



Broadcasting Decision CRTC 2005-21

Ottawa, 31 January 2005

C.J.S.D. Incorporated
Thunder Bay, Ontario

*Applications 2003-1488-1, 2003-1489-9
Public Hearing in the National Capital Region
7 June 2004*

CKPR and CJSD-FM Thunder Bay – Licence renewals

*The Commission **renews** the broadcasting licences for the radio programming undertakings CKPR and CJSD-FM Thunder Bay, from 1 February 2005 to 31 August 2011.*

The applications

1. The Commission received applications by C.J.S.D. Incorporated (CJSD)¹ to renew the broadcasting licences for the radio programming undertakings CKPR and CJSD-FM Thunder Bay, which expire on 31 January 2005.
2. In 1995, the Commission permitted CJSD to enter into a local management agreement (LMA) with Newcap Inc. (Newcap), licensee of CJLB-FM Thunder Bay. At that time, both broadcasters were experiencing financial hardship in a difficult Thunder Bay market. They considered that the economic viability of their three radio stations would be better protected through the sharing of their facilities and administrative and sales resources. Although CJSD acted as manager of the three stations, the LMA stipulated that each licensee would retain distinct responsibility for making and implementing decisions related to the programming, particularly news, broadcast by its own radio station(s).
3. In their applications for licence renewal, CJSD and Newcap each requested authority to continue the LMA for a further seven-year term, pursuant to section 11.1 of the *Radio Regulations, 1986* (the Regulations). However, at the hearing, both licensees confirmed their intention to terminate the LMA by no later than 31 May 2005, and advised that they had no intention to replace it by a local sales agreement (LSA) or any other similar cooperative arrangement.

¹ CJSD is effectively controlled by Mr. H. Fraser Dougall through his ownership of H.F. Dougall Company, Limited (HFDC). Mr. Dougall also holds indirect effective control of Thunder Bay Electronics Limited, licensee of CHFD-TV and CKPR-TV Thunder Bay.

Interventions

4. The Commission received five interventions in connection with these applications, including two expressing support, from Raag-Rung Music Circle and Joseph's Foundation of Thunder Bay. The Canadian Association of Broadcasters (CAB) commented on the issue of whether or not LSAs are captured under section 11.1 of the Regulations, which pertains to LMAs. The CAB's position is addressed in *The Commission's policy on local management agreements (LMAs) - Determinations concerning the appropriateness of various existing and proposed LMAs, including local sales agreements, between the licensees of radio stations serving the same market*, Broadcasting Public Notice CRTC 2005-10 (Public Notice 2005-10), also published today.
5. The Commission also received two interventions in opposition to the renewal of the licence for CKPR and CJSD-FM, from Ms. Peggy Garriock of the Fashion Outlet Store and Mr. Eddie Doran. Both of these interveners also filed interventions opposing the renewal of the radio licence issued to Newcap for CJLB-FM. Both objected to the continued operation of the LMA between CJSD and Newcap. Ms. Garriock was concerned that the LMA has resulted in inferior local radio services for listeners in the Thunder Bay market, and has disadvantaged local advertisers by making it difficult to purchase airtime in desirable periods, or by obliging them to purchase time they do not want or to pay a premium. Mr. Doran's principal concern was that, through his extensive media ownership in the Thunder Bay market, Mr. Dougall holds a near monopoly that has been manifest in an unfair bias in the coverage of local news and politics provided by the media outlets under his control.

The Commission's analysis and determinations

6. Taking into account the discussion with CJSD and Newcap at the hearing regarding the Thunder Bay LMA, the concerns raised by interveners and those of the Commission about such agreements, and the determinations reached by the Commission as set out in Public Notice 2005-10, the Commission accepts the licensees' proposal to terminate the Thunder Bay LMA and their statements that they do not intend to replace it with an LSA or other similar cooperative arrangement.
7. Accordingly, the Commission authorizes the licensee, by **condition of licence**, to continue to operate its Thunder Bay radio stations under the LMA until no later than 31 May 2005.
8. The Commission nevertheless remains concerned with the issues of concentration of ownership and diversity of voices that arise in Thunder Bay as a consequence of Mr. Dougall's effective ownership and control of two commercial radio stations and of two commercial television stations serving that market.
9. In light of its concerns for the lack of diversity of news voices and editorial opinions for listeners, the Commission expects Mr. Dougall to ensure that the newsgathering and news management activities of CKPR and CJSD-FM are separate from those of

CHFD-TV and CKPR-TV. In addition, Mr. Dougall's licensee companies should each maintain a separate radio newsroom and employ a separate radio news director and a team of journalist/announcers. The news director should control the news stories that the radio stations will broadcast, and the presentation of the news on the radio stations should be accomplished by dedicated radio station personnel.

Conclusion

10. On the basis of its review of these licence renewal applications and the licensee's past performance, the Commission **renews** the broadcasting licences for the radio programming undertakings CKPR and CJSD-FM Thunder Bay, from 1 February 2005 to 31 August 2011. The licences will be subject to the **conditions of licence** set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, as well as to the condition set out in this decision regarding the Thunder Bay LMA.

Employment equity

11. In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the licensee to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.

Secretary General

This decision is to be appended to each licence. It is available in alternative format upon request, and may also be examined at the following Internet site: <http://www.crtc.gc.ca>