



Broadcasting Decision CRTC 2005-42

Ottawa, 3 February 2005

Andrew Quinn-Young and Dallas Wolbaum, partners in a general partnership carrying on business as Little Mountain Radio
Nelson, British Columbia

Application 2004-0040-9

Public Hearing in the National Capital Region

7 September 2004

Low-power FM radio station in Nelson

*The Commission **denies** the application by Andrew Quinn-Young and Dallas Wolbaum, partners in a general partnership carrying on business as Little Mountain Radio, for a broadcasting licence to operate an English-language low-power FM radio station in Nelson.*

The application

1. The Commission received an application by Andrew Quinn-Young and Dallas Wolbaum, partners in a general partnership carrying on business as Little Mountain Radio (LMR), for a broadcasting licence to operate an English-language low power FM radio programming undertaking in Nelson, B.C. The proposed station would operate at 107.7 MHz (channel 299LP) with an effective radiated power of 36 watts.
2. The applicant proposed to offer a Classic/Alternative Rock music format.

The interventions

3. The Commission received a total of nine interventions in connection with this application; four in support, and five in opposition.
4. The four interventions in support were filed by companies and individuals in Nelson, B.C., in favour of the efforts of LMR to provide the town of Nelson with a permanent radio station. LMR also filed a number of additional letters of support, together with its application.
5. The interventions in opposition to LMR's application included submissions from the three existing local broadcasters serving Nelson, namely Valley Broadcasters Ltd. (Valley), licensee of CHNV-FM¹, Kootenay Co-operative Radio (Kootenay), licensee of

¹ In *English-language FM radio station in Nelson*, Broadcasting Decision CRTC 2005-40, also issued today, the Commission approved an application by Valley Broadcasters Ltd. (Valley) for a new FM radio station to replace CHNV-FM Nelson, a transmitter of CKQR-FM Castlegar, also owned by Valley.

the community Type B radio station CJLY-FM, and Standard Radio Inc. (Standard), licensee of CKKC Nelson². Opposing interventions were also submitted by the Canadian Association of Broadcasters (CAB) and the National Campus and Community Radio Association (NCRA).

6. The NCRA reiterated the views of Kootenay that the Nelson market cannot support another radio station without a significant negative financial impact upon CJLY-FM.
7. Valley was of the opinion that the revenues projected by LMR to be earned by its proposed station would be at the expense of those of CHNV-FM, with a resulting significant negative impact on the service CHNV-FM currently provides to Nelson.
8. Kootenay maintained that the approval of LMR's application would threaten the continued viability of CJLY-FM because there is not enough advertising revenue in Nelson to support an additional station. Kootenay estimated that, if LMR's application were to be approved, CJLY-FM could lose up to one-third of its sponsorship income to the proposed station, representing almost 20% of CJLY-FM's total operating budget. According to Kootenay, such a loss could lead to the closure of CJLY-FM.
9. Standard and the CAB expressed the view that LMR's application did not meet the Commission's licensing policy for low-power radio undertakings set out in *Policy Framework for Community-based Media*, Broadcasting Public Notice CRTC 2002-61 (Public Notice 2002-61). Standard further stated that the proposed station would duplicate programming currently offered by existing local broadcasters. Standard also offered economic statistics to support its position that, should the Commission approve LMR's application, it would threaten the commercial viability of all other broadcasters in the Central Kootenay region, which is economically challenged.
10. The CAB also indicated that LMR had failed to provide substantial evidence that demonstrates relevant community need for an additional service in the Nelson market; and that the proposed service is commercial in nature, offering a mainstream music format under the form of a low-power radio undertaking, and should therefore trigger a call for applications in the Nelson market.
11. The CAB also indicated that the signal of the proposed service would reach 89% of the population already served by CHNV-FM, a local station operating under the FM rules.

The applicant's replies

12. In response to the interventions, LMR indicated that all programming would be produced in Nelson, and that it intends to hire the majority of its staff from the Nelson area, guaranteeing locally-reflective community programming. LMR would devote its spoken word coverage to local recreational, sporting and other community activities. LMR stated

² Standard Radio Inc. (Standard) was also an applicant at the 7 September 2004 public hearing. Its application requested a broadcasting licence to operate a new-English-language FM radio programming undertaking at Nelson to replace its AM station CKKC. In *CKKC Nelson – Conversion to FM band*, Broadcasting Decision CRTC 2005-41, also issued today, the Commission approved Standard's application.

that their enthusiastic and energetic on-air personalities would be a refreshing alternative to the announcers currently broadcasting in the area. The promotion of local Canadian talent would further enhance the diversity of voices available on its proposed station.

13. In response to the CAB's comment that LMR would reach 89% of the population served by CHNV-FM, a local Class A1 station, the applicant stated that CHNV-FM is a transmitter of CKQR-FM Castlegar, B.C. where its programming originates.
14. LMR indicated that its proposed programming would provide added diversity to the Nelson radio market, and that a station in a Classic/Alternative Rock music format would co-exist well with the current stations.
15. With respect to the viability of LMR in the local market, the applicant stated that the statistics provided by Standard in its intervention do not accurately represent the economic picture of the area. In LMR's view, Nelson is no longer a community which relies heavily on mining, logging, or government financial support. LMR argued that, while these elements add to the economy, Nelson has been discovered worldwide as a major centre for arts, recreation and lifestyle.
16. Regarding its revenue projections, LMR stated that it would not anticipate a "far-reaching negative impact on the viability of all broadcasters in the region". LMR indicated that it does project some impact on existing broadcasters, but that the effect would not be as severe as the interveners suggested, since it would draw the majority of its advertising revenue from new radio advertisers.

The Commission's analysis and determination

17. According to the 2001 Census, the population of Nelson is 9,298. Nelson is approximately 30 kilometres from Castlegar, which has a population of 7,002 according to the same census. Nelson is served by CKKC, a commercial station, CHNV-FM which rebroadcasts the programming of CKQR-FM Castlegar, and CJLY-FM, a low-power Type B community station. The Commission notes that, for the broadcast year ending August 2003, CKKC, CKQR-FM, and CJLY-FM all reported margins of profitability before interest and tax that were considerably lower than the national average of 19.3%, and the provincial average of 15.7%, and that one of the stations was actually operating at a loss.
18. The Commission notes that LMR's application indicated that its proposed station would generate advertising revenues of approximately \$226,000 in its first year of operation, increasing to \$1.7 million in its seventh year of operation.
19. The Commission has carefully considered the views expressed in the interventions as well as LMR's replies to the opposing interventions. The Commission has taken particular note that the three local stations currently serving Nelson have recently

reported levels of profitability lower than the national and provincial averages. Accordingly, the Commission is concerned that the entry of a new commercial station into the Nelson radio market could jeopardize the quality of service currently being provided by existing broadcasters.

20. For all the reasons set out above, the Commission **denies** the application by Andrew Quinn-Young and Dallas Wolbaum, partners in a general partnership carrying on business as Little Mountain Radio, for a broadcasting licence to operate an English-language low power FM radio programming undertaking in Nelson.

Secretary General

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