



Broadcasting Decision CRTC 2009-216

Route reference:

Broadcasting Notice of Public Hearing 2008-14

Ottawa, 24 April 2009

Subanasiri Vaithilingam, on behalf of a corporation to be incorporated

Scarborough, Ontario

Kumar Nadarajah, on behalf of a corporation to be incorporated

Markham, Ontario

Applications 2008-1161-3 and 2008-1264-5, received 28 August and 18 September 2008

Public Hearing in Orillia, Ontario

26 January 2009

Ethnic-language AM radio stations to serve Scarborough and Markham

*The Commission **denies** applications for broadcasting licences to operate commercial ethnic radio programming undertakings in Scarborough and Markham, respectively.*

Introduction

1. In Broadcasting Notice of Public Hearing 2008-14, the Commission announced that it had received applications for broadcasting licences to operate commercial AM ethnic radio programming undertakings, one to serve Scarborough and one to serve Markham. The applicants were as follows:
 - Subanasiri Vaithilingam, on behalf of a corporation to be incorporated (Vaithilingam)
 - Kumar Nadarajah, on behalf of a corporation to be incorporated (Nadarajah)
2. As part of this process, the Commission also received and considered interventions with respect to each application. The Commission received a reply from Nadarajah. Vaithilingam did not reply to any of the interventions received. The public record for this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."
3. After reviewing the applications and the positions of the parties to this proceeding, the Commission is of the view that the two principal issues to be determined are:
 - Would approval of either or both applications provide additional diversity within the respective markets?
 - Can the commercial ethnic radio market in the Greater Toronto Area (GTA), including Scarborough and Markham, sustain the addition of commercial ethnic radio services without an undue negative impact?

Would approval of either or both applications provide additional diversity within the respective markets?

4. The Commission received interventions from certain licensees currently operating ethnic radio services within the GTA. The interveners argued that the GTA is currently well served by the eight radio undertakings licensed to provide ethnic or third-language programming to the various multicultural communities within and surrounding the GTA.
5. In response to concerns expressed by Canadian Hellenic Toronto Radio Inc. (CHTO) regarding potential overlap with its Romanian- and Armenian-language programming, Nadarajah proposed to replace such programming on its schedule with Sindhi-, Turkish- and Bengali-language programming. Nadarajah also stated that CJSA-FM Toronto, a commercial ethnic radio undertaking, has recently increased its total weekly hours of Tamil-language programming from 32 to 45 hours and that this demonstrates a strong demand for programming in the Tamil language. The applicant noted that CHTO has also recently replaced ten hours of its weekly Greek programming by South Asian programming.
6. The Commission notes the programming overlap existing between the proposed services and the ethnic radio services presently serving the GTA, including Scarborough and Markham.¹ The Commission notes that one of these incumbent ethnic radio stations, CHTO, launched only very late in 2007, while the station licensed to Neeti P. Ray, on behalf of a corporation to be incorporated (CINA Mississauga), which offers principally South Asian programming, has only recently launched. Neither of these licensees are as yet well established in their markets.
7. Finally, the Commission notes the existence of numerous conventional and discretionary television services available in the GTA which target the groups designated in the applications. In particular, television programming targeting South Asian communities, such as Tamil-, Punjabi-, Urdu- and Hindi-language programming, is available from various licensees.
8. In light of the above, the Commission determines that the linguistic and ethnic groups targeted by both applications are presently well served by regulated programming undertakings and that approval of either or both of the applications under consideration would not result in the addition of significant programming diversity within the GTA.²

¹ The ethnic radio services are CINA Mississauga, CHIN-FM Toronto, CJSA-FM Toronto, CJMR Mississauga, CIAO Brampton and CIRV-FM Toronto.

² Vaithilingam proposed more than 80% of South Asian programming (including primarily Tamil as well as Hindi), while Nadarajah proposed more than 70% South Asian programming (including primarily Tamil, Urdu, Punjabi and Hindi, but also Gujarati and Singhalese).

Can the commercial ethnic radio market in the GTA, including Scarborough and Markham, sustain the addition of these commercial ethnic radio services without an undue negative impact?

9. The interventions received from existing ethnic licensees noted that the poor timing of the proposed applications is exacerbated by the current economic downturn, which follows a decline in revenues between 2006 and 2007. In this regard, the interveners submitted that the applicants intend to serve listeners and receive advertising revenues from across the GTA and not merely within their proposed primary listening areas. The interveners also submitted that the applicants have demonstrated neither sufficient listener nor advertiser demand for their proposed services nor the ability to provide the financing necessary to adequately sustain these services throughout their licence term.
10. The interveners also argued that the timing for licensing the proposed services is particularly inopportune due to the recent launching of ethnic stations licensed to CHTO and Neeti P. Ray (see Broadcasting Decisions 2006-117 and 2007-117).
11. In reply, Nadarajah stated that it did not commission an independent research study demonstrating demand for the proposed service because it concluded that there exists sufficient demand among Markham listeners and advertisers based on informal discussions with these local stakeholders. The applicant also pointed out that neither of the two most recent ethnic licensees in the GTA commissioned outside research firms to support their applications. Finally, Nadarajah agreed that its proposed service area would extend beyond Markham into adjoining parts of the GTA, but noted that the majority of its locally produced programs and news coverage would be directed to Markham.
12. While the applicants stated that they would primarily be serving different geographic markets within the GTA than existing ethnic radio services serving this area and that their programming would be local to Markham and Scarborough respectively, the Commission is of the view that the applicants would almost certainly be targeting many of the same advertisers as the incumbent ethnic services, even if those advertisers may be located outside of their proposed primary service areas.
13. Further, based on a comparison of 2006 to 2007 financial results, the Commission notes that the profitability of ethnic incumbents in the GTA, with few exceptions, did not increase during this generally healthy economic period. Preliminary data for the 2008 broadcast year indicates a downward trend in profitability, which will likely continue at least through the end of the 2009 broadcast year as a result of the negative impact of the current recession.
14. The Commission's concern in this regard is reinforced by its previous determination pertaining to the level of overlap between the proposed programming and that of numerous existing conventional and discretionary television services in the GTA that target the groups designated in the applications. These services also have the ability to solicit local advertising revenue.

15. In light of the above, the Commission determines that the applicants have not demonstrated that approval of either or both applications would not result in undue negative impact on the commercial ethnic radio market in the GTA.

Conclusion

16. Based on the foregoing, the Commission **denies** the following applications by Subanasiri Vaithilingam, on behalf of a corporation to be incorporated, and Kumar Nadarajah, on behalf of a corporation to be incorporated for broadcasting licences to operate commercial AM ethnic radio programming undertakings in Scarborough and Markham respectively.

Related documents

- Broadcasting Notice of Public Hearing CRTC 2008-14, 26 January 2009
- *Ethnic radio programming undertakings in Mississauga and Brampton*, Broadcasting Decision CRTC 2007-117, 23 April 2007
- *Ethnic AM radio station in Toronto*, Broadcasting Decision CRTC 2006-117, 4 April 2006

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>.