



Broadcasting Decision CRTC 2022-225

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Reference: 2021-412

Ottawa, 23 August 2022

Public record: 1011-NOC2021-0412

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

Summary

The Commission finds that the market of Lunenburg County, Nova Scotia, could sustain a new radio station at this time. Given that no parties other than James Scott Clements on behalf of a corporation to be incorporated expressed an interest in serving this market, the Commission considers that publishing a call for applications is not necessary.

Accordingly, the Commission will publish the application filed by James Scott Clements on behalf of a corporation to be incorporated for a broadcasting licence to operate a new English-language commercial 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 2021-412, the Commission announced that it had received an application by James Scott Clements on behalf of a corporation to be incorporated (OBCI) for a broadcasting licence to operate an English-language commercial FM radio station to serve Lunenburg County, Nova Scotia.
2. Lunenburg County is currently served by two commercial radio stations owned by Acadia Broadcasting Corporation (Acadia): CKWB-FM and CJHK-FM. The market is also served by two community radio stations and a low-power rebroadcasting transmitter that rebroadcasts a religious speciality station.
3. In accordance with Broadcasting Regulatory Policy 2014-554 (the Policy), the Commission called for comments on the capacity of the Lunenburg County 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

4. The Commission received 12 interventions—11 in support from local businesses and residents of Lunenburg County and one in opposition from the incumbent, Acadia. The Commission also received two replies—one from James Scott Clements OBCI and one from Acadia.
5. The supporting interveners generally commented on the desirability of greater radio service in Lunenburg County and, in particular, of more local news and information and music variety.
6. In its intervention, Acadia noted that, in recent years, the Nova Scotia radio market has experienced revenue declines that were greatly exacerbated by the COVID-19 pandemic. Further, Acadia is of the view that the pandemic will continue to suppress radio spending. Acadia also argued that the Lunenburg County radio market is not underserved and that a new commercial station would have a direct negative financial impact on its two incumbent radio stations, as well as on Acadia as a whole.
7. In its reply, James Scott Clements OBCI indicated that a new commercial radio station would improve the diversity of voices in Lunenburg County and provide a new advertising venue for local businesses. James Scott Clements OBCI acknowledged the financial impact of the COVID-19 pandemic but noted that operating margins in Atlantic Canada increased in 2020 and that Canadian ratings services are seeing radio tuning return to pre-pandemic levels. Finally, James Scott Clements OBCI noted economic indicators for Nova Scotia are positive, pointing to a “return to normal.”
8. In its reply, Acadia reiterated that the Lunenburg County radio market cannot sustain an additional radio station at this time and that the Commission should refrain from issuing a call for applications to serve Lunenburg County.

Commission’s analysis

9. According to the Conference Board of Canada, Nova Scotia’s economic outlook is positive, including with regard to indicators such as gross domestic product (GDP), inflation and real exports. However, according to Statistics Canada’s 2016 and 2021 censuses, Lunenburg County’s economic indicators including household income, population growth and unemployment were below provincial averages.
10. While the market of Lunenburg County has experienced losses since the start of the COVID-19 pandemic, its population per radio station, ad revenue per station and profit before interest and tax (PBIT) are currently higher, on average, than radio markets of similar size in Nova Scotia.

11. Acadia, which operates the only two commercial stations in Lunenburg County, accounts for the vast majority of revenues in this market. In addition, Acadia owns and operates stations in the nearby market of Halifax and across Nova Scotia. While Acadia is considered an independent player, it is one of the largest radio broadcasters in Nova Scotia with respect to the number of stations. For these reasons, it is in a strong position to withstand competition from a new commercial station in the Lunenburg County market.
12. Because of its proximity to Halifax, Lunenburg County experiences significant out-of-market tuning. The Commission is of the view that a new station could provide an opportunity to repatriate some of this out-of-market tuning.
13. Finally, the Commission is of the view that a new station would add to the diversity of voices in the Lunenburg County radio market, particularly since Acadia is currently the only commercial operator in the market.

Conclusion

14. In light of the above, the Commission finds that the Lunenburg County radio market could sustain a new radio station at this time.
15. Given that no other parties expressed interest in serving this market, the Commission will publish the application filed by James Scott Clements OBCI 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 Lunenburg County, Nova Scotia*, Broadcasting Notice of Consultation CRTC 2021-412, 15 December 2021
- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014