



Broadcasting Decision CRTC 2013-550

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Route reference: 2013-215

Ottawa, 11 October 2013

Dufferin Communications Inc.
Winnipeg, Manitoba

Application 2013-0201-7, received 25 January 2013

CFJL-FM Winnipeg – Licence renewal and amendments

*The Commission **renews** the broadcasting licence for the English-language commercial radio station CFJL-FM Winnipeg from 1 January 2014 to 31 August 2020.*

*The Commission **approves** the licensee's request that CFJL-FM no longer operate within the specialty format.*

The application

1. Dufferin Communications Inc. (Dufferin) filed an application to renew the broadcasting licence for the English-language commercial specialty radio station CFJL-FM Winnipeg, which expires 31 December 2013.¹
2. The licensee also requested that CFJL-FM no longer operate within the specialty format. Accordingly, it requested the deletion of conditions of licence 2, 3 and 4 set out in Broadcasting Decision 2011-661,² which read as follows:
 2. The licensee shall operate the station within the specialty format as defined in *A review of certain matters concerning radio*, Public Notice CRTC 1995-6, 21 April 1995, as amended in *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000, as amended from time to time.
 3. The licensee shall ensure that no more than 70% of all musical selections broadcast during each broadcast week are selections drawn from content category 2 (Popular Music), as defined in *Revised content categories and subcategories for radio*, Broadcasting Regulatory Policy CRTC 2010-819, 5 November 2010.

¹ The original licence expiry date for this station was 31 August 2013. The licence was administratively renewed until 31 December 2013 as a result of Broadcasting Decision 2013-418.

² Prior to November 2011, CFJL-FM operated under the call sign CHNK-FM Winnipeg.

4. The licensee shall, as an exception to the percentage of Canadian musical selections set out in sections 2.2(8) and 2.2(9) of the *Radio Regulations, 1986* (the Regulations):
- a) in those periods of category 2 music consisting exclusively of music composed before 1956, devote a weekly average of 2% or more of its musical selections from content category 2 broadcast during those periods to Canadian selections broadcast in their entirety. The licensee shall identify those programming periods and the dates of composition of the music selections broadcast during those periods when requested by the Commission.
 - b) in those periods of category 2 music consisting of 90% or more but not exclusively, of music composed before 1956, devote a weekly average of 10% or more of its musical selections from content category 2 broadcast during those periods to Canadian selections broadcast in their entirety. The licensee shall identify those programming periods and the dates of composition of the music selections broadcast during those periods when requested by the Commission.
3. Dufferin submitted that the requested licence amendments are necessary because CFJL-FM's current specialty format is not economically viable. The licensee proposed instead to offer a Lite Adult Contemporary music format.
4. The Commission received interventions in support of this application. It also received an intervention from the Infrastructure and Transportation Emergency Measures Organization, Province of Manitoba, relating to participation of CFJL-FM in its jurisdiction in the National Public Alerting System (NPAS), to which Dufferin replied. The public record for this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."
5. As specified in its three-year plan, the Commission will be looking at measures to ensure the participation of Canadian broadcasters and telecommunications service providers in the NPAS. Therefore, the Commission will not impose conditions of licence requiring the participation of broadcasters in the NPAS at this time. However, the Commission expects all licensees to voluntarily participate in the NPAS, so that Canadians receive timely warnings of imminent perils.

Commission's analysis and decisions

6. After examining the application in light of applicable regulations and policies, the Commission considers that the issues to be addressed are the following:
- Has the applicant demonstrated an economic need to justify the requested licence amendments?
 - Would approval of the requested licence amendments have an undue negative impact on stations in the Winnipeg radio market?

Economic need for requested licence amendments

7. CFJL-FM was licensed in 2002 as a specialty format station. Since then, the station has both modified its specialty radio format and rebranded several times in order to improve its financial situation. Despite these efforts, CFJL-FM, as a specialty station, has incurred losses for most of the years that it has been in operation. In particular, the station has incurred sizable losses in its profit before interest and taxes (PBIT) over the last five years. According to Dufferin, such losses would continue should the Commission deny the proposed licence amendments.
8. The Commission considers that the long-term viability of CFJL-FM is challenged by the station's specialty format, and that approval of the requested licence amendments would allow it to improve its financial performance and viability. Accordingly, the Commission finds that Dufferin has demonstrated an economic need for the requested licence amendments.

Impact of the requested licence amendments on the Winnipeg radio market

9. In 2012, the Winnipeg radio market recorded \$42.8 million in revenues, with a healthy aggregate PBIT margin of 19.9%. The Commission notes that the market has consistently recorded strong PBIT margins of between 19.8% and 23.9% over the last five years. Accordingly, the Commission considers that the Winnipeg radio market is healthy.
10. The licensee projected that total advertising revenues for CFJL-FM would be \$1.2 million by the third year of the new licence term should the requested licence amendments be approved. The Commission notes that this would represent only a small share (i.e., 3%) of the total annual radio advertising revenues generated in the Winnipeg radio market.
11. Given the above, and given that no Winnipeg radio operator submitted an intervention in opposition to the application, the Commission finds that approval of the requested licence amendments would not have an undue negative impact on stations operating in the Winnipeg radio market.

Conclusion

12. In light of all of the above, the Commission **approves** the request by Dufferin Communications Inc. to amend the broadcasting licence for the English-language commercial specialty radio programming undertaking CFJL-FM Winnipeg by deleting the above-noted conditions of licence relating to the station's operation within the specialty format.
13. In addition, the Commission **renews** the broadcasting licence for CFJL-FM from 1 January 2014 to 31 August 2020. The licensee shall adhere to the **conditions of licence** set out in Broadcasting Regulatory Policy 2009-62, as amended from time to time.

Secretary General

Related documents

- *Various radio programming undertakings – Administrative renewals*, Broadcasting Decision CRTC 2013-418, 19 August 2013
- *CHNK-FM Winnipeg – Acquisition of assets and licence amendment; CKJS Winnipeg – Acquisition of assets and licence renewal*, Broadcasting Decision CRTC 2011-661, 24 October 2011
- *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009

**This decision is to be appended to the licence.*