



November 26<sup>th</sup>, 2014

**CANADIAN RADIO-TELEVISION AND  
TELECOMMUNICATIONS COMMISSION**  
Ottawa, Ontario, K1A 0N2

Attention: Mr. John Traversy, Secretary General

**Re:** Application 2014-1106-6 by Corus Premium Television Ltd. (the "Applicant" or "Corus") to add an FM repeater in downtown Vancouver for CKNW AM.

Opposing Intervention filed by 0971197 B.C. Ltd. doing business as Roundhouse Radio ("RHR")

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1. RHR appreciates the opportunity to file this intervention opposing the application by Corus.
  2. In CRTC Decision 2014-412, the Commission approved RHR's application to operate a new low-power FM radio station in the City of Vancouver. RHR's application was filed in response to a competitive call for applications. RHR expects to be on the air, serving the community it was licensed to serve, by the Spring of 2015.
  3. In CRTC Decision 2014-412, the Commission acknowledged that the RHR proposed specialty station to serve Vancouver *"would be a positive addition to the market with its niche spoken word offering and that it would enhance the diversity of news voices in the market"*.



### **Procedural Issue**

4. RHR submits that the Applicant has not followed CRTC procedure in that it has not served notice of its application to all radio broadcasters licensed to serve the Vancouver market. The cover letter to the application notes only that it has served notice to the Canadian Broadcasting Corporation, the Jim Pattison Broadcast Group, Rogers Media and Vancouver Co-operative Radio. As far as RHR is aware, and in addition to RHR itself, several other Vancouver radio broadcasters that could be impacted by this application have not been served.

### **Range of AM Signal Coverage**

5. In its application, Corus states: *"To remain relevant in Vancouver with a news/talk public interest service we must be in a position to compete with a signal that reaches all our audiences within our licensed contours. In other words, we need signal coverage that allows us to compete with existing radio services in the market, but more importantly that allows us to be heard by all our listeners which is a reasonable expectation for any licensed radio programming undertaking."*
6. The Applicant states that it needs a *"signal that reaches all our audiences within our licensed contours"*. RHR points out that the coverage area of the Applicant's AM signal reaches all of the Vancouver market and much more.
7. CKNW's massive 50,000 watt AM signal covers all of the Lower Mainland, three provinces and 8 states in the Pacific North West. By comparison, the RHR low-power FM signal is restricted to the downtown Vancouver market.



### **Range of Low-Power FM Signal Coverage**

8. The Applicant is applying for a protected Class A FM station with maximum ERP of 6,000 Watts, similar to RHR. Both are low-power compared to other protected class stations which can operate with ERP's of up to 100,000 Watts.
9. While the proposed CKNW FM repeater proposed by the Applicant would have the same maximum ERP as RHR, its much greater antenna height, or EHAAT, would result in a coverage area double that of RHR.
10. The proposed CKNW FM repeater would provide coverage far beyond the area that the Applicant claims is subject to interference issues. The proposed repeater would provide 3 mV/m coverage to all of Vancouver and 0.5 mV/m coverage to most of the greater Vancouver area. Extensive second adjacent interference is predicted from CFOX-FM, however, many radios, particularly car radios, are not susceptible to this type of interference. Therefore, useful service will likely be available out to the 0.5 mV/m contour, which encloses a population of over 2,000,000 people.
11. RHR submits that, given the small, highly localized nature of the reception problems in the downtown core indicated by the Applicant, the parameters and coverage of the proposed solution are excessive.

### **Timing of the Application**

12. The Applicant states in its application; *"Dating back to the 1990's, CKNW started to receive complaints that the station was difficult to hear in the downtown core. Since that time, listener complaints have increased and we encourage tuning through alternate means such as FM cable, satellite, and Internet streaming. Significant development of high rise structures in the past few years has now literally created pockets where the signal is impossible to receive. In these areas the signal is simply inaudible."*



13. By its own admission, the technical issues cited by the Applicant are not new. Nor are they restricted to AM radio stations serving the Vancouver market.
14. The Applicant, as well as CKNW's previous owners, have had years to apply for an AM to FM flip or address other available technical solutions as the operator of this AM radio station.
15. Corus and the station's previous owners were well aware of AM radio's limitations and they could have acted to remedy the situation long ago. Yet, it seems they have taken no steps to do so prior to the licensing of RHR.
16. RHR submits that it is reasonable to surmise that the licensing of RHR as a spoken-word competitor has prompted the Applicant to act now.

#### **Alternative Solutions**

17. The Applicant does not provide any useful detail about possible AM solutions that it has explored in an attempt to resolve signal issues.
18. No cost estimates or coverage maps are provided for alternatives that may have been considered.
19. There is no reference to possible alternative solutions such as using the former CKBD 600 kHz facilities which still exist and might provide improvements due to its lower frequency and much closer proximity to downtown Vancouver than the CKNW transmitter facilities.
20. Corus describes the technical problems with 980 kHz in their appendix D. This includes a list of listener complaints and a map showing coverage dead spots in downtown Vancouver. However, many of the complaints appear to come from outside the downtown area and beyond the area that would be helped by the FM repeater.



21. Some refer to problems with CKNW's internet stream. The map shows areas where CKNW is inaudible. We estimate the total area and population of these locations to be 0.59 square km and approximately 9,400 people, respectively. This is a very small portion of CKNW's total coverage area.

### **Scarce and Valuable Public Resource**

22. The Applicant claims that the use of 99.7 MHz represents *"both the efficient and best possible use of spectrum in the Vancouver market"*. It bases this claim on the grounds that 99.7 MHz cannot be used by any other broadcaster.
23. However, the use of 99.7 MHz would prevent 99.9 MHz from being used in the Vancouver area. In other words, approval by the Commission of the use of 99.7 MHz by the Applicant would eliminate the possibility of a new service being licensed to use 99.9 MHz.
24. RHR does not agree that this would represent the best possible use of a scarce and valuable public resource being, in this case, both 99.7 MHz and 99.9 MHz.

### **Financial Impact**

25. RHR submits that the Applicant is disingenuous in its description of the potential financial impact of its application:

*"Unlike potential new entrants, approval of our proposed rebroadcast transmitter will have negligible financial impact on the Vancouver radio market. We do not project any revenue increases over the next three years as a result of this amendment; we simply wish to provide a reliable, high quality signal in Vancouver to fulfill the coverage mandate of the our existing license. It will provide our listeners with improved access to CKNW's signal in their vehicles, in their high rise condominiums and apartment buildings and at their workplaces in downtown commercial towers."*



26. The Applicant states that it expects listeners to spend more time listening to CKNW in their vehicles, their homes and at work. The Applicant further states that no increase in revenues would result from approval of this application, this in spite of the predicted increase in time spent listening.
27. As the Commission is well aware, radio revenues are a function of audience ratings. Audience ratings are a function of audience size and time spent listening.
28. RHR submits the Applicant's position as to financial impact is contradictory and without merit. An increase in time spent listening inevitably will result in an increase in revenues. These revenues will come as a result of increased listening in the central, downtown Vancouver market. Put another way, CRTC approval of the application will create new competition in the central, downtown market that RHR has only recently been licensed to serve.

#### **The Vancouver Market**

29. In its application the Applicant cites the weak economic performance of the Vancouver radio market since 2008.
30. The Commission stated in CRTC Notice 2013-572: *"The overview of the commercial radio industry suggests that this sector is in good financial health and has shown resilience over the years. The Commission notes that conventional radio tuning has remained relatively stable over the last seven years, despite audience fragmentation due to the introduction of new technologies and new audio content distribution platforms. Conventional radio endures as it has many features that are appealing to consumers: it is free; its devices are affordable and easily available; it is easy to access content; and content is local and hence more likely to be relevant."*



31. It is RHR's position that the Applicant should have come forward during the recent call for applications that resulted in the licensing of RHR for downtown Vancouver to raise any concerns regarding:
- market viability;
  - the impact of changes in the market on the Applicant; or
  - any other issues, technical or otherwise.
32. RHR notes that no negative interventions were filed against RHR or other applications during the Vancouver hearings by the Applicant. The Applicant had every opportunity to express its concerns during this public process.
33. RHR would note that all business sectors were impacted by the recession and economic downturn, however, the Vancouver market appears to be recovering nicely.
34. Vancouver Sun columnist Derrick Penner wrote in a recent article: *"Metro Vancouver's economic prospects are expected to rise over the next few years, lifted by construction projects such as the Evergreen Line rapid transit, resource-related projects in the north and a return to more normal business and employment growth.*
- In its Economic Insights report covering 13 Canadian cities, the conference board estimates Metro Vancouver's growth will hit 3.1 per cent in 2014, up from an estimated 2.2 per cent this year, and average just under three per cent through to 2017.*
- That should make Metro Vancouver the country's third top performer economically behind Edmonton and Calgary, as the more heated cities of Saskatoon and Regina begin to cool."*
35. Research commissioned by RHR by Deloitte, and filed in support of its application, also confirmed optimism about the Vancouver and B.C. economies for the short and long term.



### **Targeting a Younger Audience**

36. The Applicant acknowledges that its application is, in part, anticipated to allow it to reach a younger downtown audience:

*"We do acknowledge that over the longer term, the availability of CKNW's signal on FM may enable us to attract new listeners, particularly in the younger demographic, who do not tend to listen to the AM band. A news / talk format is a very successful format on the FM band".*

37. This younger, downtown Vancouver audience is the same audience that RHR identified as an under-served audience that it sought a licence to serve.

### **Common Ownership Policy**

38. As the Applicant acknowledges, their application raises ownership issues under the Common Ownership Policy ("COP"). The Commission has previously rejected two similar applications by the applicant in other markets:

*"Corus recognizes that two previous applications to nest an AM radio service on the FM band were unsuccessful. In the application to nest our CJOB signal we had applied for a 100,000 Watts Class C signal that provided excellent coverage in the Winnipeg downtown core but also ultimately extended our coverage area beyond what we achieve with our AM signal. The Commission denied the application because the proposal extended our AM coverage and because the application was found to be contrary to the COP.*

*Our CHQR nesting application was also denied even though it proposed to nest the AM station on a low-power Class A FM frequency. In its decision, the Commission noted that Corus was seeking to address certain signal deficiencies in the Calgary downtown core and along the LRT tracks through the addition of the proposed transmitter."*





39. With this application, the Applicant is again requesting an exception to the COP. It cites Broadcasting Decision CRTC 2010-942 as precedent for approval of the current application:

*"In granting the exception to the COP the Commission stated as follows: The Commission is mindful of the importance of maintaining a major predominantly spoken word radio station such as CHMP FM in the Montreal market, and it considers it imperative to ensure the long term viability of the only French language spoken word commercial radio station in that market. In addition, the Commission notes that CHMP FM is the only other French – language spoken word radio station focused on news and information other than the Canadian Broadcasting Corporation CBF FM in the Montreal market. From this standpoint, its programming makes a significant contribution to the diversity of radio programming in that market. In reaching its decision the Commission has also taken in to consideration the exodus from the AM band in the Montreal market and listeners marked preference for the FM band".*

40. RHR submits that the Commission's approval to the exception to the COP in Montreal clearly was based in the fact that the station involved was "the only French-language spoken word commercial radio station in the market".
41. The situation in Vancouver is significantly different from that of Montreal discussed above. Vancouver has no less than five commercial radio stations that currently offer English spoken-word formats.
42. What makes Vancouver even more distinguishable from the situation in Montreal addressed above, is that RHR has only recently been licensed to offer a commercial spoken word format on the FM band and is not yet on the air.
43. RHR submits that these circumstances require different considerations from those arising in the CHMP FM application and, accordingly, that the Commission should refuse to grant an exception to the COP.



### **Two-Year Pause**

44. In CRTC Decision 2014-554 the Commission stated that it would codify what was described as a “two-year pause” after approving a new service as a result of a competitive call:

*“The Commission will not generally be disposed to accept applications for a commercial station in a specific market for a period of two years following the issuance of a decision approving a new service as a result of a call or, where it has decided not to issue a call due to market capacity concerns.”*

45. RHR was licensed as a result of a competitive call for applications. RHR asks that the Commission adhere to its “two-year pause” policy and give it time to launch and get established prior to considering expanding other service into that same market.
46. RHR submits that the licensing of an FM repeater for CKNW at this time is much more than “nesting” and essentially, adding a new station in the market that would have a serious negative economic impact on RHR. It seems inappropriate and unfair to jeopardize the success of RHR having been only recently licensed particularly when the Applicant did not intervene in the RHR application proceedings.

### **Summary**

47. In summary, it is RHR’s position that:
- a. The Applicant has not followed procedure by failing to notify RHR and other radio broadcasters licensed to serve Vancouver;
  - b. The Applicant could and should have raised any concerns about the licensing of a new Vancouver radio station as part of the public process that resulted in the licensing of RHR;
  - c. The Applicant’s proposal does not represent the best possible use of a scarce and valuable public resource;
  - d. Approval of the application would prevent the use of 99.9 MHz by another broadcaster;



- e. If approved, the Applicant would essentially have another radio station duplicating much of CKNW's AM coverage area on the FM band;
- f. The application contravenes the Commission's long-standing Common Ownership Policy; and
- g. Approval of the application would jeopardize the success of RHR and would go against CRTC Decision 2014-554 giving new entrants two years to get established.

48. For all of the reasons cited in this intervention, RHR respectfully submits that the Commission should reject the application to operate a low-power FM repeater at 99.7MHz in downtown Vancouver, B.C.

RHR thanks the Commission for the opportunity to submit these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Shafer".

Don Shafer  
President & CEO  
0971197 B.C. Ltd. doing business as Roundhouse Radio

CC: Corus Entertainment [sylvie.courtemanche@corusent.ca](mailto:sylvie.courtemanche@corusent.ca)  
The Canadian Broadcasting Corporation [hubert\\_lacroix@cbc.ca](mailto:hubert_lacroix@cbc.ca)  
The Jim Patterson Broadcast Group [rschween@jpbg.ca](mailto:rschween@jpbg.ca)  
Vancouver Co Operative Radio [board-liaison@coopradio.org](mailto:board-liaison@coopradio.org)  
Rogers Media [paul.ski@rci.rogers.com](mailto:paul.ski@rci.rogers.com)  
Bell Media [chris.gordon@bellmedia.ca](mailto:chris.gordon@bellmedia.ca)  
Newcap Radio [dmurray@ncc.ca](mailto:dmurray@ncc.ca)