



## Broadcasting Decision CRTC 2006-71

Ottawa, 14 March 2006

**L.A. Radio Group Inc.**  
Lacombe, Alberta

*Application 2005-0595-1*  
*Public Hearing in the National Capital Region*  
*14 November 2005*

### **English-language FM radio station in Lacombe**

*The Commission **approves** an application for a broadcasting licence to operate an English-language commercial FM radio station in Lacombe, Alberta.*

#### **The application**

1. The Commission received an application by L.A. Radio Group Inc. (L.A. Radio) for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Lacombe, Alberta. The proposed station would operate at 94.1 MHz (channel 231B) with an average effective radiated power (ERP) of 9,500 watts.
2. L.A. Radio stated that the station would offer a classic hits music format featuring a wide range of music from the 60s through the early 90s for listeners between the ages of 35 and 54 years. The applicant stated that all of the station's programming would be produced locally, and that it would broadcast a minimum of 40% Canadian content in its music.
3. In each broadcast week, 4.5% of the radio station's schedule would be devoted to spoken word programming focusing on the local community of Lacombe. The spoken word programming would include 4 hours and 53 minutes of local and regional news. Up to three hours of religious programming would also be offered. In addition, given the area's large agricultural base, the station would offer news packages targeted to the farming community.
4. The applicant stated that, other than broadcasting severe weather warnings and responses from emergency services, it would direct its programming only to the communities of Lacombe and Ponoka and not to listeners in Red Deer, Alberta.

5. Under the Canadian talent development (CTD) plan instituted by the Canadian Association of Broadcasters (CAB), licensees serving markets the size of Lacombe are required to contribute a minimum of \$400 per year to CTD. The applicant indicated that it would exceed this minimum requirement. Specifically, it made a commitment to contribute a minimum of \$5,000 in each broadcast year over seven consecutive years for a total of \$35,000 in direct contributions to CTD. Of this amount, half would be allocated to the Foundation to Assist Canadian Talent on Records (FACTOR), and half would be allocated to a scholarship fund for local secondary students in order to assist them in continuing their music studies. The applicant indicated that it would abide by this commitment by condition of licence.

### **Interventions**

6. The Commission received many interventions in connection with this application, the majority of which were in support. In addition, Newcap Inc. (Newcap), the parent company of 4323041 Canada Inc., the licensee of CKGY-FM and CIZZ-FM Red Deer, and the partners of Jim Pattison Broadcast Group Limited Partnership<sup>1</sup> (Pattison), the licensee of CHUB-FM and CFDV-FM Red Deer, filed interventions in opposition to the application.
7. Both Newcap and Pattison noted that Lacombe is located approximately 29 kilometres north of Red Deer. They contended that, given the proximity of Lacombe to Red Deer, the signal of the proposed radio station would reach Red Deer. In Newcap's view, the proposed radio station would, in reality, be a Red Deer radio station. Newcap also referred to *English-language FM radio station in Red Deer*, Broadcasting Decision CRTC 2004-117, 15 March 2004, which authorized Pattison to operate a second FM radio station in Red Deer on the basis that it would provide competitive balance in that radio market.
8. Pattison submitted that the proposed service would offer a format that would be similar to those that are already provided by Red Deer radio stations that are currently received in Lacombe and expressed concern that the proposed station would target advertisers in Red Deer. Pattison also contended that the licensing of the proposed station would have a negative impact on existing radio stations in the Red Deer radio market, and particularly on the intervener's own new FM radio station that was launched less than one year ago.

### **Applicant's replies**

9. In response to the opposing interveners, L.A. Radio stated that its revenue projections do not include advertising revenues from the Red Deer radio market. L.A. Radio also indicated its willingness to accept a condition of licence prohibiting it from soliciting local advertising in Red Deer.

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<sup>1</sup> 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

10. The applicant reiterated that its programming would be distinctly local to the Lacombe and Ponoka areas and maintained that its proposed classic hits format, targeted to adults over 35 years of age, is not presently offered by radio stations received in Lacombe.

### **Commission's analysis and determination**

11. The Commission notes that the approval of this application will provide Lacombe with its first local commercial radio station dedicated exclusively to serving the particular needs and interests of the residents of the community. The programming will focus on the many local services and events important to residents of that community.
12. The Commission acknowledges the concerns raised by Newcap and Pattison in their interventions. However, the Commission notes that the applicant has indicated its willingness to accept a condition of licence prohibiting it from soliciting local advertising in the Red Deer radio market. The Commission is satisfied that such a condition of licence will mitigate any potential negative impact that the proposed station might have on incumbent Red Deer radio stations.
13. In light of the above, the Commission **approves** the application by L.A. Radio Group Inc. for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Lacombe at 94.1 MHz (channel 231B) with an average ERP of 9,500 watts.
14. 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 of licence no. 5 relating to contributions to CTD under the CAB's plan. The licence will also be subject to the **conditions** set out in the appendix to this decision.

### **Issuance of the licence**

15. 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.
16. 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.

17. 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 14 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.

### **Employment equity**

18. 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 2006-71

### Conditions of licence

1. The licence is 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. The licensee shall make direct expenditures of at least \$35,000, over seven consecutive years, on Canadian talent development (CTD). Upon commencement of operation, this amount shall be distributed over seven consecutive years as follows:
  - \$2,500 in each broadcast year to the Foundation to Assist Canadian Talent on Records (FACTOR); and
  - \$2,500 in each broadcast year to a scholarship fund for local secondary students in order to assist them in continuing their music studies.

The Commission reminds the applicant 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.

3. The licensee shall refrain from soliciting local advertising in Red Deer, Alberta.
4. 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, 40% or more of its musical selections from content category 2 to Canadian selections broadcast in their entirety; and
  - (b) devote, between 6 a.m. and 6 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*.

5. Where the licensee broadcasts religious programming as defined in the *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993, the licensee shall adhere to the guidelines set out in sections III.B.2.a) and IV. of that public notice with respect to the provision of balance and ethics in religious programming, as amended from time to time.