

PO Box 2545, 5007 50 Avenue, Yellowknife, NT X1A 2P8 mailbox@cabinradio.ca

February 28, 2023

Mr. Claude Doucet
Secretary General
Canadian Radio-Television & Telecommunications Commission
Ottawa, ON K1A 0N2

Dear Mr. Doucet,

Re: Broadcasting Decision CRTC 2023-33
Findings regarding market capacity in the Yellowknife radio market

Introduction

506992 N.W.T. Ltd – operating as Cabin Radio, an internet radio service based in Yellowknife, N.W.T. – wishes to advise the CRTC that it will refile its application to obtain a broadcasting licence to operate a commercial undertaking in Yellowknife within 60 days of the date of this letter.

We understand that the Commission, generally, is not disposed to accept new applications for commercial radio stations to serve the Yellowknife market for a period of two years following Broadcasting Decision CRTC 2023-33. We respectfully submit that, on consideration of the following key factors, the Commission must make an exception to this moratorium:

- 1. The extraordinary length of time (42 months) between the original filing of Cabin Radio's application to serve Yellowknife and the receipt of BD 2023-33;
- 2. The Commission's decision to produce an economic analysis in BD 2023-33 based primarily on the economy of the Northwest Territories and not that of the market in question, Yellowknife; and
- 3. The Commission's lack of accounting in BD 2023-33 for the unique circumstances of Cabin Radio as an internet radio service that has been serving Yellowknife since 2017 and already occupies significant space in that market.

We believe we meet the standard for the Commission to grant an exception to the moratorium.

Timing and unreasonable delay

Cabin Radio first submitted its application to serve the Yellowknife market as a commercial FM radio station <u>42</u> <u>months ago</u>, with a view to providing an alternative to the only other commercial FM station in the market.

We understood from the moment we applied that the regulatory process takes time, and we respect the reasonable period that due process requires.

Throughout the 42-month period, we responded to every request from the Commission for additional information and, when asked by the Commission, confirmed we remained fully committed to proceeding with the application. As an example, on January 4, 2021, we responded to the Financial and Multiplatform Technology Analysis group's request for detailed information about the financial status of Cabin Radio and the market.

Broadcasting Notice of Consultation CRTC 2021-374 was issued on 12 November 2021, <u>27 months</u> after we had submitted our application. The Yellowknife market assessment process would not have been triggered but for the Cabin Radio original application filed in August 2019, making it part of the process.

In that Notice, the Commission expected "persons interested in serving the Yellowknife radio market to submit a duly completed application to the Commission by no later than 27 January 2022." As Cabin Radio had already applied, we understood that we were a participant in the process and no further action was required until and if interventions were filed.

On January 27, 2022, Cabin Radio responded to the market assessment file with additional information that spoke directly to the market conditions and why Yellowknife could support a new FM station. This response (Document 3, Appendix 1, paragraphs 64-70) specifically addressed the intervention from the lone commercial FM operator and the issue of misapplication of economic data related to the entire Northwest Territories – an area twice the size of France with 33 communities – versus data relevant to Yellowknife, the area to be licensed.

We understand that once the Commission initiates a market assessment, the application process and the market assessment process are unique and distinct from each other. However, to initiate a market analysis, an entity of the Commission must have – at a minimum – read the Cabin Radio application and understood that Cabin Radio has been operating as an active participant in the media market, as an internet radio station serving Yellowknife, for five years.

(On the point of procedure, we note that in Decision CRTC 2022-259, the Commission received a submission regarding market capacity from an applicant that was deemed to be out of process, yet the Commission still admitted that submission to the record of the proceeding. This makes plain that even if the Commission considered Cabin Radio's submission regarding market capacity to be out of process, relief was available and should have been provided if Cabin Radio were to be afforded equivalent procedural fairness.)

To now see that a market assessment – issued <u>15 months</u> after the initial call – reaches conclusions using data pertaining to the entire Northwest Territories, rather than the appropriate market, is confusing. This application of data is fundamentally inappropriate and misleading.

We acknowledge that COVID-19 may have played a (limited) role in the initial delay of 27 months from the time of filing our original application to the issuance of Broadcasting Notice of Consultation CRTC 2021-374. However, we also note that our application was filed **seven months** prior to the declaration of a public health emergency in the Northwest Territories or anywhere else in Canada. Having then announced an expedited process, a further 15-month wait from CRTC 2021-374 to see the results of an economic analysis is too long, and the duration of the process as a whole amounts to an unreasonable delay.

In the meantime, the Yellowknife economy has evolved during and beyond the public health emergency triggered by COVID-19. Through that time, Cabin Radio has grown and thrived, developing an extraordinarily close relationship with its home community and a broad audience while maintaining financial stability. At the time of writing, we are shortlisted for the Canadian Association of Journalists' national award for daily excellence in news, which we appreciate as an indicator of the quality of work we plan to bring to FM.

We note the continued presence in the market of all broadcast media organizations that existed in Yellowknife pre-pandemic, and further note that Vista Radio Ltd recently applied to the Commission for a second licence to serve the market, a clear indicator of the market's health in the view of that group.

Our forthcoming application will provide incontrovertible evidence that the economic situation in Yellowknife supports Cabin Radio as an internet radio service, as it has done since 2017, and will do so as an FM radio station.

Yellowknife and the Northwest Territories

In Decision CRTC 2023-33, the Commission cites evidence from the only other commercial incumbent in the market, which discussed at length the economy of the Northwest Territories.

We are not applying for a licence to serve the entire Northwest Territories. We are applying to serve Yellowknife.

To use a southern comparison that might assist the Commission, the economic data of Ontario cannot and does not apply equally to Toronto, Timmins and Tarbutt. An applicant in any of those communities would expect the economic data considered to be the data of Toronto, Timmins or Tarbutt, not the province.

Analyzing three market capacity assessments issued by the Commission in 2022 – CRTC 2022-197, CRTC 2022-198 and CRTC 2022-259 – at no point in any of the three does the Commission rely on provincial data at the expense of specific market data. The Commission has not provided a reasonable rationale for choosing the opposite approach in CRTC 2023-33.

In our forthcoming application, we will provide evidence of the Yellowknife economy's recovery from COVID-19 and will provide robust, reliable financial projections based on five years of experience running a profitable commercial broadcast media organization reliant on advertising revenue from the Yellowknife market.

Our financial analysis is steeped in real-world experience of Yellowknife, and we stress that any decision of the Commission must be grounded in the real world, not a conceptual world where Cabin Radio is not treated as an existing entity and market force.

Cabin Radio

As indicated, Cabin Radio has been serving Yellowknife for more than half a decade as an internet radio service providing news, information, community support and entertainment.

We dedicate 40 percent of our programming to Canadian content, including emerging, northern and Indigenous artists, who are playlisted daily as a core component of our music offering. Our application will detail our programming, our commitment to news and information, and our support for the community of Yellowknife.

Our application will provide evidence of market demand and we will include, as an appendix, letters of support from hundreds of residents, business leaders, community leaders, education leaders, sports leaders, musicians, non-profits and Indigenous voices who support the establishment of Cabin Radio as an FM service in a community where internet access is not always as straightforward as may be the case in the South. We believe this will demonstrate where the public interest lies, which must be the overarching consideration of broadcast regulation.

Conclusion

Cabin Radio remains entirely committed to serving Yellowknife as an FM commercial radio station. Our existing internet-based service looks, acts and feels like any other commercial FM radio station, a similarity that extends to its impact on the Yellowknife media market, an impact other broadcast media groups have successfully withstood.

Our audience is asking for Cabin Radio on the FM dial for reasons of practicality, community value, and ability to reach demographics not served by existing licensees. We agree with them and will once more seek the CRTC's permission to begin that valuable service.

We respectfully submit that the Commission must be procedurally fair, take into consideration the key factors set out above, grant an exception to the moratorium, and open Cabin Radio's forthcoming application within the reasonable period of six months following its receipt.

With thanks,

Andrew J. Goodwin

General Manager and Part-Owner, Cabin Radio Yellowknife resident since 1998

Jesse Wheeler

Host and Part-Owner, Cabin Radio

Scott Letkeman

Ollie Williams

Program Director and Part-Owner, Cabin Radio Yellowknife resident since 2013

Editor and Part-Owner, Cabin Radio

Yellowknife resident since 2014

Yellowknife resident since 1981

Sales & Content Manager and Part-Owner, Cabin Radio Yellowknife resident since 2019