



Broadcasting Decision CRTC 2022-226

PDF version

Reference: 2021-411

Ottawa, 23 August 2022

Public record: 1011-NOC2021-0411

Findings regarding market capacity and the appropriateness of issuing a call for radio applications to serve Winnipeg

Summary

The Commission finds that the market of Winnipeg, Manitoba, cannot support an additional commercial radio station at this time. Consequently, the Commission will return the application filed by 888 Enterprises Inc. for a broadcasting licence to operate a new commercial ethnic FM radio station in Winnipeg, Manitoba.

However, the Commission considers that community stations generally do not raise concerns pertaining to commercial impact. Given that no other parties expressed an interest in operating a community station in this market, the Commission will publish the application filed by U Multicultural Inc. for a broadcasting licence to operate a community ethnic FM radio station in this market as part of the non-appearing phase of an upcoming public hearing.

Background

1. In Broadcasting Notice of Consultation 2021-411, the Commission announced that it had received an application from 888 Enterprises Inc. (888 Enterprises) to operate a new commercial ethnic radio station and an application from U Multicultural Inc. (U Multicultural) to operate a new community ethnic radio station to serve Winnipeg, Manitoba.
2. Winnipeg is currently served by 15 commercial radio stations, four Canadian Broadcasting Corporation stations, two community stations, two campus stations and one Indigenous station. Dufferin Communications Inc. (Dufferin) operates three of these commercial radio stations—CHWE-FM, CFJL-FM and CKJS-FM—the latter of which is the sole licensed commercial ethnic radio station in Winnipeg.
3. In Broadcasting Decision 2015-15, the Commission denied an application by Gill Broadcasting Ltd. (Gill) to operate a commercial ethnic FM radio station in Winnipeg. Given the limited revenue growth of the existing ethnic radio station CKJS¹ and the modest Hindi/Punjabi and Tagalog populations in Winnipeg, the Commission found that

¹ The Commission has since approved CKJS's conversion to the FM band; the station is now called CKJS-FM.

the Winnipeg radio market would be highly challenged to sustain an additional ethnic station at that time.

4. In accordance with Broadcasting Regulatory Policy 2014-554 (the Policy), the Commission called for comments on the capacity of the Winnipeg market to support a new station and the appropriateness of issuing a call for applications for new stations in this market. The Policy states that the Commission weighs various 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 support additional stations, return the application and issue a decision setting out this determination.

Interventions and replies

5. The Commission received 14 interventions—12 in support and two in opposition—as well as two replies. The Commission also received an expression of interest from Gill to operate a commercial ethnic radio station in the market.

Supporting interventions

6. Ten of the supporting interventions, which were received from incumbent licensees and local organizations, specifically supported U Multicultural’s application for a community station. These interveners indicated that a new community station would not have a negative impact on incumbent stations and that the new station would provide a valuable service to Winnipeg’s diverse communities.
7. In its supporting intervention, U Multicultural indicated that it has strong connections with and support from other Winnipeg community stations. It specified that the new station would be funded through grants, government funding and private sponsorship, and that it would not rely on advertising revenue. Thus, U Multicultural argued that the new station would not negatively impact the Winnipeg radio market. Finally, U Multicultural pointed out that the market is not currently served by a community ethnic station.
8. In its supporting intervention, 888 Enterprises stated that it proposed to serve a specific population that is currently underserved and different from CKJS-FM’s target audience. Further, 888 Enterprises indicated that any revenue would come from businesses operating within the specific population segment it proposed to serve. 888 Enterprises claimed that these businesses generally do not advertise on mainstream radio stations and that it would not solicit businesses that do.

9. In its supporting intervention and expression of interest, Gill stated that a second ethnic radio station is needed in Winnipeg to serve South Asian communities and that a new ethnic station would increase representation and provide many benefits to the communities represented. Gill currently operates the low-power radio station CKYG-FM Winnipeg and expressed an interest in converting this service into a full power commercial ethnic station.

Opposing interventions

10. In a joint opposing intervention, Bell Media Inc., Corus Entertainment Inc., Rogers Media Inc. and Pattison Media expressed the view that Winnipeg does not have the market capacity for an additional radio station. These interveners argued that Winnipeg has a high number of radio stations compared with markets of similar size. They pointed out that the Winnipeg radio market has not only failed to recover from the economic impact of the COVID-19 pandemic but is also still in decline. Finally, these interveners argued that the Commission should not make any market capacity determinations until it has completed its review of the Commercial Radio Policy as outlined in Broadcasting Notice of Proceeding 2020-25.
11. In its opposing intervention, Dufferin, on behalf of its ethnic commercial radio station CKJS-FM, stated that CKJS-FM's revenue has fallen sharply over the past two years and that that revenue was stagnant before the COVID-19 pandemic. Dufferin noted that CKJS's recent conversion to the FM band resulted in costs associated with the building of a new broadcasting tower. It also claimed that the introduction of any new ethnic radio service would have a significant negative impact on CKJS-FM, particularly since the service depends on revenue generated by its programming targeting Filipino and South Asian communities, two of the largest ethnic groups in Winnipeg. Dufferin added that CKJS-FM does not have a full programming schedule and that the remaining timeslots could be filled by ethnic producers interested in providing content in additional languages.

Replies

Joint reply

12. In a joint reply, Bell Media Inc., Corus Entertainment Inc., Rogers Media Inc. and Pattison Media reiterated that the Winnipeg radio market and the Canadian radio market in general face challenging economic conditions at this time. These interveners argued that a new service would not be able to bring enough new advertisers into the Winnipeg market and would be more likely to draw from existing radio advertisers, thereby negatively affecting incumbent stations.

Dufferin's reply

13. In reply to U Multicultural, Dufferin argued that a community radio station would have an impact on incumbent radio stations, particularly since the Winnipeg radio market in general and the ethnic radio market in particular are in decline. Dufferin claimed that U Multicultural would need more revenue for increasing expenses and that its

combination of terrestrial and web-based services would be attractive to a shrinking pool of advertisers.

14. In reply to 888 Enterprises, Dufferin pointed out that CKJS-FM is licensed to serve 19 different ethnocultural groups in 16 different languages, including all the major cultural groups and “immigrant languages” in Winnipeg. Dufferin claimed that groups not currently served by CKJS-FM account for less than 1% of Winnipeg’s population. Dufferin indicated that 888 Enterprises’s proposed station would not be viable if it did not target any of the languages or cultural groups currently served by CKJS-FM and that it would be more likely to encroach on CKJS-FM’s turf in terms of both audience and advertising revenue.
15. In reply to Gill, Dufferin claimed that Gill is currently under investigation for operating two of its low-power undertakings as de facto unilingual and uni-cultural ethnic stations. Dufferin added that the way that Gill has operated these two stations has had a significant negative impact on CKJS-FM.

Commission’s analysis

16. The Commission notes that 888 Enterprises and U Multicultural’s applications were received under the existing Commercial Radio Policy. Therefore, the Commission is of the view that the applications should be considered accordingly.
17. Since the beginning of the pandemic, commercial radio in Canada has experienced two years of revenue declines. Profitability has also declined nationally, as radio continues to face pressures from additional online advertising options and channels, making it a buyer’s market for advertisers. Compounding this decline, inflation in Canada is at its highest levels since 1991.
18. While average tuning for traditional radio has been in decline for some time, listening hours decreased substantially during the lockdown given that commuting is a large driver for radio listenership and, according to NLogic, had not yet reached pre-lockdown levels as of January 2022.
19. The Winnipeg radio market experienced a sharp decline in revenues during the COVID-19 pandemic. Revenues have since stabilized but are considerably lower than pre-pandemic levels. The Commission notes that CKJS-FM is vulnerable to additional financial pressures. Therefore, a new commercial ethnic radio station would likely have an undue economic impact on the incumbent stations in the market.
20. However, the Commission is of the view that community stations, being partially reliant on volunteers, grants and fundraising to ensure their viability, generally do not raise concerns pertaining to commercial impact.

Conclusion

21. In light of the above, the Commission finds that the Winnipeg radio market cannot support an additional commercial radio station, ethnic or otherwise, at this time.

Consequently, the Commission will return the application filed by 888 Enterprises for a broadcasting licence to operate a commercial ethnic FM radio station in Winnipeg.

22. Further, consistent with its approach set out in the Policy, the Commission will not generally be disposed to accept applications for new commercial radio stations to serve the Winnipeg radio market for a period of two years from the date of this decision.
23. Given that no other parties expressed an interest in operating a community station in this market, the Commission will publish the application by U Multicultural for a broadcasting licence to operate a community ethnic FM radio station in this market as part of the non-appearing phase of an upcoming public hearing.

Secretary General

Related documents

- *Call for comments on market capacity and the appropriateness of issuing a call for radio applications to serve Winnipeg, Manitoba*, Broadcasting Notice of Consultation CRTC 2021-411, 15 December 2021
- *Commercial radio policy framework review*, Broadcasting Notice of Proceeding CRTC 2020-25, 28 January 2020
- *Ethnic commercial FM radio station in Winnipeg*, Broadcasting Decision CRTC 2015-15, 22 January 2015
- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014