



## Broadcasting Decision CRTC 2004-550

Ottawa, 15 December 2004

**902890 Alberta Ltd. (carrying on business as Tag Broadcasting)**  
Wetaskiwin, Alberta

*Application 2003-1236-4*  
*Broadcasting Public Notice CRTC 2004-35*  
*28 May 2004*

### **CIHS-FM Wetaskiwin – Technical change**

*The Commission **approves** the application by 902890 Alberta Ltd. (carrying on business as Tag Broadcasting) to change the authorized contours of the radio programming undertaking CIHS-FM Wetaskiwin by increasing the effective radiated power, increasing the antenna height and relocating the transmitter.*

### **The application**

1. The Commission received an application by 902890 Alberta Ltd. (carrying on business as Tag Broadcasting) (Tag) to change the authorized contours of the radio programming undertaking CIHS-FM Wetaskiwin, by increasing the effective radiated power from 50 watts to an average effective radiated power of 1,700 watts, by increasing the antenna height from 50 metres to 70 metres and by relocating the transmitter to a site approximately 2.7 kilometres northwest of the current site.
2. In *New Specialty FM radio station*, Decision CRTC 2000-436, 8 November 2000 (Decision 2000-436), the Commission approved an application by Tag for a low-power unprotected FM service (CIHS-FM). The decision noted that the new station would broadcast old-time country and country gospel music, as well as local news, weather and sports, rodeo reports, public service announcements, interviews and other material oriented towards the region's older audience. Approval of the present application would change CIHS-FM's operating class to one that has protected status under the Department of Industry's (the Department's) rules.
3. Tag indicated that CIHS-FM is in a negative financial position, and that Tag requires the requested power increase so that the station may be able to attract major advertisers and thereby enhance its financial viability.

### **The intervention**

4. The Commission received an intervention opposing Tag's proposal from the Canadian Association of Broadcasters (CAB) on grounds that approval of the application would be inconsistent with the Commission's licensing policy for low-power radio. The CAB

argued that in *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002 (Community-based Media Policy), the Commission indicated that it could issue calls for competing low-power applications in certain circumstances, including where an existing low-power station files an application to change its operating class to one that has protected status under the Department's rules.

5. The CAB further argued that the Tag application indicates that the licensee intends to more directly compete with CKJR Wetaskiwin, owned by Newcap Inc. (Newcap). The CAB stated that, by so doing, Tag would be effectively forgoing the more limited, complementary position of a low-power commercial radio service mandated by the Commission's Community-based Media Policy. In doing so, the CAB contended, Tag would be using a low-power radio licence for CIHS-FM as a non-competitive, low-cost stepping stone to achieving full commercial competitive status.
6. The CAB asserted that approval of this application would do a disservice to both the broadcasting system at large, and to audiences served by the additional diversity offered by low-power radio services. The CAB argued that the Commission should issue a general call for broadcasting licence applications to serve Wetaskiwin in response to Tag's application for technical amendments to its existing licence.

#### **The applicant's reply**

7. In reply, the applicant submitted that it has no intention of competing in its local market with the only other local station, CKJR. Rather, Tag indicated that CIHS-FM serves an audience over 50 years of age, which CKJR does not.
8. Tag further stated that it applied for the power increase in order to ensure that CIHS-FM's signal would reach the surrounding areas of Camrose, Leduc and Ponoka, in addition to Wetaskiwin, because large numbers of seniors whose musical tastes are not met by existing radio stations reside in those areas. Tag asserted that the approval of its application would not be a threat to any existing station because the musical format of CIHS-FM does not duplicate the format of any other station in the region.
9. Finally, the applicant indicated that CKJR broadcasts only 3 hours of locally-originated programming, while CIHS-FM broadcasts using live local announcers for 15 hours each day. Tag argued that approval of its application would enable CIHS-FM to provide enhanced local service to the Wetaskiwin market.

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

10. Wetaskiwin is located approximately 60 kilometres south of Edmonton, Alberta, and at the time of the 2001 Census, had a population of 11,154. The only commercial radio station in Wetaskiwin is CKJR, which is owned by Newcap. That station operates in a Country format. The Wetaskiwin market is not surveyed independently by the Bureau of Broadcast Measurement (BBM) but is included in the Edmonton Central Market Area (CMA). In the Fall 2003 BBM reports, CKJR and CIHS-FM each received less than 0.1% share of all tuning by listeners over 12 years of age in the Edmonton CMA.

11. The close proximity of Wetaskiwin to Edmonton results in significant tuning by residents of that community to radio stations in Edmonton. This out-of-market tuning has resulted in smaller advertising revenues being attained in Wetaskiwin, and, since being licensed, a consistently negative financial situation for CIHS-FM.
12. In a number of recent decisions<sup>1</sup>, the Commission has considered several applications, approval of which, in each case, would have resulted in changing the operating class of a low-power station to that of a protected undertaking. Where the applicant has not presented compelling evidence of either an economic or technical need for the proposed change, these applications have been denied.
13. The Commission expects that, when a licensee of a low-power radio station files an application to change its operating class to that of a higher-powered, protected undertaking, it should present compelling evidence that its authorized technical parameters are not adequate to provide the service as it was originally proposed.
14. In the case of CIHS-FM, it is evident that Tag has been unsuccessful in realizing its originally projected advertising revenue during its first term of licence. The Commission is satisfied that, with consistently negative financial profit before interest and tax margins, the licensee has provided compelling evidence of economic need for the proposed change.
15. At the same time, the Commission is mindful that any change to CIHS-FM's operating class should not have any undue negative impact on Newcap's local station CKJR. The Commission is satisfied that, given the high level of out-of-market tuning in Wetaskiwin, any impact of the change in CIHS-FM's contours will be distributed among the 17 Edmonton radio stations received in Wetaskiwin.
16. In making its determination, the Commission has also considered the fact that, as noted above, CIHS-FM provides significantly more locally-originated programming than does CKJR. As such, the Commission considers that a more reliable signal for CIHS-FM could provide an enhanced level of local service to the Wetaskiwin market.
17. In Decision 2000-436, the Commission noted that CIHS-FM would be oriented toward the Wetaskiwin region's older audience, and a condition of licence was imposed that required Tag to 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. Further conditions of licence ensured that at least 50% of all music would be drawn from subcategory 35 (Non-classic religious), and that no more than 10% of all music would be 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.

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<sup>1</sup> See *CJUK-FM Thunder Bay – Technical change*, Broadcasting Decision CRTC 2003-497, 7 October 2003, *CKOE-FM Moncton – Licence amendment*, Broadcasting Decision CRTC 2003-498, 7 October 2003, and *CJTK-FM Sudbury – Licence amendment*, Broadcasting Decision CRTC 2004-101, 26 February 2004.

18. The Commission considers that, taken together, these conditions of licence, which would remain in effect regardless of any technical change to the station's authorized contours, ensure that CIHS-FM will continue to offer a niche service to a limited audience.
19. With respect to the CAB's position that the Tag application should trigger a call for other applications to serve Wetaskiwin, the Commission considers that the market is not strong enough to support another commercial entrant, and at this time, it would better serve the public interest to strengthen an existing broadcaster.

## **Conclusion**

20. Based on the foregoing, the Commission concludes that Tag has presented a compelling argument for approval of its proposal to change the authorized contours of CIHS-FM, and that neither CKJR nor any of the 17 other undertakings received in Wetaskiwin will experience undue negative impact from that change.
21. Accordingly, the Commission **approves** the application by 902890 Alberta Ltd. (carrying on business as Tag Broadcasting) to change the authorized contours of the radio programming undertaking CIHS-FM Wetaskiwin, by increasing the effective radiated power from 50 watts to an average effective radiated power of 1,700 watts, by increasing the antenna height from 50 metres to 70 metres and by relocating the transmitter to a site approximately 2.7 kilometres northwest of the current site.
22. As a result of the technical amendments approved in this decision, CIHS-FM's status will change from that of a low-power unprotected service to a protected class A FM station.
23. 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.
24. The Commission reminds the licensee that, pursuant to section 22(1) of the *Broadcasting Act*, this authority will only be effective when the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.

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>*