



Broadcasting Public Notice CRTC 2004-91

Ottawa, 26 November 2004

Introduction to Broadcasting Decisions CRTC 2004-513 to 2004-525 – Licensing of new FM radio stations in Halifax, Moncton, Saint John and Fredericton

This is an introduction to the Commission's decisions in regard to 25 applications for licences to operate new FM radio stations in Halifax, Nova Scotia, and in Moncton, Saint John and Fredericton, New Brunswick. The Commission considered these applications at a public hearing in Halifax that began on 1 March 2004. This notice sets out the criteria the Commission has used to evaluate the applications, its determination regarding the capacity of the Halifax, Moncton, Saint John and Fredericton markets to accommodate one or more new radio stations, and lists the applications that have been approved for each market.

In Broadcasting Decisions CRTC 2004-513 to 2004-524, published today, the Commission approves applications for licences to operate four new FM radio stations in Halifax; three new FM radio stations in Moncton, including a low-power tourist information service; two new FM radio stations in Saint John, and three new FM radio stations in Fredericton, including a low-power tourist information service. Denial of various applications considered at the 1 March 2004 Halifax public hearing, Broadcasting Decision CRTC 2004-525, published today, contains a list of the applications that have been denied. A dissenting opinion by Commissioner Demers, which addresses the Halifax market, is attached to this notice.

The applications

1. In *Call for applications for a broadcasting licence to carry on a low-power radio programming undertaking to serve Fredericton, New Brunswick*, Broadcasting Public Notice CRTC 2003-30, 12 June 2003 (amended by Broadcasting Public Notice CRTC 2003-30-1), *Call for applications for broadcasting licences to carry on radio programming undertakings to serve Halifax, Nova Scotia, and Moncton and Saint John, New Brunswick*, Broadcasting Public Notice CRTC 2003-31, 12 June 2003, and *Call for applications for broadcasting licences to carry on radio programming undertakings to serve Fredericton, New Brunswick*, Broadcasting Public Notice CRTC 2003-51, 22 September 2003, the Commission announced that it had received applications for broadcasting licences to provide radio services to Halifax, Moncton, Saint John and Fredericton and invited all interested parties to submit applications to serve these markets. At the 1 March 2004 public hearing in Halifax, the Commission considered 25 applications for licences for new radio programming undertakings in the four markets mentioned above.

2. In arriving at the decisions announced today, the Commission has considered as technically mutually exclusive those applications for new radio licences that proposed to use the same frequency. Where such technical considerations were relevant, the Commission ruled in favour of the application offering the best use of the proposed frequency in light of the criteria set out in the present notice.
3. This introduction sets out the criteria the Commission has used to evaluate the applications, its determinations regarding the capacity of the Halifax, Moncton, Saint John and Fredericton markets to accommodate one or more new radio stations, and lists the applications that have been approved for each market. The Commission's decisions regarding these applications also take into account additional criteria set out in Broadcasting Decisions CRTC 2004-513 to 2004-524 issued today. *Denial of various applications considered at the 1 March 2004 Halifax public hearing*, Broadcasting Decision CRTC 2004-525, 26 November 2004 (Decision 2004-525), lists the applications that have been denied.

Evaluation of applications for new commercial radio stations

4. In the Introductory Statement to Decisions CRTC 99-480, 99-481 and 99-482, 28 October 1999, the Commission indicated that, pursuant to its *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998 (the Commercial Radio Policy), the factors set out below are generally among those relevant to the evaluation of competitive commercial radio applications:
 - the quality of the application;
 - the diversity of news voices in the market;
 - the market impact of any proposed station on existing stations; and
 - the competitive state of the market.
5. The relative weight and significance of these factors vary depending on the specific circumstances of the market concerned. Furthermore, in all circumstances, the Commission continues to consider whether the proposed use of the frequency is optimal.
6. The Commission also examined the three applications for specialty radio stations featuring Christian music and religious spoken word programming in light of its *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993 (the Religious Broadcasting Policy).

Evaluation of applications for new community radio stations

7. At the 1 March 2004 public hearing, the Commission considered three applications for new community radio stations in light of its *Community Radio Policy*, Public Notice CRTC 2000-13, 28 January 2000 (the Community Radio Policy). In the Community Radio Policy, the Commission defined a community radio station as one that "is owned

and controlled by a not-for-profit organization, the structure of which provides for membership, management, operation and programming primarily by members of the community at large. Programming should reflect the diversity of the market that the station is licensed to serve.”

8. Further, the Community Radio Policy states that the primary objective for community radio stations is to provide a local programming service that differs in style and substance from the services provided by commercial stations and the Canadian Broadcasting Corporation (CBC). It provides that the programming should be relevant to the communities served, including official language minorities, and that community stations should add diversity to the broadcasting system by increasing program choice in both music and spoken word.
9. The Community Radio Policy also states that all community radio licensees are expected to facilitate community access to their programming by clearly informing the public of opportunities for community participation. The Commission therefore expects applicants for new community radio licences to describe their current and/or proposed measures to:
 - facilitate community access to programming;
 - promote the availability of training throughout the community; and
 - provide for the ongoing training and supervision of those within the community wishing to participate in programming.
10. The *Radio Regulations, 1986* (the Regulations) require French-language community stations to devote, in each broadcast week, at least 65% of all vocal musical selections from category 2 (Popular Music) to musical selections in the French language, broadcast in their entirety.

Applications for the Halifax market

Summary of the applications

11. At the hearing, the Commission considered 10 applications for new English-language commercial radio programming undertakings and one application for an English-language Type B community radio programming undertaking.

Applications for FM frequencies 89.7 MHz and 89.9 MHz

12. The Commission considered an application proposing to utilize 89.7 MHz and another proposing to utilize 89.9 MHz. Due to the short spacing between the two frequencies, these applications were technically mutually exclusive.
13. East Coast Broadcasting Inc. (East Coast) proposed an English-language radio station offering a CHR/Rhythmic music format at 89.7 MHz (channel 209A).

14. Astral Media Radio Atlantic Inc. (Astral) proposed an English-language radio station offering a Modern/Alternative Rock music format at 89.9 MHz (channel 210C1).

Application for FM frequency 93.9 MHz

15. The Commission considered a single application proposing to utilize FM frequency 93.9 MHz (channel 230A).
16. International Harvesters for Christ Evangelistic Association Inc. (International Harvesters) proposed an English-language radio station offering Christian music with at least 95% of the musical selections broadcast during each broadcast week coming from subcategory 35 (Non-classic religious) and 20 hours per week of religious spoken word programming.

Applications for FM frequency 95.7 MHz

17. The Commission considered two applications proposing to utilize FM frequency 95.7 MHz (channel 239B). These applications were technically mutually exclusive.
18. Halifax JAMZ 95.7 Inc. (Halifax JAMZ) proposed an English-language radio station offering an Alternative Electronica Progressive High Energy Dance music format in which at least 10% of the weekly total music would be drawn from music subcategory 33 (World beat and international).
19. Rogers Broadcasting Limited (Rogers) proposed an English-language radio station offering a spoken word News/Talk format including live shared broadcasts with Rogers' proposed News/Talk format stations in Moncton and Saint John, New Brunswick.

Applications for FM frequency 103.5 MHz

20. The Commission considered four applications proposing to utilize FM frequency 103.5 MHz (channel 278C). These applications were technically mutually exclusive.
21. Rogers proposed an English-language radio station offering an Urban Top 40 music format.
22. Astral proposed an English-language radio station offering an Urban Rhythmic music format.
23. Global Communications Limited (Global) proposed an English-language radio station offering an Easy Listening music format that blends easy listening favourites with Folk, Celtic, softer jazz and softer pop music selections.
24. CKMW Radio Ltd., on behalf of a corporation to be incorporated, (CKMW) proposed an English-language radio station offering a Youth Contemporary music format featuring a blend of Urban (including Hip Hop), Alternative Rock, Top 40, R&B and Dance.

Application for FM frequency 105.1 MHz

25. The Commission considered a single application proposing to utilize FM frequency 105.1 MHz (channel 286C).
26. Maritime Broadcasting System Limited (MBS) proposed an English-language radio station offering an Adult Contemporary music format.

Application for FM frequency 106.9 MHz

27. The Commission considered a single application proposing to utilize FM frequency 106.9 MHz (channel 295LP) for a low-power radio programming undertaking.
28. The Centre for Diverse Visible Cultures, on behalf of a corporation to be incorporated and to be known as Kaleidoscope Community Radio Society (the Centre for Diverse Visible Cultures), proposed an English-language Type B community radio station.

The Halifax market

29. In analyzing the potential market for new services, potential advertising revenues, and the market impact of any proposed station on existing stations, the Commission examined the state of the economy in Halifax using data from Statistics Canada and forecasts by the Conference Board of Canada. The Commission's review of economic indicators points to growth in the Halifax economy over the next five years.
30. The Halifax market is currently served by 13 radio stations, of which 11 are English-language and 2 are French-language stations. These stations include seven English-language commercial stations, four CBC/Société Radio-Canada (SRC) stations, an English-language Type B community station (CFEP-FM Eastern Passage) and an English-language campus station.
31. Over the last five years, the aggregate profit before income and tax (PBIT) margin¹ for the Halifax radio market has been substantially above the aggregate PBIT margin for all commercial radio stations in Canada. For example, in the year ending 31 August 2003, the PBIT margin for Halifax attained a level of 32.8% while, for all commercial radio stations in Canada, it was 19.3%. These results suggest that there is room in the market for additional commercial stations.

The Commission's determination for the Halifax market

32. Based on the record of the 1 March 2004 proceeding, the Commission considers that the Halifax market can accommodate four new commercial radio stations, including three conventional commercial stations and a Christian music station.

¹ The PBIT margin is defined as profit before interest and tax expressed as a percentage of total revenue.

33. In *News/Talk commercial FM radio station in Halifax*, Broadcasting Decision CRTC 2004-513, 26 November 2004, the Commission has approved the application by Rogers for a specialty English-language commercial FM radio programming undertaking offering a spoken word News/Talk format at 95.7 MHz (channel 239B).
34. In *Youth Contemporary FM radio station in Halifax*, Broadcasting Decision CRTC 2004-514, 26 November 2004, the Commission has approved the application by CKMW for an English-language commercial FM radio programming undertaking offering a Youth Contemporary music format featuring a blend of Urban (including Hip Hop), Alternative Rock, Top 40, R&B and Dance at 103.5 MHz (channel 278C).
35. In *Easy Listening FM radio station in Halifax*, Broadcasting Decision CRTC 2004-515, 26 November 2004, the Commission has approved in part the application by Global for an English-language commercial FM radio programming undertaking offering an Easy Listening music format. The applicant proposed to operate its station at 103.5 MHz, which was technically mutually exclusive with the frequency proposed in the application by CKMW. The Commission's approval is subject to the applicant filing an amendment to its application for an acceptable alternative frequency within three months of the decision.
36. In *Christian music FM radio station in Halifax*, Broadcasting Decision CRTC 2004-516, 26 November 2004, the Commission has approved the application by International Harvesters for a specialty English-language commercial FM radio programming undertaking featuring Christian music at 93.9 MHz (channel 230A).
37. The Commission considers, for all of the reasons set out in the above noted decisions, these applications best fulfill the criteria set out earlier in this notice for evaluating applications for new commercial radio stations. It further considers that these stations will add considerably to the programming diversity available to listeners in Halifax, given that each will offer a format that is not available from stations currently operating in the market. The Commission further considers that the introduction of these stations will not have an undue negative impact on existing Halifax stations and notes that each of the new stations will be operated by a party that does not currently own radio stations in Halifax, so each will provide a new radio voice to the community.
38. The Rogers News/Talk service will offer the only such English-language commercial FM service in Canada and will provide a strong new source of local and regional news for Halifax listeners. It will also provide a news and information alternative to the service provided by the CBC's Radio One service. Rogers has agreed to conditions of licence that would require that it remain within the proposed format. The Commission further notes that Rogers considered that it was necessary that its proposed News/Talk stations be approved in Halifax, Moncton and Saint John for its local/regional News/Talk concept to succeed.

39. The new station operated by CKMW will introduce a new Youth Contemporary format that will appeal to the 12-24 demographic, a group that is currently underserved in the Halifax market. The Commission considers that the business plan put forward by CKMW was superior in that it proposed a format that would provide the greatest musical diversity of all of the applicants that proposed to serve that demographic group. Consequently, in Decision 2004-525, the Commission has denied the competing application by Rogers for an Urban Top 40 format, both applications by Astral, as well as the applications by East Coast and Halifax JAMZ, all of which also proposed to serve listeners between 12 and 34 years of age.
40. The new radio station operated by Global will provide an Easy Listening format that will target those 45 years of age and over, a demographic group that is also underserved in the market.
41. The new radio station operated by International Harvesters will provide the market's first Christian music service. At the hearing, the Commission expressed its concern in regard to International Harvesters' proposed independent advisory board and the applicant subsequently confirmed that its advisory board would consist of representatives from various religious faiths and not simply representatives from different Christian denominations. The Commission also expressed a concern in regard to 15 hours of weekly Bible teaching programs to be produced by U.S. Christian ministries since such contributors may not be familiar with the Commission's Religious Broadcasting Policy. By condition of licence, the licensee will be required to adhere to the guidelines on ethics in religious programming as set out in section IV of the Religious Broadcasting Policy, as amended from time to time.
42. The Commission considers that the business plan proposed by MBS was less effective in assessing the needs of the market than those of the successful applicants. Given its decision that the Halifax market can support only four new commercial radio stations, the Commission has, in Decision 2004-525, denied the application by MBS for a station that would have provided an Adult Contemporary format, a format with music elements that are already available in Halifax.
43. In Decision 2004-525, the Commission has also denied the application by the Centre for Diverse Visible Cultures for a Type B community radio station. While the Commission was impressed with the concept of establishing a radio service that would provide access to underserved groups, it did not consider that the applicant's plans with respect to recruiting and providing for continuity of volunteers were adequate to ensure that the programming plans outlined in the application could be realized on a consistent basis.

Applications for the Moncton market

Summary of applications

44. At the hearing, the Commission considered two applications for English-language commercial radio programming undertakings, one application for a French-language community station and one application for an English-language low-power tourist information radio programming undertaking.

Applications for FM frequency 90.7 MHz

45. The Commission considered two applications proposing to utilize FM frequency 90.7 MHz. These applications were technically mutually exclusive.
46. Radio Beauséjour inc. (Radio Beauséjour) proposed a French-language Type B community radio station at 90.7 MHz (channel 214B), which would constitute Radio Beauséjour's second community radio station in the Moncton region.
47. 3077457 Nova Scotia Limited (3077457) proposed an English-language low-power FM tourist information radio station at 90.7 MHz (channel 214LP) consisting of pre-recorded messages informing visitors of weather and highway conditions as well as attractions and services in the Moncton area.

Application for FM frequency 91.9 MHz

48. The Commission considered a single application proposing to utilize FM frequency 91.9 MHz (channel 220C).
49. Rogers proposed an English-language radio station offering a spoken word News/Talk format including live shared broadcasts with Rogers' proposed News/Talk format stations in Halifax, Nova Scotia, and Saint John, New Brunswick.

Application for FM frequency 105.5 MHz

50. The Commission considered a single application proposing to utilize FM frequency 105.5 MHz (channel 288C).
51. Rogers proposed an English-language radio station offering an Urban Top 40 format.

The Moncton market

52. In analyzing the potential market for new services, potential advertising revenues, and the market impact of any proposed station on existing stations, the Commission examined the state of the economy in Moncton using data from Statistics Canada and for the Province of New Brunswick using economic forecasts from the Conference Board of Canada. The population of the Moncton Census Metropolitan Area (CMA) is expected to remain constant over the next five years.

53. The Moncton market is currently served by 13 radio stations, of which 8 are English-language and 5 are French-language stations. These include six English-language commercial stations, including two Christian music stations; one French-language commercial station, a French-language community station, a French-language campus/community station and four CBC/SRC stations.
54. With regard to the commercial stations, the aggregate PBIT margin for the Moncton radio market has been above the aggregate PBIT margin for all commercial radio stations in Canada in three of the last five years. In the year ending 31 August 2003, for example, the PBIT margin for Moncton's commercial stations attained a level of 20.5% while for all commercial stations in Canada, the PBIT margin was 19.3%.

The Commission's determination for the Moncton market

55. Based on the record of the 1 March 2004 proceeding, the Commission considers that the Moncton market can accommodate two new radio stations targeting a general audience – an English-language commercial station and a French-language community station. It further considers that a low-power tourist information service can be introduced without a negative impact on existing stations.
56. In *News/Talk commercial FM radio station in Moncton*, Broadcasting Decision CRTC 2004-517, 26 November 2004, the Commission has approved the application by Rogers for a specialty English-language commercial FM radio programming undertaking offering a spoken word News/Talk format at 91.9 MHz (channel 220C).
57. In *Community radio station in Moncton*, Broadcasting Decision CRTC 2004-518, 26 November 2004 (Decision 2004-518), the Commission has approved the application by Radio Beauséjour to operate a French-language Type B community FM radio programming undertaking at 90.7 MHz (channel 214B).
58. In *Low-power tourist information service in Moncton*, Broadcasting Decision CRTC 2004-519, 26 November 2004, the Commission has approved in part the application by 3077457 to operate an English-language low-power FM tourist information radio service. The Commission's approval is subject to the applicant filing an amendment to its application, within three months of the decision, proposing the use of another acceptable frequency. In the Commission's view, the applicant's proposal to use the 90.7 MHz frequency for a low-power station represents an underutilization of that frequency. The Commission considers that the introduction of this station, which will target tourists, will not have an undue negative impact on other stations in the market.
59. The Commission considers that the Rogers and Radio Beauséjour applications best fulfill the criteria set out earlier in this notice for evaluating applications for new radio stations. It further considers that they will increase the diversity of programming available to listeners in the Moncton market.

60. The Rogers News/Talk service will offer the only such English-language commercial FM service in Canada and will provide a strong new source of local and regional news for Moncton listeners. It will also provide a news and information alternative to the CBC's Radio One service. The Commission further considers that the Rogers News/Talk format would have a lesser impact on existing stations in the market than Rogers' application for an Urban Top 40 station, which would offer a music-based format. Rogers has agreed to conditions of licence that would require that it remain within the proposed format. The Commission further notes that Rogers considered that it was necessary that its proposed News/Talk stations be approved in Halifax, Moncton and Saint John for its local/regional News/Talk concept to succeed. In light of the above, and given its decision that the Moncton market can support only one new English-language commercial station, in Decision 2004-525, the Commission has denied the application by Rogers for a station that would offer an Urban Top 40 format.
61. The Commission considers that the application by Radio Beauséjour will contribute to the diversity of radio service in the market by providing an additional source of high-quality programming to French-speaking listeners. With regard to the application by Radio Beauséjour, in addition to other issues, the Commission considered the cultural and linguistic context of the Moncton market, and these matters are addressed in Decision 2004-518.

Applications for the Saint John market

Summary of applications

62. At the hearing, the Commission examined three applications for new English-language commercial radio programming undertakings and one application for a new French-language community radio programming undertaking in the Saint John market.

Application for FM frequency 88.9 MHz

63. The Commission considered a single application proposing to utilize FM frequency 88.9 MHz (channel 205C).
64. Rogers proposed an English-language radio station offering a spoken word News/Talk format including live shared broadcasts with Rogers' proposed News/Talk format stations in Halifax, Nova Scotia, and Moncton, New Brunswick.

Applications for FM frequency 95.9 MHz

65. The Commission considered two applications proposing to utilize FM frequency 95.9 MHz (channel 240C). These applications were technically mutually exclusive.
66. Rogers proposed an English-language radio station offering an Urban Top 40 music format.

67. Newcap Inc. (Newcap) proposed an English-language radio station offering a Classic Hits music format.

Application for FM frequency 105.7 MHz

68. The Commission considered a single application proposing to utilize FM frequency 105.7 MHz (channel 289A).
69. The Coopérative radiophonique - La Brise de la Baie ltée proposed a French-language Type A community radio programming undertaking.

The Saint John market

70. In analyzing the potential market for new services, potential advertising revenues, and the market impact of any proposed station on existing stations, the Commission examined the state of the economy in Saint John using data from Statistics Canada and economic forecasts by the Conference Board of Canada. The population of the Saint John CMA is expected to remain constant over the next five years.
71. The Saint John market is currently served by 11 radio stations, of which 9 are English-language and 2 are French-language stations. These stations include six English-language commercial stations, including a Christian music station, four CBC/SRC stations, and a campus station.
72. The aggregate PBIT margin for the Saint John radio market has been equal to or above the aggregate PBIT margin for all commercial radio stations in Canada over the last five years. In the year ending 31 August 2003, the PBIT margin for Saint John exceeded the PBIT margin for all commercial radio stations in Canada, which was 19.3%.

The Commission's determination for the Saint John market

73. Based on the record of the 1 March 2004 proceeding, the Commission considers that the Saint John market can accommodate one additional English-language commercial station. It also considers that a French-language community station can be introduced, given that such a station would not have an undue negative impact on the existing commercial stations in the market, all of which are English-language stations.
74. In *News/Talk commercial FM radio station in Saint John*, Broadcasting Decision CRTC 2004-520, 26 November 2004, the Commission has approved the application by Rogers for a specialty English-language commercial FM radio programming undertaking offering a spoken word News/Talk format at 88.9 MHz (channel 205C).

75. In *Community radio station in Saint John*, Broadcasting Decision CRTC 2004-521, 26 November 2004, the Commission has approved the application by Coopérative radiophonique - La Brise de la Baie ltée for a French-language Type A community FM radio programming undertaking at 105.7 MHz (channel 289A). The Commission notes that the new community radio station will provide the first local French-language radio service in Saint John.
76. The Commission considers that the applications set out above best fulfill the criteria set out earlier in this notice for evaluating applications for new radio stations. It further considers that they will increase the diversity of programming available to listeners in the Saint John market.
77. The Rogers News/Talk service will offer the only such English-language commercial FM service in Canada and will provide a strong new source of local and regional news for Saint John listeners. It will also provide a news and information alternative to the CBC's Radio One service. The Commission further considers that the Rogers' spoken word News/Talk format, would have a lesser impact on existing stations in the market than the other two applicants for new commercial radio stations, both of which proposed to offer a music-based format. Rogers has agreed to conditions of licence that would require that it remain within the proposed format. The Commission further notes that Rogers considered that it was necessary that its proposed News/Talk stations be approved in Halifax, Moncton and Saint John for its local/regional News/Talk concept to succeed. In light of the above, and its determination that the market can support only one additional English-language commercial station, in Decision 2004-525, the Commission has denied the application by Rogers for a station that would offer an Urban Top 40 format and the application by Newcap for a station that would offer a Classic Hits format.

Applications for the Fredericton market

Summary of applications

78. At the hearing, the Commission considered five applications for commercial radio programming undertakings, including two for low-power Christian music stations, and one application for a low-power tourist information radio programming undertaking.

Applications for FM frequency 92.3 MHz

79. The Commission considered two applications proposing to utilize FM frequency 92.3 MHz. These two applications were technically mutually exclusive.
80. Newcap proposed an English-language radio station offering a Classic Rock music format at 92.3 MHz (channel 222C1).

81. Acadia Broadcasting Limited (Acadia) proposed an English-language radio station offering a Classic Rock music format at 92.3 MHz (channel 222B).

Applications for FM frequency 93.1 MHz

82. The Commission considered two applications proposing to utilize FM frequency 93.1 MHz. These two applications were technically mutually exclusive.
83. MBS proposed an English-language radio station offering a Country music format at 93.1 MHz (channel 226C1).
84. 3077457 proposed an English-language radio station offering a low-power FM tourist information service at 93.1 MHz (channel 226LP).

Application for FM frequency 94.7 MHz

85. The Commission considered one application to utilize FM frequency 94.7 MHz (channel 234LP).
86. Ross Ingram, on behalf of a corporation to be incorporated (Ross Ingram), proposed an English-language low-power Christian music radio station with at least 96% of the weekly total music to be drawn from music subcategory 35 (Non-classic religious). The applicant also proposed to broadcast 35 hours per week of religious spoken word programming.

Application for FM frequency 104.5 MHz

87. The Commission considered one application to utilize FM frequency 104.5 MHz (channel 283LP).
88. The Joy FM Network Inc. (Joy FM) proposed an English-language Christian music radio station with at least 94% of its weekly total music to be drawn from music subcategory 35 (Non-classic religious). The applicant also proposed to broadcast 35 hours per week of religious spoken word programming.

The Fredericton market

89. In analyzing the potential market for new services, potential advertising revenues, and the market impact of any proposed station on existing stations, the Commission examined the state of the economy in Fredericton using data from Statistics Canada and economic forecasts from the Conference Board of Canada for the Province of New Brunswick. The population of the Fredericton CMA is expected to remain constant over the next five years.

90. The Fredericton market is currently served by 10 radio stations, of which 7 are English-language and 3 are French-language stations. These include four English-language commercial stations, including a Christian music station, four CBC/SRC stations, a French-language community station and an English-language campus station.
91. With regard to the commercial stations, the aggregate PBIT margin for the Fredericton radio market had generally been slightly below the aggregate margin for all English-language commercial radio stations in Canada over the last five years. However, this changed in the year ending 31 August 2003, where the PBIT margin for Fredericton's commercial stations significantly exceeded the PBIT margin for all commercial stations in Canada, which was 19.3%.

The Commission's determination for the Fredericton market

92. Based on the record of the 1 March 2004 proceeding, the Commission considers that the Fredericton market can accommodate one new commercial station that is targeted to a mainstream audience. It further considers that a low-power Christian music station and a low-power tourist information service can be licensed, given that these low-power stations would not have an undue negative effect on existing stations in the market.
93. In *Classic Rock FM radio station in Fredericton*, Broadcasting Decision CRTC 2004-522, 26 November 2004, the Commission has approved the application by Newcap to operate an English-language commercial FM radio programming undertaking with a Classic Rock music format at 92.3 MHz (channel 222C1).
94. In *Christian Music FM radio station in Fredericton*, Broadcasting Decision CRTC 2004-523, 26 November 2004, the Commission has approved the application by Ross Ingram for a specialty English-language commercial FM radio programming undertaking offering Christian music at 94.7 MHz (channel 234LP).
95. In *Low-power tourist information service in Fredericton*, Broadcasting Decision CRTC 2004-524, 26 November 2004, the Commission has approved in part the application by 3077457 for an English-language low-power FM tourist information service in Fredericton. The applicant proposed to operate its station at 93.1 MHz, but the Commission considers that the technical parameters proposed by the applicant, which were for a low-power unprotected undertaking, constituted an underutilization of this frequency's potential. The Commission's approval is therefore subject to the applicant filing an amendment to its application for an acceptable alternative frequency within three months of the decision. The Commission considers that this station, which will target tourists, will not have an undue negative impact on other stations operating in the market.
96. The Commission considers that the Newcap and Ross Ingram applications set out above best fulfill the criteria set out earlier in this notice for evaluating applications for new radio stations.

97. There were three applications for commercial radio stations that were not low-power radio stations. Both Newcap and Acadia proposed Classic Rock formats while MBS proposed a Country format. It is the Commission's view that the proposals for Classic Rock formats were superior in identifying the needs of the market in that they would provide a format not currently available and that would have a lesser impact on existing stations in the market.
98. After examining the two applications for a station that would offer a Classic Rock format, the Commission has determined that the application by Newcap is superior in that, in addition to having a business plan based on a format that would increase programming diversity in the community, it would provide a new editorial voice, and its commitments for Canadian talent development considerably exceeded those proposed by Acadia. Consequently, in Decision 2004-525, the Commission has denied the application by Acadia.
99. The Commission considers that the business plan proposed by MBS was less effective in assessing the needs of the market than that of the successful applicants. Given its decision that Fredericton can only support one new commercial station that is targeted to a mainstream audience, the Commission has, in Decision 2004-525, denied the application by MBS for a station that would have provided a Country music format, a format with music elements that are already available in Fredericton.
100. The Commission is of the view that the new station operated by Ross Ingram will provide programming that will complement that of the market's existing Christian music station CIXN-FM and will provide a new voice in the market with respect to this genre of programming. The Commission further considers that this new station will not have an undue negative impact on any incumbent stations due to its modest business plan. In Decision 2004-525, the Commission has denied the competing application by Joy FM to operate a second Christian music station in Fredericton.

Secretary General

This document is available in alternative format upon request and may also be examined at the following Internet site: <http://www.crtc.gc.ca>

Dissenting opinion of Commissioner Jean-Marc Demers

With respect, I do not share the majority opinion. I believe that following the 1 March 2004 hearing, the Commission should issue only one commercial radio licence for the Halifax area.

Although the applicants stated that their plans would not be put at risk were the Commission to issue more than one licence, I do not believe that now is the time to do so. Given the circumstances of the Halifax radio market, broadcasting quality would be more effectively ensured by issuing new licences in stages.

The majority decision to issue four licences at the same time eliminates, for all intents and purposes, the possibility of having any local owners of competing, commercial stations until the market has absorbed these four new commercial stations. The result of this single decision-making process is a 57% increase in the number of commercial radio stations in this market. I believe it would be preferable to issue a single licence, and to give the Halifax applicants, and any other interested party, an opportunity to participate in a further licensing process in the near future. In my opinion, to deny local investors the opportunity, for a prolonged period, to hold a licence is not in the public interest.

Radio is a local service. I believe that, if the airwaves reserved for broadcasting truly belong to all Canadians, the frequencies allotted to a given area should be allocated to undertakings in that area, wherever possible. Residents of the Halifax area are entitled to every opportunity to obtain broadcasting licences. The Commission should not remove that opportunity. Likewise, if there is no other solution, the Commission must be proactive in creating that opportunity. I emphasize that I am not saying that “local ownership” should be a new criterion for selecting new licensees. The Commission, however, should be proactive in this area, or run the risk of having local ownership only in very large cities. Is it necessary, or essential to the quality of broadcasting in the Halifax area, that we have four new radio stations, owned by persons not resident in that market, and all entering the market at the same time?

Three of the ten commercial radio applications presented at the hearing were submitted by local groups. Although they may not have been the best proposals this time, we should not be awarding these frequencies and their reliable signals, if it means denying local investors the opportunity to serve the area.

I also note that, in one of the majority decisions approving an application, the applicant’s request to use a particular frequency was denied and it was awarded instead to another applicant. This created a quasi-right to the best frequency remaining as soon as the decision was made. It does not really matter if another public process is held to authorize frequency use, because the applicant already has a quasi-right to a frequency with reliable signal quality.

I would have issued the only commercial radio licence with reliable signal quality to Astral Radio Atlantic Inc. for its proposed alternative/modern rock format. Although its programming would compete with that of existing local stations, it would offer significant advantages over some of the applications approved by the majority. In its application, Astral proposes 40% Canadian musical content and a contribution to Canadian talent development of \$2.1 million over seven years.

The majority decision is to issue a licence to a national applicant proposing \$70,000 in contributions to Canadian talent development over seven years. Even if that applicant is to broadcast more than 50% spoken word programming, as a condition of licence, that contribution to the Canadian broadcasting system does not warrant the awarding of an important Halifax frequency. In this respect, Astral's application was better than all the others.