



## Broadcasting Decision CRTC 2008-254

Ottawa, 11 September 2008

### **Tantramar Community Radio Society**

Amherst, Nova Scotia

*Application 2008-0225-8, received 11 February 2008*

*Public Hearing in the National Capital Region*

*7 July 2008*

### **Community radio station in Amherst, Nova Scotia**

*The Commission **denies** an application for a broadcasting licence to operate an English-language Type B community FM radio station in Amherst, Nova Scotia.*

#### **The application**

1. The Commission received an application by Tantramar Community Radio Society (TCRS) for a broadcasting licence to operate an English-language Type B community FM radio programming undertaking in Amherst, Nova Scotia.
2. The applicant indicated that the station would broadcast 126 hours of programming during each broadcast week. Twenty-five percent of the programming would consist of local spoken word, including news and topics of local interest, amateur sports coverage, weather, special events, municipal council meetings, emergency information and public service announcements. TCRS also proposed to devote 50% of its newscasts to local news and 50% to regional news.
3. With respect to the promotion of local artists, the applicant stated that it intended to place special emphasis on Maritime artists, feature local area performers in studio and record others on location.
4. TCRS would provide training to volunteers with no previous broadcasting experience. Broadcasting and journalism students from institutions like the Nova Scotia Community College Waterfront Campus in Dartmouth would be encouraged to do their internships and work placements at the station.
5. The applicant proposed to devote 80% of its musical selections to selections from content subcategory 21 (Pop, Rock and Dance), subcategory 22 (Country and Country-oriented) and subcategory 24 (Easy listening). The remaining 20% of musical selections would be drawn from content category 3 (Special Interest Music).

## **Interventions**

6. The Commission received 18 interventions in support of this application, as well as one in opposition. The public record for this proceeding is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings."
7. Maritime Broadcasting System Limited (MBS), licensee of the commercial station CKDH Amherst, submitted the opposing intervention. MBS submitted that approval of TCRS's community FM radio application as proposed at this time would have an undue negative impact on the profitability of CKDH. MBS found it disconcerting that TCRS projects that its proposed station would generate local advertising revenues of \$200,000 in year 7. MBS submitted that the Town of Amherst cannot support both CKDH and a community station selling \$200,000 in annual local advertising. MBS argued that, given the general economic environment, the pool of local radio advertising simply would not expand sufficiently to accommodate both CKDH and a community station requiring such a volume of local advertising to survive. MBS also indicated that, while it had prepared an application to convert CKDH to the FM band, it projected an after-tax loss over the first seven-year licence term.

## **Applicant's reply**

8. TCRS submitted that CKDH's current format may have something to do with its declining profitability during the last five years. TCRS noted that, at one time, CKDH had a significant presence in the Amherst region, supporting various community groups with fundraising events such as radiothons and providing in-depth coverage of news events such as municipal council and school board meetings as well as elections. In recent years, TCRS stated that it had observed the outsourcing of jobs, erosion in locally produced programming and little or no local news coverage by CKDH. TCRS also noted that MBS owns several of the ten commercial FM signals from nearby markets such as Moncton and Truro that dominate radio listening in Amherst.

## **Commission's analysis and determinations**

9. After examining the application and interventions, the Commission considers that the two issues to be addressed are the following:
  - Does the programming proposed by TCRS reflect the objectives of the Commission's Community Radio Policy?
  - What would be the economic impact of the proposed TCRS station on the existing station in the Amherst market?

**Does the programming proposed by TCRS reflect the objectives of the Commission's Community Radio Policy?**

10. The Community Radio Policy states that “the Commission’s primary objective for the community radio sector is that it provide a local programming service that differs in style and substance from that provided by commercial stations and the CBC.”<sup>1</sup> More specifically, “the Commission considers that community stations should add diversity to the broadcasting system by increasing program choice in both music and spoken word.”<sup>2</sup>
11. After reviewing the application, the Commission is concerned by the apparent commercial orientation of the service proposed by TCRS. Specifically, 80% of TCRS’s music programming would be devoted to category 2 musical selections consisting of Pop, Rock, Dance, Country music and Easy listening. Additionally, the spoken word programming plans are absent of any specific description that would serve to demonstrate the diversity to be offered. Given that musical selections from category 2 are already widely broadcast by commercial radio stations available to listeners in Amherst and music programming is a major component of TCRS’s proposed overall programming, as well as the absence of detailed spoken word programming plans, the Commission considers that the proposed radio station would not increase program choice in both music and spoken word, as specified by the Community Radio Policy.

**What would be the economic impact of the proposed TCRS station on the existing station in the Amherst market?**

12. In Broadcasting Public Notice 2006-159, the Commission expressed its concern about the greater vulnerability of commercial radio stations to increased competition in small radio markets.<sup>3</sup> The population of Amherst has remained relatively stable since 2001 and was projected by FP Markets to be 9,865 persons in 2008. In addition, the close proximity of Amherst to the city of Moncton, NB (approximately 50km) means that Moncton radio stations are also available to provide varied radio listening choices to residents of Amherst as well as competition for CKDH. While CKDH has generated a positive profit before interest and taxes (PBIT) over the past five years, the magnitude of this PBIT has been in decline, primarily due to a significant decline in revenues. The Commission also notes that CKDH has attempted to offset this decline in revenues through a reduction in total operating costs.
13. The Commission is concerned that the commercial nature of the programming proposed by the applicant, with its emphasis on category 2 music, could have an undue negative impact on the advertising revenues and financial situation of CKDH.

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<sup>1</sup> *Community Radio Policy*, Public Notice CRTC 2000-13, 28 January 2000, para. 12

<sup>2</sup> *Idem*

<sup>3</sup> *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, para. 9

## Conclusion

14. In light of all of the above, the Commission **denies** the application by Tantramar Community Radio Society for a broadcasting licence to operate an English-language Type B community FM radio programming undertaking in Amherst, Nova Scotia.

Secretary General

## Related documents

- *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.
- *Community radio policy*, Public Notice CRTC 2000-13, 28 January 2000

*This decision is available in alternative format upon request and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>.*