



## Broadcasting Decision CRTC 2005-205

Ottawa, 19 May 2005

**Pineridge Broadcasting Inc.**  
Cobourg, Ontario

*Application 2004-0904-6  
Public Hearing in the National Capital Region  
21 March 2005*

### **CHUC Cobourg – Conversion to FM band**

*The Commission **approves** the application by Pineridge Broadcasting Inc. for a broadcasting licence to operate a new English-language FM radio programming undertaking to replace its AM station CHUC Cobourg. The Commission **denies** the licensee's request to simulcast the programming of the new station on CHUC for a period of six months, allowing it instead to simulcast for three months.*

### **The application**

1. The Commission received an application by Pineridge Broadcasting Inc. (Pineridge) for a broadcasting licence to operate a new English-language FM radio programming undertaking at Cobourg to replace its AM station CHUC. The station would operate at 107.9 MHz (channel 300A) with an average effective radiated power of 1,030 watts.
2. The applicant indicated that the proposed station would offer the same soft Adult Contemporary music format currently provided by CHUC. The station would also continue to focus on local news, weather and sports.
3. Pineridge confirmed that it would participate in the plan developed by the Canadian Association of Broadcasters for contributions by radio licensees to Canadian talent development. Under this plan, a radio licensee serving a market the size of Cobourg would be expected to contribute a minimum of \$400 in each broadcast year to eligible third parties for the development of Canadian musical and other artistic talent.

### **Interventions**

4. The Commission received several interventions in connection with this application, most of which were in support.
5. Opposing interventions were submitted by CHUM Limited (CHUM), licensee of CKPT and CKQM-FM Peterborough, and Corus Entertainment Inc. (Corus), the parent company of 591989 B.C. Ltd., licensee of CKRU and CKWF-FM Peterborough. These interveners opposed the licensee's application to convert its

AM station to the FM band. Corus noted that *CHUC Cobourg – Technical changes*, Broadcasting Decision CRTC 2002-418, 9 December 2002 (Decision 2002-418), allowed Pineridge to implement technical changes that would improve CHUC's signal quality to better serve the Cobourg market.

6. Both CHUM and Corus noted that, in 2003, CKSG-FM Cobourg, CHUC's sister station, received a greater tuning share in Peterborough than in Cobourg, and that CKSG-FM has a sales office in Peterborough. Both interveners cited examples to indicate that CKSG-FM has positioned itself as a Peterborough station.
7. According to CHUM and Corus, the current application would allow the proposed station to access the Peterborough advertising market just as CKSG-FM has done. Given the possible negative impact that CHUM and Corus believe this would have on the market, they suggested that, if the application is approved, the licensee should be prohibited, by condition of licence, from soliciting advertising from Newtonville, Kendal, Millbrook, Cavan and Peterborough.

#### **Applicant's response**

8. Pineridge noted that it had applied for the AM upgrade on 1580 kHz, subsequently approved in Decision 2002-418, because no FM frequencies were available in the Cobourg area at the time it applied. It added that the Department of Industry (the Department) has subsequently revised the "spectrum guidelines" such that the FM frequency now under consideration became available. Pineridge also stated that the improvements to CHUC's AM signal granted in Decision 2002-418 would primarily affect its night-time signal, a period when radio tuning is low, and would have minimal audience impact.
9. Moreover, the applicant stated that, although the technical changes approved in Decision 2002-418 have addressed many of CHUC's coverage difficulties, the real challenge facing its station is its inability to compete for market share against some 90 U.S. and out-of-market Canadian signals. Pineridge noted that two of the top five rated stations in Cobourg were Peterborough stations, CHUM's CKQM-FM and Corus' CKWF-FM, and that both of these stations actively solicit advertising in Cobourg. Pineridge also noted that CHUM's Toronto and Peterborough stations, and Corus' Peterborough station received almost as much tuning in Northumberland County as Pineridge's local Northumberland County stations.
10. Regarding the ability of the proposed FM signal to enter the Peterborough advertising market, Pineridge submitted that there would not be an interference-free signal reaching Peterborough because CJXY-FM Burlington is expected to cause co-channel interference within the proposed station's 0.5 mV/m contour in a zone located to the west and northwest of Cobourg. Given that this level of interference would be significant, the proposed station would have a minimal impact on the Peterborough advertising market. With respect to the claim that CKSG-FM had

positioned itself as a Peterborough station, Pineridge stated that its station remains focused on Cobourg, Port Hope and Northumberland County, noting a number of programming items aimed at those communities.

11. Regarding CHUM and Corus' suggestion that, if approved, the proposed FM station should be prohibited from advertising in Newtonville, Kendal, Millbrook, Cavan and Peterborough, Pineridge noted that there was no condition of licence prohibiting any of the CHUM or Corus stations from Peterborough or Toronto from soliciting advertising in Cobourg.

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

12. The Commission notes that a majority of tuning in the Cobourg market is to out-of-market stations. Given the amount of out-of-market tuning by Cobourg residents, the Commission finds that there is merit in improving the ability of Pineridge to compete in the Cobourg market by approving the current application.
13. Furthermore, with regard to the impact of CKSG-FM on the Peterborough market, the Commission notes that, since the launching of that Cobourg station in 2002, the radio stations licensed to serve the Peterborough market have collectively experienced continually increased profitability, as measured by profit before interest and tax (PBIT) margins. It is therefore difficult to conclude that CKSG-FM has had an undue negative impact on the local Peterborough stations.
14. Based on the foregoing, the Commission **approves** the application by Pineridge Broadcasting Inc. for a broadcasting licence to operate a new English-language FM radio programming undertaking at Cobourg to replace its AM station CHUC. The station will operate at 107.9 MHz (channel 300A) with an average effective radiated power of 1,030 watts.
15. The licensee also requested authority to simulcast the programming of the new FM station on CHUC for six months following the launch of the new station. The Commission is of the view that a period of three months for such a purpose is sufficient, and therefore **denies** the licensee's request. The licensee is authorized, by **condition of licence**, to simulcast the programming of the new FM station on CHUC for a transition period of three months following the commencement of operation of the FM station. The licensee has requested that the Commission **revoke** the licence for CHUC at the end of the simulcast period. In accordance with sections 9(1)(e) and 24(1) of the *Broadcasting Act* (the Act), the revocation will be effective three months after the commencement of operation of the FM station.
16. The licence will expire 31 August 2011 and will be subject to the **conditions** set out herein, as well as to those set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999.

### **Issuance of the licence**

17. 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.
18. The Commission reminds the applicant that, pursuant to section 22(1) of the 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.
19. 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 19 May 2007. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

### **Employment equity**

20. In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the licensee 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>*