



Broadcasting Decision CRTC 2008-65

Ottawa, 20 March 2008

Golden West Broadcasting Ltd.
Winkler/Morden, Manitoba

Application 2007-1095-6, received 27 July 2007
Public Hearing in London, Ontario
10 December 2007

English-language commercial FM radio station in Winkler/Morden

*The Commission **denies** the application by Golden West Broadcasting Ltd. for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Winkler/Morden, Manitoba.*

Introduction

1. The Commission received an application by Golden West Broadcasting Ltd. (Golden West) for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Winkler/Morden, Manitoba. The transmitter would operate at 103.7 MHz (channel 279B) with an effective radiated power of 27,000 watts.
2. Golden West currently owns and operates CKMW and CJEL-FM in Winkler/Morden as well as CFAM in nearby Altona. It is the sole commercial radio operator in the market. The licensee stated that the purpose of the present application for an FM station in Winkler/Morden was to allow it to compete with a U.S. country music radio service originating from North Dakota. The proposed FM station would also offer a country music format.
3. The Commission received a comment in connection with this application by Simmons Broadcasting, licensee of KAOB-FM Cavalier, North Dakota, the U.S. competitor. The comment and the applicant's reply can be found on the Commission's website at www.crtc.gc.ca under "Public proceedings."
4. The Commission considers that the issues to be determined in its evaluation of the application are the following:
 - Would the approval of Golden West's application for a new station violate the Common Ownership Policy?
 - If so, do Golden West's circumstances warrant an exception to the Common Ownership Policy?

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5. As noted in Broadcasting Notice of Public Hearing 2007-14, approval of the FM station as proposed would see its FM 3mV/m contour overlap the FM 3mV/m contour of CJEL-FM Winkler as well as the AM daytime 15mV/m contours of CKMW Winkler/Morden and CFAM Altona.¹
6. As set out in Public Notice 1998-41 and reaffirmed in Broadcasting Public Notice 2008-4, the Commission's Common Ownership Policy permits the ownership of no more than three stations in a given language in markets where less than eight commercial stations are operating in that language, with a maximum of two stations in any one frequency band.
7. Section 2 of the *Radio Regulations, 1986* defines a "market" as
 - (a) in the case of an AM station, the AM daytime 15mV/m contour or the central area as defined by the Bureau of Broadcast Measurement (BBM), whichever is smaller, or
 - (b) in the case of an FM station, the FM 3mV/m contour or the central area as defined by the BBM, whichever is smaller.
8. In the present case, given the absence of a BBM-defined market, the Commission has determined that the market is best defined as the 3mV/m contour of the existing and the proposed FM stations and as the daytime 15mV/m contours of the two AM stations.
9. Given the foregoing, the Commission has determined that approval of Golden West's application for a second FM radio station in Winkler/Morden would require an exception to the Common Ownership Policy as the licensee would exceed the three stations per market limit set out therein.

Do Golden West's circumstances warrant an exception to the Common Ownership Policy?

10. The Commission notes that exceptions to the Common Ownership Policy have been based either on technical considerations or economic need. The onus falls on the licensee to demonstrate that the station is failing or operating in a market that is severely economically depressed such that a denial would cause the station to cease operations. Golden West has done neither. Therefore, approval of this application would constitute an exception to the Common Ownership Policy without any demonstrated technical or economic need for such an exception.

¹ With respect to the contours for CKMW Winkler/Morden and CFAM Altona, the Commission notes that Broadcasting Notice of Public Hearing 2007-14 should have referred to 15mV/m rather than 5mV/m contours.

11. In its application, Golden West did identify competition from KAOC-FM as a key factor in its request for a new licence. However, the Commission has examined the BBM Canada tuning data for the area and has determined that the percentage of tuning share for the U.S. competitor is insignificant. Specifically, according to fall 2007 BBM Canada data, of the approximately 65% of tuning in the Winkler/Morden area market that was to out of market stations, 52% was attributable to listening to Winnipeg radio stations, while the U.S.-based KAOC-FM captured just 2% of out of market tuning. Further, the Winnipeg-based Golden West station CHVN-FM accounted for 6% of the 52% of total radio listening to out of market Winnipeg stations.
12. Given the preceding, the Commission considers that a strategy to repatriate the audience lost to Winnipeg radio stations would be a more effective strategy for improving the financial performance of Golden West's Winkler/Morden area market stations than a strategy based upon offsetting competition from KAOC-FM. In this respect, the Commission notes that it is common for applicants for new radio licences to include a strategy for repatriation of out of market radio listening in their business plan. In this case, Golden West did not set out any strategy linking approval of its proposed FM station to repatriation of radio listening to Winnipeg radio stations.
13. The Commission considers that an application to convert one of Golden West's two AM stations to FM would provide an improved quality of signal which it could use as part of a strategy to repatriate audiences from Winnipeg stations. An FM signal would also help Golden West repatriate audience and advertising revenues lost to KAOC-FM. The Commission notes that the licensee has indicated that CKMW does offer a country music service, albeit to an older demographic. Alternatively, Golden West could also change the music format of its Winkler station CJEL-FM to a country music format, which would allow it to reach country music listeners using an FM signal and thus to better compete with KAOC-FM for advertising revenues. The Commission notes that both of these options would permit Golden West to comply with the three stations per market limit set out in the Common Ownership Policy and consequently would not preclude the possibility of a future diversity of voices in the market.

Conclusion

14. In order to maximize the potential for diversity in radio markets, the Commission considers that it should grant exceptions to the Common Ownership Policy only when a licensee clearly demonstrates that it has explored all other options for solving problems related to either technical considerations or the financial performance of its stations in a market. In this case, the Commission considers that Golden West has not fully explored other options available to address the financial performance of its three existing stations in the Winkler/Morden area market.
15. Accordingly, in light of all of the above, the Commission **denies** the application by Golden West Broadcasting Ltd. for a commercial FM radio programming undertaking to serve Winkler/Morden.

Secretary General

Related documents

- Broadcasting Notice of Public Hearing CRTC 2007-14, 11 October 2007
- *Diversity of voices – Regulatory policy*, Broadcasting Public Notice CRTC 2008-4, 15 January 2008
- *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998

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<http://www.crtc.gc.ca>