



Broadcasting Decision CRTC 2006-88

Ottawa, 24 March 2006

Newcap Inc.

Charlottetown, Prince Edward Island

Application 2004-1221-3

Public Hearing at Charlottetown, Prince Edward Island

3 October 2005

CHTN Charlottetown – Conversion to FM band

*In this decision, the Commission **approves** the application by Newcap Inc. (Newcap) for a broadcasting licence to operate a new English-language commercial FM radio station in Charlottetown at 100.3 MHz. The new radio station will replace Newcap's existing AM station CHTN, and will offer a Classic Hits/Oldies music format.*

Background

1. The application by Newcap Inc. (Newcap) was one of four applications to serve Charlottetown considered at the 3 October 2005 public hearing. Newcap and Maritime Broadcasting System Limited (Maritime) both proposed to convert existing local AM stations to the FM band. In addition, Newcap and Coast Broadcasting Ltd. (Coast) each proposed to establish new FM radio stations.
2. The Commission's determination that the Charlottetown market can support the conversion of the two existing local AM radio stations, as well as a new commercial FM radio station is set out in *Licensing of new radio stations to serve Charlottetown, Prince Edward Island – Introduction to Broadcasting Decisions CRTC 2006-88 to 2006-91*, Broadcasting Public Notice CRTC 2006-34, 24 March 2006 (Public Notice 2006-34). That public notice also summarizes the rationale underlying the Commission's approval of two conversions from the AM band to the FM band, as well as the Newcap application for a broadcasting licence to operate a new commercial FM radio programming undertaking.
3. In *CFCY Charlottetown – Conversion to FM band*, Broadcasting Decision CRTC 2006-89, of today's date, the Commission has also approved an application by Maritime to convert CFCY from the AM band to the FM band. In *English-language FM radio station in Charlottetown*, Broadcasting Decision CRTC 2006-90, also of today's date, the Commission has approved in part an application by Newcap for a broadcasting licence to operate a new FM radio station to serve Charlottetown. In *Denial of application proposing radio service for Charlottetown, Prince Edward Island*, Broadcasting Decision CRTC 2006-91, also dated 24 March 2006, the Commission has denied a competing application by Coast.

The application

4. Newcap is a wholly owned subsidiary of Newfoundland Capital Corporation Limited, which is legally controlled by Mr. Harold R. Steele. It owns radio stations in Alberta, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.
5. Newcap proposed to convert CHTN from the AM band to the FM band. The new station would operate as an English-language commercial FM radio programming undertaking at 100.3 MHz (channel 262C1) with an average effective radiated power of 33,000 watts. The applicant submitted that conversion of CHTN to the FM band would allow CHTN to compete in a fair and equitable manner while providing a new service to Charlottetown.
6. The proposed station would offer a Classic Hits/Oldies musical format, offering music from the 1960s to the present, targeting primarily female listeners aged 35 to 54. A minimum of 35% of the popular (category 2) musical selections aired during each broadcast week would be Canadian selections, in accordance with the minimum level for category 2 musical selections set out in the *Radio Regulations, 1986*.
7. The local programming would include 12 hours and 30 minutes of spoken word programming each week, including 6 hours of news, presented in 82 newscasts each week. Newcap indicated that the proposed station would offer regular community information with weather and travel updates twice each hour all day, and public service announcements hourly during the daytime. The new station would also continue CHTN's practice of frequently broadcasting tide time, ferry schedules, traffic updates from the Confederation Bridge, and other information related to the tourism industry.
8. Newcap further proposed the addition of a program to be called *CHTN Presents*, a weekly hour-long program that would feature Prince Edward Island artists and their music, with interviews and possible live acoustic performances.
9. The applicant indicated that it would not participate in the Canadian talent development (CTD) plan created by the Canadian Association of Broadcasters. Instead, Newcap proposed annual direct expenditures of \$6,000 to support a yearly "Battle of the Bands" program to be administered by the East Coast Music Association, which showcases musical artists from Prince Edward Island.

Interventions

10. The Commission received a number of interventions in support of this application, and one in opposition submitted by Maritime which expressed the view that, if the Commission were to approve other applications related to FM radio in Charlottetown, but deny its own application to convert CFCY to the FM band, the result would create an uneven playing field.
11. Newcap did not respond to Maritime's intervention with respect to this application.

Commission's analysis and determinations

12. In Public Notice 2006-34, the Commission set out its determination that the Charlottetown market can support the conversion of the two existing local AM stations to the FM band without creating any undue negative impact on the Charlottetown radio market, as well as a new commercial FM radio station that would concentrate on providing service to the Charlottetown market.
13. The Commission considers that the conversion of CHTN to the FM band will increase the technical quality of the station's sound, and will strengthen Newcap's competitive position in the Charlottetown radio market.
14. In light of the above, the Commission **approves** the application by Newcap Inc. for a broadcasting licence to operate a new English-language commercial FM radio programming undertaking at Charlottetown to replace its AM station CHTN.
15. The station will operate at 100.3 MHz (channel 262C1) with an average effective radiated power of 33,000 watts.
16. The licence will expire 31 August 2012 and 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 Commission notes the applicant's commitments for contributions to CTD. A **condition of licence** is set out in the appendix to this decision requiring the applicant to adhere to its commitments to minimum annual financial contributions to CTD following the commencement of operations. The Commission expects the applicant to contribute a total of \$42,000 over a period of seven consecutive broadcast years as proposed.
17. The licensee is authorized, by **condition of licence**, to simulcast the programming of the new FM station on CHTN for a transition period of three months following the commencement of operations of the FM station. Pursuant to sections 9(1)(e) and 24(1) of the *Broadcasting Act* (the Act), and consistent with the licensee's request, the Commission **revokes** the licence for CHTN effective at the end of the simulcast period.

Issuance of the licence

18. 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.
19. The Commission reminds the applicant that, pursuant to section 22(1) of the 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.

20. 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 24 March 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.

Cultural diversity

21. 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, especially with respect to news, music and promotion of Canadian artists.
22. The Commission expects Newcap to reflect Canada's cultural diversity in the proposed station's programming and employment practices.

Employment equity

23. 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.

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 2006-88

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 number 5.
2. Upon commencement of operations, the licensee shall contribute to the development and promotion of Canadian talent by making minimum annual contributions of \$6,000 to support a “Battle of the Bands” program, to be administered by the East Coast Music Association.