and any leases assumed by the purchaser for real property (buildings, studios and offices) and transmission facilities. The value of leases is calculated over five years. These elements are then added to the purchase price, where applicable.
25. The purchase price for all issued and outstanding shares of MBL is valued at \$550,000. Pattison proposed a transaction value of \$678,030, which includes the purchase price, as well as \$49,667 in working capital transferred at closing and \$78,363 for the assumed studio lease. Pattison specified that MBL currently leases its transmitter site from Pattison. This lease payment would cease at the closing date and was therefore excluded from the calculation.
26. The Commission finds that Pattison's proposed transaction value complies with the Commission's regulatory framework and practices. Accordingly, the Commission determines that the value of the transaction is \$678,030 as per the calculation in the table below.

Item	Amount
Purchase price	\$550,000
Addition: assumed studio lease	\$78,363
Addition: working capital adjustment	\$49,667
Value of the transaction	\$678,030

Tangible benefits package

27. In the absence of a competitive licensing process for transfers of ownership or control of radio or television services, the Commission generally requires purchasers to make significant and unequivocal financial contributions to the broadcasting system as a whole and to the communities served by the services in question.

28. These contributions, known as tangible benefits, are defined as direct financial contributions that are made to Canadian content development and represent at least 6% of the value of a transaction for radio services and must be allocated to the Radio Starmaker Fund or Fonds Radiostar (3%), FACTOR or Musicaction (1.5%), eligible Canadian content development initiatives at the discretion of the purchaser (1%) and the Community Radio Fund of Canada (CRFC) (0.5%).
29. Pattison proposed a tangible benefits package of \$40,682 (6% of \$678,030), allocated as follows in equal payments over seven consecutive broadcast years:
- 3% (\$20,341) to Radio Starmaker Fund;
 - 1.5% (\$10,171) to FACTOR;
 - 1% (\$6,780) to the Canadian Rocky Mountain Music Festival; and
 - 0.5% (\$3,390) to the CRFC.
30. The Commission finds that Pattison's proposed tangible benefits package complies with the Commission's regulatory framework and practices. Accordingly, the Commission **directs** Pattison to pay tangible benefits amounting to \$40,682, which is 6% of the value of the transaction, allocated equally over seven consecutive broadcast years.

Outstanding tangible benefits from a previous ownership transaction

31. In 2016, the Commission administratively approved an application to transfer effective control of MBL from Robert J. Dunn to Elizabeth Laird.³ Pursuant to the Tangible Benefits Policy, the Commission directed MBL to pay tangible benefits amounting to \$14,462 over seven consecutive broadcast years (2015-2016 to 2021-2022). Given that the seven-year period has not yet ended, MBL has outstanding tangible benefits amounting to \$6,198 (\$2,066 for each of the 2019-2020, 2020-2021 and 2021-2022 broadcast years). Pattison committed to fulfilling MBL's outstanding tangible benefits.
32. In light of the above, the Commission **directs** Pattison to fulfill MBL's outstanding tangible benefits amounting to \$6,198 by the end of the 2021-2022 broadcast year, allocated pursuant to the Tangible Benefits Policy.

Diversity of Voices and the Common Ownership Policy

33. The Diversity of Voices Regulatory Policy (Broadcasting Public Notice 2008-4) specifies that the concept of diversity in the Canadian broadcasting system should be approached at three distinct levels: 1) diversity of elements (i.e., public, private and community elements), 2) plurality of editorial voices within the private element, and 3) diversity of programming.

³ The Commission, in a letter dated 28 June 2016 (Decision L2016-0072), approved an application (2016-0436-4) by MBL for authority to effect a change to its effective control from Robert J. Dunn to Elizabeth Laird.

34. Broadcasting Information Bulletin 2010-341 specifies that the COP serves two objectives:
- i. ensuring a plurality of ownership within the private commercial element of radio broadcasting and that Canadians thus have access to a variety of editorial voices within the radio component of the broadcasting system; and
 - ii. maintaining a balance of competition between radio broadcasters in any particular market.
35. The COP states that in markets with fewer than eight commercial stations operating in a particular language, a person may be permitted to own or control as many as three stations operating in that language, with a maximum of two stations in any one frequency band (i.e., AM or FM). A station must be included in the assessment when the population in its overlapping area constitutes at least 15% of the market.
36. Applications that invoke the COP but have negligible consequences on the diversity of voices or the complete balance in a market are treated according to the guidelines set out in Broadcasting Information Bulletin 2010-341.
37. The exceptions to the COP set out in Broadcasting Information Bulletin 2010-341 are narrow and require that the applicant demonstrate a serious economic or technical justification for an exception. The Commission rarely grants exceptions to the COP, which ensures that the objectives of the COP continue to be met while providing clarity and predictability for the broadcasting system.

Pattison's position

38. Pattison acknowledged that, should the application be approved, it would own and operate three FM presences in Merritt: CKMQ-FM, a local station, as well as two rebroadcasting transmitters (CIFM-FM-3 and CKBZ-FM-3) that rebroadcast programming from Kamloops. Nevertheless, Pattison asserted that the COP should not apply in this instance because the primary contours of CIFM-FM Kamloops and CKBZ-FM Kamloops do not overlap with that of CKMQ-FM; only those of its rebroadcasting transmitters CIFM-FM-3 and CKBZ-FM-3 do.
39. Pattison argued that the current application can be compared with its 2018 acquisition of Fabmar Communications Ltd. As a result of this decision, Pattison now owns and controls three rebroadcasting transmitters in Waskesiu Lake, Saskatchewan (CHQX-FM-1, CJVR-FM-2 and CFMM-FM-1). Pattison's understanding is that this transaction did not raise COP concerns with the Commission because the programming on Pattison's three rebroadcasting transmitters in Waskesiu Lake originates from distant signals, as does the programming on its two Merritt rebroadcasting transmitters.
40. Nevertheless, Pattison referred to some of the overarching objectives of the COP and how these objectives relate to this application. With regard to the COP's first objective to ensure that Canadians have access to a variety of editorial voices, Pattison has stated that it intends to enhance the local programming on CKMQ-FM. Pattison also confirmed that it is prepared

to accept a number of additional conditions of licence to ensure that the diversity of programming in the Merritt market is maintained.

41. With regard to the COP's second objective concerning competitive balance, Pattison is of the view that this application would have no effect on competition because MBL is the only broadcaster with primary contours within the Merritt market.
42. Finally, Pattison reluctantly agreed to shut down its rebroadcasting transmitter CKBZ-FM-3, should the Commission deem this necessary to comply with the COP. Pattison reiterated that this would reduce the diversity of programming available in the already limited market of Merritt.

Commission's analysis and decisions

The number of stations in the market

43. The Commission has a longstanding practice of considering rebroadcasting transmitters as part of the COP assessment, because they can affect both the diversity of programming and the competitive balance in a given market. Since rebroadcasting transmitters are not AM or FM stations as defined in the Regulations, the Commission refers to these as AM or FM "presences."
44. The contour maps filed by Pattison as part of this proceeding show a significant overlap between CKMQ-FM's 3 mV/m contour and those of CIFM-FM-3 and CKBZ-FM-3. The Commission estimates that the overlapping area between these three FM presences includes over 80% of the Merritt market's population. Accordingly, the Commission considers that Pattison's rebroadcasting transmitters CIFM-FM-3 and CKBZ-FM-3 should be included in the COP assessment in this case.
45. In the Commission's view, Pattison's acquisition of a third rebroadcasting transmitter in Waskesiu Lake is not a suitable comparison as it relates to the application of the COP in this case. Waskesiu Lake is a remote touristic location in Price Albert National Park with no local community and is not considered a radio market.⁴ In contrast, the current transaction involves CKMQ-FM, a local originating FM station⁵ serving the community of Merritt, which meets the definition of a radio market set out in the Regulations. Consequently, Pattison's acquisition of a third rebroadcasting transmitter in Waskesiu Lake, which rightly did not invoke the COP, is distinguishable from this current application.
46. In light of the above, the Commission finds that Pattison would control three FM stations in the Merritt market as a result of this transaction, which is above the two FM station limit allowed by the COP.

⁴ The Regulations define an FM radio station market as "the F.M. 3mV/m contour of the central area as defined by the Bureau of Broadcast Measurement [BBM is now known as Numeris], whichever is smaller." Waskesiu Lake has no Numeris central area or any FM stations as defined by the Regulations.

⁵ In the Regulations "F.M. station" is defined as "a station that broadcasts in the F.M. frequency band of 88 to 108 MHz, but does not include a transmitter that only rebroadcasts the radiocommunications of a licensee."

Exception to the COP

47. The Commission is mindful that an overly rigid application of the COP's limits can, in certain exceptional circumstances, have the effect of negatively impacting the diversity of voices in certain markets. In such circumstances, the Commission can exercise its discretion and grant an exception to the COP where it finds that an exception is in the public interest and that such an exception would contribute to meeting the various objectives of the COP as well as section 3(1) of the Act.
48. In this case, the Commission considers that granting an exception to the COP would have no impact on the diversity of elements, since the market would continue to include public and private radio elements. With regard to the variety of editorial voices within the private element, the Commission is of the view that irrespective of whether an exception is granted, Pattison will be the sole operator in this market. As a result, declining to apply the COP in this instance will have no material impact on the variety of editorial voices.
49. With regard to the diversity of programming, the Commission recognizes that without an exception, the Merritt community's programming options would decrease. The Commission considers that Pattison's rebroadcasting transmitters CIFM-FM-3 and CKBZ-FM-3 play an important role in the diversity of programming available in the already limited radio market of Merritt. The loss of one of these rebroadcasting transmitters would have a negative impact on the diversity of spoken word and music programming in Merritt. In addition, some interveners noted that the community recently lost CJNL's signal and that requiring the deletion of another rebroadcasting transmitter would further reduce programming diversity in Merritt.
50. With regard to competitive balance, the Commission notes that CKMQ-FM is the sole commercial radio station operating in the Merritt market and that generally a market with a population similar to that of Merritt (around 7,000 in 2016) would be unlikely to support an additional service. However, granting an exception to the COP in this case to allow Pattison to maintain both of its rebroadcasting transmitters would not affect the competitive balance in that market, because Merritt does not have any other local broadcasters.
51. In light of the above, the Commission grants Pattison an exception to the COP so that it can control three FM presences in the Merritt market, since doing so would maintain the diversity of voices in what is an already limited market while not adversely impacting the balance of competition. In the Commission's view, granting such an exception in this case is in the public interest and will better achieve the objectives set out in the COP as well as in the Act.

Additional conditions of licence

52. To ensure that the objectives of the COP continue to be met in Merritt, the Commission is of the view that it must consider the imposition of conditions of licence to address the following issues:
 - level of local programming;

- distinct and separate programming; and
- CKMQ-FM's studio location.

Level of local programming

Pattison's position

53. In a letter dated 29 June 2020, the Commission proposed to impose a condition of licence that would require CKMQ-FM to broadcast no less than 76 hours of local programming per broadcast week.
54. In its response dated 17 July 2020, Pattison stated that the imposition of such a condition of licence would not be necessary since it already intends to broadcast at least 76 hours of local programming per broadcast week on CKMQ-FM. Pattison also submitted that the imposition of such a condition of licence would represent an unfair regulatory burden, particularly in light of drastic loss of revenue for CKMQ-FM resulting from the COVID-19 pandemic.
55. In the same letter, the Commission proposed an alternative of imposing the standard regulatory minimum for most commercial FM stations. This condition of licence would require CKMQ-FM to refrain from soliciting or accepting local advertising for broadcast during any broadcast week when less than one-third of the programming aired is local.
56. In response, Pattison indicated that it was prepared to accept this condition of licence.

Commission's analysis and decision

57. Because Merritt is a single-station market, CKMQ-FM is not currently subject to standard condition of licence 8, set out in the appendix to Broadcasting Regulatory Policy 2009-62, requiring that a minimum of one-third of the broadcast week (42 hours) consist of local programming for the undertaking to solicit or accept local advertising.
58. The Commission is of the view that imposing this weekly minimum is necessary in this case to ensure the applicant's commitment to the community of Merritt. Such a condition of licence would also ensure that Pattison does not rely solely on its Kamloops stations to provide content for CKMQ-FM.
59. The Commission acknowledges Pattison's intention to exceed this regulatory minimum by offering at least the station's current level of 76 hours per broadcast week of local programming. Many of the interventions received noted Pattison's intention to maintain CKMQ-FM's level of local programming.
60. In light of the above, the Commission considers it appropriate to impose on CKMQ-FM the standard condition of licence for commercial FM stations in multiple-station markets requiring stations to refrain from soliciting or accepting local advertising for broadcast during any broadcast week when less than one-third of the programming aired is local.

Distinct and separate programming

Pattison's position

61. Pattison indicated that it was prepared to accept a condition of licence requiring it to maintain distinct and separate programming focused on Merritt and the surrounding area on CKMQ-FM. Pattison further specified that it has no plans to share programming that is already provided by Pattison's rebroadcasting transmitters CIFM-FM-3 and CKBZ-FM-3 since CKMQ-FM, CIFM-FM-3 and CKBZ-FM-3 feature three distinct formats.
62. In a follow-up letter dated 29 June 2020, the Commission requested additional information concerning the spoken word and musical programming that would be broadcast on CKMQ-FM. In its response dated 17 July 2020, Pattison noted that it preferred to operate CKMQ-FM with the same flexibility as the current owner, with the ability to reduce local programming hours should the need arise as a result of continued prolonged revenue declines.
63. Specifically, Pattison highlighted its intention to offer employment to all current on-air and news staff members and to continue to enable the local news reporter to make editorial decisions in the Merritt market. With regard to the music programming, Pattison committed to maintaining distinct and separate music format by way of condition of licence.

Commission's analysis and decision

64. The Commission is of the view that imposing a programming condition of licence would maintain the distinct and separate programming provided by CKMQ-FM to the Merritt market. Further, the Commission is of the view that taking steps to maintain programming diversity is particularly important if Pattison is the only operator in the market and is operating three FM presences with an exception to the COP. The Commission notes that the maintenance of programming diversity was also an important factor in many of the letters of support it received.
65. Accordingly, the Commission considers it appropriate to impose on CKMQ-FM a condition of licence requiring it to maintain distinct and separate programming from what is already provided by Pattison's rebroadcasting transmitters CIFM-FM-3 and CKBZ-FM-3.
66. Specifically, the Commission imposes a requirement that Pattison maintain, at all times, a distinct and separate music format than what is provided by the rebroadcasting transmitters CIFM-FM-3 and CKBZ-FM-3.
67. With regard to spoken word content, the Commission is of the view that Pattison should be afforded some flexibility while ensuring that a diversity of spoken word programming is maintained in this small market. Accordingly, the Commission requires that the majority of spoken word programming broadcast on CKMQ-FM be distinct from that available on Pattison's rebroadcasting transmitters CIFM-FM-3 and CKBZ-FM-3.
68. Should the Commission receive any complaints concerning CKMQ-FM's programming, it will consider them when the station's license is being renewed.

CKMQ-FM studio location

69. Pattison indicated that it was prepared to accept a new condition of licence requiring it to maintain a studio in Merritt. MBL leases studio space in Merritt for CKMQ-FM, and Pattison committed to assuming this lease and maintaining this location for at least five years. Pattison has emphasized the importance of serving the community with local personnel who know and work with the community.
70. Given Pattison's intentions and the conditions of licence being imposed, the Commission does not consider it necessary to impose a condition of licence to maintain a studio in Merritt.

Conclusion

71. In light of all the above, the Commission **approves** the application by 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, on behalf of Merritt Broadcasting Ltd. for authority to change the ownership and effective control of MBL through the transfer of all the issued and outstanding shares to Jim Pattison Industries Ltd.
72. In addition, the Commission grants an exception to the COP allowing Pattison to own and operate three FM presences in the Merritt radio market.
73. The Commission imposes two conditions of licence on CKMQ-FM to ensure that the Merritt community has ongoing access to local and distinct programming. The terms and **conditions of licence** for the undertaking are set out in the appendix to this decision.

Reminder

74. Local radio stations are an important daily source of local news and information for communities. Holding a broadcasting licence comes with conditions, regulatory obligations and responsibilities, which include contributing to the Canadian broadcasting system by ensuring that Canadians have access to local programming that reflects their needs and interests and informs them of important current issues. The Commission notes Pattison's intention to maintain the current level of 76 hours per broadcast week of non-automated local programming on CKMQ-FM, as well as its plans to reduce the number of hours of automated programming and provide additional locally reflective and relevant content.

Secretary General

Related documents

- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *Revised guidelines for the application of the Common Ownership Policy for radio*, Broadcasting Information Bulletin CRTC 2010-341, 4 June 2010

- *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009
- *Diversity of Voices*, Broadcasting Public Notice CRTC 2008-4, 15 January 2008
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41 , 30 April 1998
- *Local Programming Policy for FM Radio – Definition of a Single-Station Market*, Public Notice CRTC 1993-121, 17 August 1993

This decision is to be appended to the licence.

Appendix to Broadcasting Decision 2020-410

Terms, conditions of licence, expectation and encouragement for the commercial radio programming undertaking CKMQ-FM Merritt, British Columbia

Term

The licence will expire 31 August 2022.

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, with the exception of condition of licence 8, as well as to the conditions set out in the licence for the undertaking.
2. Subject to condition of licence 5 set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009, the licensee shall refrain from soliciting or accepting local advertising for broadcast during any broadcast week when less than one-third of the programming aired is local. The definition of local programming shall be as set out in *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006, as amended from time to time.
3. The licensee shall operate CKMQ-FM under a musical format that is distinct at all times from what is provided by the rebroadcasting transmitters CIFM-FM-3 and CKBZ-FM-3. In addition, the licensee shall ensure that the majority of programming from content category 1 (spoken word) as defined in *Revised content categories and subcategories for radio*, Broadcasting Regulatory Policy 2010-819, 5 November 2010, broadcast on CKMQ-FM is distinct from what is provided by CIFM-FM-3 and CKBZ-FM-3.

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.