



Broadcasting Decision CRTC 2022-199

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Reference: 2021-375

Ottawa, 27 July 2022

Public record: 1011-NOC2021-0375

Findings regarding market capacity in the Squamish radio market

Summary

The Commission finds that the market of Squamish, British Columbia, can sustain an additional radio station.

Given that no parties other than Four Senses Entertainment Inc. (Four Senses) submitted an application to serve this market, the Commission will publish the application filed by Four Senses for a broadcasting licence to operate a new English-language commercial FM radio station in Squamish, British Columbia, as part of the non-appearing phase of an upcoming public hearing.

Background

1. In Broadcasting Notice of Consultation 2021-375, the Commission announced that it had received an application by Four Senses Entertainment Inc. (Four Senses) for a broadcasting licence to operate an English-language commercial FM radio station in Squamish, British Columbia.
2. The Squamish market is currently served by one English-language commercial radio station operated by Rogers Media Inc. (Rogers), CISQ-FM. Along with CISQ-FM, Rogers owns and operates two other stations in the area, CISW-FM Whistler, British Columbia, and CISP-FM Pemberton, British Columbia. CISQ-FM, CISW-FM and CISP-FM are collectively known as the Mountain FM Network.
3. Four Senses, the triggering applicant, also operates an English-language FM commercial radio station, CKEE-FM, in Whistler.
4. In accordance with Broadcasting Regulatory Policy 2014-554 (the Policy), the Commission called for comments on the capacity of the Squamish market to support a new station. The Policy states that the Commission weighs 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.
5. As an exception to the current process set out in the Policy, the Commission simultaneously called for radio applications to serve Squamish, as described in Broadcasting Notice of Consultation 2021-375, to avoid further delays related to the COVID-19 pandemic. Taking into account economic and financial data as well as the interventions and replies received in response to this notice, the Commission decided whether to make a determination that the market:
- can sustain an additional station and publish the initial application for consideration as part of an appearing or of a non-appearing phase of a public hearing, either on its own or alongside any additional applications that were filed in response to this call for applications; or
 - cannot sustain additional stations, return the application(s) and issue a decision setting out this determination.

Intervention

6. The Commission received one intervention in opposition from Rogers. No additional applications were received as part of the call for applications.
7. In its intervention, Rogers indicated that automotive dealerships and grocery stores are some of the businesses that advertised most with CISQ-FM.
8. As a result of the negative impacts of the pandemic, Rogers stated that CISQ-FM has had to deal with a number of local businesses choosing either not to start advertising during this period of uncertainty, to stop advertising altogether or to drastically reduce their advertising spend. It further noted that the decline in CISQ-FM's revenues is not only related to the pandemic, but also to other negative trends in radio advertising. According to SMI Index data, there has been a drastic decrease in radio advertising spend in small markets located in Alberta, Saskatchewan and British Columbia with populations similar to Squamish.
9. Given its proximity to Vancouver, Rogers is of the view that it is unlikely that the Squamish market, which is not measured by the Trans-Canada Radio Advertising by Market, would perform any differently or better than the more robust Vancouver market.
10. Rogers further stated that, in its view, it would be inappropriate for the Commission to rule on market capacity without having published a new Commercial Radio Policy.

The review of the commercial radio policy framework was initiated in Broadcasting Notice of Proceeding 2020-25.

Commission's analysis

11. The Commission notes that the application was received under the existing Commercial Radio Policy and therefore, is of the view that it should be considered accordingly.
12. A frequency availability assessment determined that there is a frequency scarcity in the Squamish market.
13. 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.
14. Furthermore, 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.
15. Despite the national declines, Squamish's economic outlook is currently positive. As Rogers stated in its intervention, Squamish is rated in the top 10 cities in Canada for population growth and has a high median income and low unemployment.
16. The Mountain FM Network is performing well in comparison to British Columbia radio averages in terms of yearly revenue changes and profitability, in both the five-year period prior to the pandemic and the two most recent broadcast years. Rogers has extensive knowledge and the advantage of operating the Mountain FM Network places Rogers in a strong position to withstand competition that a new station would bring to the region.
17. However, in addition to the stations licensed to serve Squamish and the Mountain FM Network, there is a considerable amount of out-of-market tuning due to Squamish's proximity to Vancouver. Given that 81% of the Squamish workforce is local, it is likely that an additional station would repatriate out-of-market tuning.

Conclusion

18. In light of the above, the Commission finds that the Squamish radio market can sustain an additional radio station.
19. Given that no other applications were received in response to the call for applications for Squamish, the Commission will publish the application filed by Four Senses for a broadcasting licence to operate an English-language commercial FM radio station in Squamish as part of the non-appearing phase of an upcoming public hearing.

Secretary General

Related documents

- *Call for comments on market capacity to serve Squamish, British Columbia, and call for applications to serve Squamish, British Columbia*, Broadcasting Notice of Consultation CRTC 2021-375, 12 November 2021
- *Commercial radio policy framework review*, Broadcasting Notice of Proceeding CRTC 2020-25, 28 January 2020
- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014