



Broadcasting Public Notice CRTC 2005-85

Ottawa, 25 August 2005

Licensing of new radio stations to serve Woodstock and Tillsonburg, Ontario – Introduction to Broadcasting Decisions CRTC 2005-431 to 2005-433

At a public hearing commencing 6 June 2005 in Niagara Falls, the Commission considered six applications, all of which proposed the use of FM frequency 104.7 MHz. Five of the applicants proposed to serve Woodstock, Ontario, while one proposed to serve the nearby community of Tillsonburg, Ontario. This notice describes the various applications and sets out the Commission's determinations with respect to the ability of the Woodstock market to absorb an additional radio station. This notice also summarizes the rationale underlying the Commission's decision to approve an application for a new FM radio station to serve Woodstock as well as to approve in part an application to convert the existing AM station serving Tillsonburg to an FM station.

The call for applications

1. On 8 November 2004, the Commission issued *Call for applications for a broadcasting licence to carry on a radio programming undertaking to serve Woodstock, Ontario*, Broadcasting Public Notice CRTC 2004-83, 8 November 2004, in which it announced that it had received an application for a broadcasting licence to provide a commercial radio service in Woodstock, Ontario and called for applications from other parties wishing to provide radio programming services to the area. The Commission advised potential applicants that they would be required to provide evidence giving a clear indication that there is a demand and a market for the service they propose, and that they should address, among other things:
 - the contribution that the proposed service will make to achieve the objectives established in the *Broadcasting Act* and, in particular, to the production of local and regional programming;
 - the factors relevant to the evaluation of applications, as outlined in *Introductory statement – Licensing new radio stations*, Decision CRTC 99-480, 28 October 1999 (Decision 99-480), i.e., the quality of the application (including the business plan and the proposed format), the diversity of news voices, the market impact and the competitive state of the market; and
 - the means by which the applicant will promote the development of Canadian talent, including local and regional talent.

The applications

2. The Commission received four applications in response to its call. These, together with the application that prompted the call, were considered at the 6 June 2005 Public Hearing in Niagara Falls. At the hearing, the Commission also considered an application by the licensee of the existing AM radio station in the nearby community of Tillsonburg to convert its station to the FM band, since it proposed to use the same frequency as the applicants that proposed to provide service to Woodstock. The applicants, in the order of their appearance at the public hearing, were as follows:
 - Byrnes Communications Inc. (Byrnes)
 - Standard Radio Inc. (Standard)
 - CHUM Limited (CHUM)
 - Newcap Inc. (Newcap)
 - Sound of Faith Broadcasting (Sound of Faith)
 - Tillsonburg Broadcasting Company Limited (TBCL).
3. All of the applicants proposed to operate at 104.7 MHz (channel 284) and were therefore competitive on a technical basis.

Byrnes

4. Byrnes is a corporation controlled by Mr. Chris Byrnes, who owns 80% of the company's voting interest. The remaining 20% is held by Mr. Gordon Marratto. Byrnes does not currently own any broadcasting undertakings.
5. Byrnes proposed to establish a new English-language FM commercial radio programming undertaking to serve Woodstock that would operate with an average effective radiated power (ERP) of 1,910 watts. The new station would offer a mainstream adult contemporary music format designed to appeal to listeners between 25 and 54 years of age. A minimum of 40% of all popular (category 2) musical selections aired during each broadcast week would be Canadian. All programming would be station-produced. The applicant proposed to broadcast 11 hours and 18 minutes of spoken word programming per week, including 5 hours and 20 minutes of scheduled newscasts. Seventy percent of the time devoted to newscasts, or 3 hours and 44 minutes per week, would be devoted to news stories related to Woodstock and the surrounding area. The station would also broadcast community-oriented surveillance features. The applicant proposed to devote \$105,000 to Canadian talent development (CTD) initiatives over the first seven years of operation.

Standard

6. Standard owns radio stations in British Columbia, Alberta, Manitoba, Ontario and Quebec, as well as television stations in British Columbia. Among its holdings are CIQM-FM, CJBX-FM, CJBK and CKSL in London, Ontario, a community approximately 45 kilometres west of Woodstock.

7. Standard proposed to establish a new English-language FM commercial radio programming undertaking that would operate with an average ERP of 2,630 watts. The new station would offer a modern rock music format designed to appeal to listeners between 18 and 34 years of age. A minimum of 40% of the category 2 musical selections aired during each broadcast week would be Canadian. Seventy-five percent of the Canadian selections broadcast would be Canadian selections released within 12 to 16 months prior to broadcast, and 10% of all musical selections broadcast would be selections by new Canadian independent artists, which the applicant defined as Canadian artists that have not been signed to a major recording label. All programming would be station-produced. The applicant proposed to broadcast 12 hours of spoken word programming per week, including 4 hours per week of scheduled newscasts. Seventy percent of the time devoted to newscasts, or 2 hours and 47 minutes per week, would be devoted to news stories related to Woodstock and the surrounding area. The station would also broadcast 5 hours per week of community-oriented surveillance information. The applicant proposed to devote a total of \$500,000 to CTD initiatives over the first seven years of operations.

CHUM

8. CHUM owns radio stations in British Columbia, Alberta, Manitoba, Nova Scotia, Quebec and Ontario, as well as specialty television services and conventional television stations in various Canadian markets. Among its radio stations are CHST-FM London, and CKKW and CFCA-FM Kitchener, a community approximately 40 kilometres east of Woodstock.
9. CHUM proposed to establish a new English-language FM commercial radio programming undertaking that would operate with an average ERP of 3,200 watts. The new station would offer a soft adult contemporary format designed to appeal to listeners between 25 and 54 years of age. A minimum of 35% of the category 2 musical selections aired during each broadcast week would be Canadian selections, in accordance with the minimum level for category 2 musical selections set out in the *Radio Regulations, 1986* (the Regulations). All programming would be station-produced. The applicant proposed to broadcast 6 hours of spoken word programming per week, including 4 hours and 30 minutes per week of scheduled newscasts. Seventy percent of the time devoted to newscasts, or 3 hours and 9 minutes per week, would be devoted to news stories related to Woodstock and the surrounding area. The applicant proposed to devote a total of \$280,000 to CTD initiatives over the first seven years of operations.

Newcap

10. Newcap owns radio stations in Alberta, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

11. Newcap proposed to establish a new English-language FM commercial radio programming undertaking that would operate with an average ERP of 3,200 watts. The new station would offer a gold-based adult contemporary format designed to appeal to listeners between 30 and 50 years of age. A minimum of 35% of the category 2 musical selections aired during each broadcast week would be Canadian selections, in accordance with the minimum level for category 2 musical selections set out in the Regulations. All programming would be station-produced. The applicant proposed to broadcast 19 hours and 18 minutes of spoken word programming per week, including 3 hours and 30 minutes per week of scheduled newscasts. Seventy-five percent of time devoted to newscasts, or 2 hours and 35 minutes per week, would be devoted to news stories related to Woodstock and the surrounding area. Community-oriented surveillance material would be broadcast each day. The applicant proposed to devote a total of \$700,000 to CTD initiatives over the first seven years of operations.

Sound of Faith

12. Sound of Faith is a not-for-profit corporation that is the licensee of CJFH-FM Woodstock, a low-power FM station that offers a Christian music format. It also owns CJTW-FM and CHJX-FM, which are low-power FM stations that provide a Christian music service to Kitchener and London, respectively.
13. Sound of Faith proposed to amend the licence for CJFH-FM by changing the frequency from 94.3 MHz (channel 232LP) to 104.7 MHz (channel 284A). The licensee further proposed to change the authorized contours of CJFH-FM by increasing the ERP from 50 watts to an average ERP of 3,100 watts and by increasing the antenna height. The power increase would result in a change of CJFH-FM's status from a low-power unprotected service to a protected Class A FM station. The applicant submitted that the power increase would increase CJFH-FM's service area which would, in turn, lead to increased revenues and would allow CJFH-FM to offer an expanded Christian music programming service to northern Oxford County and to London.

TBCL

14. TBCL operates CKOT and CKOT-FM, Tillsonburg. Ultimate control of TBCL is exercised by Mr. John D. Lamers.
15. TBCL proposed to convert CKOT from the AM band to the FM band. The new station would operate as an English-language commercial FM radio programming undertaking with an average ERP of 2,300 watts. CKOT's current AM frequency allocation allows it to operate only during the daytime. The applicant submitted that the conversion of CKOT to the FM band would allow the station to offer its country music and rural information service to listeners on a full-time basis. A minimum of 35% of the category 2 musical selections aired during each broadcast week would be Canadian selections, in accordance with the minimum level for category 2 musical selections set out in the Regulations. All programming would be station-produced. The applicant proposed to broadcast 15 hours of spoken word programming per week, including 10 hours and 30 minutes per week of scheduled newscasts. At least 70% of the time during newscasts

would be devoted to local and regional news stories. The balance of spoken word programming would include community-oriented information such as farm reports, marine weather, road conditions, the *Farm Line* open-line program and community history vignettes. The applicant proposed to devote a total of \$37,800 to CTD initiatives over the first seven years of operations.

The Woodstock radio market and its ability to sustain a new radio station

16. Woodstock is situated in Southwestern Ontario about 40 kilometres west of Kitchener and 45 kilometres east of London. The Woodstock Central Area, as defined by the BBM Bureau of Measurement (BBM) covers the majority of Oxford County as well as a portion of Waterloo County. It has a population of 80,230 twelve years of age and over.¹ The City of Woodstock, which is the commercial centre of Oxford County, has a population of 34,687 and is expected to grow by 2.3% from 2005 to 2010.²
17. Woodstock is currently served by two local radio stations. CKDK-FM, identified on-air as “The Hawk,” is a full-power English-language commercial FM radio station owned by Corus Radio Company (Corus) that offers a classic rock music format. CJFH-FM is a low-power Christian music FM station owned by Sound of Faith, one of the competing applicants being considered in this proceeding.
18. Corus submitted an intervention in which it opposed the applications by Byrnes, Standard, CHUM, Newcap and Sound of Faith to use frequency 104.7 MHz to serve Woodstock while supporting the application by TBCL to use frequency 104.7 MHz to serve Tillsonburg. Corus argued that the Woodstock market could not support a new radio station, noting that only a small part of CKDK-FM’s revenues comes from sales in Woodstock. It further argued that CKDK-FM already provides a local commercial radio service to the Woodstock market. Among other things, Corus stated that it originates 45 hours of programming each week in Woodstock and covers Woodstock news, sports and community events.
19. Byrnes, CHUM, Standard and Newcap, however, all considered that Woodstock could support a new radio station that was strongly oriented to the Woodstock market. All of these applicants proposed that all programming on their proposed undertakings would be station-originated and would reflect Woodstock. These applicants were generally of the view that, using such a strategy, they could repatriate a significant amount of the tuning to out-of-market stations by Woodstock listeners and generate new advertising dollars from local advertisers. While a significant share of CKDK-FM’s audience comes from London and Kitchener, Newcap, CHUM and Byrnes noted that their proposed stations would not put a strong signal into those two cities. For its part, Standard made a commitment, at the hearing, to alter its proposed signal contour so that its coverage of London would be reduced.

¹ BBM.

² Canadian Demographics, 2005.

20. The Commission considers that a number of factors support arguments by Byrnes, CHUM, Standard and Newcap that the Woodstock market can support the introduction of a new commercial radio station. It notes that per capita retail sales in the City of Woodstock are 33% above the national average.³ As indicated by the applicants for new commercial radio stations to serve Woodstock, the Woodstock market is characterized by a very high level of out-of-market tuning, with 91% of radio tuning by listeners 12 years of age and over being to out-of market stations.⁴ One of the existing stations in the market, CKDK-FM, obtains the bulk of its advertising revenues and listenership from outside the Woodstock Central Area and originates a portion of its programming from studios in London. In light of all of the above, the Commission finds that the Woodstock market can accommodate the introduction of a new commercial FM radio station that concentrates on providing service to the Woodstock market.

Commission's assessment of the applications and summary of its decisions

21. The Commission evaluated each application in light of the criteria set out in paragraph 1 above. Based on its assessment of the applications, the Commission has determined that the application by Byrnes best meets the evaluation criteria and represents the best use of frequency 104.7 MHz. It considers that the 11 hours and 18 minutes of locally produced spoken word programming that the applicant has undertaken to broadcast each week, including 3 hours and 44 minutes of local news stories, will dramatically increase the amount of spoken word programming reflecting Woodstock that is available to listeners. The Commission further considers that the applicant's mainstream adult contemporary music format will complement both the classic rock programming of CKDK-FM and the Christian music provided by CJFH-FM, as well as provide a service to a broad range of adult listeners in the Woodstock market. Finally, the Commission considers that Byrnes will provide a new radio voice, with local ownership participation, for the Woodstock market as well as for the Canadian broadcasting system.
22. In light of the above, in *English-language FM radio station in Woodstock*, Broadcasting Decision CRTC 2005-431, of today's date, the Commission has approved the application by Byrnes for a new English-language FM commercial radio programming undertaking to serve Woodstock at 104.7 MHz with an average ERP of 1,910 watts.
23. The Commission also considers that approval in part of the application by TBCL is in the public interest. It is of the view that the conversion of CKOT to the FM band will provide a solution to the station's longstanding technical limitations that permit it to operate only during daytime hours, will increase the technical quality of the station's sound, and will strengthen TBCL's competitive position. The Commission has therefore issued *CKOT Tillsonburg – Conversion to FM band*, Broadcasting Decision CRTC 2005-432, of today's date (Decision 2005-432), in which it approves in part the application by TBCL to convert CKOT from the AM to the FM band. However, TBCL

³ Canadian Demographics, 2005.

⁴ BBM Fall 2004 survey.

must, within six months of the date of Decision 2005-432, submit for the Commission's approval, an application proposing the use of another frequency and technical parameters that are acceptable to the Commission and the Department of Industry for use in the Tillsonburg market. Possible frequencies that might be used by TBCL are discussed in Decision 2005-432.

24. In *Denial of various applications proposing radio services for Woodstock, Ontario*, Broadcasting Decision CRTC 2005-433, of today's date, the Commission has denied the competing applications for new FM stations submitted by Standard, CHUM, and Newcap, as well as the application by Sound of Faith to change the frequency of CJFH-FM from 94.3 MHz to 104.7 MHz, and to change the authorized contours of CJFH-FM by increasing the ERP from 50 watts to an average ERP of 3,100 watts. With respect to the Sound of Faith application, the Commission does not consider that the applicant has presented compelling evidence that its authorized technical parameters are not adequate to provide the service it originally proposed.

Secretary General

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