



## Broadcasting Decision CRTC 2005-506

Ottawa, 20 October 2005

**Anderson Parish Media Inc.**  
City of Kawartha Lakes, Ontario

*Application 2004-1405-3  
Public Hearing in the National Capital Region  
15 August 2005*

### **English-language commercial FM radio station in the City of Kawartha Lakes**

*The Commission **denies** an application for a broadcasting licence to operate an English-language commercial FM radio station in the City of Kawartha Lakes, Ontario.*

#### **The application**

1. The Commission received an application by Anderson Parish Media Inc. for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in the City of Kawartha Lakes. The applicant proposed to operate at 96.7 MHz (channel 244A) with an effective radiated power of 3,000 watts.
2. The applicant stated that the proposed station would provide a local service to the City of Kawartha Lakes, an amalgamated city that includes the former towns of Lindsay, Fenelon Falls, Bobcaygeon and the surrounding rural areas. The proposed station would offer an easy listening music format composed of a mix of vocal and instrumental music. All of the programming would be locally produced.
3. The applicant indicated that 15% of the programming aired in each broadcast week would be devoted to spoken word programming and would include news dedicated to local and regional issues, sports, weather, community events as well as business news.
4. The applicant made a commitment to devote \$1,000 in support of local talent in the proposed station's first year of operation, and \$2,000 in each subsequent year.
5. The applicant projected that the proposed station would generate advertising revenues of approximately \$240,000 in the first year of operation, increasing to \$440,000 by the seventh year of operations.

## Interventions

6. The Commission received several interventions in support of this application. In addition, Durham Radio Inc. (Durham Radio), CHUM Limited (CHUM) and Mr. Andy McNabb filed interventions in opposition to the application.
7. Durham Radio is the licensee of CJKX-FM Ajax, and CKGE-FM and CKDO Oshawa, Ontario. The intervener stated that its radio stations cover the Regional Municipality of Durham and noted that the City of Kawartha Lakes lies adjacent to the Regional Municipality of Durham. Consequently, according to Durham Radio, the proposed radio station would attract “interest” in the intervener’s market. Durham Radio also submitted that the Commission should issue a call for competing applications from other parties interested in providing a radio service to the City of Kawartha Lakes.
8. CHUM is the licensee of CKLY-FM Lindsay, Ontario, the only radio station currently licensed to serve the City of Kawartha Lakes. CHUM stated that, when it purchased CKLY-FM in late 2000, the station had been unprofitable for many years. CHUM indicated that it is now operating CKLY-FM as a profitable radio station, but that its profit before interest and tax margin (PBIT) is still well below the average PBIT for the radio industry. CHUM expressed concern that the licensing of a new radio station to serve the City of Kawartha Lakes would have a significant negative impact on CKLY-FM.
9. CHUM also cited *Christian music FM radio station in the City of Kawartha Lakes*, Broadcasting Decision CRTC 2004-455, 12 October 2004 (Decision 2004-455), which denied an application by Andy McNabb, on behalf of a corporation to be incorporated, for a Christian music FM radio station to serve the City of Kawartha Lakes “in light of the possible negative impact that the proposed new station could have on CKLY-FM.” CHUM submitted that “If the Commission was prepared to conclude that the specialty FM proposed by Mr. McNabb would have a significant negative impact on CKLY-FM, it is clear that the addition of Anderson Parish’s proposed mainstream station would be even more detrimental.”
10. In his intervention on this matter, Mr. McNabb submitted that the proposed station would be highly competitive and would have a significant impact on the existing station CKLY-FM. Mr. McNabb presented three options for dealing with the present application. His preferred option would be a denial of the application. However, Mr. McNabb suggested that, if the application were approved, the Commission should deny the requested frequency and direct the applicant to find an alternative frequency. As a third option, Mr. McNabb submitted that the Commission should issue a call for competing applications from parties interested in serving the City of Kawartha Lake’s radio market.

### **Applicant's replies**

11. In response to Durham Radio's suggestion that the Commission issue a call for a competing applications, the applicant stated that Durham Radio already has a presence within the City of Kawartha Lakes through its ownership of radio stations that serve communities that are adjacent to the City of Kawartha Lakes. Accordingly, in the applicant's view, a proposal from Durham Radio to serve the City of Kawartha Lakes could not be considered as an enhancement to the Canadian broadcasting system.
12. The applicant maintained that the proposed station's format is not mainstream and that the proposed station would enhance the Canadian broadcasting system by offering consumers greater choice.

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

13. The Commission notes that CKLY-FM, the only radio station currently licensed to serve the City of Kawartha Lakes, has reported below average profitability in each of the past five years. In Decision 2004-455, the Commission denied an application for a new FM radio station to serve the City of Kawartha Lakes. That denial was based on the negative financial impact that the proposed station could have had on CKLY-FM. The Commission notes that CKLY-FM's financial situation has not significantly changed since the release of Decision 2004-455. Furthermore, given that it is reasonable to assume that a portion of the advertising revenues that would be generated by the station proposed in the present application would be garnered from CKLY-FM, the Commission considers that approval of this application could have a significant negative financial impact on CKLY-FM.
14. The Commission is of the view that, due to CKLY-FM's financial situation, a call for competing applications for a broadcasting licence to serve the City of Kawartha Lakes is not appropriate at this time.
15. In light of the above, the Commission **denies** the application by Anderson Parish Media Inc. for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in the City of Kawartha Lakes.

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>*