



Broadcasting Decision CRTC 2010-763

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Route reference: 2010-229

Ottawa, 15 October 2010

Northwest Broadcasting Inc.

Kaministiquia and Shuniah Township, Ontario

Applications 2010-0384-7 and 2010-0399-6, received 24 February 2010

CFQK-FM Kaministiquia and its transmitter CKED-FM Shuniah Township – Technical changes

*The Commission **denies** applications by Northwest Broadcasting Inc. to modify the authorized contours of CFQK-FM Kaministiquia and its transmitter CKED-FM Shuniah Township.*

The applications

1. The Commission received applications by Northwest Broadcasting Inc. (Northwest) to amend the authorized contours of the English-language commercial radio programming undertaking CFQK-FM Kaministiquia and its transmitter CKED-FM Shuniah Township.
2. For CFQK-FM, the applicant proposed to increase the effective radiated power (ERP) of the transmitter from 50 to 250 watts (non-directional antenna with an effective height of antenna above average terrain of 110.3 metres). As a result the status of the CFQK-FM transmitter would be changed from unprotected low-power to protected. The proposed change would result in an increase in the potential listenership within the transmitter's 3 mV/m contour from 1,201 to 2,935 and from 16,882 to 117,064 within the 0.5 mV/m contour.
3. For CKED-FM, the applicant proposed to increase the ERP of the transmitter from 10 to 250 watts (non-directional antenna with an effective height of antenna above average terrain of 169.3 metres). As a result, the status of the transmitter would be changed from unprotected low-power to protected. The proposed change would result in an increase in the potential listenership within the transmitter's 3mV/m contour from 509 to 15,763 and from 27,206 to 112,336 within the 0.5 mV/m contour.
4. In both cases, the applicant submitted that approval would increase the quality of the signal and improve signal reception in buildings located within the service area.
5. Northwest is controlled by H.F. Dougall Company Limited (Dougall). Dougall also controls CJSD-FM and CKPR-FM Thunder Bay. If approved, the proposed technical contours would be entirely encompassed by the 3 mV/m contours of the two Thunder Bay stations. Approval would therefore require an exemption to the Commission's

common ownership policy for radio originally set out in Public Notice 1998-41. This policy provides that, in markets such as Thunder Bay with fewer than eight commercial stations operating in a given language, a person may be permitted to own or control as many as three stations operating in that language, with a maximum of two stations in any one frequency band. The applicant submitted that approval of the applications would not create local concerns and would not have an undue negative impact on incumbent radio stations in the Thunder Bay radio market.

Interventions

6. The Commission received interventions in support of the application. It also received interventions in opposition from an individual and from Northwoods Broadcasting Limited (Northwoods). Northwoods operates CKTG-FM and CJUK-FM in Thunder Bay.
7. Both opposing interveners were concerned that approval would enhance Dougall's strong competitive position in the market. Northwoods noted that Dougall already is able to offer four advertising vehicles – radio, television, print and Internet – in one package, making it difficult for other radio operators to compete on an equal footing.
8. In reply, Northwest submitted that there would be no negative impact on the market and that increases to the revenues of CFQK-FM would be modest.

Commission's analysis and determinations

9. As indicated above, the Commission's common ownership policy for radio, which was set out in Public Notice 1998-41 and reiterated in Broadcasting Public Notice 2008-4, provides that, in markets such as Thunder Bay with fewer than eight commercial stations operating in a given language, a person may be permitted to own or control as many as three stations operating in that language, with a maximum of two stations in any one frequency band.
10. The Commission set out revised guidelines for the application of its common ownership policy for radio in Broadcasting Information Bulletin 2010-341. If these applications were approved, the signal of the CFQK-FM transmitter would overlap Thunder Bay's BBM market population by 2.5% and the signal of the CKED-FM transmitter, which rebroadcasts the programming of CFQK-FM, would overlap Thunder Bay's BBM market population by 11.2%. According to Broadcasting Information Bulletin 2010-341, in cases where the population in the overlapping area comprises less than 15% of the market, the Commission must give consideration to the following factors:
 - whether approval of the application might affect competitive balance in the market; and
 - whether the station broadcasts news and public affairs coverage of particular interest to listeners in the market.

11. Only where the answers to the questions above are negative will the application be approved, and a justification based on serious economic or technical circumstances will not be required.
12. The Commission notes that Dougall holds a very strong position in the Thunder Bay market. It controls two radio stations (CJSD-FM and CKPR-FM) as well as two conventional television stations (CKPR-TV and CHFD-TV) through its subsidiaries C.J.S.D. Incorporated and Thunder Bay Electronics. Dougall also owns a weekly newspaper, the *TB Source*. Approval of the current application would give Dougall a third protected FM station in the market, enhancing its position. The 0.5 mV/m contours of CFQK-FM and CKED-FM combined would cover all of Thunder Bay. Although this signal would not provide ideal reception within buildings, a good quality signal would be receivable in vehicles.
13. The Commission notes that applicant's statement that CFQK-FM relies almost entirely on commercial establishments in the larger trading area around Thunder Bay to generate revenue. The Commission considers that approval of the applications so that coverage in Thunder Bay is improved will make CFQK-FM more attractive to Thunder Bay advertisers, thereby increasing the level of competition for advertising revenues faced by other stations. In light of the above, the Commission concludes that approval of the application would negatively affect the competitive balance in the market.
14. It is also the Commission's general practice to approve technical amendments only in instances in which the licensee has demonstrated that the amendment is needed to correct a technical issue in order to improve service to the licensed market or because of a clear economic need.
15. Northwest has indicated that the proposed contour changes are necessary to improve reception in buildings in the service area. While approval of the application would significantly improve reception in vehicles throughout the Thunder Bay area, the Commission notes the proposed 3 mV/m contours, which are an indication of a clear signal in buildings, are insufficient even to cover Kaministiquia. The Commission further notes that the applicant provided only one complaint from a listener who had difficulty receiving the CKED-FM signal on 103.5 MHz. No complaints were filed with regard to the reception of the CFQK-FM signal.
16. Given the increases in CFQK-FM's revenues since Dougall acquired Northlands and the company's strong position in the market, the Commission does not consider that the applicant has demonstrated a clear economic need for approval of the applications.
17. In light of all of the above, the Commission **denies** the applications by Northwest Broadcasting Inc. to change the authorized contours of the English-language commercial radio programming undertaking CFQK-FM Kaministiquia and its transmitter CKED-FM Shuniah Township.

Secretary General

Related documents

- *Revised guidelines for the application of the Common Ownership Policy for Radio*, Broadcasting Information Bulletin CRTC 2010-341, 4 June 2010
- *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