



Broadcasting Decision CRTC 2004-523

Ottawa, 26 November 2004

Ross Ingram, on behalf of a corporation to be incorporated
Fredericton, New Brunswick

Application 2003-0604-4
Public Hearing at Halifax, Nova Scotia
1 March 2004

Christian music FM radio station in Fredericton

*The Commission **approves** the application by Ross Ingram, on behalf of a corporation to be incorporated, for a broadcasting licence to operate a specialty English-language commercial FM radio station in Fredericton, New Brunswick. The station will broadcast Christian music.*

*The Commission's general approach to the radio applications considered at the 1 March 2004 Public Hearing in Halifax is set out in Introduction to Broadcasting Decisions CRTC 2004-513 to 2004-525 – Licensing of new FM radio stations in Halifax, Moncton, Saint John and Fredericton, *Broadcasting Public Notice CRTC 2004-91*, also issued today.*

Introduction

1. The Commission received an application by Ross Ingram, on behalf of a corporation to be incorporated (Ross Ingram) for a broadcasting licence to operate a specialty English-language commercial FM radio programming undertaking that would provide a Christian music service to listeners in Fredericton, New Brunswick. The station would operate at 94.7 MHz (channel 234LP) with an effective radiated power of 25 watts. The applicant is a not-for-profit organization that would be incorporated as Faithway Communications Inc.
2. The applicant indicated that, during each broadcast week, 96% of all musical selections would be drawn from subcategory 35 (non-classic religious), including various genres of Christian music, particularly “available Canadian gospel / country gospel / choir and instrumental praise groups.” The applicant further indicated that, during each broadcast week, the station would broadcast 35 hour of religious spoken word programming.
3. The Commission considered the Ross Ingram application at a public hearing convened in Halifax on 1 March 2004. At the hearing, the Commission examined a total of six applications for new radio services for the Fredericton region: five for commercial stations, including two Christian music services, and one for a low-power tourist information service. The Commission's general approach to the radio applications

considered at the 1 March 2004 Public Hearing in Halifax is set out in *Introduction to Broadcasting Decisions CRTC 2004-513 to 2004-525 – Licensing of new FM radio stations in Halifax, Moncton, Saint John and Fredericton*, Broadcasting Public Notice CRTC 2004-91, also issued today. Based on the record of the hearing, 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.

Interventions

4. The Commission did not receive any interventions in connection with this application.

The Commission's analysis and determination

5. 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.
6. The Commission further considered this application in light of its *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993 (the Religious Broadcasting Policy).

Quality of the application

7. The Commission generally assesses the quality of an application for a new commercial radio station by examining the following:
 - local programming proposals and the benefits the applicant would bring to the community;
 - commitments to Canadian content;
 - the quality of the business plan, including the proposed station format; and
 - commitments in regard to Canadian talent development.

Local programming

8. The applicant stated that it would broadcast at least 90 hours per week of local programming, including 35 hours per week of religious spoken word programming. Its spoken word programming would include daily station-produced news, weather reports,

sportscasts and community service items. Much of this programming would consist of religious news, interviews with religious leaders and artists, inspirational readings and poetry, devotional features, coverage of religious and civic issues, Sunday church services and public service announcements. Other spoken word programs would be produced locally, with live productions on weekends, as resources permit.

Canadian content

9. Ross Ingram confirmed at the hearing that it would broadcast a minimum level of 10% Canadian content for musical selections from Category 3 (Special Interest Music) during each broadcast week. The applicant stated that there is a lack of appropriate Canadian recordings in the southern gospel genre. The Commission notes that 10% is the minimum level of Canadian music for Category 3 selections required under the *Radio Regulations, 1986* and encourages the applicant to increase this level as more southern gospel music which qualifies as Canadian becomes available.

The quality of the business plan, including the proposed station format

10. While Ross Ingram did not provide the Commission with the results of any study supporting demand for its service in the market, the applicant did promise to focus on types of Christian music absent from the programming of Fredericton's existing non-classic religious radio station, CIXN-FM, operated by The Joy FM Network Inc.

Canadian talent development

11. The applicant will participate in the Canadian Talent Development (CTD) Plan (the Plan) created by the Canadian Association of Broadcasters. Under the Plan, accepted by the Commission in *Contributions by radio stations to Canadian talent development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995, licensees serving markets the size of Fredericton are required to contribute a minimum yearly amount of \$400 to the development of Canadian talent. At the hearing, Ross Ingram confirmed that it would adhere to this annual commitment of \$400, by condition of licence.

Market impact on existing stations

12. 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 Canadian Broadcasting Corporation/Société Radio-Canada stations, a French-language community station and an English-language campus station.
13. 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 forecasts from the Conference Board of Canada for the Province of New Brunswick. According to that data, the population of the Fredericton Central Market Area is expected to remain constant over the next five years.

14. Over the last five years, the aggregate profit before interest and tax (PBIT) margin¹ for the Fredericton radio market had generally been slightly below the aggregate margin for all English-language commercial radio stations in Canada. 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 radio stations in Canada, which was 19.3%. These results suggest there is room in the Fredericton market for additional stations.
15. Further, in view of the applicant's modest advertising revenue projections, the Commission considers that there would be no significant impact on any of Fredericton's commercial radio stations through the licensing of Ross Ingram's proposal.

Competitive state of the market

16. The Commission is satisfied that the introduction of a new voice in Christian radio programming would enhance the diversity of voices in the Fredericton radio market.

Religious Broadcasting Policy

17. In the Religious Broadcasting Policy, the Commission stated that stations that broadcast religious programming have an obligation to offer differing views on matters of general public concern, including religious matters. The Commission expects all applicants for such stations to provide details concerning how they propose to ensure balance in their programming, and how they would respond to complaints from the public about balance in programming.
18. Ross Ingram stated that it would adhere to a condition of licence requiring that the station broadcast one hour per week of balance programs. A **condition of licence** to this effect is set out in the appendix to this decision.
19. In its application, Ross Ingram confirmed that it fully agreed with the Commission's policy on balanced programming. At the hearing, the applicant stated that it would appoint an advisory board of four members, plus a Chairperson, representing four different faiths; three Christian and one non-Christian member. The purpose of this interfaith committee would be to help cultivate a respect for diversity of religious beliefs, monitor the activities of the station to assure religious balance, and to guard against any musical or spoken word programming that might be offensive. The committee would convene every four to six weeks.
20. The Commission reminds the applicant that, under the Religious Broadcasting Policy, licensees are expected to comply with strict provisions regarding the solicitation of funds. In particular, the Commission expects that the wording and tone of any solicitations for funds shall not:

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

- place an undue responsibility on the listener to respond to the appeal;
 - be alarmist in suggesting that the program may be discontinued in the absence of such a response;
 - predict divine consequences of not responding, or exaggerate positive results of responding;
 - intimidate the viewer or listener in any way.
21. The same guidelines apply when printed materials soliciting funds are presented to listeners.
22. A **condition of licence** requiring the licensee to adhere to the guidelines on ethics in religious programming, as set out in section IV of the Religious Broadcasting Policy, is set out in the appendix to this decision.

Cultural diversity

23. In its Commercial Radio Policy, 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.
24. The Commission expects Ross Ingram to reflect the cultural diversity of Canada in its programming and employment practices.

Conclusion

25. The Commission considers that the implementation of the Ross Ingram proposal will increase the level of programming diversity available in the Fredericton market, while not having an undue negative impact on existing commercial radio stations serving the community. Moreover, it finds that Ross Ingram's proposals are consistent with the Commission's regulations and policies for commercial radio stations as well as with the Religious Broadcasting Policy.
26. The Commission therefore **approves** the application by Ross Ingram, on behalf of a corporation to be incorporated, for a broadcasting licence to operate a specialty English-language commercial FM radio programming undertaking in Fredericton, New Brunswick at 94.7 MHz (channel 234LP) with an effective radiated power of 25 watts.
27. The licence will expire 31 August 2011 and will be subject to the **conditions of licence** set out in the appendix to this decision.

Issuance of the licence

28. The Department of Industry (the Department) has advised the Commission that, while this application is considered 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.

29. 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.
30. Given that the technical parameters approved in this decision are for a low-power unprotected service, the Commission also reminds the applicant that it will have to select another frequency if the Department so requires.
31. Furthermore, the licence for this undertaking will only be issued once the applicant has:
 - satisfied the Commission, with supporting documentation, that an eligible Canadian corporation has been incorporated in accordance with the application in all material respects, and
 - informed the Commission in writing that it is prepared to commence operations.
32. 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 26 November 2006. 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.

Secretary General

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

Appendix to Broadcasting Decision CRTC 2004-523

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 conditions number 8 and 10.
2. The licensee shall operate the station within the Specialty format as defined in *A review of certain matters concerning radio*, Public Notice CRTC 1995-60, 21 April 1995, as amended in *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000, and otherwise amended from time to time.
3. A minimum of 96% of musical selections broadcast during each broadcast week shall be drawn from subcategory 35 (non-classic religious).
4. The licensee shall not broadcast any hit material as defined in *Revised Policy on the Use of Hits by English-language FM Radio Stations*, Public Notice CRTC 1997-42, 23 April 1997.
5. During each broadcast week, the licensee shall broadcast, at a minimum, one hour of balance programs.
6. The licensee shall adhere to the guidelines on ethics in religious programming as set out in section IV of *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993, as amended from time to time.