



Broadcasting Decision CRTC 2008-100

Ottawa, May 9 2008

Various applicants

Owen Sound, Ontario

Public Hearing in London, Ontario

10 December 2007

Licensing of a new radio station to serve Owen Sound, Ontario

*The Commission **approves** the application by Larche Communications Inc. for a broadcasting licence to operate a new FM radio programming undertaking to serve Owen Sound.*

*The Commission **denies** the remaining applications for broadcasting licences for radio programming undertakings to serve Owen Sound.*

Introduction

1. At a public hearing commencing 10 December 2007 in London, the Commission considered four applications for new radio stations to serve Owen Sound, Ontario. All proposed the use of 92.3 MHz. The applications were therefore mutually exclusive on a technical basis. The applicants were as follows:
 - 2079966 Ontario Limited,
 - Blackburn Radio Inc.,
 - Evanov Communications Inc., and
 - Larche Communications Inc.
2. As part of this process, the Commission received and considered interventions with respect to each of the applications. The public record for this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."
3. After reviewing the applications and interventions, the Commission is of the view that there are two primary issues to be considered.
 - Can the Owen Sound radio market sustain additional radio services without an undue negative impact on existing stations?

- If so, which of the applications should be approved, in light of the factors identified in Broadcasting Public Notice 2007-24 (the Call)?

The Owen Sound radio market and its ability to sustain new stations

4. Currently, there is only one commercial radio licensee serving the Owen Sound radio market, namely Bayshore Broadcasting Corporation (Bayshore), which operates two FM stations and one AM station. CKYC-FM offers a Country music format, CIXK-FM broadcasts an Adult Contemporary music format and CFOS offers an Oldies/News talk format. The signal of Bayshore's station CFPS-FM in the neighbouring community of Port Elgin reaches into Owen Sound's central radio market but there is no overlap in the primary service contours (3 mV/m) that define the relevant markets.
5. BBM Canada data indicate that out-of-market tuning represents about 57% of total listening in Owen Sound's radio market and that CIBU-FM Wingham, Ontario captures a substantial amount of that out-of-market tuning. CIBU-FM is owned and operated by Blackburn Radio Inc. and offers a Rock music format.
6. Both total revenues and profits generated in the Owen Sound radio market increased slightly from 2006 to 2007.
7. Statistics Canada's 2006 Census reported the population of Owen Sound (Census Agglomeration) as approximately 109,782. Financial Post Markets Canadian Demographics 2007 forecasts continued population growth for Owen Sound with a projected increase of 0.3% annually from 2007 to 2012.
8. The Commission finds that the level of radio revenues in the Owen Sound market is healthy and that there are positive economic indicators for the market. Furthermore, taking into account the significant amount of out-of-market tuning in the Owen Sound radio market, the Commission is satisfied that the market could support the licensing of one new commercial radio station without experiencing an undue negative impact.
9. In Broadcasting Public Notice 2006-159, the Commission set out its general concern with the relatively lower profitability of radio markets with populations under 250,000, and signalled its intent to avoid over-licensing in such markets. The Commission is of the view that the licensing of one new commercial radio station to serve the Owen Sound market at this time is consistent with this intent.

Assessment of the applications

10. Having determined that there is room in the Owen Sound radio market for one additional service, the Commission has considered the four applications to serve Owen Sound in light of the factors relevant to the evaluation of the applications outlined in the Call, which include the factors set out in Decision 99-480:
 - the competitive state of the market and level of market impact;

- the quality of each application; and
 - the diversity of voices.
11. The details relevant to the assessment of the applications are set out in Appendix 1 to this decision.
 12. Having considered all of the criteria for evaluating competing applications for new radio stations, the Commission finds that the proposal by Larche Communications Inc. (Larche) will best serve Owen Sound. The Commission is of the view that the Rock music format proposed by Larche has the potential to repatriate some of the significant out-of-market tuning currently experienced in the Owen Sound radio market, thereby strengthening the financial health of the market. Furthermore, the Commission notes that Larche currently operates radio stations in the competitive radio markets of Orillia and Midland, Ontario and was recently authorized to operate a new FM station in Sudbury, Ontario (Broadcasting Decision 2007-229). In the Commission's view, Larche has the broadcasting experience to be able to compete on a stand-alone basis with the incumbent radio stations in Owen Sound. At the same time, Larche's station will contribute to the diversity of voices in the market and enhance the interests of the public by increasing competition.
 13. The Commission is satisfied that the station proposed by Larche will provide significant local reflection. All the programming will be local, most will be live-to-air. In each broadcast week, the station will offer 12 hours 30 minutes of spoken word programming including 3 hours 23 minutes of news. In addition, Larche will make a substantial contribution to Canadian content development (CCD). Specifically, Larche committed to devote, over and above the basic annual contribution to CCD, a total of \$343,000 over seven consecutive broadcast years, upon commencement of operations. In each broadcast year, Larche will devote \$49,000 per year to CCD, of which \$19,400 will be directed to FACTOR. The remainder will be directed to eligible parties and initiatives as defined in Broadcasting Public Notice 2006-158.

Determinations

14. Based on all of the foregoing, the Commission **approves** the following application for a broadcasting licence to operate a new radio station in Owen Sound:

Larche Communications Inc.

Application 2007-0856-3, received 4 June 2007

15. The terms and **conditions of licence** for this new service are set out in Appendix 2 to this decision.
16. In light of the above, the Commission **denies** the three remaining applications for broadcasting licences to operate new radio stations in Owen Sound as set out below:

2079966 Ontario Limited

Application 2006-0953-9, received 26 July 2006

Blackburn Radio Inc.

Application 2007-0855-5, received 4 June 2007

Evanov Communications Inc.

Application 2007-0861-2, received 4 June 2007

Secretary General

Related documents

- *Licensing of new radio station to serve Sudbury, Ontario, Broadcasting Decision CRTC 2007-229, 12 July 2007*
- *Call for applications for a broadcasting licence to carry on a radio programming undertaking to serve Owen Sound, Ontario, Broadcasting Public Notice CRTC 2007-24, 12 March 2007*
- *Revised policy concerning the issuance of calls for radio applications and a new process for applications to serve small markets, Broadcasting Public Notice CRTC 2006-159, 15 December 2006*
- *Revised content categories and subcategories for radio, Public Notice CRTC 2000-14, 28 January 2000*
- *Introductory statement – Licensing new radio stations, Decision CRTC 99-480, 28 October 1999*

This decision and the appropriate appendix must be attached to the licence. This document 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>.

Appendix 1 to Broadcasting Decision CRTC 2008-100

Specific details relevant to the assessment of the applications for new broadcasting licences for FM radio programming undertakings to serve Owen Sound, Ontario

Applicant	Details from the application
2079966 Ontario Limited Application 2006-0953-9	Type: English-language commercial FM radio programming undertaking Technical parameters: 92.3 MHz (channel 222B), effective radiated power of 32,000 watts Format: Blended current and classic rock music Target audience: 25 to 54 years, men; core: not identified Canadian content (music): 35% category 2* Local programming per broadcast week***: 126 hours Spoken word programming per broadcast week***: minimum 6 hours, 30 minutes News programming per broadcast week****: 3 hours, 30 minutes Canadian content development contribution (over basic annual contribution): \$70,000 over seven consecutive broadcast years Emerging artists programming per broadcast week***: 5% of weekly music broadcast Hit material*****: 49.9% of music programming
Blackburn Radio Inc. Application 2007-0855-5	Type: English-language commercial FM radio programming undertaking Technical parameters: 92.3 MHz (channel 222B), average effective radiated power of 14,635 watts Format: Classic Hits Target audience: 35 to 54 years; core: males 45 to 54 Canadian content (music): 40% category 2 per broadcast week and between 6 a.m. and 6 p.m., Monday to Friday Local programming per broadcast week: 120 hours Spoken word programming per broadcast week: 13 hours, 15 minutes News programming per broadcast week: 8 hours, 18 minutes Canadian content development contribution (over basic annual contribution): \$476,000 over seven consecutive broadcast years Emerging artists programming per broadcast week: 2% of all spins Hit material: 49.9% of music programming
Evanov Communications Inc. Application 2007-0861-2	Type: English-language commercial FM radio programming undertaking Technical parameters: 92.3 MHz (channel 222C1), effective radiated power of 40,000 watts Format: New Easy Listening, incorporates voice and instrumental music covering light classical, jazz and world music. In each broadcast week, a minimum of 10% of all music devoted to category 3 musical selections. Target audience: adults 45+; core: women, 45 to 64 Canadian content (music): 40% category 2 per broadcast week; 35% category 2 from 6:00 a.m. to 6:00 p.m., Monday to Friday** Local programming per broadcast week: 126 hours Spoken word programming per broadcast week: 16 hours, 30 minutes

News programming per broadcast week: 5 hours, 24 minutes
Canadian content development contribution (over basic annual contribution): \$700,000 over seven consecutive broadcast years
Emerging artists programming per broadcast week: 12%
Hit material: 49.9% of music programming

**Larche
Communications Inc.**
Application 2007-0856-3

Type: English-language commercial FM radio programming undertaking

Technical parameters: 92.3 MHz (channel 222B), average effective radiated power of 20,000 watts

Format: Rock music

Target audience: 35 to 49 years; core: male, 40-42

Canadian content (music): 35% category 2 per broadcast week and from 6:a.m. to 6:00 p.m., Monday to Friday

Local programming per broadcast week: 126 hours

Spoken word programming per broadcast week: 12 hours, 30 minutes

News programming per broadcast week: 3 hours, 23 minutes (60% local)

Canadian content development contribution (over basic annual contribution): \$343,000 over seven consecutive broadcast years

Emerging artists programming per broadcast week: 5%

Hit material: 49.9% of music programming

* Percentages shown for category 2 musical selections (Popular music) are for both the broadcast week and the period from 6:00 a.m. to 6:00 p.m., Monday to Friday. The definition of "broadcast week" is the same as that set out in the *Radio Regulations, 1986*.

** Percentages shown for category 3 musical selections (Special interest music) are for the broadcast week. The definition of "broadcast week" is the same as that set out in the *Radio Regulations, 1986*.

*** The definition of "broadcast week," as it relates to local, spoken word and news programming, is the same as that set out in the *Radio Regulations, 1986*.

**** As set out in Public Notice 2000-14, "news" excludes related surveillance material, that is, weather, traffic, sports and entertainment reports.

***** The definition of "hit material" is the same as that set out in *Revised Policy on the Use of Hits by English-Language FM Radio Stations*, Public Notice CRTC 1997-42, 23 April 1997

Appendix 2 to Broadcasting Decision CRTC 2008-100

Larche Communications Inc.

Application 2007-0856-3, received 4 June 2007

Terms, conditions of licence, expectation and encouragement

Issuance of the broadcasting licence to operate an English-language, commercial FM radio programming undertaking in Owen Sound, Ontario

Terms

The licence will expire 31 August 2014.

The station will operate at 92.3 MHz (channel 222B) with an effective radiated power of 20,000 watts.

The Department of Industry (the Department) has advised the Commission that, while this application is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.

The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department 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 applicant 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 9 May 2010. In order 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 licence shall be subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of condition of licence number 5.
2. The licensee shall, upon commencement of operations, make a basic annual contribution to Canadian content development (CCD). The amount of the contribution shall be determined in accordance with the policy set out in *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006 (Broadcasting Public Notice 2006-158), as amended from time to time.

The licensee shall allocate 60% of this basic annual CCD contribution to FACTOR or MUSICACTION.

The remainder of the annual basic contribution to CCD shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives in Broadcasting Public Notice 2006-158.

This condition of licence shall expire upon the coming into force of the amendments to the *Radio Regulations, 1986* relating to CCD.

3. In addition to the basic annual contribution, the licensee shall, upon commencement of operations, contribute \$49,000 annually to the promotion and development of Canadian content. This amount is over and above the licensee's required basic annual CCD contribution. Of this amount, \$19,400 per broadcast year shall be devoted to FACTOR. The remainder, \$29,600, shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives in Broadcasting Public Notice 2006-158.

Expectation

Cultural diversity

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

Encouragement

Employment equity

In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the licensee to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.