



Broadcasting Decision CRTC 2014-10

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591989 B.C. Ltd.

Collingwood, Ontario

Bayshore Broadcasting Corporation

Wasaga Beach, Ontario

Applications 2012-0927-1 and 2012-0934-6

CKCB-FM Collingwood and CHGB-FM Wasaga Beach – Technical changes

*The Commission **denies** applications to change the technical parameters of the English-language radio stations CKCB-FM Collingwood and CHGB-FM Wasaga Beach.*

Introduction

1. The Commission received an application (2012-0927-1) by 591989 B.C. Ltd., a wholly-owned subsidiary of Corus Entertainment Inc. (Corus), relating to the English-language commercial radio station CKCB-FM Collingwood. The licensee requested the following:
 - to increase the station's average effective radiated power (ERP) from 350 to 9,700 watts (maximum ERP from 350 to 25,000 watts);
 - to change the class of the station from A to C1;
 - to change the antenna's radiation pattern from non-directional to directional; and
 - to increase the effective height of antenna above average terrain (EHAAT) from 288.5 to 293.1 metres.
2. The Commission also received an application (2012-0934-6) by Bayshore Broadcasting Corporation (Bayshore) relating to the English-language commercial radio station CHGB-FM Wasaga Beach. The licensee requested the following:
 - to increase the station's average ERP from 200 to 20,000 watts (maximum ERP from 347 to 75,000 watts);
 - to change the class of the station from A to C1;
 - to increase the EHAAT from 100 to 125 metres; and
 - to make a minor correction to the transmission site coordinates.

3. Corus stated that approval of its requested technical changes would restore a competitive balance in the Collingwood-Wasaga Beach region in view of the recently licensed MZ Media Inc. (MZ Media) radio station CFMO-FM Collingwood.¹ It further stated that the requested technical changes would correct deficiencies in signal quality within CKCB-FM's authorized service area, and would reverse the station's declining financial performance, allowing it to sustain long-term viability.
4. Bayshore stated that approval of its requested technical changes would allow its station to compete on a more level playing field with CKCB-FM and CFMO-FM. It further stated that the requested technical changes would correct signal deficiencies and ensure CHGB-FM's financial stability and viability.
5. The Commission received an intervention in opposition to the application by Corus from Rock 95 Broadcasting Limited (Rock 95), to which the licensee replied. For the application by Bayshore, the Commission received interventions in support, as well as interventions in opposition from Rock 95 and Trust Communications Ministries (Trust), licensee of the specialty (Christian) radio station CJLF-FM Barrie. Bayshore replied to both of these interventions. The public record for this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Background

Bayshore

6. In Broadcasting Decision 2005-487, the Commission denied an application by Bayshore for a broadcasting licence to operate an English-language commercial FM radio station in Wasaga Beach. Bayshore had proposed to operate the station on frequency 97.7 MHz with an ERP of 1,800 watts. The Commission was concerned that the station's proposed principal marketing area would extend well beyond the Town of Wasaga Beach. It was also concerned that the proposed station could have had a negative economic impact on CKCB-FM given the close proximity of Wasaga Beach to Collingwood.
7. Subsequently, in Broadcasting Decision 2006-507, the Commission approved Bayshore's application to operate an English-language FM radio station in Wasaga Beach on frequency 97.7 MHz with an average ERP of 200 watts. In that decision, the Commission noted that Bayshore had provided sufficient evidence that the Wasaga Beach area could support a new service that would not have an undue negative impact on stations in nearby markets. In regard to concerns expressed by interveners over a future request by Bayshore for a technical change to increase the new station's power, the Commission noted that such an application would be assessed on its own merit and would be the subject of a public process.

Corus

8. In Broadcasting Decision 2007-232, the Commission denied an application by Corus to increase CKCB-FM's ERP from 350 watts to an average of 4,000 watts and to increase the antenna height, in order to address signal deficiencies of the station. The Commission

¹ See Broadcasting Decisions 2012-123 and 2013-127.

noted that approval of that application would be inconsistent with its decision set out in Broadcasting Decision 2005-487 to deny the original application submitted by Bayshore to serve Wasaga Beach. In Broadcasting Decision 2007-232, the Commission further noted that Corus had failed to demonstrate an economic need for the requested technical changes, and that there were alternative solutions available to the licensee to address CKCB-FM's signal deficiencies.

Commission's analysis and decisions

9. After examining the applications in light of applicable regulations and policies, the Commission considers that the issues it must address are the following:
 - whether the licensees have demonstrated compelling technical or economic need for the requested technical changes;
 - whether approval of the applications would have a negative financial impact on the Barrie, Ontario radio market; and
 - whether the Collingwood and Wasaga Beach radio markets should continue to be treated as separate local radio markets, or as a single regional radio market that would be served by CKCB-FM and CHGB-FM.

Compelling technical or economic need for the requested technical changes

10. When a licensee of a radio station files an application for a change to that station's technical parameters, the Commission expects the licensee to present compelling technical or economic evidence that the existing technical parameters are not adequate to provide the service as originally proposed. Accordingly, the Commission has examined both the technical and economic need for the requested technical changes.

Technical need

11. The Commission has examined whether each licensee has demonstrated a compelling technical need to remedy signal deficiencies of each station, as well as whether the proposed solutions are appropriate to address these deficiencies.

CKCB-FM Collingwood

12. Corus submitted that CKCB-FM lacks the necessary signal strength to properly penetrate buildings, and noted specific areas within the station's primary service area (i.e., the 3 mV/m contour) that are shadowed by hilly terrain, especially around the Niagara Escarpment (Blue Mountains). Corus provided online survey results, complaint letters from listeners, and an engineering assessment of the nature and extent of the station's coverage deficiencies to support its request to increase the height and power of its transmitter.
13. In its intervention, Rock 95 submitted that Corus has not demonstrated a technical need for the requested technical changes. It argued that an alternative location for the transmitter site combined with a modest power increase would address the licensee's

stated technical concerns. For its part, Corus indicated that it had considered moving its transmitter to a site closer to Collingwood, but claimed that this would result in a tremendous loss of coverage to the west of Collingwood due to the Niagara Escarpment. In its reply, Corus stated that it does not consider the technical solution suggested by the intervener to be suitable.

14. The Commission notes that lower power FM signals may not be able to adequately penetrate buildings and that the in-building reception issues within CKCB-FM's licensed service area may be attributable to the station's relatively low power. The Commission also notes that CKCB-FM suffers from legitimate reception issues in the Blue Mountains area, and therefore considers that Corus has demonstrated a compelling technical need to remedy the station's signal deficiencies.
15. The Commission further notes that it denied an application filed by Corus in 2007 for an increase in CKCB-FM's ERP from 350 watts to an average of 4,000 watts (maximum ERP of 10,000 watts), which the licensee's engineering consultant had deemed sufficient to resolve the majority of the deficiencies in the licensed service area.² Consequently, the Commission finds that the signal deficiencies in Collingwood could be resolved with an increase in transmitter power that is less than that requested by Corus in the present application, and that the requested technical changes therefore do not provide an appropriate solution for the station's signal deficiencies.

CHGB-FM Wasaga Beach

16. Bayshore submitted that CHGB-FM experiences significant signal deficiencies within its licensed service area. In support of its application, the licensee submitted listener complaints, including complaints from businesses that are unable to receive the signal at the edge of the station's primary service area (i.e., 3 mV/m contour), as well as a field measurement study that concluded that the station's actual coverage is slightly inferior to the predicted coverage.
17. In its intervention, Rock 95 submitted that the licensee has not demonstrated a technical need for the requested technical changes. It argued that the requested power increase is far greater than what is actually needed to improve reception problems in CHGB-FM's licensed service area and that a more modest power increase would better address the station's signal deficiencies. In reply, Bayshore indicated that it has provided clear technical evidence of a technical need for the requested changes.
18. Upon examination of the supporting evidence, the Commission considers that CHGB-FM suffers from legitimate reception issues, some of which may be attributable to its relatively low ERP. Accordingly, the Commission finds that Bayshore has demonstrated a compelling technical need to remedy CHGB-FM's signal deficiencies.

² See Broadcasting Decision 2007-232.

19. The Commission further notes, however, Bayshore's objective to extend CHGB-FM's coverage over the South Georgian Bay market, and that the proposed power increase would enable the station to encompass Collingwood and extend the station's coverage even further to the west and south. Consequently, the Commission finds that the proposed solution far exceeds what is necessary to improve service in Wasaga Beach, and that the requested technical changes do not provide an appropriate solution for CHGB-FM's signal deficiencies.

Economic need

20. The Commission has also examined whether each licensee has demonstrated a compelling economic need to remedy each station's signal deficiencies.

CKCB-FM Collingwood

21. Corus argued that the requested technical changes are necessary to reverse CKCB-FM's declining financial performance. In particular, it noted that the operation of an economically viable local radio service in a small market is a challenge, and projected declines in CKCB-FM's annual revenues should the requested technical changes be denied. In its intervention, Rock 95 submitted that Corus did not demonstrate an economic need for the requested technical changes.

22. Despite realizing limited revenue growth between 2007 and 2012, CKCB-FM remained profitable throughout the same period. Although the Commission is mindful of the challenges faced by CKCB-FM as a small market station, it finds that Corus has not demonstrated a compelling economic need for the requested technical changes.

CHGB-FM Wasaga Beach

23. Bayshore indicated that CHGB-FM has been struggling to become profitable. It noted in particular that the station stopped exceeding its original projections once advertisers realized that the station was experiencing signal difficulties. Although it projected increases in CHGB-FM's revenues whether the requested technical changes are approved or denied, the licensee stated that the increase would be greater should the application be approved. In its intervention, Rock 95 submitted that Bayshore did not demonstrate an economic need for the requested technical changes.

24. The Commission has examined CHGB-FM's financial performance and agrees with Bayshore that the station has struggled with its bottom line ever since its launch. Accordingly, it finds that Bayshore has demonstrated an economic need for the requested technical changes and that the requested technical changes would contribute towards the long-term viability of the station.

Potential negative financial impact on the Barrie radio market

25. In their interventions, Rock 95 and Trust expressed concerns over the potential negative impact that approval of the applications could have on the Barrie radio market.

CKCB-FM Collingwood

26. Rock 95 submitted that approval of Corus's application would permit the licensee to use CKCB-FM as a "flanker" radio station in the Barrie market. It suggested that this programming tool would allow Corus to coordinate the programming between CKCB-FM and its two Barrie FM radio stations in such a way that it would erode tuning from Rock 95's Barrie stations.
27. In reply, Corus stated that its proposal was carefully engineered to improve its signal in the Collingwood area. It further stated that it has no intention of serving the Barrie market, and that terrain and interference would prevent CKCB-FM's signal from reaching Barrie.

CHGB-FM Wasaga Beach

28. Both Rock 95 and Trust expressed the concern that Bayshore, through the requested technical changes, is seeking to serve markets outside its authorized service area. Whereas Rock 95 argued that Bayshore is attempting to enter the Barrie market by using a "back-door" approach, Trust argued that approval of the technical changes would have a negative financial impact on its own station given that Bayshore would be able to solicit advertising in the Barrie market.
29. In reply, Bayshore submitted that its proposal was carefully engineered to improve its signal within the town of Wasaga Beach without intruding on the Barrie and Midland markets. The licensee stated that it has no intention of soliciting advertising in Barrie, and that protection requirements, as well as terrain and interference issues would prevent CHGB-FM from ever attaining a competitive signal in Barrie.

Commission's analysis and decision

30. The Commission considers that interference from other stations and the nature of the terrain between Wasaga Beach and Barrie would significantly limit reception of both CKCB-FM and CHGB-FM in Barrie should the requested technical changes be approved. The Commission therefore finds that in all likelihood, approval of the applications by Corus and Bayshore would not have an undue negative financial impact on the Barrie radio market.

Collingwood and Wasaga Beach: Separate local radio markets or single regional radio market?

31. The *Radio Regulations, 1986* define an FM radio market as "the F.M. 3 mV/m contour or the central area as defined by the Bureau of Broadcast Measurement (BBM), whichever is smaller." In regard to CKCB-FM and CHGB-FM, there are no such central areas. Accordingly, the markets for these stations are defined in terms of the 3 mV/m contour for each. The Commission notes that although the distance between the municipalities of Collingwood and Wasaga Beach is less than 20 kilometres, the 3 mV/M contours for these stations do not currently overlap. There is, however, some overlap between their 0.5 mV/m contours.

32. Implementation of the requested technical changes would result in considerable overlap of the stations' 3 mV/m contours. It would also see the stations' service contours greatly exceed their currently licensed boundaries. This would effectively transform each station into a regional service, possibly giving rise to a merged Collingwood-Wasaga Beach regional radio market.
33. In the Commission's view, approval of these applications could therefore undermine the integrity of its licensing process as it would be inconsistent with previous Commission determinations that these radio markets are distinct and separate. In this regard, the Commission notes that both Corus and Bayshore have previously expressed concerns over the possibility of these radio markets combining to form a regional market. It further notes that approval of the applications could lead to the regionalization of programming, to the expense of local coverage to the communities of Collingwood and Wasaga Beach.
34. Finally, although the licensees cited the potential impact of the introduction of CFMO-FM on both CKCB-FM and CHGB-FM as justification for their proposals, the Commission considers that concerns in this regard were sufficiently addressed in Broadcasting Decisions 2012-123 and 2013-127. As noted in those decisions, CFMO-FM would not have an undue negative impact on existing radio stations in Collingwood and Wasaga Beach given its highly niche format and limited local programming offering.
35. In light of all of the above, the Commission finds that it is appropriate to continue treating the Collingwood and Wasaga Beach radio markets as separate local radio markets, rather than as a single regional radio market.

Conclusion

36. In light of all of the above, the Commission **denies** the applications by 591989 B.C. Ltd. and Bayshore Broadcasting Corporation for various technical changes to the English-language commercial radio programming undertakings CKCB-FM Collingwood and CHGB-FM Wasaga Beach, respectively.
37. In light of its findings set out above that Corus and Bayshore have demonstrated a compelling technical need, and that Bayshore has also demonstrated an economic need, to remedy CKCB-FM's and CHGB-FM's signal deficiencies, the Commission encourages the licensees to file new proposals that would more appropriately address their needs while not expanding their contours beyond the markets they are licensed to serve. The Commission notes that any new application would be assessed on its own merit and would be the subject of a new public process.

Secretary General

Related documents

- *Use of frequency 102.9 MHz by CFMO-FM Collingwood and technical change for CFGI-FM Georgina Island*, Broadcasting Decision CRTC 2013-127, 15 March 2013
- *Licensing of new radio stations to serve Shelburne and Collingwood, Ontario*, Broadcasting Decision CRTC 2012-123, 29 February 2012

- *CKCB-FM Collingwood – Technical change*, Broadcasting Decision CRTC 2007-232, 16 July 2007
- *English-language FM radio station in Wasaga Beach*, Broadcasting Decision CRTC 2006-507, 13 September 2006
- *English-language FM radio station in Wasaga Beach*, Broadcasting Decision CRTC 2005-487, 13 October 2005