



## Broadcasting Decision CRTC 2008-291

Ottawa, 21 October 2008

**Russ Wagg, on behalf of a corporation to be incorporated**  
Quadra Island, British Columbia

*Application 2007-1694-6, received 11 November 2007*  
*Public Hearing in Edmonton, Alberta*  
*27 May 2008*

### **English-language FM radio station on Quadra Island, British Columbia**

*The Commission **denies** an application for a broadcasting licence to operate an English-language, low-power commercial FM radio programming undertaking on Quadra Island, British Columbia.*

#### **The application**

1. The Commission received an application by Russ Wagg, on behalf of a corporation to be incorporated (Russ Wagg), for a broadcasting licence to operate an English-language, low-power commercial FM radio programming undertaking on Quadra Island. The new station would operate on frequency 92.1 MHz (channel 221LP) with an effective radiated power of 50 watts.
2. The proposed station would offer an easy listening music format. In each broadcast week, the station would broadcast 126 hours of local programming. The applicant indicated that weekly spoken word programming would include local news, sports and weather, and that 11 hours per broadcast week would be devoted to pure news programming, of which 50% would be local news. The applicant also proposed to devote 30 minutes per day to a program entitled “Around The Island,” which would offer commercial-free community access airtime for interested parties on Quadra Island.
3. The Commission received a comment on the application from an individual, as well as interventions in opposition to this application from various parties, including Bute Inlet Development Corporation (BIDC), the Canadian Association of Broadcasters (CAB) and Vista Radio Ltd. (Vista). The interventions and the applicant’s replies to the interventions can be found on the Commission’s website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under “Public Proceedings.”

#### **Commission’s analysis and determinations**

4. After examining the application, the interventions and the applicant’s replies to the interventions, the Commission finds that the primary issue to be determined relates to the potential economic impact of the proposed station on existing stations in the Campbell River, British Columbia radio market.

5. The CAB, echoing concerns expressed by Vista and BIDC in their interventions, stated that the proposed radio station, while covering the Campbell River radio market, would barely reach Quadra Island. It submitted that the proposed radio station would compete with existing radio services in Campbell River rather than complement them, and that approval of the present application could therefore have a severe undue negative commercial impact on the incumbent commercial radio stations serving the Campbell River radio market. The CAB also expressed a concern relating to the applicant “potentially using low-power radio as an opportunity to enter the broadcasting system ‘through the back door,’ with few regulatory obligations carried by private radio commercial radio operators.”
6. Vista also noted that both the applicant’s transmitter and studio would be located in Campbell River and that the proposed low-power station, since it would not serve Quadra Island but Campbell River, would compete with the intervener’s radio station CFWB-FM Campbell River.<sup>1</sup> Vista also expressed a concern regarding the potential economic impact of a new competing low-power FM station in Campbell River, particularly during CFWB’s period of transition from the AM to the FM band. Finally, Vista noted that CFWB already covers Quadra Island community events, and provides ferry schedules as well as related surveillance material, and that the coverage of Quadra Island as part of Campbell River’s local economy will continue on Vista’s new FM station.
7. In response to the opposing interventions, Russ Wagg pointed out that its proposed radio station’s 3 mV/m contour would not encompass a significant part of Campbell River, and that it fully intends to build a broadcast studio on Quadra Island. The applicant argued that Quadra Island has a thriving economy and a growing business community, and is not a suburb of Campbell River. The applicant also added that, for the most part, Quadra Island is ignored by the Campbell River media and is therefore vastly underserved. With respect to the intervention by Vista, the applicant stated that its proposed service would have no financial impact on CFWB, since Quadra Island businesses do not advertise on CFWB.
8. The Commission notes that, although the applicant identified the principal marketing area as Quadra Island, the transmitters for the proposed station are located in Campbell River. Further, the contour maps submitted by the applicant demonstrate that the proposed 3 mV/m contour would not only encompass portions of Quadra Island, but also a sizable portion of the considerably larger city of Campbell River. The Commission therefore concludes that the applicant has significantly underestimated the population to be served within the proposed station’s 3 mV/m contour.

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<sup>1</sup> In Broadcasting Decision 2007-343, the Commission approved the conversion of CFWB to the FM band, but denied the technical parameters proposed. In Broadcasting Decision 2008-64, the Commission approved the use by Vista of 99.7 MHz (channel 259A) for CFWB-FM.

9. Further, the Commission considers that the proposed station would compete with existing radio stations for advertising revenues in Campbell River, given that Campbell River lies within the 3 mV/m contour of the proposed station, and given the mainstream nature of the easy listening format proposed by the applicant. The Commission also notes the applicant's projection that advertising revenues for the station would increase from \$84,000 in the first year of operation to \$173,000 in the seventh year of operation. Given the size of the Campbell River radio market, as well as the advertising revenues currently generated by CFWB and that station's recent relatively weak financial performance, the Commission considers that, should the applicant realize its advertising revenue projections, the proposed station could have an undue negative impact on CFWB.
10. Finally, the Commission is concerned that approval of the current application would permit the applicant to enter the mainstream commercial Campbell River radio market by the "back door" in that it would be allowed to adopt a mainstream format while bypassing a competitive process.

### **Conclusion**

11. In light of all of the above, the Commission **denies** the application by Russ Wagg, on behalf of a corporation to be incorporated, for a broadcasting licence to operate an English-language, low-power commercial FM radio programming undertaking on Quadra Island, British Columbia.

Secretary General

### **Related documents**

- *Use of frequency 99.7 MHz by the new FM radio station in Campbell River*, Broadcasting Decision CRTC 2008-64, 19 March 2008
- *CFWB Campbell River, British Columbia – Conversion to FM band*, Broadcasting Decision CRTC 2007-343, 30 August 2007

*This decision 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>.*