



Broadcasting Decision CRTC 2016-145

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Reference: Part 1 application posted on 8 June 2015

Ottawa, 21 April 2016

Dufferin Communications Inc.
Meaford, Ontario

Application 2015-0563-7

CJGB-FM Meaford – Technical changes

*The Commission **denies** an application to change the authorized contours of the English-language commercial radio station CJGB-FM Meaford.*

Application

1. Dufferin Communications Inc. (Dufferin) filed an application to change the authorized contours of the English-language commercial radio station CJGB-FM Meaford, Ontario, by changing the class from A to B1, changing the antenna's radiation pattern from non-directional to directional, increasing the average effective radiated power (ERP) from 100 to 1,540 watts (maximum ERP from 100 to 2,875 watts) and decreasing the effective height of antenna above average terrain from 177 to 170.7 metres.

Interventions

2. The Commission received interventions in support of this application. It also received opposing interventions from MZ Media Inc. (MZ Media), Larche Communications Inc. (Larche), Corus Entertainment Inc. (Corus) and Bayshore Broadcasting (Bayshore), to which the licensee replied. The public record for this application can be found on the Commission's website at www.crtc.gc.ca or by using the application number provided above.
3. In its intervention, Larche submitted that it was inappropriate for CJGB-FM to claim financial hardship based on signal complaints received from only 11 Meaford residents after being on the air for less than one year.
4. For its part, Bayshore indicated that Dufferin had failed to demonstrate a compelling economic and technical need, and that approval of the application would have an undue negative financial impact on existing radio stations.
5. MZ Media argued that although Dufferin alleged that CJGB-FM suffers from signal deficiencies, the station has been soliciting advertisers in Collingwood and is advertised as a station that serves the communities of Meaford, Thornbury and

Collingwood. Corus, Larche and MZ Media submitted that Dufferin is trying to expand CJGB-FM's signal into adjacent markets.

6. Finally, several interveners submitted that Dufferin's proposal does not represent an appropriate technical solution and that approval of the application would undermine the integrity of the Commission's licensing process.

Reply by Dufferin

7. In reply to the interventions, Dufferin stated that it had received numerous complaints regarding the signal's inadequacy through mail, telephone and in person, and reiterated the technical inadequacy of the signal in the context of its existing licensed service area.
8. According to Dufferin, the proposed power increase is necessary to maintain and develop the advertising base that already exists in the market, not to solicit clients from adjacent markets. Further, Dufferin argued that announcing where the station can be heard is not evidence of CJGB-FM intending to solicit advertisers from adjacent markets.

Commission's analysis

9. When a licensee of a radio station files an application for a technical amendment, the Commission expects the licensee to present compelling technical or economic evidence justifying the technical changes. Given this expectation, and after examining the information provided on the public record for this application in light of the applicable regulations and policies, the Commission considers that it should address the following issues:
 - whether Dufferin demonstrated a compelling technical need for the proposed technical changes;
 - whether the proposal represents an appropriate technical solution;
 - whether Dufferin demonstrated a compelling economic need for the proposed technical changes;
 - whether approval of the application would result in an undue negative financial impact on existing radio stations; and
 - whether approval of the application would undermine the integrity of the Commission's licensing process.

Technical need

10. Dufferin stated that CJGB-FM suffers from signal impairments in Meaford and east of Thornbury, and that its signal is inadequate to provide service to its target audience, the listeners of Meaford.

11. In support of its application, Dufferin submitted 27 letters of complaint from listeners mostly located in Meaford, including complaints from businesses mostly located at the edge of the primary (3 mV/m) service contour that are unable to receive the signal, particularly inside buildings. It also provided the results of a field strength measurement study to demonstrate that CJGB-FM's actual coverage is less than the predicted service contours.
12. Upon examination of the supporting evidence, the Commission considers that CJGB-FM suffers from legitimate reception issues, some of which may be attributed to its relatively low ERP. Accordingly, the Commission finds that Dufferin has demonstrated a compelling technical need for the proposed technical changes.

Technical solution

13. The Commission considers that the proposed power increase would strengthen Dufferin's signal and ensure coverage over the core population of Meaford in its primary contour. However, this power increase would also result in its signal reaching the Collingwood, Owen Sound and Wasaga Beach markets in its secondary contour.
14. Dufferin indicated that it had examined other options to resolve its signal issues, such as relocating the transmitter to another site, further increasing its transmitter power and building a new tower, but rejected these options in favour of the current proposal.
15. The Commission is of the view that there are other solutions that could improve service to Meaford while avoiding an expansion of coverage into neighbouring markets. Accordingly, it finds that Dufferin's proposed technical solution is not appropriate.

Economic need

16. In *English-language FM radio station in Meaford*, Broadcasting Decision CRTC 2014-16, 22 January 2014 (Broadcasting Decision 2014-16), the Commission granted a broadcasting license to Dufferin to provide a first radio service to the community of Meaford. CJGB-FM launched in September 2014.
17. To justify its proposed technical changes, the licensee argued that its difficulties in generating revenue are linked to signal deficiencies. In that regard, the Commission is of the view that Dufferin should not have claimed financial hardship when it had been on the air for less than one year. It is common for a new station to operate with a deficit in its first years of operation.
18. Given the preceding, the Commission finds that Dufferin has not demonstrated a compelling economic need to justify its proposed technical changes.

Impact on existing radio stations

19. Under the proposed technical parameters, the station's primary contour would remain limited to Meaford and some smaller neighbouring communities. However, the

secondary contour would reach the larger communities of Collingwood, Owen Sound and Wasaga Beach. As such, the Commission is concerned that the station might draw advertising revenues from nearby markets to achieve its financial objectives.

20. Moreover, two of the opposing interventions were submitted by licensees of stations in nearby markets operating in their first licence terms, namely, CJOS-FM Owen Sound (Larche) and CFMO-FM Collingwood (MZ Media).
21. Consequently, the Commission finds that approval of the application could have an undue negative financial impact on existing radio stations.

Integrity of the Commission's licensing process

22. Under the *Radio Regulations, 1986*, the market of an FM radio station is defined as the station's primary contour or the central market as defined by the Bureau of Broadcast Measurement (BBM, now known as Numeris), whichever is smaller. In the case of CJGB-FM, the primary contour defines the market of that station since it is smaller than the BBM central market. Given that neither the primary nor the secondary contours of the station reached Collingwood, Owen Sound or Wasaga Beach, the Commission determined in Broadcasting Decision 2014-16 that CJGB-FM constituted a first service for Meaford.
23. The Commission agrees with the interveners that approval of the proposed technical changes would allow the station entry into the neighbouring markets of Collingwood, Owen Sound and Wasaga Beach.
24. Consequently, the Commission finds that approval of the application would undermine the integrity of the Commission's licensing process.

Conclusion

25. In light of all of the above, the Commission **denies** the application by Dufferin Communications Inc. to change the authorized contours of the English-language commercial radio programming undertaking CJGB-FM Meaford.

Secretary General