



## Broadcasting Decision CRTC 2006-621

Ottawa, 15 November 2006

### **Bear Creek Broadcasting Ltd.**

Grande Prairie, Alberta

*Application 2005-0813-7*

*Public Hearing at Edmonton, Alberta*

*19 June 2006*

### **Classic Rock/Classic Hits FM radio station in Grande Prairie**

*In this decision, the Commission **approves** an application by Bear Creek Broadcasting Ltd. for a broadcasting licence to operate a new English-language commercial FM radio station in Grande Prairie.*

### **Background**

1. At the 19 June Public Hearing in Edmonton, the Commission considered ten applications for broadcasting licences to operate new radio stations to serve Grande Prairie. The applicants were as follows:
  - 1097282 Alberta Limited (1097282 Alberta)<sup>1</sup>
  - Allan Hunsperger, on behalf of a corporation to be incorporated (Hunsperger)
  - Newcap Inc. (Newcap)
  - O.K. Radio Group Ltd. (O.K. Radio)<sup>2</sup>
  - Bear Creek Broadcasting Ltd. (Bear Creek)
  - Sun Country Cablevision Ltd., on behalf of a corporation to be incorporated (Sun Country)
  - 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 (Pattison)
  - Vista Radio Ltd. (Vista)<sup>3</sup>
  - Crude Communications Inc. (Crude)
  - Standard Radio Inc. (Standard)

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<sup>1</sup> In *Applications granted approval pursuant to streamlined procedures*, Broadcasting Public Notice CRTC 2006-107, 21 August 2006, the Commission approved the transfer of ownership and effective control of 1097282 Alberta Ltd. to Radio CJVR Ltd.

<sup>2</sup> The Commission is considering an application (2006-0616-3) by Rogers Broadcasting Limited to acquire from O.K. Radio Group Ltd. the assets of the following radio programming undertakings in Alberta: CFGP-FM Grande Prairie and its transmitters CFGP-FM-1 Peace River and CFGP-FM-2 Tumbler Ridge; CJOK-FM and CKYX-FM and its transmitter CJOK-FM-1 Fort McMurray; and CHDI-FM and CKER-FM Edmonton. This application was scheduled on the agenda of the 11 September 2006 Québec Public Hearing.

2. The Commission's determination that the Grande Prairie market can support the introduction of three new commercial FM radio stations is set out in *Licensing of new radio stations to serve Grande Prairie, Alberta – Introduction to Broadcasting Decisions CRTC 2006-621 to 2006-624*, Broadcasting Public Notice CRTC 2006-144 (Public Notice 2006-144) of today's date. That public notice also summarizes the rationale underlying the Commission's approval of the applications by Bear Creek, Vista and Hunsperger to serve Grande Prairie.
3. In *Denial of applications proposing radio service for Grande Prairie, Alberta*, Broadcasting Decision CRTC 2006-624, also dated today, the Commission has denied the competing applications for broadcasting licences to operate new radio stations in Grande Prairie by 1097282 Alberta, Newcap, O.K. Radio, Sun Country, Pattison, Crude and Standard.

### **The application**

4. Bear Creek is a corporation which is ultimately controlled by Mr. Ken Truhn. It currently holds no broadcasting licences.
5. Bear Creek proposed to establish an English-language, commercial FM radio station that would operate at 103.3 MHz (channel 277C1) with an effective radiated power (ERP) of 100,000 watts. The proposed station would offer a Classic Rock/Classic Hits music format designed to appeal to listeners 35 to 54 years of age. The Classic Hits portion of its overall music would represent approximately 35% of total musical programming. Most of the musical selections to be broadcast would be drawn from the 1970's, 1980's and 1990's. A minimum of 40% of all musical selections from content category 2 (Popular Music) aired both during the broadcast week and between 6 a.m. and 6 p.m. Monday through Friday would be Canadian selections.
6. The proposed station would broadcast a weekly minimum of 12 hours and 15 minutes of structured spoken word programming, including news. All programming would be locally produced.
7. At the hearing, the Commission also explored with Bear Creek its plans for the use of voice-tracking, automation or live-to-air programming. Bear Creek indicated that all programming broadcast on the proposed station during each broadcast week would be "live-to-air" programming.

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<sup>3</sup> On 31 August 2006, Vista Radio Ltd., CFCP Radio Ltd., CCIR Holdings Ltd. and Coast Radio Ltd. amalgamated as Vista Radio Ltd.

8. Bear Creek indicated that it would participate in the Canadian talent development (CTD) plan created by the Canadian Association of Broadcasters (CAB). Under this plan, a radio licensee serving a market the size of Grande Prairie is required to contribute a minimum of \$400 in each broadcast year to eligible third parties for the development of Canadian talent. Bear Creek indicated that, including the \$400 required under the CAB plan, it would devote \$60,000 in direct expenditures to CTD per year, resulting in a total of \$420,000 over seven consecutive broadcast years upon commencement of operations. Annual expenditures would be allocated as follows:

- \$20,000 to the Fine Arts Program at Grande Prairie Regional College for the establishment of a scholarship program;
- \$10,000 to the Prairie Art Gallery for the sponsorship of local artists through its art exhibition program, as well as sponsorship of the gallery's district school education program;
- \$10,000 to Evergreen Park for sponsorship of "Talent Explosion", a contest that discovers amateur youth talent throughout Northern Alberta;
- \$10,000 to support local music festivals "Summer Slam" (\$5,000) and "Telus Country Fever" (\$5,000), to hire Canadian musical artists who do not yet have major recording contracts;
- \$5,000 to the Community Development Foundation for the development of an endowment fund for scholarships intended to benefit Aboriginal persons enrolled in the Fine Arts Program at Grande Prairie Regional College; and
- \$5,000 to the Grande Prairie Little Theatre for the development of its education program for youth.

### **Interventions**

9. The Commission received numerous interventions in support of this application. The Commission also received an intervention from the Canadian Independent Record Production Association (CIRPA).
10. Regarding all of the applications for broadcasting licences to serve Grande Prairie, CIRPA raised general issues pertaining to Canadian content, ownership, diversity of formats and the development of Canadian talent. CIRPA especially noted the lack of support for the Foundation Assisting Canadian Talent on Recordings (FACTOR) and for other established third party organizations focused on the development of Canadian talent. CIRPA noted that it is not generally supportive of private funds administered by

stations, station sponsored talent contests and training programs, which, in its view, provide little tangible benefit to the recording industry. Moreover, CIRPA indicated that it is not supportive of Canadian “artist spotlight” programs, if they are relegated to low-listener time periods. CIRPA also indicated its desire for clearer definitions of “emerging” and “developing” artists, in the context of proposed CTD initiatives.

11. With specific reference to the Bear Creek application, CIRPA expressed the opinion that neither donations to an art gallery and local theatre, nor scholarships for Aboriginal students studying in a fine arts program would be effective in advancing the development of Canadian music talent. The intervener also noted that the youth talent contest to be supported by the applicant is not focused exclusively on musical talent. In CIRPA’s view, the funds proposed to support the above initiatives would be more effectively used if donated to national or provincial music industry organizations.
12. Bear Creek did not reply to the intervention by CIRPA.

### **Commission’s analysis and determinations**

13. In Public Notice 2006-144, the Commission set out its determination that, on the basis of the strength of the Grande Prairie market and the current profitability of Grande Prairie commercial radio stations, the Grande Prairie radio market could support the introduction of three new commercial radio stations to serve Grande Prairie, including the station proposed by Bear Creek, without an undue negative impact on existing stations.
14. The Commission considers that the proposed Classic Rock/Classic Hits music format to be offered by Bear Creek would provide increased musical diversity for Grande Prairie listeners aged 35 to 54. The station would broadcast a weekly minimum of 12 hours and 15 minutes of structured spoken word programming, including news, and all programming would be locally produced. Most of the musical selections to be broadcast on the station would be drawn from the 1970’s, 1980’s and 1990’s, and approximately 35% of all musical selections offered would be classic hits. Bear Creek would also provide a new radio voice both to Grande Prairie and to the Canadian broadcasting system, and would increase competition in the local radio market.
15. The Commission is further of the view that the proposed Bear Creek station would provide significant exposure for Canadian artists in that the applicant has made a commitment to ensure that at least 40% of all musical selections from content category 2 (Popular Music) played both during the broadcast week and between 6 a.m. and 6 p.m. Monday through Friday would be Canadian selections. As well, the Commission notes that Bear Creek would devote \$420,000 to CTD over seven consecutive broadcast years, upon commencement of operations.
16. The Commission notes the concerns expressed by CIRPA. The Commission considers that the initiatives proposed by the applicant are eligible CTD initiatives, and would provide valuable support for the development of Canadian talent, including at the local level.

17. In light of all of the above, the Commission **approves** the application by Bear Creek Broadcasting Ltd. for a broadcasting licence to operate an English-language, commercial FM radio programming undertaking in Grande Prairie. The new station will operate at 103.3 MHz (channel 277C1) with an ERP of 100,000 watts.
18. The Commission notes the applicant's proposed commitments to the broadcast of Canadian music and contributions to CTD. **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 \$420,000 over a period of seven consecutive broadcast years upon commencement of operations, as proposed.
19. The Commission also notes the commitment made by Bear Creek that, during each broadcast week, the new station will broadcast "live-to-air", and expects the applicant to adhere to this commitment throughout the licence term.
20. The licence to be issued to Bear Creek 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 condition number 5. The licence will also be subject to the **conditions** set out in the appendix to this decision.

### **Cultural diversity**

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

### **Issuance of the licence**

23. 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.
24. 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.

25. 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 15 November 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.

### **Employment equity**

26. In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the applicant to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.

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 2006-621

### 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 condition of licence number 5.
2. The licensee shall, 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*, in any broadcast week:
  - (a) devote, in that broadcast week, a minimum of 40% of its musical selections from content category 2 (Popular Music) to Canadian selections broadcast in their entirety; and
  - (b) devote, between 6:00 a.m. and 6:00 p.m., in the period from Monday to Friday of the same broadcast week, 40% or more 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 meaning as that set out in the *Radio Regulations, 1986*.

3. Upon commencement of operations, the licensee shall contribute an annual minimum of \$60,000 to the development and promotion of Canadian talent, allocated as follows:
  - \$20,000 to the Fine Arts Program at Grande Prairie Regional College for the establishment of a scholarship program;
  - \$10,000 to the Prairie Art Gallery for the sponsorship of local artists through its art exhibition program, as well as sponsorship of the gallery’s district school education program;
  - \$10,000 to Evergreen Park for sponsorship of “Talent Explosion”, a contest that discovers amateur youth talent throughout Northern Alberta;
  - \$10,000 to support local music festivals “Summer Slam” (\$5,000) and “Telus Country Fever” (\$5,000), to hire Canadian musical artists who do not yet have major recording contracts;
  - \$5,000 to the Community Development Foundation for the development of an endowment fund for scholarships intended to benefit Aboriginal persons enrolled in the Fine Arts Program at Grande Prairie Regional College; and

- \$5,000 to the Grande Prairie Little Theatre for the development of its education program for youth.

The Commission reminds the licensee that all Canadian talent development (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.