



## Broadcasting Decision CRTC 2005-378

Ottawa, 3 August 2005

**Standard Radio Inc.**  
Summerland, British Columbia

*Application 2004-1224-7*  
*Public Hearing in the National Capital Region*  
*16 May 2005*

### **CHOR Summerland - Conversion to FM band**

*The Commission **denies** the application by Standard Radio Inc. to convert its radio programming undertaking CHOR Summerland to the FM band.*

#### **The application**

1. The Commission received an application by Standard Radio Inc. (Standard) for a broadcasting licence to operate a new English-language FM radio programming undertaking in Summerland, British Columbia to replace its AM station CHOR. Standard is also the licensee of CJMG-FM and CKOR Penticton, as well as of other radio stations in British Columbia.
2. The applicant proposed to operate the new FM station at 98.5 MHz (channel 253A1) with an effective radiated power of 250 watts. The antenna for the new station would be placed on the tower currently used for CHOR's antenna. The applicant submitted that converting the existing AM station to the FM band would improve the signal quality and enable it to provide enhanced local programming options.
3. Standard stated that the new FM station would offer an adult contemporary music format. The local spoken word programming would include news, weather, road conditions, sports and community information.
4. Standard confirmed that it would participate in the Canadian Association of Broadcasters' (CAB) Canadian Talent Development (CTD) Plan. Under that plan, accepted by the Commission in *Contributions by radio stations to Canadian talent development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995, licensees serving markets the size of Summerland are required to contribute, through eligible third parties, a minimum yearly amount of \$400 to the development of Canadian talent. However, Standard stated that it would abide by a condition of licence requiring that it devote a minimum of \$800 per year in direct contributions to the development of Canadian talent.

## **Interventions**

5. The Commission received several interventions in support of this application as well as interventions in opposition by the following parties: Great Valleys Radio Ltd. (Great Valleys), the licensee of CIGV-FM Penticton, In-House Communications Inc. (In-House), Pat Lough, Jesse Watson, and Carl and Gail Peter. In addition, Silk FM Broadcasting Ltd. (SILK), the licensee of CILK-FM Kelowna, filed a comment on the application.
6. Great Valleys objected to the claim made in Standard's application that Summerland is a single station market. Further, Great Valleys stated that the coverage contours of the proposed station suggest that, at the very least, Penticton would be included in the sales territory of the Summerland station. The intervener alleged that Standard's proposal to convert its Summerland AM station to the FM band is an attempt to introduce another format to the surrounding area at the expense of the existing radio stations, particularly CIGV-FM Penticton. Great Valleys also suggested that Standard would be able to achieve a better quality signal by using a directional antenna rather than its current omni-directional antenna or by operating a lower-power transmitter at another site. According to Great Valley, the technical solutions suggested in its intervention would diminish the proposed new FM station's impact on the market.
7. In-House noted that it has filed an application with the Commission as part of a separate licensing process for a broadcasting licence to operate a Christian music radio station in Kelowna. According to In-House, Pat Lough, Jesse Watson, and Carl and Gail Peter, there is more support by people in the Okanagan for a new Christian radio station than for the station proposed in Standard's application.
8. SILK did not object to the conversion of the applicant's Summerland AM station to the FM band provided that the Commission impose a condition of licence on the new FM station restricting advertising to Summerland businesses. SILK noted that Standard currently sells advertising to businesses throughout the Okanagan through its regional network sales package and that this advertising is aired on Standard's network of stations including Salmon Arm. SILK submitted that advertising from Standard's regional network sales package would not be broadcast on the proposed new FM station in Summerland if that station were allowed to broadcast only local advertising. Furthermore, SILK contended that a transmitter operating at 50 watts would effectively cover all of Summerland. Accordingly, in the intervener's view, Standard's application to convert its AM station to FM should have proposed low-power technical parameters.

## **Applicant's reply**

9. In response, Standard maintained that its application is aimed at upgrading its technology to improve the quality of service to area residents already served by CHOR, and is not an attempt to introduce a new radio station in the area. Standard stated that the format of the proposed FM station is designed to appeal to an older audience so as not to disenfranchise its current listeners to CHOR. Standard further maintained that the new FM station would offer programming that is distinct from that provided by other

Standard stations, and that the new station would not be part of a network. Standard stated that it would commit more resources to its Summerland station and provide more originating programming if the FM conversion were approved.

10. While Standard stated that it regards Summerland as a “single station market” due to the minimal coverage provided by the 3mV/m contour, it indicated its willingness to accept a condition of licence requiring that it refrain from soliciting or accepting local advertising for broadcast during any broadcast week when less than one third of the programming aired is local.
11. With respect to the technical amendments proposed by Great Valleys and SILK, Standard submitted that three separate engineering studies had determined that no other configuration is available that will duplicate the current AM coverage as well as the one provided in the current application.

### **Commission’s analysis and determination**

12. Based on its examination of the record of this proceeding, the Commission considers that Standard’s application raises concerns that the coverage area of the proposed new FM station would expand beyond the existing contours of CHOR and extend the station’s signal significantly, particularly into the Penticton market. The Commission notes that CHOR, Summerland’s only local radio station, currently serves an estimated population of 11,156 within its existing 15 mV/m contour, while the 3 mV/m contour of the proposed FM radio station would serve an estimated population of 12,101. However, the expanded 0.5 mV/m contour of the proposed FM radio station would encompass a much larger area than the market currently served by CHOR, and extend the proposed station’s signal into the Penticton market and more than triple the station’s population coverage within its 0.5 mV/m contour. The proposed expanded coverage into Penticton is of particular concern to the Commission because that community and Summerland are located less than 20 kilometres apart.
13. Furthermore, the Commission notes that Standard currently operates two radio stations in Penticton, namely CJMG-FM and CKOR, and that the approval of this application would result in Standard operating three stations with effective coverage of the Penticton market. The Commission is concerned that this would increase the competitive imbalance in the marketplace and have a potential negative financial impact on CIGV-FM, Standard’s only local competitor in Penticton.
14. The Commission acknowledges that the impact of the proposed FM station on the market may be minimized by imposing a condition of licence on the station restricting advertising. In the Commission’s view, however, the effectiveness of such a condition of licence is questionable given the fact that Standard already operates a regional sales network. Consequently, the Commission considers that Standard would enjoy a competitive advantage in the market if the conversion were approved.

15. In light of all of the above, the Commission determines that an FM station designed to replace CHOR should have a coverage area that more closely resembles that of CHOR's existing signal. The Commission, therefore, **denies** Standard Radio Inc.'s application.

Secretary General

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