



Broadcasting Decision CRTC 2015-490

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Reference: 2015-63

Ottawa, 4 November 2015

Findings on market capacity and the appropriateness of issuing a call for radio applications to serve Bracebridge and Gravenhurst, Ontario

The Commission finds that the Bracebridge/Gravenhurst market can sustain an additional station at this time. However, given that no other party besides the applicant Bayshore Broadcasting Corporation (Bayshore) has expressed interest in serving the market, the Commission finds that it is not necessary to issue a call for applications.

Accordingly, the Commission will publish the application by Bayshore for a broadcasting licence to operate a new commercial FM radio station to serve the market for consideration as part of the non-appearing phase of the next feasible public hearing.

Introduction

1. In Broadcasting Notice of Consultation 2015-63, the Commission announced that it had received an application by Bayshore Broadcasting Corporation (Bayshore) for a broadcasting licence to operate a new commercial FM radio station to serve Bracebridge and Gravenhurst, Ontario. The applicant proposed to operate the station at 102.3 MHz with an effective radiated power of 22,000 watts.
2. The towns of Bracebridge and Gravenhurst are located about 18 kilometres from each other and comprise part of the Haliburton/Muskoka area as defined by Numeris. CFBG-FM, an English-language radio station operated by Vista Radio Ltd. (Vista), is currently the only mainstream commercial radio station licensed in the Bracebridge/Gravenhurst area.
3. In accordance with Broadcasting Regulatory Policy 2014-554 (the Policy), the Commission called for comments on the capacity of Bracebridge and Gravenhurst to support a new station and whether it should issue a call for applications for new radio stations to serve that market. The Policy states that the Commission will weigh factors such as market capacity, spectrum availability or scarcity and interest in serving the market when deciding whether to:
 - publish the application for consideration as part of the non-appearing phase of a public hearing;
 - issue a call for applications; or

- make a determination that the market cannot sustain additional stations, return the application and issue a decision setting out this determination.

Interventions and reply

4. The Commission received a number of interventions supporting the licensing of a new radio station in Bracebridge/Gravenhurst, interventions commenting on the proposed use of 102.3 MHz and an opposing intervention by Vista. Bayshore also filed an intervention and reply. The public record for this proceeding can be found on the Commission's website at www.crtc.gc.ca.
5. The two interveners who commented on the use of 102.3 MHz expressed concern that the proposal would affect the low-power tourist information station CIIG-FM Bracebridge/Gravenhurst, which currently broadcasts at that frequency.
6. In its intervention and its reply to Bayshore's intervention, Vista stated that the market could not sustain another station, submitting that CFBG-FM's revenues have been decreasing and that a new station would further threaten its financial viability. It also pointed to significant competition from out-of-market tuning, the decreasing share of radio advertising in Ontario and slowing population and economic growth in the market.
7. In its intervention, Bayshore indicated that it had identified several possible alternative frequencies for CIIG-FM and that it was willing to assist the station in making any change.
8. Further, Bayshore responded to Vista's intervention by questioning its methodology and reiterating that the Bracebridge/Gravenhurst market had the capacity to support an additional local station. In support of its claims, the applicant filed an analysis indicating that the market experienced steady population growth, that household income had grown at a greater rate than the provincial average and that radio advertising had increased in the past ten years, suggesting the potential for further increases.

Commission's analysis

9. As CFBG-FM is the only mainstream commercial station licensed in the Bracebridge/Gravenhurst market, details concerning the market's performance cannot be disclosed. However, a comparative analysis with centres of similar size having more than one mainstream commercial station suggests that licensing a new station in the market could stimulate overall advertising revenues. Further, the significant level of tuning to out-of-market stations presents opportunities to repatriate listeners in this area.
10. In terms of the socio-economic factors affecting the market, although lower than the overall provincial average, the average household income in the market was higher than the provincial rural average. In addition, the area experiences a significant influx

of seasonal population, which likely has positive economic effects on the radio market.

11. Consequently, while licensing a new station in the market will likely have some impact on the Vista station, the Commission considers that this impact would not be undue.
12. The Commission acknowledges the issues raised by interveners regarding the low-power tourist information station CIIG-FM Bracebridge/Gravenhurst and Bayshore's proposed use of 102.3 MHz. However, the current proceeding concerns market capacity and not the merits of Bayshore's application.
13. In light of the above, the Commission considers that the market can sustain an additional station at this time. The Commission also notes that 102.3 MHz is not the last frequency available to serve the market.

Conclusion

14. In light of all of the above and given that no other applicants or interveners besides Bayshore expressed interest in serving the Bracebridge/Gravenhurst market, the Commission finds that it is not necessary to issue a call for applications and that it would be appropriate to publish Bayshore's application for consideration during the non-appearing phase of the next feasible public hearing. The Commission will consider the merits of the Bayshore application as part of that hearing, and parties will have an opportunity to comment at that time.

Secretary General

Related documents

- *Call for comments on market capacity and on the appropriateness of issuing a call for radio applications to serve Bracebridge and Gravenhurst, Ontario*, Broadcasting Notice of Consultation CRTC 2015-63, 24 February 2015
- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014