



Broadcasting Decision CRTC 2006-322

Ottawa, 2 August 2006

Rawlco Radio Ltd.
Calgary, Alberta

*Application 2005-0887-2
Public Hearing at Calgary, Alberta
21 February 2006*

Folk/Acoustic Specialty FM radio station in Calgary

*In this decision, the Commission **approves** an application by Rawlco Radio Ltd. for a broadcasting licence to operate a new English-language, commercial specialty FM radio station in Calgary.*

Background

1. At the 21 February Public Hearing in Calgary, the Commission considered ten applications for broadcasting licences to operate new radio stations to serve Calgary, as well as three applications to serve the nearby community of Airdrie, which is considered to be part of the Calgary Central Market Area. The applicants were as follows:

Calgary

- Touch Canada Broadcasting Inc. (Touch Canada)
- CHUM Limited (CHUM)
- 1182743 Alberta Ltd. (1182743 Alberta)
- Evanov Radio Group Inc., on behalf of a corporation to be incorporated (Evanov)
- Calgary Independent Radio Broadcasters Inc. (Calgary Independent)
- 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)
- Yadwinder S. Sivia, on behalf of a corporation to be incorporated (Sivia)
- Rawlco Radio Ltd. (Rawlco)
- Harvard Broadcasting Inc. (Harvard)
- Newcap Inc. (Newcap)

Airdrie

- Tiessen Media Inc. (Tiessen)
- Golden West Broadcasting Ltd. (Golden West)
- Newcap

2. The Commission's determination that the Calgary market can support the introduction of four new commercial FM radio stations as well as a new radio station to provide local service to Airdrie is set out in *Licensing of new radio stations to serve Calgary and Airdrie, Alberta – Introduction to Broadcasting Decisions CRTC 2006-321 to 2006-326*, Broadcasting Public Notice CRTC 2006-97, (Public Notice 2006-97) of today's date. That public notice also summarizes the rationale underlying the Commission's approval, in whole or in part, of the applications by Harvard, Rawlco, Newcap and CHUM to serve Calgary, as well as the application by Tiessen to serve Airdrie.
3. In *Denial of various applications proposing radio service for Calgary and Airdrie, Alberta*, Broadcasting Decision CRTC 2006-326, also dated today, the Commission has denied the competing applications for broadcasting licences to operate new radio stations in Calgary by Touch Canada, Evanov, 1182743 Alberta, Calgary Independent, Pattison and Sivia, as well as the applications for broadcasting licences to operate new radio stations in Airdrie by Golden West and Newcap.

The application

4. Rawlco is a corporation ultimately controlled by Mr. Gordon Rawlinson. It currently owns 13 radio stations serving Regina, Saskatoon, Prince Albert, North Battleford and Meadow Lake, Saskatchewan, and Edmonton, Alberta.
5. Rawlco proposed to establish an English-language commercial FM radio station that would operate at 100.3 MHz (channel 262C) with an average effective radiated power (ERP) of 19,000 watts. The proposed station would operate in the Specialty format with a minimum of 30% of all musical selections aired during each broadcast week drawn from content subcategory 32 (Folk and folk-oriented). The format would be designed to appeal to listeners between 35 and 64 years of age, with a core audience of those between 45 and 64. A minimum of 40% of all musical selections, including both category 2 (Popular Music) and category 3 (Special Interest Music) selections combined, broadcast during each broadcast week would be Canadian selections. A minimum of 35% of all musical selections from category 2 and from category 3, considered individually, broadcast between 6 a.m. and 6 p.m. Monday through Friday would be Canadian selections. The applicant would also respect the minimum weekly levels for Canadian selections for category 2 and for category 3, considered individually, that are set out in the *Radio Regulations, 1986* (the Regulations).
6. The proposed station would broadcast 16 hours of scripted spoken word programming during each broadcast week, including a minimum of 11.5 hours of news including related surveillance material.
7. Rawlco indicated that it would not participate in the Canadian talent development (CTD) plan developed by the Canadian Association of Broadcasters but that it would devote

\$408,000 per broadcast year, and a total of \$3.116 million¹ over seven consecutive broadcast years upon commencement of operations, to direct expenditures for CTD. Annual expenditures would be allocated as follows:

- \$200,000 to support Project 10K20, which would provide \$10,000 each to 20 local artists to record a CD
- \$48,000 to support “Showtime,” a series of concerts
- \$50,000 for “Live at Five,” an initiative under which artists would be featured in on-air performances
- \$50,000 to support the Calgary Folk Festival
- \$60,000 to support a CTD coordinator

8. In addition to its CTD initiatives, Rawlco proposed to devote \$10,000 per year, for a total of \$70,000 over seven consecutive broadcast years upon commencement of operations, to the Women in Media Foundation.

Interventions

9. The Commission received numerous interventions in support of this application, and interventions offering general comments were submitted by the Canadian Independent Record Production Association (CIRPA) and Corus Entertainment Inc. (Corus). An opposing intervention was received from the CKUA Radio Foundation (CKUA), which operates a not-for-profit radio service in Alberta, including a station in Calgary.
10. CIRPA indicated that it generally supported applicants that offered higher levels of Canadian musical selections, contributed to diversity of ownership in the marketplace and offered programming diversity both in terms of musical format and with respect to the selections included in their playlists. CIRPA also expressed a general concern with the level of CTD funding proposed by applicants to be directed to the Foundation to Assist Canadian Talent on Records (FACTOR). In CIRPA’s opinion, the recording industry in Canada would be better served if a substantial portion of CTD funds were directed to supporting FACTOR, an organization that assists in the development of new artists and the marketing of existing ones. CIRPA also submitted that FACTOR’s existing programs would better meet the needs of Canadian recording artists than the CTD program proposed by Rawlco.
11. Corus, licensee of three existing commercial radio stations serving Calgary, recommended that any of the applicants in this proceeding that receives a licence to serve the Calgary market should make a commitment to maintain its proposed format throughout its first term of licence.

¹ The seven-year total includes an additional \$200,000 one-time start-up expenditure for the Project 10K20 initiative described below, and an additional \$60,000 one-time start-up expenditure for a CTD talent coordinator to oversee the start-up phase of the Project 10K20 initiative.

12. CKUA opposed the application on the grounds that Rawlco's proposed folk and acoustic music format, the artists and musical selections that would be played by the station, as well as the presentation style of the programming, would compete with programming offered by CKUA. CKUA further submitted that its ability to compete with commercial radio stations was hampered because of the not-for-profit nature of its operations, the lack of government funding available, and the current limitations on the amount of advertising it is permitted to broadcast.
13. The applicant did not reply to the interventions by CIRPA, Corus or CKUA.

Commission's analysis and determinations

14. In Public Notice 2006-97, the Commission set out its determination that, on the basis of the strength of the Calgary market and the current profitability of Calgary commercial radio stations, the Calgary radio market can support the introduction of four new commercial radio stations to serve Calgary, as well as a new radio station to provide local service to Airdrie, without an undue negative impact on existing stations.
15. The Commission considers that the station proposed by Rawlco, which would offer a folk and folk-oriented acoustic music format, would appeal to older listeners between 45 and 64 and would increase the diversity of programming available for such listeners. It further notes that, under Rawlco's proposal, the new station would be subject to conditions of licence requiring it to operate in the Specialty format and to ensure that a minimum of 30% of all musical selections broadcast during each broadcast week are from content subcategory 32, thereby ensuring that the station maintains its programming orientation. The Commission is also of the view that Rawlco's commitments relating to the broadcast of Canadian music, including a unique commitment to ensure that at least 40% of all musical selections broadcast during each broadcast week, including selections from content categories 2 and 3 combined, are Canadian would provide unprecedented exposure for a large segment of Canadian artists that currently receive little or no airplay on commercial radio stations. The Commission further notes that Rawlco would devote \$3.116 million to CTD over seven consecutive broadcast years upon commencement of operations, all of which will be spent locally to support Calgary-based artists working in the folk and acoustic music genres. Rawlco would also provide a new locally based radio voice and increase competition in the Calgary market.
16. The Commission notes the concerns expressed by CIRPA. The Commission considers that the CTD initiatives proposed by Rawlco will provide valuable support for the development of Canadian talent in a musical genre that currently receives limited airplay in Canada. With respect to the concerns expressed by Corus, the Commission notes that Rawlco has indicated that it would accept conditions of licence requiring it to operate in the Specialty format and to ensure that a minimum of 30% of all musical selections broadcast during each broadcast week are from content subcategory 32, thereby ensuring that the station maintains its programming orientation.

17. With respect to the concerns expressed by CKUA, the Commission notes that, while CKUA includes folk and acoustic music as part of its programming schedule, the station proposed by Rawlco would devote all of its schedule to folk and acoustic music, thereby increasing the diversity of programming available to Calgary listeners.
18. In light of all of the above, the Commission **approves** the application by Rawlco Radio Ltd. for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Calgary. The new station will operate at 100.3 MHz (channel 262C) with an average ERP of 19,000 watts.
19. The Commission notes the applicant's commitments related to operation in the Specialty format, minimum levels of music programming from content subcategory 32, the broadcast of Canadian music, and annual contributions to CTD and the Women in Media Foundation. **Conditions of licence** are set out in the appendix to this decision requiring the applicant to adhere to those commitments. The Commission expects the applicant to contribute a total of \$3.116 million to CTD and \$70,000 to the Women in Media Foundation over a period of seven consecutive broadcast years upon commencement of operations, as proposed.

Cultural diversity

20. In *Commercial Radio Policy, 1998*, Public Notice CRTC 1998-41, 30 April 1998, the Commission encouraged broadcasters to reflect the cultural diversity of Canada in their programming and employment practices.
21. The Commission expects Rawlco to reflect Canada's cultural diversity in its programming and employment practices.

Employment equity

22. Because this licensee is subject to the *Employment Equity Act* and files reports concerning employment equity with the Department of Human Resources and Skills Development, its employment equity practices are not examined by the Commission.

Issuance of the licence

23. The licence to be issued to Rawlco will be effective 1 September 2006 and will expire 31 August 2013. It will be subject to the **conditions** set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of conditions 5 and 8.
24. The Department of Industry (the Department) has advised the Commission that, while this application is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.

25. The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.
26. 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 August 2008. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before that date.

Secretary General

This decision is to be appended to the licence. It is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>

Appendix to Broadcasting Decision CRTC 2006-322

Conditions of licence

1. The licence will be subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of conditions 5 and 8.
2. The station shall be operated within the Specialty format as defined in *A Review of Certain Matters Concerning Radio*, Public Notice CRTC 1995-60, 21 April 1995, and *Revised Content Categories and Subcategories for Radio*, Public Notice CRTC 2000-14, 28 January 2000, as amended from time to time.
3. The licensee shall, in any broadcast week, devote a minimum of 30% of all musical selections broadcast to musical selections drawn from subcategory 32 (Folk and folk-oriented).
4. The licensee shall, in any broadcast week, devote a minimum of 40% of its musical selections from category 2 and category 3 combined, to Canadian selections broadcast in their entirety. The licensee must also respect the minimum levels for Canadian selections in category 2 and category 3, considered individually, provided under sections 2.2(3) and 2.2(7) of the *Radio Regulations, 1986*.
5. The licensee shall, as an exception to the total percentage of Canadian musical selections set out in section 2.2(9) of the *Radio Regulations, 1986*, between 6:00 a.m. and 6:00 p.m., in a period beginning on Monday of a week and ending on Friday of the same week, devote 35% or more of its musical selections from content category 2 and 35% or more of its musical selections from content category 3 to Canadian selections broadcast in their entirety.
6. Upon commencement of operations, the licensee shall contribute an annual minimum of \$408,000 to the development and promotion of Canadian talent, allocated as follows:
 - \$200,000 to support Project 10K20, which will provide \$10,000 each to 20 local artists to record a CD
 - \$48,000 to support “Showtime,” a series of concerts
 - \$50,000 for “Live at Five,” an initiative under which artists will be featured in on-air performances
 - \$50,000 to support the Calgary Folk Festival
 - \$60,000 to support a CTD coordinator

In addition to the amounts set out above, the licensee shall, in the first year of operations, devote \$200,000 to start-up expenditures for the Project 10K20 initiative as well as \$60,000 for a CTD talent coordinator to oversee the start-up phase of the Project 10K20 initiative.

The Commission reminds the licensee that all CTD expenditures must be made in accordance with the Commission's policy on qualifying contributions to CTD, as set out in Appendix 1 to *An FM policy for the nineties*, Public Notice CRTC 1990-111, 17 December 1990.

7. The licence shall contribute an annual minimum of \$10,000 to the Women in Media Foundation.

For the purposes of these conditions, the terms "broadcast week," "Canadian selection," "content category," and "musical selection" shall have the same meaning as that set out in the *Radio Regulations, 1986*.