



## Broadcasting Decision CRTC 2016-450

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Reference: 2016-26

Ottawa, 10 November 2016

### **Findings regarding market capacity and the appropriateness of issuing a call for radio applications to serve Grimsby and Beamsville**

*The Commission finds that there is room to license at least one radio station to serve Grimsby and Beamsville. Consequently, given the scarcity of FM frequencies and the interest expressed to serve the market, the Commission has issued a call for applications for new radio stations in Broadcasting Notice of Consultation 2016-451, also published today.*

#### **Introduction**

1. In Broadcasting Notice of Consultation 2016-26, the Commission announced that it had received an application by Dufferin Communications Inc. (Dufferin) for a broadcasting licence to operate a commercial radio station to serve Grimsby and Beamsville, Ontario.
2. The town of Grimsby and the community of Beamsville are less than 10 kilometres apart and are located within the Hamilton Niagara Peninsula, which spans three census metropolitan areas (CMAs), namely Hamilton, St. Catharines-Niagara and Brantford. Grimsby is located at the eastern extremity of the Hamilton CMA, while Beamsville, which is the population centre of the town of Lincoln, is located in the St. Catharines-Niagara CMA. Both CMAs share the same boundaries with the corresponding Numeris central areas.
3. In accordance with Broadcasting Regulatory Policy 2014-554 (the Policy), the Commission called for comments on the capacity of Grimsby and Beamsville to support a new station and whether it should issue a call for applications 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 applications 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 applications and issue a decision setting out this determination.

## Interventions and reply

4. The Commission received a joint intervention opposing a call for applications by Bell Media Inc., Corus Entertainment Inc. and Rogers Media Inc., which operate six of the seven radio stations in the Hamilton market and three radio stations in the St. Catharines-Niagara market, as well as opposing interventions by Durham Radio Inc. (Durham) and R.B. Communications Ltd. (R.B. Communications), which operate FM stations in Hamilton and Welland respectively. Dufferin and Byrnes Communications Inc. (Byrnes) filed interventions supporting a call.
5. The opposing interveners all submitted that the Grimsby/Beamsville market was already well served both by local stations and numerous out-of-market stations and that licensing any further stations in the market would only result in greater competition for advertising sales in markets that have already seen a decline in revenues.
6. They also noted that the Commission determined in Broadcasting Decision 2015-472 that the Hamilton/Burlington market could not sustain any additional commercial radio stations. While Grimsby is located at the eastern extremity of the Hamilton market, they argued that the addition of a new station in Grimsby/Beamsville raises the same concerns as the application for a new station in Burlington did one year ago and would impact existing stations in both Hamilton and St. Catharines-Niagara.
7. Durham and R.B. Communications further submitted that the Dufferin proposal would not represent a first service and that the communities of Grimsby and Beamsville could not support a stand-alone independent service, given the size of the population and retail base.
8. While agreeing that the Dufferin proposal would not constitute a first service in Grimsby/Beamsville given that other stations cover the region in their primary contours, Byrnes stated that its preliminary examination revealed that a new radio station in the market might succeed and expressed its intent to conduct further analysis in the event of a call with a view to potentially serving this market.
9. In its intervention and reply, Dufferin argued that Grimsby and Beamsville are growing, vibrant communities where all indicators are positive, as supported by a market study conducted by Strategic Inc. that it commissioned. It added that listener and advertiser demand and analysis of economic trends and indicators suggested that the proposed service would be a success. Finally, it argued that in this case the issuance of a call was not necessary or appropriate as its proposal fell under the following exceptions to the issuance of a call: proposals with very little or no commercial potential and proposals to provide the first commercial service in a market. In this respect, it noted that the proposed service would serve Grimsby and Beamsville, thus covering a small area, and that the area and towns of Grimsby and Beamsville do not currently have a local dedicated service.

## Commission's analysis

10. In the case of an FM station, the *Radio Regulations, 1986* defines a market as the 3 mV/m contour or the central area as defined by the Bureau of Broadcast Measurement (BBM, now known as Numeris), whichever is smaller.
11. Grimsby is part of the Hamilton Numeris central area, while Beamsville is located in the neighbouring St. Catharines-Niagara Numeris central area. Both Grimsby and Beamsville are covered by the primary contours of two Hamilton and two St. Catharines-Niagara stations.
12. In 2011, the combined populations of Grimsby and Beamsville (36,004) represented only 3.2% of the overall population of the Hamilton and St. Catharines-Niagara CMAs (1,113,237). From 2006 to 2011, Grimsby and Beamsville saw population increases of 5.8% and 10.1% respectively. These increases were significantly higher than that for the combined CMAs of Hamilton and St. Catharines-Niagara (2.8%).
13. As well as seeing strong population growth, according to the most recent Statistics Canada National Household Survey in 2010, the median and average household incomes for Grimsby (\$79,000 and \$92,000 respectively) and Lincoln (Beamsville) (\$73,000 and \$88,000) compared favorably to the figures for Ontario (\$66,000 and \$86,000) and Canada (\$61,000 and \$79,000). Factors contributing to ongoing growth in the area include affordable housing and a strong tourism industry due to wineries, as well as close proximity to Lake Ontario, the Greater Toronto Area and the U.S.
14. In 2015, markets similar to Grimsby and Beamsville garnered radio revenues ranging from \$430,000 to \$1.5 million and tuning shares ranging from 0.1% to 1.4%. The average tuning share and revenues in those markets were 0.5% and \$879,000 respectively. The Commission considers that a station in Grimsby and Beamsville could generate similar revenues and tuning.
15. Given that Grimsby and Beamsville comprise only a small part of the combined populations of the Hamilton and St. Catharines-Niagara CMAs and that a station in Grimsby and Beamsville would be limited in its coverage, such a station would have minimal impact on the listenership of Hamilton and St. Catharines-Niagara stations. Moreover, most of the stations in the markets of Hamilton and St. Catharines-Niagara are operated by large, well-experienced broadcasters that provide multiple services in the area and are in a position to sustain any additional competition that a service in Grimsby and Beamsville could introduce in the market.

## Conclusion

16. In light of all of the above, the Commission finds that there is room to license at least one radio station to serve Grimsby and Beamsville. Consequently, given the scarcity of FM frequencies and the interest expressed to serve the market, the Commission has issued a call for applications for new radio stations in Broadcasting Notice of Consultation 2016-451, also published today.

Secretary General

**Related documents**

- *Call for applications – Radio stations to serve Grimsby and Beamsville, Ontario*, Broadcasting Notice of Consultation CRTC 2016-451, 10 November 2016
- *Call for comments on market capacity and the appropriateness of issuing a call for radio applications to serve Grimsby and Beamsville, Ontario*, Broadcasting Notice of Consultation CRTC 2016-26, 27 January 2016
- *Findings regarding market capacity and the appropriateness of issuing a call for radio applications to serve the Hamilton/Burlington, Ontario radio market*, Broadcasting Decision CRTC 2015-472, 21 October 2015
- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014