



Broadcasting Decision CRTC 2014-16

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Route reference: 2013-335

Ottawa, 22 January 2014

Dufferin Communications Inc.
Meaford, Ontario

*Application 2012-0994-0, received 16 August 2013
Public hearing in the National Capital Region
12 September 2013*

English-language FM radio station in Meaford

*The Commission **approves** an application for a broadcasting licence to operate an English-language commercial FM radio station in Meaford, Ontario.*

The application

1. Dufferin Communications Inc. (Dufferin) filed an application to operate an English-language commercial FM radio station in Meaford, Ontario. The station would operate at 99.3 MHz (channel 257A) with an average effective radiated power of 100 watts (non-directional antenna with an effective height of antenna above average terrain of 177 metres).
2. Dufferin is a wholly owned subsidiary of Evanov Communications Inc., a corporation controlled by Mr. William Evanov.
3. The proposed station would offer an Adult Contemporary/Easy Listening music format. The station would broadcast 126 hours of local programming each broadcast week, including 18 hours of spoken word programming, 6 hours and 15 minutes of which would consist of pure news. Spoken word programming would include news, weather, sports and a number of specialty spoken word segments relating to its audience, such as Community Calendar, Big Apple Bites (agricultural reports), An Apple a Day (health watch features) and Apple Seedlings (a feature on Canadian emerging artists).
4. Dufferin committed to exceed the minimum contribution to Canadian content development (CCD) required by section 15 of the *Radio Regulations, 1986* (the Regulations). Specifically, it committed to devote, by condition of licence, over and above the basic annual contribution to CCD, a total of \$32,000 to CCD over seven consecutive broadcast years upon commencement of operations.

5. The applicant indicated that its proposed station would be a first radio service for the community of Meaford.

Interventions

6. The Commission received interventions in support of the application, as well as interventions commenting on the application from the Ministry of Community Safety and Correctional Services (the Ministry) and an individual. The Commission also received interventions opposing the application from Bayshore Broadcasting Corporation (Bayshore), Larche Communications Inc. (Larche) and MZ Media Inc. (MZ Media) (collectively, the Interveners). The public record for this application can be found on the Commission's website at www.crtc.gc.ca under "Public Proceedings."
7. In its intervention, the Ministry submitted that the Commission should impose a condition of licence on Dufferin requiring it to participate in the National Public Alerting System (NPAS) within six months of the publication of its licensing decision.
8. For their part, the Interveners submitted that the proposed station would not provide a first service to the Meaford radio market and that Meaford is already served by CFOS, CIXK-FM, CJOS-FM and CKYC-FM Owen Sound and CFMO-FM Collingwood. Larche and MZ Media added that Meaford is part of the Owen Sound radio market.
9. The Interveners also submitted that Meaford belongs to the listening and trading area of their respective stations and that any new entrant would have a negative financial impact, especially with regards to CJOS-FM (Larche), CFOS (Bayshore) and CFMO-FM (MZ Media). In addition, MZ Media and Bayshore argued that the Meaford radio market is not large enough to support a dedicated local radio station. They contended that since the applicant's revenue projections are optimistic, it would be inevitably required to target advertisers in Owen Sound and Collingwood.
10. Finally, the Interveners submitted that Dufferin's proposal would be a step toward a back-door entry into the Owen Sound and/or Collingwood radio markets and that to achieve its revenue targets, it would have to seek a power increase. They also contended that the proposed station could have an impact on the Owen Sound, Collingwood and Wasaga Beach stations.

Applicant's reply

11. In its reply to the Ministry, Dufferin stated that it expects to make a determination on its participation in the NPAS within the next twelve months.
12. In reply to the Interveners, Dufferin reiterated that its proposed station would represent a first service in the Meaford market. It argued that the market is not currently served by any radio station and that the proposed station would have

minimal overlap with only one existing station in Owen Sound, a station that cannot properly serve the Meaford area due to signal impairment.

13. Dufferin also indicated that the principal marketing area of the proposed station is financially strong and that the introduction of its station would not have a negative impact on existing radio stations. It further submitted that retailers in Meaford have indicated that they have been ignored by Owen Sound radio stations and that they would welcome a new local radio advertising option. Dufferin finally submitted that its application does not consist of a back-door entry into the Owen Sound and Collingwood radio markets but focuses to serve Meaford.

Commission's analysis

14. Under the Regulations, the market of an FM radio station is defined as the station's 3 mV/m (primary) contour or the central market as defined by the Bureau of Broadcast Measurement (BBM), whichever is smaller. In the case of the proposed station, the primary contour would define the market of that station since it is smaller than the BBM central market. However, the primary contour would be limited to Meaford, with limited overlap in population with the primary contours of the Owen Sound, Collingwood and Wasaga Beach stations. Further, neither the primary nor the secondary contour of the proposed station would reach the city of Owen Sound, the town of Collingwood or the town of Wasaga Beach. As such, the Commission is of the view that Dufferin's proposal would constitute a first service for Meaford.
15. Regarding the Interveners' concern that approval of this application could have a negative impact on the local Owen Sound, Wasaga Beach and Collingwood stations, the Commission notes the limited overlap in contours with the proposed station and that the applicant projected only modest revenues of \$350,000 by year 4 of operation. It also notes that 591989 B.C. Ltd. (a wholly owned subsidiary of Corus Entertainment Inc.), the licensee of CKCB-FM Collingwood, did not file an intervention opposing the application.
16. Given the modest revenues projected, the limited overlap with out-of-market stations and the fact that the proposed contours would not reach the communities of Owen Sound, Collingwood and Wasaga Beach, the Commission agrees with Dufferin that the proposed station would not have any undue negative impact on stations operating in neighbouring markets.
17. The Commission finds that the proposed station would introduce a valuable service for Meaford and would provide an additional choice for the residents of Meaford. Specifically, it would provide the community with significant local reflection and programming diversity, especially in terms of local news, compared to the programming currently received from out-of-market stations. The Commission also notes that Dufferin submitted that it operates several stations across Canada and that the proposed station could benefit from its expertise as well as its sales management and administrative synergies. The Commission is of the view that the proposed station

would maintain its programming focus on Meaford and that its potential to draw advertising revenues from Owen Sound would be limited.

18. With respect to the concerns raised by the Interveners regarding a future request by Dufferin for a technical amendment to increase its power, the Commission notes that such an application, if received, would be assessed on its own merit at that time and would be subject to a public process.

Conclusion

19. In light of all of the above, the Commission **approves** the application by Dufferin Communications Inc. for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Meaford, Ontario. The terms and **conditions of licence** are set out in the appendix to this decision.

Reminders

20. The Commission reminds the licensee that it must adhere to the requirements relating to Canadian content development (CCD) contributions set out in section 15 of the Regulations, as amended from time to time. The Commission notes that Dufferin made commitments to exceed the minimum contribution to CCD. Specifically, it committed to devote, by condition of licence, over and above the basic annual contribution to CCD, a total of \$32,000 over seven broadcast years upon commencement of operations. Of this amount, 20% will be devoted to FACTOR or MUSICACTION, with the remainder being directed to eligible initiatives. A **condition of licence** to this effect is set out in the appendix to this decision.
21. The Commission also reminds Dufferin that broadcasters play a vital role in the provision of emergency alerts to Canadians and that the Commission continues to expect all radio stations to voluntarily participate in the NPAS to alert Canadians of imminent or unfolding dangers.

Employment equity

22. Because this licensee is subject to the *Employment Equity Act* and files reports concerning employment equity with the Department of Human Resources and Skills Development, its employment equity practices are not examined by the Commission.

Secretary General

**This decision is to be appended to the licence.*

Appendix to Broadcasting Decision CRTC 2014-16

Terms, conditions of licence and expectation for the English-language commercial FM radio programming undertaking in Meaford, Ontario

Terms

The licence will expire 31 August 2020.

The station will operate at 99.3 MHz (channel 257A) with an average effective radiated power of 100 watts (non-directional antenna with an effective height of antenna above average terrain of 177 meters).

The Commission reminds the licensee that pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department of Industry notifies the Commission that its technical requirements have been met and that a broadcasting certificate will be issued.

Furthermore, the licence for this undertaking will be issued once the licensee 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 **22 January 2016**. To ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

Conditions of licence

1. The licensee shall adhere to the conditions set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009.
2. In addition to the basic annual contribution to Canadian content development (CCD) set out in section 15 of the *Radio Regulations, 1986*, the licensee shall make a contribution of \$32,000 to CCD, to be allocated as follows over seven consecutive broadcast years upon commencement of operations.
 - \$5,000 in year one; and
 - \$4,500 in each of years two through seven.

Of this amount, the licensee shall allocate at least 20% to FACTOR or MUSICACTION each broadcast year. The remainder of this additional CCD contribution shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

Expectation

Cultural diversity

The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.