



## Broadcasting Decision CRTC 2015-2

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Route reference: 2014-383

Ottawa, 7 January 2015

### **Dufferin Communications Inc.**

Brechin and the Township of Ramara, Ontario

*Application 2014-0227-1, received 17 March 2014*

*Public hearing in the National Capital Region*

*25 September 2014*

### **English-language FM radio station in Brechin and the Township of Ramara**

*The Commission **denies** an application for a broadcasting licence to operate an English-language commercial FM radio station in Brechin and the Township of Ramara, Ontario.*

*The Commission is of the view that Dufferin Communications Inc. would, with its proposed parameters, target the neighbouring markets of Orillia, Bracebridge and Gravenhurst, which are served by existing stations.*

#### **Application**

1. Dufferin Communications Inc. (Dufferin) filed an application for a broadcasting licence to operate an English-language commercial FM radio station in Brechin and the Township of Ramara, Ontario.
2. Dufferin is a wholly owned subsidiary of Evanov Communications Inc., a company controlled by William Evanov.
3. The proposed station would operate at 96.9 MHz (channel 245B1) with an average effective radiated power (ERP) of 8,900 watts (maximum ERP of 25,000 watts with an effective height of antenna above average terrain of 88 metres).
4. The station would offer an easy listening/adult contemporary music format targeting adults 35 years of age and over. All 126 hours of programming during the broadcast week would be local. Spoken word programming would include news, weather, sports and reports on recreation. Six hours and fifteen minutes of spoken word programming per broadcast week would be devoted to news.
5. In addition to the required basic annual contribution to Canadian content development (CCD) set out in section 15 of the the *Radio Regulations, 1986* (the Regulations),

Dufferin proposed to devote, by condition of licence, \$32,000 over seven consecutive broadcast years (\$5,000 in year 1 and \$4,500 in years 2 through 7) in direct contributions to CCD.

## **Interventions**

6. The Commission received interventions in support of the application as well as three interventions in opposition. The opposing interventions came from three radio broadcasting companies operating in the area: Bayshore Broadcasting Corporation (Bayshore), Vista Radio Ltd. (Vista) and Larche Communications Inc. (Larche). The public record for this application is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) or by using the application number provided above.
7. The opposing interveners were concerned that Dufferin's intent was not to provide a first local radio service for Brechin and the Township of Ramara but rather to gain access and direct its marketing activities to neighbouring markets. In this regard, Vista noted that the technical parameters of the proposed station exceed those required to serve Brechin and the Township of Ramara and that the secondary (0.5 mV/m) contour would completely enclose Orillia, Bracebridge and Gravenhurst. As a result, the new station would effectively enter those markets without the benefit of a competitive process.
8. The opposing interveners were further concerned that, in order to succeed, the proposed station would have to take revenues from the neighbouring markets of Orillia, Bracebridge and Gravenhurst. They submitted that these markets could not support a new competitor. In this regard, Larche noted that a new FM station, CISO-FM, had gone on the air in Orillia in 2010 and was still in the process of becoming established in the market.

## **Applicant's reply**

9. In reply, Dufferin reiterated that the purpose of the proposed station was to provide a first local radio service to Brechin and the Township of Ramara. It further submitted that the application was not an attempt to enter adjacent markets without a competitive process.
10. In this regard, Dufferin noted that a market for an FM station is defined in the Regulations as the 3 mV/m contour or the central areas as defined by the Bureau of Broadcast Measurement (BBM), whichever is smaller. Dufferin submitted that, since none of the interveners' stations reach Brechin and the Township of Ramara with their primary (3 mV/m) contours, those stations are not licensed to serve that market. As well, the primary contour of the proposed station does not overlap any of the markets served by the interveners' stations. While acknowledging that the secondary contour of the proposed station covers a wider area, Dufferin submitted that this is necessary to conform to the Department of Industry's regulations and to accommodate restrictions from adjacent signals.

11. Dufferin further stated that several stations are licensed in Ontario to serve markets the size of Brechin and the Township of Ramara. It was of the view that it could achieve its financial projections by offering cost-effective advertising campaigns and submitted that it has support from at least 45 local businesses.

### **Commission's analysis and decisions**

12. The proposed station would introduce a local radio service to a market that currently does not have its own station. It would also make a \$32,000 contribution to CCD over seven consecutive broadcast years in addition to the amount required by the Regulations.

13. The Commission is, however, concerned that the proposed station could have an undue negative impact on stations serving the neighbouring markets of Orillia, Bracebridge and Gravenhurst.

14. An examination of the service contours reveals that the proposed station would encompass approximately 4,200 people in its primary contour and approximately 90,000 people in its secondary contour. While the primary contour would be limited to Brechin and the Township of Ramara, the secondary contour would completely encompass the much larger community of Orillia as well as Bracebridge and Gravenhurst.

15. Dufferin has identified the areas covered by its secondary contour as its principal marketing area. Consequently, the Commission is concerned that Dufferin would need to target those markets in order to reach its financial objectives.

### **Conclusion**

16. In light of all of the above, the Commission **denies** the application by Dufferin Communications Inc. for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Brechin and the Township of Ramara, Ontario.

Secretary General