



Broadcasting Decision CRTC 2010-565

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Route reference: 2010-295

Ottawa, 12 August 2010

The Haliburton Broadcasting Group Inc.

Espanola, Ontario

Application 2010-0647-9, received 16 April 2010

Public Hearing in the National Capital Region

19 July 2010

CJJM-FM Espanola- Acquisition of assets

*The Commission **approves** the application by The Haliburton Broadcasting Group Inc. for authority to acquire the assets of the radio station CJJM-FM Espanola from JOCO Communications Inc. and for a new broadcasting licence to continue the operation of the undertaking under the same terms and **conditions** as those in effect under the current licence.*

The application

1. The Commission received an application by The Haliburton Broadcasting Group Inc. (Haliburton) for authority to acquire the assets of the radio programming undertaking CJJM-FM Espanola from JOCO Communications Inc. (JOCO) and for a new broadcasting licence to continue the operation of the undertaking under the same terms and conditions as those in effect under the current licence.
2. Haliburton is controlled by Beaumaris Group Inc., a corporation which is, in turn, controlled by Christopher Grossman through his holding of 99.5% of the voting interest. JOCO is owned and controlled by its sole director and shareholder Joseph Cormier.
3. The Commission did not receive any interventions in connection with this application.

Commission's analysis and determination

4. Because the Commission does not solicit competing applications for authority to transfer the ownership or control of radio, television and other programming undertakings, the onus is on the applicant to demonstrate that the benefits proposed in the application are commensurate with the size and nature of the transaction (refer to Public Notice 1998-41 and Broadcasting Public Notice 2006-158).

5. The value of the transaction based on the *Agreement of Purchase and Sale – Assets* is \$125,000. It is the Commission’s practice to include consulting fees in the value of the transaction, which in this case amount to \$24,000. Therefore, the revised value of the transaction is \$149,000 (\$125,000 + \$24,000).
6. Consistent with the Commission’s tangible benefits policy set out in Broadcasting Public Notice 2006-158, Haliburton proposed a tangible benefits package equal to 6% of the proposed \$125,000 value of the transaction (\$7,500), to be allocated as follows over seven broadcast years:
 - 3% to a new Canadian music marketing and promotion fund (e.g. the Radio Starmaker Fund);
 - 2% to FACTOR or MUSICACTION; and
 - 1% to either of the above initiatives, to other Canadian Content Development initiatives, or to other eligible third parties.
7. In its campus and community radio policy set out in Broadcasting Regulatory Policy 2010-499, the Commission amended its approach to the allocation of tangible benefits so that 0.5% of the value of commercial radio transactions will be allocated to the Community Radio Fund of Canada. The amount allocated to FACTOR and MUSICACTION is reduced from 2% to 1.5% of the value of the transaction. Accordingly, tangible benefits must be distributed as follow:
 - 3% to the Radio Starmaker Fund or Fonds Radiostar
 - 1.5% to FACTOR or MUSICACTION;
 - 1% to a Canadian Content Development initiative, at the discretion of the purchaser;
 - 0.5% to the Community Radio Fund of Canada.
8. Given the revised value of the transaction, the value of the proposed tangible benefits package will increase from the proposed \$7,500 to \$8,940 (i.e. 6% of the revised amount of \$149,000). Accordingly, based on the new approach to allocating tangible benefits set out in Broadcasting Regulatory Policy 2010-499, the Commission directs Haliburton to allocate the revised amount as follows over seven broadcast years:
 - \$4,470 to the Radio Starmaker Fund;
 - \$2,235 to FACTOR;
 - \$745 to the Community Radio Fund of Canada; and
 - \$1,490 to any of the above initiatives, to other Canadian Content Development initiatives, or to other eligible third parties.
9. The Commission considers that this transaction meets the criteria to be excluded from the application of the licence trafficking policy as set out in Broadcasting Information Bulletin 2010-220, given that JOCO was awarded a licence for CJJM-FM in Broadcasting Decision 2007-238 through a non-competitive process.

Conclusion

10. The Commission **approves** the application by The Haliburton Broadcasting Group Inc. for authorization to acquire the assets of the radio programming undertaking CJJM-FM Espanola from JOCO Communications Inc. Upon surrender of the current licence issued to JOCO Communications Inc., the Commission will issue a new licence to The Haliburton Broadcasting Group Inc. under the same terms and **conditions** as those in effect under the current licence.

Employment equity

11. In accordance with Public Notice 1992-59, 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.

Secretary General

Related documents

- *Campus and community radio policy*, Broadcasting Regulatory Policy CRTC 2010-499, 22 July 2010
- *Revised criteria for the application of the licence trafficking policy*, Broadcasting Information Bulletin CRTC 2010-220, 19 April 2010
- *English-language FM radio station in Espanola*, Broadcasting Decision 2007-238, 19 July 2007
- *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
- *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992

**This decision is to be appended to the licence.*