



*Application for Amendment of Conditions of Licence Applicable  
to CFGQ-FM Calgary and Revocation of Licence for CHQR  
Calgary*

**Appendix 1 - Supplementary Brief**

**April 6<sup>th</sup>, 2023**

## ABRIDGED VERSION

### *Introduction*

1. This is an application by Corus Entertainment Inc. (“**Corus**”) on behalf of Corus Radio Inc. to amend the licence of CFGQ-FM Calgary to add an AM rebroadcasting transmitter for the station. The transmitter would operate on the same frequency, with the same technical parameters, as Corus’ current Calgary AM station, CHQR. If the Canadian Radio-television and Telecommunications Commission (“**CRTC**” or “**Commission**”) approves Corus’ request for a rebroadcasting transmitter, we would also request that CHQR’s licence be revoked.
2. In addition, given Corus intends to deliver CHQR’s current news/talk programming line-up – deemed to be in a “specialty” format by broadcasting regulations – on an FM station, we also request the addition of a condition of licence on CFGQ-FM ensuring that more than 50 percent of all programming broadcast during each broadcast week consists of material from Category 1 – Spoken Word.
3. CHQR is a legacy AM station that has served generations of Albertans with timely news, talk and information content. However, as discussed below, the station continues to suffer from technical limitations in downtown Calgary and surrounding areas. To address these issues, in 2011, Corus applied for a new nested FM transmitter for CHQR. The CRTC denied that request, holding that it would have given us a third FM “presence” in Calgary, which would have infringed the Common Ownership Policy (“**COP**”).<sup>1</sup> Since then, CHQR’s signal issues have worsened.
4. Over the same period, the economics of the Calgary radio market have become more challenging. As Corus recently noted in a joint filing with Bell Media, Pattison Media, Harvard Broadcasting, Rogers Sports & Media, and Stingray, “Calgary is not a market that is growing its radio ad revenues. It is a radio market that has seen its revenues plunge. Stations are sustaining their operations with ever-increasing operating efficiencies which is clearly unsustainable long-term.”<sup>2</sup> Given its technical limitations as an AM station, CHQR faces a uniquely challenging future, and so therefore does the news, talk and information content it delivers to Calgarians.
5. Shifting CHQR’s programming line-up to an FM frequency would enable Corus to properly serve a segment of the audience that CHQR has been licensed to serve for nearly six decades, but which it can no longer consistently reach on an AM frequency alone. That will allow us to deliver a reliable high-quality signal on the FM dial to the growing number of Calgarians who live or work near downtown, adjacent to light rail tracks or tall structures, or drive electric vehicles.

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<sup>1</sup> Broadcasting Decision CRTC 2012-307.

<sup>2</sup> Intervention of Bell Media, Pattison Media, Harvard Broadcasting, Rogers Sports & Media, Stingray and Corus Entertainment in Broadcasting Notice of Consultation CRTC 2023-12, February 16, 2023, para 11.

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6. Put simply, there are compelling technical and financial reasons to support this application and we believe it is strongly in the public interest. Removing a mainstream musical FM station, as we propose, would promote better balance in an overcrowded market with minimal technical and competitive impact on other incumbent stations. Most importantly, it would support news, talk and information content – the most vital and economically challenged category of programming – on Calgary commercial radio.
7. In this supplementary brief, we will elaborate further on the following points:
  - Supporting news, talk and information programming on Calgary commercial radio is in the public interest
  - AM radio’s technical limits make it harder to deliver news, talk and information programming to Calgarians
  - The relief sought will support the financial future of news, talk and information programming in Calgary
  - The relief proposed raises no policy concerns and will have minimal technical or competitive impact on incumbent stations

For the reasons outlined below, we respectfully request that this application be approved.

### ***Supporting news, talk and information programming on Calgary commercial radio is in the public interest***

8. Section 3(1)(i)(ii) of the *Broadcasting Act* states that programming provided by the Canadian broadcasting system should be “drawn from local, regional, national and international sources”<sup>3</sup> and to the extent possible, “provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern.”<sup>4</sup> The Commission has long maintained that “the broadcast of news programming by commercial radio licensees, especially local news, is an essential aspect of their responsibility to ensure the provision of this diversity of views.”<sup>5</sup>
9. Like other legacy news/talk radio stations on the AM dial, CHQR has long been instrumental to these policy objectives and is a cornerstone of the local community. CHQR has operated in the news/talk genre for 30 years. It is Calgary’s first choice for news, talk, sports, business, traffic, and weather information. CHQR is the home of the Premier of Alberta’s weekly radio program and is a destination where civic leaders

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<sup>3</sup> Broadcasting Act, S.C. 1991, c. 11, section 3(1)(i)(i).

<sup>4</sup> Ibid, section 3(1)(ii)(iv).

<sup>5</sup> See for example Broadcasting Notice of Consultation 2020-374, para 80.

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from the Prime Minister to local school trustees address the critical topics of the day. CHQR prides itself on its local news coverage and is the station Calgarians turn to for breaking news, providing listeners with up-to-the-minute information on issues of crucial importance to the community.

10. For example, the station tirelessly covered the catastrophic flooding event in Calgary over the summer of 2013. It extensively reported on wildfires in BC and Alberta, including the Fort McMurray wildfires of 2016. It has discussed and analyzed climate change and the state of Calgary's energy-based economy. And, like many other AM news/talk stations, CHQR was a critical source of real-time information to the community during the COVID 19 pandemic. CHQR reporters cover city council and municipal politics extensively, including not only election campaigns and council meetings, but the behind-the-scenes stories that might not otherwise be told. They are available on an emergency 'on-call' basis, and work to localize national and international stories.
11. Beyond its news coverage, the station makes other significant contributions to the community. Most notably, since 1974, CHQR has sponsored the Calgary Children's Foundation ("CCF"), which raises money for small children's charities in the Calgary area, most of whom are unable to conduct large-scale fundraising or sophisticated communications on their own. Every year, the CCF supports more than 25 Calgary based charities through funds raised on CHQR's annual "Pledge Day" – a 13-hour broadcast that features recipient charities, donors and on-air talent – and other year-long initiatives.<sup>6</sup>
12. AM stations like CHQR broadcast a substantial portion of the local news delivered on Canadian radio, which accounts for a substantial portion of the total local news delivered in Canadian media (including print, digital-only and broadcasting outlets). Listeners rely on news/talk stations for content that informs and animates their daily lives. According to CRTC data published as part of the Commercial Radio Policy Review, 57 percent of those who listen to Canadian commercial radio feel it is particularly important (8-10 on 10-point scale) to have access to local news content.<sup>7</sup>
13. In short, the public value of the commercial stations that carry news, talk and information content cannot be underestimated. Because most of them remain confined to AM frequencies, innovative business strategies and regulatory approaches – such as the one proposed in this application – are vital to supporting them over the long term.

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<sup>6</sup> See [https://www.calgarychildrensfoundation.com/about\\_us](https://www.calgarychildrensfoundation.com/about_us).

<sup>7</sup> Ipsos Public Affairs, "Attitudes and opinions towards commercial radio in Canada - Final Report," December 18, 2020, page 14.

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### *AM radio's technical limits make it harder to deliver news, talk and information programming to Calgarians*

14. Unique among broadcast mediums, AM stations struggle with interference and reception issues. They are disrupted by the rising RF noise floor from electrical devices like flat screen televisions, power lines and phone chargers. AM receiver manufacturers have attempted to mitigate interference issues by using a narrower receiving bandwidth, but these narrower bandwidths generally lead to a 'tin can' effect. As a result, AM stations have consistently lost audiences to FM radio, satellite radio, and online streaming services that offer higher sound quality.
15. When CHQR launched in 1964, it was only the sixth station in the Calgary market. In the nearly six decades since, both the Calgary radio market and the city itself have grown exponentially. Calgary now has 16 commercial radio stations. It is also home to over 1.4 million people with a bustling urban centre. Like cities across the country, high rise buildings in Calgary's downtown core (and elsewhere) cause reception issues for AM stations.
16. In 2011, Corus attempted to add a nested FM rebroadcasting transmitter to address technical issues with CHQR's signal. As part of that application, we documented how listeners reported reception difficulties inside large apartment blocks, as well as driving in and around the downtown core. In other parts of the city where there are concentrations of commercial and residential towers the same problem exists. Rights-of-way for light rail transit and transmission power lines on the south and west of the city also lead to an inconsistent signal. Corus filed four separate audience surveys – three independent and one conducted by Corus – that conclusively demonstrated CHQR's signal issues.<sup>8</sup>
17. Though the Commission denied Corus' 2011 application, it acknowledged the legitimacy of CHQR's technical challenges.<sup>9</sup> And while the Commission determined that those issues were insufficient to warrant an exception to the COP at the high standard of "severe technical limitation,"<sup>10</sup> that same standard should not apply here. To reiterate: Corus is not seeking an exception to the COP in this application. In radio licence technical amendment applications, a lower standard of "compelling technical need" applies instead, and it is clearly met in this case. In fact, the Commission has recognized that reception issues associated with AM station signals in dense urban environments like Calgary to meet the "compelling technical need" standard in previous decisions.<sup>11</sup>

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<sup>8</sup> See Application 2011-1347-2, Appendix "D."

<sup>9</sup> Broadcasting Decision CRTC 2012-307, para 29.

<sup>10</sup> Ibid., at para 30.

<sup>11</sup> Broadcasting Decision CRTC 2015-359, para 40.

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18. Over the last 12 years, CHQR’s interference issues have only intensified. Since Corus filed its application in 2011, Calgary has seen a boom in construction activity, with 10 new buildings over 25 stories built in or around the urban core, and an additional eight structures either proposed or under construction. In addition, between 2016 and 2021, downtown Calgary saw a 21 percent increase of its residential population.<sup>12</sup> And the city has augmented its light rail network, with the 11.2-kilometre northeast and western extensions of the “Blue Line” and the addition of nine new stations in 2012-2013; the two-kilometre northwestern expansion of the “Red Line” and the addition of one new station in 2014; and, construction on the 20-kilometre first stage of the “Green Line” due to begin in 2023.<sup>13</sup>
19. Additionally, electric vehicles now account for a meaningful and increasing proportion of the total Canadian vehicle market whereas they accounted for a negligible share of it in 2011.<sup>14</sup> Today’s electric vehicles are powered by motors that generate electromagnetic fields, which operate in the same frequencies as AM radio signals. The result is a conflict between these wavelengths, and more interference than gas-powered cars, which can disrupt the reception of AM signals and cause static, noise, and a high-frequency hum. The more powerful electric vehicle motors become, the more they tend to cancel out AM signals.<sup>15</sup>
20. Indeed, many electric vehicle models have eliminated AM radio frequencies from the dials.<sup>16</sup> BMW first identified the AM reception problem as a quality issue in 2009, and by 2014, there was no AM radio to be found in their i3 EV model. Tesla began discontinuing all AM radio options in 2018 and all models are now AM-free.<sup>17</sup> New models of Porsche’s all-electric Taycan, Audi’s e-Trons, Mercedes-Benz’s all-electric EQS, Volvo’s XC40 and C40 Recharge do not offer AM stations.<sup>18</sup> Even newer models of traditional gas-powered vehicles are slated to be AM-free, with the Ford Motor Company recently confirming that AM stations would not be carried on “most new and updated [Ford] models.”<sup>19</sup>

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<sup>12</sup> Statistics Canada, “Population by proximity to downtown, census metropolitan areas, 2016 to 2021,” <https://www150.statcan.gc.ca/n1/daily-quotidien/220209/t005b-eng.htm>

<sup>13</sup> City of Calgary, “History of LRT in Calgary,” pages 12-15.

<sup>14</sup> According to Statistics Canada, a record 86,032 electric vehicles were registered in Canada in 2021, making up 5.3 percent of total vehicle registrations for that year. In comparison, there were 19,696 electric vehicle registrations (1 percent of total registrations) in 2017 (see Market Snapshot: Record-high electric vehicle sales in Canada, October 26, 2022 <https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2022/market-snapshot-record-high-electric-vehicle-sales-canada.html>).

<sup>15</sup> “How electric vehicles could spell death for the oldest form of radio broadcasting,” Global News, July 31, 2022, <https://globalnews.ca/news/9022680/electric-vehicles-am-radio/>.

<sup>16</sup> “In a Future Filled With Electric Cars, AM Radio May Be Left Behind,” New York Times, December 10, 2022, <https://www.nytimes.com/2022/12/10/business/media/am-radio-cars.html>

<sup>17</sup> “How electric vehicles could spell death for the oldest form of radio broadcasting,” Global News, July 31, 2022, <https://globalnews.ca/news/9022680/electric-vehicles-am-radio/>.

<sup>18</sup> *Ibid.*

<sup>19</sup> “Ford To Discontinue AM Radio In ‘Most New And Updated Models,’” InsideRadio, March 16, 2023, [https://www.insideradio.com/free/ford-to-discontinue-am-radio-in-most-new-and-updated-models/article\\_9904fc40-c43f-11ed-9acf-2ffe06be4c20.html](https://www.insideradio.com/free/ford-to-discontinue-am-radio-in-most-new-and-updated-models/article_9904fc40-c43f-11ed-9acf-2ffe06be4c20.html)

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21. AM radio is already struggling to reach audiences. According to Numeris, in Fall 2022, it reached just 27.1 percent of Canadians in the Adult 25-54 demographic.<sup>20</sup> This trend threatens to worsen as electric vehicles account for a greater proportion of the market. The Canadian government has set a mandatory target for all new light-duty cars and passenger trucks sales to be zero-emission by 2035.<sup>21</sup>
22. Permanently shifting CHQR's programming line-up to an FM signal, while retaining its place on the AM dial, would enable us to properly serve a segment of the audience that CHQR has been licensed to serve for nearly six decades, but which it can no longer consistently reach on the AM band alone. This will allow CHQR to provide a reliable high-quality signal on the FM band to listeners particularly in downtown Calgary who are no longer able to obtain satisfactory reception of the AM signal in their homes, on public transit or at their place of employment and to drivers of hybrid and electric vehicles.
23. Unfortunately, there are no superior alternatives to the one we propose here. For example, changing CHQR's frequency on the AM dial would not address the core problem: the need to provide a stronger signal for news, talk and information content in a growing market, with an increasingly dense and vertical downtown core. By the same token, adding one or more drop-in AM repeaters – even at lower power – would present the same limitations. And moving the transmitter from its current site would come at a significant cost and fail to address the shortcomings of an intermittent signal in high density areas, which continue to grow in size and number. Finally, we expect that applying for a new nested FM repeater transmitter, given recent changes to the COP, would elicit concerns from other incumbent stations reminiscent of those filed in respect of Corus' 2011 application.
24. CHQR's ongoing technical challenges threaten the station's ability to continue to provide the breadth and scope of news, talk and information. No category of programming is more economically threatened or vital to the health of our communities and democracies. To support a sustainable future for this content on Calgary commercial radio – and Canadian commercial radio more broadly – legacy AM news/talk stations require a viable path to operating on FM frequencies. Corus proposes one such path in this application.

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<sup>20</sup> Numeris A25-54, Fall 2022: 8.29.22 - 11.27.22.

<sup>21</sup> Transport Canada, "Building a green economy: Government of Canada to require 100% of car and passenger truck sales be zero-emission by 2035 in Canada," June 29, 2021 (see <https://www.canada.ca/en/transport-canada/news/2021/06/building-a-green-economy-government-of-canada-to-require-100-of-car-and-passenger-truck-sales-be-zero-emission-by-2035-in-canada.html>)

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### *The relief sought will support the financial future of news, talk and information programming in Calgary*

25. The Calgary radio market is home to 16 commercial stations (12 FM and four AM), as well as stations operated by CBC/Radio Canada, a campus station, a community radio station, a religious station and a station that provides Indigenous content. Given the size of the city's population, there is intense competition between Calgary's commercial stations for both listeners and advertising dollars. Like markets across the country, Calgary radio revenues began declining even before the pandemic. Between 2015 and 2019, revenues declined by roughly 18 percent.<sup>22</sup>

26. However, revenues declined further in March 2020 and have failed to rebound to pre-pandemic levels. In 2021, total revenues for the market remained 32 percent lower than in 2019,<sup>23</sup> and the Calgary AM radio market recorded a PBIT margin of negative 34.8 percent in 2021.<sup>24</sup> Trans-Canada Radio Advertising by Market Reports confirm that the situation has not improved materially in 2023. As Corus recently noted in a joint filing with Bell Media, Pattison Media, Harvard Broadcasting, Rogers Sports & Media, and Stingray:

...the commercial radio market in Calgary (let alone the rest of Canada) has not yet recovered from the material decline in commercial advertising revenues and listenership caused by the effects of the pandemic, declines that were already occurring prior to COVID-19 pandemic restrictions. A market recovery to pre-pandemic levels is unlikely to happen as the local advertising market has evolved with businesses slashing their budgets and reorienting their businesses online.<sup>25</sup>

27. CHQR and CFGQ-FM are not immune from these trends. CHQR's CRTC financial returns for the 2021 and 2022 broadcasting years #

# For its part, CFGQ-FM

# Financial projections filed with this application demonstrate that this proposal would support the financial future of the two stations, and thus the news, information and talk content they deliver to Calgarians.

28. Over the longer term, we hope that delivering CHQR's programming line-up on FM will enable us to attract new listeners, particularly in younger demographics, who tend to listen only to FM when listening to radio. And we are confident a news/talk format will succeed on an FM signal. The audience success of CBC's Radio One service using nested FMs in western Canada and FM-only transmissions in several markets

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<sup>22</sup> CRTC Radio Statistical and Financial Summaries 2015-2019, Radio – Calgary Market Total, page 21.

<sup>23</sup> CRTC Radio Statistical and Financial Summaries 2017-2021, Radio – Calgary Market Total, page 21.

<sup>24</sup> CRTC Radio Statistical and Financial Summaries 2017-2021, Radio – Calgary Market AM, page 22.

<sup>25</sup> Intervention of Bell Media, Pattison Media, Harvard Broadcasting, Rogers Sports & Media, Stingray and Corus Entertainment in Broadcasting Notice of Consultation CRTC 2023-12, February 16, 2023, para 10.



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in eastern Canada are testament to this fact. As a key competitor to CBC Radio One for news and information audiences in Calgary, CHQR currently faces a significant competitive disadvantage.

***The relief proposed should raise no policy concerns and have minimal technical or competitive impact on incumbent stations***

29. If this application is approved, the number of total “stations” Corus owns in the Calgary market will fall from three to two and we would continue to own only two FMs. In contrast to the situation in 2011, Corus would own one FM station less than the recently revised market limit for stations on one band.<sup>26</sup> Even if the proposed AM rebroadcasting transmitter were deemed a “local presence” under the COP, Corus would still come under the current per-market station ownership limit.
30. Additionally, Corus seeks to operate CFGQ-FM in a specialty format. If approved, this would be mandated by condition of licence. If Corus wished to operate the station in a non-specialty format in the future, we would have to seek approval. As an FM station with an AM rebroadcasting transmitter (instead of an AM station with a nested FM rebroadcasting transmitter), the originating station (CFGQ-FM) would be subject to the same requirements as all other FM stations relating to local programming (42 hours per week). Agreeing to a condition of licence to operate CFGQ-FM in a specialty format will provide assurance that we will offer a significant amount of spoken word programming going forward.
31. Numerous stations operating in specialty formats seek to be relieved of this restriction. Corus is unaware of any mainstream station that has sought to be restricted to a specialty format, showing the importance we assign to CHQR’s role in the Calgary community.
32. Further, we do not expect that approval of this application will have a material financial or technical impact on other radio stations currently licensed to serve the area. Technically speaking, no changes in parameters are being proposed so no signal interference will result. And financially speaking, Corus is proposing to remove a station from the market and transition a mainstream musical format FM to a specialty format. If anything, the present proposal will promote better balance in an overcrowded market against the backdrop of advertising revenue declines.
33. Finally, this proposal is supported by precedent. In Broadcasting Decision CRTC 2006-357, the Commission approved an application by Tillsonburg Broadcasting Company Limited to move its existing AM station to the FM band, while still allowing it to maintain the existing AM transmitter as a rebroadcaster of the new FM.<sup>27</sup> In that

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<sup>26</sup> Broadcasting Regulatory Policy CRTC 2022-332.

<sup>27</sup> Broadcasting Decision CRTC 2006-357.

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instance, Tillsonburg's AM station suffered from longstanding technical issues. By permitting the licensee to operate both FM and AM transmitters offering the same programming, the Commission allowed it to correct the issues with the AM signal while still catering to the station's traditional audience.

### *Conclusion*

34. CHQR has been a cornerstone of the Calgary community for nearly six decades. It offers news, talk and information, the most economically challenged category of programming on commercial radio, which is also vital to our communities. The station has suffered from reception problems in certain areas of Calgary for years and these issues continue to worsen.
35. This application seeks to address CHQR's challenges by amending the licence for its sister station CFGQ-FM to allow it to operate in a specialty format and offer an AM rebroadcasting transmitter using the same frequency as CHQR. That would allow CHQR to continue serving its traditional audience, including those in rural areas, farther from the FM transmitter. The CRTC would then revoke CHQR's licence. This proposal raises no issues with the COP, nor would CFGQ-FM be granted any type of unwarranted regulatory flexibility. To the contrary, the station would be required to operate in a particular format. And we do not expect that it would have a material financial or technical impact on any other radio stations currently licensed to serve the area.
36. For these reasons, we respectfully submit that there are compelling technical and financial reasons to support this application and it is strongly in the public interest. We accordingly request that it be approved.

**\*\*\* End of Document \*\*\***