



## Broadcasting Decision CRTC 2007-5

Ottawa, 4 January 2007

**Rawlco Radio Ltd., 587681 Saskatchewan Ltd., and Dekkerco Holdings Limited, partners in a general partnership carrying on business as Northwestern Radio Partnership**  
North Battleford, Saskatchewan

*Application 2006-0668-4*  
*Public Hearing at Regina, Saskatchewan*  
*30 October 2006*

### **CJNB North Battleford – Conversion to FM band**

*The Commission **denies** an application for a broadcasting licence to operate a new commercial English-language FM radio programming undertaking in North Battleford, Saskatchewan to replace AM station CJNB.*

#### **The application**

1. The Commission received an application by Rawlco Radio Ltd., 587681 Saskatchewan Ltd., and Dekkerco Holdings Limited, partners in a general partnership carrying on business as Northwestern Radio Partnership (Northwestern Radio) for a broadcasting licence to operate a new commercial English-language FM radio programming undertaking in North Battleford to replace its AM station CJNB. Northwestern Radio proposed to operate the new FM station at 102.9 MHz (channel 275C1) with an effective radiated power of 100,000 watts.
2. Northwestern Radio currently owns and operates an FM commercial radio station that serves North Battleford, namely CJCQ-FM. In *English-language FM radio station in North Battleford*, Broadcasting Decision CRTC 2004-526, 30 November 2004 (Decision 2004-526), Northwestern Radio was authorized to operate another commercial FM radio station to serve North Battleford. To date, that station is not yet in operation.
3. In support of its application, Northwestern Radio submitted that the proposed FM station would improve service to listeners in the North Battleford market who currently are unable to receive a good quality signal from CJNB. Northwestern Radio explained that the location of the present AM transmitter site offers a severely limited night-time coverage area. It stated that many listeners, particularly those located in the southern region of the service area, cannot receive CJNB's signal in the evening, and are unable to receive its signal in morning during the winter months.

4. Northwestern Radio submitted that the capital costs associated with converting CJNB to the FM band would be substantially less than those required to build a new AM transmitter. It indicated that it would locate the transmitter/antenna system for the proposed FM station at the present transmitter site for CJCQ-FM.
5. Northwestern Radio stated that the new FM station would continue to operate in a country music format and offer local programming, including community news and events, general news, sports and weather as well as agricultural features of interest to area farmers.
6. Northwestern Radio confirmed that it would continue to participate in the plan developed by the Canadian Association of Broadcasters (CAB) for contributions by radio licensees to Canadian talent development. Under the CAB's plan, a radio licensee serving a market the size of North Battleford would be expected to contribute a minimum of \$400 in each broadcast year to eligible third parties for the development of Canadian musical and other artistic talent. Northwestern also indicated that the station would support local artists from the area.
7. As part of the application process, the Commission asked Northwestern Radio to comment on why it should be granted an exception to the Commission's policy on common ownership of broadcasting undertakings. Under the common ownership policy, in a market like North Battleford, which is served by less than eight commercial English-language radio stations, a licensee may own or control as many as three radio stations in a given language, with a maximum of two radio stations in any one frequency band.
8. In response, Northwestern Radio submitted that it is requesting an exception to the Commission's common ownership policy, in order to address the significant challenges it faces in operating CJNB. Northwestern Radio argued that those challenges would increase in the future as CJNB deals with significant competition from satellite subscription radio services as well as other digital audio services available through cable broadcasting distribution undertakings (BDUs), direct-to-home satellite BDUs, the Internet and iPod's. Northwestern Radio further submitted that the conversion of CJNB to FM would not adversely affect the diversity of news voices and level of competition in the North Battleford market.

### **Interventions**

9. The Commission received an opposing intervention by 912038 Alberta Ltd., the licensee of CKLM-FM Lloydminster, Alberta (CKLM-FM).
10. CKLM-FM pointed out that approval of this application would result in Northwestern Radio owning three FM radio stations in the North Battleford market, which would be contrary to the common ownership policy.

11. CKLM-FM agreed that the cost of establishing a new AM transmitter would be prohibitive. However, CKLM-FM also argued that Northwestern Radio did not give any indication that it had explored alternative ways to improve CJNB's signal, such as requesting an amendment to its night-time power, seeking a new AM frequency, building a low-power FM transmitter to cover the area affected by the decrease in night-time power, or surrendering the FM authority granted in Decision 2004-526.
12. Finally, CKLM-FM contended that granting a third FM licence to Northwestern Radio would discourage another independent broadcaster from filing an application to serve the North Battleford market area. According, in CKLM-FM's view, approval of this application would not provide a diversity of news and information.

#### **Licensee's reply**

13. In response, Northwestern Radio submitted that its application indicated clearly that it was seeking authority to address extraordinary technical issues that are specific to small markets served by a single operator.
14. With respect to CKLM-FM's proposed alternatives to address CJNB's signal deficiencies, Northwestern Radio stated that it does not reduce the station's power at night, but does modify its pattern to protect other AM stations, primarily AM stations in the United States. Northwestern Radio explained that changing CJNB to a new AM frequency would entail, among other things, reconfiguring or relocating the entire transmitter site as well as replacing the existing transmitter. According to Northwestern Radio, the technical brief alone for such a project would cost an additional \$60,000, which would be prohibitive, particularly compared to the cost of converting CJNB to FM. With respect to the possibility of adding a low-power FM transmitter, Northwestern Radio contended that it would need a minimum of four or five transmitters and, even at that, most of its rural audience would still not receive a quality signal.
15. As for abandoning the FM authority granted in Decision 2004-526, Northwestern Radio submitted that it has been authorized to provide a distinct and diverse radio programming alternative to North Battleford and that it would never contemplate "abandoning" any segment of the market it was authorized to serve.

#### **Commission's analysis and determination**

16. In its evaluation of this application, the Commission has taken into consideration the fact that Northwestern Radio currently owns two FM stations that are authorized to serve North Battleford.
17. The Commission notes that, on a combined basis, CJNB and CJCQ-FM, which was licensed in 2000<sup>1</sup>, have reported increasing profit margins since 2003. In addition, these stations' combined share of the North Battleford radio audience has remained relatively stable since 2002.

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<sup>1</sup> *New FM radio programming undertaking*, Decision CRTC 2000-134, 28 April 2000

18. Furthermore, the Commission is of the view that Northwestern Radio has not fully addressed the fundamental issues related to the impact on the diversity of news voices and the level of competition in the market that would result from the introduction of the proposed new FM station in North Battleford. Consequently, the Commission determines that Northwestern Radio has not provided compelling reasons to warrant an exception to the common ownership policy. The Commission considers that there are alternative solutions that would enable Northwestern Radio to correct CJNB's signal deficiencies and still comply with the common ownership policy.
19. Moreover, the Commission notes that the situation facing Northwestern Radio with respect to the need to upgrade its AM facilities is one that many other radio licensees in Canada are experiencing, including those serving markets that are comprised of two FM stations and one AM station. The Commission notes that it authorized Northwestern Radio to operate a second FM station in North Battleford in 2004. In the Commission's view, Northwestern Radio should have been aware in 2004 of the need to upgrade its AM facilities.
20. In light of all of the above, the Commission **denies** the application by Rawlco Radio Ltd., 587681 Saskatchewan Ltd., and Dekkerco Holdings Limited, partners in a general partnership carrying on business as Northwestern Radio Partnership, for a broadcasting licence to operate a new commercial English-language FM radio programming undertaking in North Battleford to replace its AM station CJNB.

Secretary General

*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>*