



## Broadcasting Decision CRTC 2017-3

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Reference: 2016-232

Ottawa, 6 January 2017

### Various applicants

Edmonton, Alberta

*The application numbers are set out in the decision.*

*Public hearing in Edmonton, Alberta*

*27 September 2016*

### Licensing of new radio stations to serve Edmonton

*The Commission **approves** an application by 1811258 Alberta Ltd. for a broadcasting licence to operate an ethnic commercial AM radio station in Edmonton.*

*The Commission also **approves** an application by Société Radio Communautaire du Grand Edmonton Society for a broadcasting licence to operate a French-language community FM radio station in Edmonton.*

*The Commission **denies** the remaining applications for broadcasting licences for radio stations to serve Edmonton.*

### Introduction

1. At a public hearing beginning on 27 September 2016 in Edmonton, the Commission considered the following applications for new ethnic commercial radio stations to serve Edmonton:

Applicant	Application number and date received
VMS Media Group Ltd.	2016-0372-0, received 6 April 2016
Neeti P. Ray, on behalf of a corporation to be incorporated	2016-0358-0, received 6 April 2016
Antoine Karam, on behalf of a corporation to be incorporated	2015-0007-5, received 7 January 2015
Dufferin Communications Inc.	2016-0329-1, received 1 April 2016
Radio India Ltd.	2016-0344-9 and 2016-0374-6, received 4 April 2016 and 8 April 2016

Multicultural Broadcasting Corporation Inc.	2016-0348-1, received 6 April 2016
Harmon Bal, on behalf of a corporation to be incorporated	2016-0353-0, received 6 April 2016
Akash Broadcasting Inc.	2016-0359-8, received 6 April 2016
South Fraser Broadcasting Inc.	2016-0365-5, received 6 April 2016
1811258 Alberta Ltd.	2016-0360-6, received 6 April 2016

2. A number of proposals for the use of frequencies, including alternative frequencies, set out in these applications were mutually exclusive on a technical basis. All of the applicants except for South Fraser Broadcasting Inc. (South Fraser Broadcasting) and 1811258 Alberta Ltd. (1811258 Alberta) proposed the use of the FM frequency 106.5 MHz as their preferred choice. South Fraser Broadcasting and 1811258 Alberta proposed the use of the AM frequency 580 kHz as their preferred choice.
3. The Commission also considered an application (2016-0354-8, received 6 April 2016) by Société Radio Communautaire du Grand Edmonton Society (Société Radio Communautaire) for a French-language community FM radio station in Edmonton, which would operate at 97.9 MHz. This application is examined separately from the competing ethnic radio applications in this decision.
4. As part of this process, the Commission received and considered interventions with respect to each application. The public record for each application can be found on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) or by using the appropriate application number.
5. After reviewing the public record for this proceeding, the Commission is of the view that the primary issues to be considered when assessing the competing ethnic radio applications are as follows:
  - Can the Edmonton radio market sustain an additional ethnic radio service(s) without an undue negative impact on existing stations?
  - If so, which of the application(s) for new radio stations should be approved in light of the factors identified in Broadcasting Notice of Consultation 2015-562 (the Call)?

### **The Edmonton radio market**

6. The Edmonton radio market is served by 19 commercial radio stations, including an ethnic radio service (CKER-FM). Most of the stations are operated by large, established broadcasters with multiple services.
7. The Edmonton Census Metropolitan Area (CMA) is Canada's sixth largest in terms of population. Having increased from 1,034,945 in 2006 to 1,159,869 in 2011 (12.1%), it ranks second highest among Canadian CMAs in terms of population

growth during that time. The market is diverse, with a significant percentage of the population identifying a non-official language (third language) as their mother tongue. Specifically, from 2006 to 2011, the segment of the population identifying a third language as the language most often spoken at home increased by 32%, representing 11.1% of residents in 2011.

8. Between 2011 and 2013, revenues for the Edmonton radio market increased by \$6 million (6.9%), representing a compound annual growth rate of 3.4%. In 2014, revenues fell slightly (down 1%), with profit before interest and taxes (PBIT) decreasing by \$3.2 million (down 13%) from the previous year. However, the market's PBIT margin remained relatively strong at 22.5%, approximately 4 percentage points higher than the national average. Similarly, in 2015, revenues for the market remained relatively stable, decreasing by -0.25%, while the PBIT margin increased by 0.4 percentage points.
9. In Broadcasting Decision 2015-561, the Commission recognized that there is downside risk surrounding Edmonton's short-term economic outlook due to the significant decrease in oil prices. However, the Commission found that the Edmonton radio market could sustain, under certain circumstances, an additional radio station and expressed its preliminary view that the market would be best served by proposals targeting ethnic communities. The Commission noted that a second ethnic station would have minimal impact on existing mainstream stations given that ethnic services typically get minimal tuning and rely on different sources to generate revenues, such as local advertising and brokered programming targeting a particular third language or ethnic market.
10. The Commission acknowledges that the short-term outlook for Edmonton's economy has worsened since it released its findings in Broadcasting Decision 2015-561. However, although Edmonton's economy is anticipated to have contracted in 2016 for the second year in a row, it is forecast to return to moderate growth in 2017.<sup>1</sup>
11. Moreover, Edmonton counts 127,435 people that have identified a third language as the language most often spoken at home,<sup>2</sup> making it the largest third-language market that is served by a single ethnic station. Although revenue growth potential in the market may be limited by the fact that advertisers in the market are already being solicited by an ethnic Subsidiary Communications Multiplex Operations (SCMO) service and an ethnic brokered programming service, Edmonton's low ratio of ethnic radio revenues to third-language residents relative to comparable markets suggests that there is sufficient revenue growth potential in the market to accommodate an additional ethnic station.
12. Based on the above, the Commission finds that the Edmonton radio market can support the licensing of only one new ethnic commercial radio station at this time.

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<sup>1</sup> Conference Board of Canada, autumn 2016 forecast

<sup>2</sup> Statistics Canada, Canada 2011 Census

## Assessment of the applications for ethnic services

13. The Commission has considered the applications to serve Edmonton in light of the factors for evaluating applications for new radio services outlined in the Call, which include the following factors set out in Decision 99-480:
  - the quality of the application;
  - the diversity of news voices; and
  - the competitive state of the radio market and the level of market impact.
14. The Commission also considered the applicants' plans with respect to meeting the objectives set out in the Ethnic Broadcasting Policy.<sup>3</sup>
15. Having considered all of the applications for new ethnic radio stations in light of the criteria set out above, the Commission finds that the application by 1811258 Alberta best meets the needs of Edmonton residents.

### 1811258 Alberta

16. 1811258 Alberta proposed a quality application, including a sound business plan that drew on its experience providing brokered ethnic programming on CKJR Wetaskiwin. The Commission considers that this proposal would have limited impact on existing stations in the market, including the ethnic service CKER-FM. Further, awarding a licence to 1811258 Alberta would repatriate revenues from an out-of-market station (CKJR) that is providing programming to the Edmonton market.
17. The new station will serve a growing ethnic audience of Edmonton residents by offering a mix of spoken word and music programming targeting the South Asian community, as well as other ethnic communities. Specifically, the station will broadcast 126 hours of local ethnic programming each broadcast week directed to at least 9 distinct ethnic groups in at least 17 different languages. At least 91% of the programming broadcast each broadcast week will be devoted to third-language programs, as defined in the *Radio Regulations, 1986* (the Regulations). **Conditions of licence** relating to the minimum number of ethnic groups to be served and the broadcast of ethnic and third-language programming are set out in Appendix 1 to this decision.
18. The applicant committed to broadcast approximately 42 hours of spoken word programming each broadcast week, including 10 hours of news, 6 hours of which would be devoted to local and regional stories relevant to its audience. At least 60% of all its musical selections would consist of world beat and international music. In addition, it proposed to devote, by condition of licence, at least 12% of its musical selections in each broadcast week to Canadian selections, which exceeds the

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<sup>3</sup> See Public Notice 1999-117.

regulatory minimum for ethnic programming periods set out in the Regulations. A **condition of licence** to this effect is set out in Appendix 1 to this decision.

19. All commercial radio licensees must adhere to the requirements relating to contributions to Canadian content development (CCD) set out in section 15 of the Regulations, as amended from time to time. 1811258 Alberta committed to make an over-and-above contribution to CCD of \$50,000 in each broadcast year as of the commencement of operations, for a total contribution of \$350,000 over seven consecutive broadcast years. Although ethnic radio broadcasters are not required to direct part of their CCD contribution to FACTOR or MUSICACTION, the applicant stated that it would contribute \$15,000 each broadcast year to both FACTOR and MUSICACTION (for a total of \$30,000). The remainder of its annual over-and-above CCD contribution (\$20,000) would be directed to the Northern Alberta Institute of Technology for scholarships for students in broadcast journalism from visible minority communities. A **condition of licence** to this effect is set out in Appendix 1 to this decision.

### **Assessment of the application for a French-language community radio station**

20. Société Radio Communautaire proposed a French-language community radio station targeting the French-language official language minority community (OLMC) in Edmonton, including French-speaking people of all ages and cultures, new immigrants and Francophiles.
21. Société Radio Communautaire is a not-for-profit corporation controlled by its board of directors.
22. The station would broadcast 126 hours of programming each broadcast week, including at least 92.5 hours of local programming produced by and for the French-language OLMC in Edmonton. The remaining programming would originate from Réseau francophone d'Amérique and Radio France International.
23. The station would broadcast 46 hours of spoken word programming each broadcast week, including 2.5 hours of local and regional news. In addition, it would devote 22% of its musical selections to a range of special interest music (world beat and international, jazz and blues, folk and folk-oriented, concert and non-classic religious music) and at least 63% of its musical selections each broadcast week to selections from emerging Canadian artists.
24. Finally, with respect to volunteer training and participation, the applicant stated that it had met and developed partnerships with different organizations and entities representing the French-language Edmonton OLCM to solicit participation from volunteers. Training would be provided by employees, and the station would provide evaluations and tutoring to the volunteers on a regular basis.

## Commission's decision

25. As set out in Broadcasting Regulatory Policy 2010-499, the Commission expects community radio stations to provide programming that differs in style and substance from that provided by other elements of the broadcasting system, particularly commercial radio stations and the Canadian Broadcasting Corporation. Such programming should consist of music, especially Canadian music, not generally heard on commercial stations (including special interest music, as well as styles of popular music seldom broadcast), in-depth spoken word programming and programming targeted to specific groups within the community.
26. The Commission is satisfied that the application complies with the provisions for community radio stations set out in Broadcasting Regulatory Policy 2010-499. Moreover, the proposed community station would offer a new local service to the Francophones of Edmonton, including broadcasting opportunities, local reflection and a range of spoken word and music programming not currently offered by existing services, and would represent a positive measure to enhance the vitality of a French linguistic minority community in Canada and support and assist its development, consistent with section 41(1) of the *Official Languages Act*. Further, given the nature, target audience and niche programming of the proposed station, the Commission considers that it would not have an undue negative impact on existing commercial stations in the market.

## Conclusion

27. Based on all of the above, the Commission **approves** the application by 1811258 Alberta Ltd. for a broadcasting licence to operate an ethnic commercial AM radio programming undertaking in Edmonton. The terms and **conditions of licence** are set out in Appendix 1 to this decision.
28. Further, the Commission **approves** the application by Société Radio Communautaire du Grand Edmonton Society for a broadcasting licence to operate a French-language community FM radio programming undertaking in Edmonton. The terms and **conditions of licence** are set out in Appendix 2 to this decision.
29. In light of all of the above, the Commission **denies** the applications by the following applicants for broadcasting licences to operate radio programming undertakings in Edmonton:
  - Akash Broadcasting Inc.
  - Antoine Karam, on behalf of a corporation to be incorporated
  - Dufferin Communications Inc.
  - Harmon Bal, on behalf of a corporation to be incorporated
  - Multicultural Broadcasting Corporation Inc.
  - Neeti P. Ray, on behalf of a corporation to be incorporated

Radio India Ltd.  
South Fraser Broadcasting Inc.  
VMS Media Group Ltd.

### **Reminder**

30. Pursuant to section 16 of the Regulations, all radio licensees must implement a public alerting system.

Secretary General

### **Related documents**

- *Call for applications – Radio stations to serve Edmonton, Alberta*, Broadcasting Notice of Consultation CRTC 2015-562, 18 December 2015
- *Findings regarding market capacity and the appropriateness of issuing a call for radio applications to serve the Edmonton radio market*, Broadcasting Decision CRTC 2015-561, 18 December 2015
- *Campus and community radio policy*, Broadcasting Regulatory Policy CRTC 2010-499, 22 July 2010
- *Introductory statement – Licensing new radio stations*, Decision CRTC 99-480, 28 October 1999
- *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999

*This decision and the appropriate appendix are to be appended to each licence.*

## Appendix 1 to Broadcasting Decision CRTC 2017-3

### Terms, conditions of licence, expectation and encouragement for the ethnic commercial AM radio programming undertaking in Edmonton

**1811258 Alberta Ltd.**

#### Terms

The licence will expire 31 August 2023.

The station will operate at 580 kHz (class B) with a daytime and nighttime transmitter power of 10,000 watts.

Pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department of Industry notifies the Commission that its technical requirements have been met and that a broadcasting certificate will be issued.

Further, the Commission will only issue a licence for this undertaking once the applicant has informed the Commission in writing that it is prepared to commence operations. The undertaking must be operational at the earliest possible date and in any event no later than 24 months from the date of this decision, unless a request for an extension of time is approved by the Commission before **6 January 2019**. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

#### Conditions of licence

1. The licensee shall adhere to the conditions set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009, as well as to the conditions set out in the broadcasting licence for the undertaking.
2. As an exception to the percentage of Canadian musical selections set out in section 2.2(4) of the *Radio Regulations, 1986*, the licensee shall ensure that at least 12% of all musical selections broadcast during ethnic programming periods in each broadcast week are Canadian selections.
3. The licensee shall devote 100% of the programming broadcast each broadcast week to ethnic programs, as defined in the *Radio Regulations, 1986*, as amended from time to time.
4. The licensee shall devote at least 91% of the programming broadcast each broadcast week to third-language programs, as defined in the *Radio Regulations, 1986*, as amended from time to time.
5. In each broadcast week, the licensee shall provide programming directed to at least 9 distinct ethnic groups in at least 17 different languages.

6. In addition to the required basic annual contribution to Canadian content development (CCD) set out in section 15 of the *Radio Regulations, 1986*, as amended from time to time, the licensee shall, upon commencement of operations, make an annual contribution of \$50,000 (\$350,000 over seven consecutive broadcast years) to the promotion and development of Canadian content.

This additional CCD contribution shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

**Expectation**

The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.

**Encouragement**

In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the licensee to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.

## **Appendix 2 to Broadcasting Decision CRTC 2017-3**

### **Terms, conditions of licence, expectation and encouragement for the French-language community FM radio programming undertaking in Edmonton**

#### **Société Radio Communautaire du Grand Edmonton Society**

##### **Terms**

The licence will expire 31 August 2023.

The station will operate at 97.9 MHz (channel 250A1) with an average effective radiated power (ERP) of 113 watts (maximum ERP of 180 watts with an effective height of antenna above average terrain of 38 metres).

Pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department of Industry notifies the Commission that its technical requirements have been met and that a broadcasting certificate will be issued.

Further, the Commission will only issue a licence for this undertaking once the applicant has informed the Commission in writing that it is prepared to commence operations. The undertaking must be operational at the earliest possible date and in any event no later than 24 months from the date of this decision, unless a request for an extension of time is approved by the Commission before **6 January 2019**. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

##### **Conditions of licence**

1. The licensee shall adhere to the conditions set out in *Standard conditions of licence for campus and community radio stations*, Broadcasting Regulatory Policy CRTC 2012-304, 22 May 2012, as well as to the conditions set out in the broadcasting licence for the undertaking.

##### **Expectation**

As set out in *Campus and community radio policy*, Broadcasting Regulatory Policy CRTC 2010-499, 22 July 2010, the Commission expects all community and campus licensees to file yearly updates on the composition of their boards of directors. These annual updates can be submitted at the time of submission of annual returns, following annual board of directors' elections or at any other time. As noted in Appendix 3 to that regulatory policy, licensees may submit such documentation via the Commission's website.

##### **Encouragement**

The Commission considers that community radio stations should be particularly sensitive to employment equity issues in order to reflect fully the communities they serve. It encourages the licensee to consider these issues in its hiring practices and in all other aspects of its management of human resources.