



Broadcasting Decision CRTC 2012-28

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Additional reference: 2011-427-1

Ottawa, 20 January 2012

Matthew Gordon McBride, on behalf of a corporation to be incorporated
Squamish, British Columbia

Application 2009-0125-8, received 12 January 2009

Public hearing in the National Capital Region

19 September 2011

English-language FM radio station in Squamish

The Commission denies an application by Matthew Gordon McBride, on behalf of a corporation to be incorporated, for a broadcasting licence to operate an English-language commercial FM radio station in Squamish, British Columbia.

1. The Commission received an application by Matthew Gordon McBride, on behalf of a corporation to be incorporated, (McBride) for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Squamish, British Columbia.
2. The station would operate at 89.1 MHz (channel 206A) with an average effective radiated power (ERP) of 970 watts (maximum ERP of 1,850 watts with an effective height of antenna above average terrain of -389.5 metres).
3. The applicant proposed to broadcast 126 hours of local programming each broadcast week with a minimum of 9 hours of spoken word programming. The station would offer a rock music format and would target listeners between the ages of 25 and 54, with a core audience of listeners aged 35, skewed slightly to men.
4. In addition to the basic contributions to Canadian content development (CCD) required by the *Radio Regulations, 1986*, McBride committed to contribute an additional sum totalling \$42,000 over seven consecutive broadcast years.

Interventions and reply

5. The Commission received two interventions in opposition to the application from Westwave Broadcasting Inc. (Westwave) and Rogers Broadcasting Limited (Rogers), to which the applicant replied. The public record for this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings".

6. In its intervention, Westwave expressed concern over the Squamish market's ability to sustain a new FM station, the applicant's ability to achieve its projected revenues and the applicant's minimal capital and operational cost projections.
7. For its part, Rogers argued that the synergies associated with operating its own stations (CISQ-FM Squamish, CISW-FM Whistler and CKKS-FM Sechelt—known as "Mountain FM") as a single entity have allowed it to provide a relevant and high quality local service in each community. In Rogers' view, Squamish cannot support a stand-alone service as proposed by the applicant without significantly compromising the quality and extent of the local service Rogers provides to Squamish and other parts of Mountain FM's coverage area. Rogers also put forth that the region continues to experience the effects of an uncertain economy.
8. Furthermore, according to Rogers, the Commission did not follow the process for applications to serve small markets as set out in Broadcasting Public Notice 2006-159. Specifically, Rogers argued that there is no evidence that the Commission has conducted a preliminary analysis of the Squamish market's ability to sustain a new radio station or has conducted any follow-up discussion with the applicant on this issue.
9. In its reply to the interventions, McBride explained that the proposed station would not be a stand-alone service as it operates stations in nearby Pemberton, Tofino, Ucluelet and a soon-to-be-launched station in Port Moody. In its view, the natural synergies of this group of stations will come to bear in Squamish.
10. McBride put forth that it has experience in both large broadcasting operations as well as very small markets, and that it has learned much about managing expenses.
11. McBride argued that the key facet of its application is that all voices will be locally sourced, and not necessarily "voice-tracked" from outside the market.
12. According to McBride, Rogers' station in Squamish has seen a slight increase in its revenues between 2001 and 2006, which would indicate that the Squamish market is a growing community.

Commission's analysis and decisions

13. After considering the public record for this application in light of applicable policies and regulations, the Commission considers that the issue it must address is whether the Squamish market can sustain a new FM commercial radio station.
14. Squamish is located approximately 50 kilometres south of Whistler, along the Sea-to-Sky highway connecting Vancouver and Whistler. The Squamish radio market is currently served by CISQ-FM, which is operated by Rogers. CISQ-FM and Rogers' two other stations in the area share a common programming schedule, with local programming originating from studios in each community. For its part, CISQ-FM Squamish is required to broadcast three hours a week of station-originated programming.

15. The Commission notes Rogers' statements with respect to the uncertain economy experienced in the Squamish market and to the effects of the economic difficulties on Mountain FM. In its intervention, Rogers stated that Mountain FM has coped with declining revenues by implementing cost-cutting measures and exploiting synergies between its stations. The Commission reviewed the historical financial performance of Mountain FM and sees merit in the statements made by Rogers.
16. In Broadcasting Decision 2009-102, the Commission approved an application by Four Senses Entertainment Inc. (Four Senses) for a broadcasting licence to operate an English-language commercial FM radio station in Whistler. The Commission subsequently granted Four Senses an extension until March 2012 to implement the station.¹ In support of its request, Four Senses stated that "as a result of retail economic conditions in the Whistler B.C. municipality, we feel it is prudent to delay the launch of the station for a one year period.... The retail marketplace is struggling and as a result we feel it would not be wise to build and launch a new FM station at this time."
17. Although retail sales forecasts for Squamish are generally positive, with 4.3% annual growth estimated for the period of 2011 to 2016 (Financial Post Markets 2011), the Commission nonetheless considers that the economic linkages that exist between the Squamish and Whistler markets are such that the new FM station in Whistler will likely have an impact on the revenues and profitability of the two Rogers stations currently serving the Squamish/Whistler corridor. Furthermore, the request for an extension by Four Senses would seem to support the assertion by Rogers that the region's economy is still struggling to recover from the economic downturn. Given the uncertainty surrounding the current environment, the Commission considers that the combined impact of a new station in Squamish and the new station in Whistler could have a significant adverse effect on the incumbent station in the market.
18. Given the financial performance of the incumbent Rogers stations serving the Squamish/Whistler corridor, the continued uncertainty surrounding the current outlook in the region as well as the fact that the Commission has previously approved a mainstream commercial FM station to serve Whistler that has yet to launch, the Commission is of the view that approval of a new station to serve Squamish would not be appropriate at this time.

Conclusion

19. In light of the above, the Commission **denies** the application by Matthew Gordon McBride, on behalf of a corporation to be incorporated, for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Squamish, British Columbia.

¹ See Broadcasting Information Bulletin 2011-340.

Secretary General

Related documents

- *Applications processed pursuant to streamlined procedures*, Broadcasting Information Bulletin CRTC 2011-340, 20 May 2011
- *English-language FM radio station in Whistler*, Broadcasting Decision CRTC 2009-102, 2 March 2009
- *Revised policy concerning the issuance of calls for radio applications and a new process for applications to serve small markets*, Broadcasting Public Notice CRTC 2006-159, 15 December 2006