



## Broadcasting Decision CRTC 2020-63

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References: Part 1 applications posted on 15 July 2019

Ottawa, 17 February 2020

**Dufferin Communications Inc.**  
Brantford, Ontario

*Public record for these applications: 2019-0312-0 and 2019-0397-2*

### **CFWC-FM Brantford and CKPC Brantford – Technical changes and licence amendments**

*The Commission **approves** an application to change the authorized contours of the English-language commercial specialty (Christian music) radio station CFWC-FM Brantford, and to delete certain of the station's conditions of licence relating to programming so as to allow the station to operate as a mainstream music radio station, rather than under its current Christian music specialty format. The station will operate under a Country and Folk music format.*

*Further, the Commission **approves** an application to add conditions of licence relating to programming for the English-language commercial AM radio station CKPC Brantford such that the station will operate under a Christian music format.*

#### **Applications**

1. Dufferin Communications Inc. (Dufferin) filed an application (2019-0312-0) to change the authorized contours of the English-language commercial specialty (Christian music) radio station CFWC-FM Brantford by increasing the maximum effective radiated power (ERP) from 250 to 3,000 watts, increasing the average ERP from 250 to 1,700 watts, increasing the effective height of the antenna above average terrain (EHAAT) from 23.9 to 34 metres, changing the transmitter class from A1 to A, and relocating the transmitter. Dufferin submitted that the requested technical changes for CFWC-FM would allow for a more reliable and permanent facility and a better signal to compete with out-of-market operators.
2. In that application, Dufferin also requested to amend the broadcasting licence for CFWC-FM by deleting the following programming conditions of licence, which are set out in the appendix to Broadcasting Decision 2013-413:<sup>1</sup>

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<sup>1</sup> When Broadcasting Decision 2013-413 was issued, 1486781 Ontario Limited was the licensee of CFWC-FM. In Broadcasting Decision 2017-260, the Commission approved an application by Dufferin for authority to

2. The licensee shall operate the station within the Specialty format as defined in *A review of certain matters concerning radio*, Public Notice CRTC 1995-60, 21 April 1995, and *Revised content categories and subcategories for radio*, Broadcasting Regulatory Policy CRTC 2010-819, 5 November 2010, as amended from time to time.
3. During each broadcast week, at least 95% of all musical selections shall be drawn from subcategory 35 (Non-classic religious), as defined in *Revised content categories and subcategories for radio*, Broadcasting Regulatory Policy CRTC 2010-819, 5 November 2010, as amended from time to time.
4. During each broadcast week, at least 15% of all musical selections drawn from Category 3 (Special interest music) shall be Canadian selections.
3. Approval of the licensee's request would result in CFWC-FM operating as a mainstream music radio station, rather than under the current Christian music specialty format. In this regard, Dufferin proposed to operate the station under a combined Country and Folk music format.
4. Dufferin filed a subsequent application (2019-0397-2) to amend the broadcasting licence for the English-language commercial AM radio station CKPC Brantford in order to operate the station under a Christian music format, and indicated that it would adhere to conditions of licence requiring it to operate under that format.
5. Approval of the two applications would effectively result in an exchange of CKPC's and CFWC-FM's music programming formats. As such, Dufferin indicated that its applications are non-severable.
6. Dufferin submitted that both it, as the operator of the two stations, and the Brantford radio market would be best served by exchanging the stations' formats as the exchange would result in increased tuning to its Country music offering, which in turn would help it to recover some of the advertising revenue that currently flows to out-of-market Country music stations.
7. The Commission did not receive any interventions regarding these applications.

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

8. After examining the information on the record for these applications in light of applicable regulations and policies, the Commission has addressed the following issues:
  - whether Dufferin has demonstrated a compelling technical or economic need justifying the requested technical changes for CFWC-FM, and a compelling need

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acquire from 1486781 Ontario Limited the assets of CFWC-FM and for a broadcasting licence to continue the operation of the station.

for the requested programming-related licence amendments for both CFWC-FM and CKPC;

- whether the requested technical changes for CFWC-FM represent an appropriate use of spectrum;
- whether approval of the requested technical changes for CFWC-FM and the requested programming-related licence amendments for both CFWC-FM and CKPC would have an undue negative financial impact on incumbent stations; and
- whether approval of the requested programming-related licence amendments would undermine the integrity of the Commission's licensing process.

**Compelling technical or economic need justifying the requested technical changes/ programming-related licence amendments**

9. Consistent with its general practice, the Commission has examined whether Dufferin, in regard to the requested technical changes for CFWC-FM, has presented compelling technical or economic evidence justifying the changes.
10. In regard to the requested programming-related licence amendments, the Commission expects applicants to demonstrate a compelling need, such as economic need, for the requested amendment(s) with substantial evidence, in addition to considering any other relevant factors that would support the request. In the present case, the Commission has examined the economic need for Dufferin's requested programming-related licence amendments for both CFWC-FM and CKPC.

**Technical need for the requested technical changes for CFWC-FM**

11. Dufferin stated that the continued availability of the current transmitter site for CFWC-FM, at which the station has operated since 2002, is precarious given that the agreement is in the form of a month-to-month lease and can therefore be terminated on short notice. It added that the current transmitter site is unsuitable, given that the station has experienced issues due to overheating equipment and service drops as a result of technical issues. The licensee further stated that the purpose of its requested power increase for CFWC-FM is to improve the station's signal quality within its authorized coverage area.
12. In regard to the above, the Commission notes that Dufferin did not submit any documentation to support its claims of unreliable or poor signal reception. Consequently, the Commission finds that Dufferin has not demonstrated a compelling technical need to justify the requested technical changes for CFWC-FM.

**Economic need for the requested technical changes for CFWC-FM, and for the programming-related licence amendments for both CFWC-FM and CKPC**

13. Dufferin indicated that the lowest annual revenues for both CKPC and CFWC-FM over the last five years occurred in 2018. It noted that CKPC has experienced revenue losses

since 2014, and CFWC-FM, since 2018, the year the licensee acquired the assets of that station following the issuance of Broadcasting Decision 2017-260. The licensee further noted that the last year CKPC was profitable was 2015, and that ever since, the station has posted negative profit before interest and taxes (PBIT) margins. Dufferin also indicated that CKPC and CFWC-FM account for a relatively small combined tuning share in the Brantford radio market.

14. Dufferin cited difficulties in broadcasting a music-intensive format on the AM band as an explanation for CKPC's performance and submitted that the format would perform far better on the FM band. It further submitted that the power increase for CFWC-FM would allow the station to reach a greater portion of the market it was licensed to serve. The licensee added that, should its applications be approved, both CKPC and CFWC-FM would experience modest total incremental revenue growth over the next three years, which would improve the stations' long-term viability.
15. In light of the above, the Commission finds that Dufferin has demonstrated a compelling economic need for the requested technical changes as well as an economic need for the programming-related licence amendments.

#### **Appropriate use of spectrum**

16. As noted above, Dufferin has effectively requested an exchange of formats between the two stations. Although the licensee has requested certain technical changes for CFWC-FM, it has not requested the use of an alternate frequency. As such, approval of the licensee's requested technical changes for that station would not impact the availability of frequencies in the Brantford radio market or in adjacent radio markets. Accordingly, the Commission finds that Dufferin's requested technical changes represent an appropriate use of spectrum.

#### **Financial impact on incumbent stations**

17. Currently, Dufferin operates the only commercial radio stations that are licensed to serve the Numeris Brantford Central Area (CTRL). As such, no other radio station operators opposed the licensee's requested technical changes, or the requested programming-related licence amendments for the two stations. Further, although the expansion of CFWC-FM's primary service contour following the implementation of the requested technical changes would result in a significant increase in the population served by the station, the increase would be contained within the Numeris Brantford CTRL and would not target any other radio market. In light of the above, the Commission finds that approval of the requested technical changes and programming-related licence amendments for CFWC-FM, and of the requested programming-related licence amendments for CKPC, would not have an undue negative financial impact on other radio station operators.

#### **Integrity of the Commission's licensing process**

18. Should the Commission approve Dufferin's request for technical changes for CFWC-FM and the licensee's requests regarding the programming conditions of licence for both

CFWC-FM and CKPC, each station would continue to serve the Brantford radio market on its respective frequency, but under the other station's current programming format. Further, Dufferin would remain the sole radio station operator in the Brantford radio market. As such, no additional mainstream radio stations would be added to the Brantford radio market.

19. In addition, given that programming under both formats would continue to be broadcast in the Brantford radio market, the Commission considers that programming diversity would be maintained in that market. It further considers that the format exchange between the stations may help repatriate some of the listeners that are tuning to out-of-market stations, particularly to stations operating under a Country music format. The Commission therefore finds that approval of the licensee's requested amendments relating to the stations' programming conditions of licence would not have a negative impact on programming diversity in the Brantford radio market.
20. Accordingly, the Commission finds that approval of Dufferin's applications for CFWC-FM and CKPC would not undermine the integrity of the Commission's licensing process.

## **Conclusion**

21. In light of the above, the Commission **approves** the application by Dufferin Communications Inc. to change the authorized contours of the English-language commercial radio programming undertaking CFWC-FM Brantford by increasing the maximum ERP from 250 to 3,000 watts, increasing the average ERP from 250 to 1,700 watts, increasing the EHAAT from 23.9 to 34 metres, changing the transmitter class from A1 to A, and relocating the transmitter. The Commission also **approves** the licensee's request to amend the broadcasting licence for CFWC-FM Brantford by deleting conditions of licence 2, 3 and 4 set out in the appendix to Broadcasting Decision 2013-413.
22. Further, the Commission **approves** the application by Dufferin to amend the broadcasting licence for the English-language commercial AM radio programming undertaking CKPC Brantford such that it be required to operate under a Christian music format. Accordingly, for CKPC, the licensee shall adhere to the following **conditions of licence**:

During each broadcast week, at least 95% of all musical selections shall be drawn from content subcategory 35 (Non-classic religious), as defined in *Revised content categories and subcategories for radio*, Broadcasting Regulatory Policy CRTC 2010-819, 5 November 2010.

During each broadcast week, at least 15% of all musical selections drawn from content category 3 (Special Interest Music) shall be Canadian selections.
23. Pursuant to section 22(1) of the *Broadcasting Act*, the authority relating to the approved technical changes for CFWC-FM will only be effective when the Department of Industry notifies the Commission that its technical requirements have been met and that a broadcasting certificate will be issued.

24. The licensee must implement those technical changes by no later than **17 February 2022**. To request an extension, the licensee must submit a written request to the Commission at least 60 days before that date, using the form available on the Commission's website.

Secretary General

### **Related documents**

- *CFWC-FM Brantford – Acquisition of assets*, Broadcasting Decision CRTC 2017-260, 20 July 2017
- *CFWC-FM Brantford – Licence renewal*, Broadcasting Decision CRTC 2013-413, 16 August 2013

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