



Broadcasting Decision CRTC 2011-110

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Route reference: 2010-935

Ottawa, 21 February 2011

Haliburton Broadcasting Group Inc.
Stratford, Ontario

Application 2010-1499-3, received 21 September 2010
Public hearing in the National Capital Region
11 February 2011

CJCS and CHGK-FM Stratford – Acquisition of assets

1. The Commission **approves** the application by Haliburton Broadcasting Group Inc. (Haliburton) for authority to acquire, from Raedio Inc., the assets of the English-language commercial radio programming undertakings CJCS and CHGK-FM Stratford and for new broadcasting licences to continue the operation of the undertakings under the same terms and conditions as those in effect under the current licences, and as set out in the appendices to this decision. The Commission did not receive any interventions in connection with this application.
2. Haliburton is controlled by Mr. Christopher Grossman through his ownership and control of Beaumaris Group Inc., Haliburton's controlling shareholder.
3. 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).
4. The value of the transaction based on the Assets Purchase Agreement is \$3.4 million. Based on its general practice, the Commission has reviewed the value of the transaction to determine if adjustments to the purchase price are required.
5. The Commission's general practice is to include in the value of the transaction, among other things, the value of assumed leases. In this case, the purchaser will be assuming leases in the amount of \$296,136. It will also lease the transmitter site from the vendor for total payments of \$10,000. Finally, it will pay consultation fees to the vendor for a period of 5 months for a total amount of \$105,000. The value of the transaction consequently amounts to \$3,811,136, as shown in the following table:

Revised value of the transaction	
Purchase price	\$3,400,000
Add:	
Assumed leases	\$ 296,136
Transmitter site leased from vendor	\$ 10,000
Consulting agreement	<u>\$ 105,000</u>
Total	<u>\$3,811,136</u>

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 \$3.4 million value of the transaction (i.e. \$204,000).
7. Additionally, in Broadcasting Regulatory Policy 2010-499, the Commission amended its approach to the allocation of tangible benefits. Accordingly, tangible benefits must be distributed as follows:
 - 3% to the Radio Starmaker Fund or Fonds Radiostar;
 - 1.5% to FACTOR or MUSICACTION;
 - 1% to a Canadian Content Development (CCD) initiative, at the discretion of the purchaser; and
 - 0.5% to the Community Radio Fund of Canada.
8. Accordingly, the Commission directs Haliburton to allocate its benefits contribution as follows over seven consecutive broadcast years, representing 6% of the revised value of the transaction (\$228,668):
 - \$114,334 to the Radio Starmaker Fund;
 - \$57,167 to FACTOR;
 - \$38,111 to a CCD initiative, at the discretion of the purchaser; and
 - \$19,056 to the Community Radio Fund of Canada.

Secretary General

Related documents

- *Campus and community radio policy*, Broadcasting Regulatory Policy CRTC 2010-499, 22 July 2010

- *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

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

Appendix 1 to Broadcasting CRTC Decision 2011-110

Terms, and conditions of licence and encouragement for CJCS Stratford

Terms

The licence will expire 31 August 2013.

Conditions of licence

1. The licence will be subject 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.
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* (the Regulations), in any broadcast week where at least 90% of musical selections from content category 2 that it broadcasts are selections released before 1 January 1981:
 - in that broadcast week, devote 30% or more of its musical selections from content category 2 to Canadian selections broadcast in their entirety; and
 - between 6 a.m. and 6 p.m., in the period beginning on Monday of that week and ending on Friday of the same broadcast week, devote 30% or more of its musical selections from content category 2 to Canadian selections broadcast in their entirety.

The licensee shall specify, on the music lists it provides to the Commission, the year of release for all musical selections it broadcasts.

For purposes of this condition, the terms “broadcast week,” “content category” and “musical selection” shall have the meaning set out in section 2 of the Regulations

Encouragement

Employment equity

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.

Appendix 2 to Broadcasting Decision CRTC 2011-110

Terms, conditions of licence and encouragement for CHGK-FM Stratford

Terms

The licence will expire 31 August 2013.

Conditions of licence

1. The licence will be subject 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.

Encouragement

Employment equity

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.