



## Broadcasting Decision CRTC 2005-254

Ottawa, 23 June 2005

**CKMW Radio Ltd., on behalf of a corporation to be incorporated**  
Ottawa, Ontario

*Application 2004-0393-1  
Public Hearing in the National Capital Region  
1 December 2004*

### **English-language adult standards/easy listening FM radio station in Ottawa**

*The Commission **approves in part** the application by CKMW Radio Ltd., on behalf of a corporation to be incorporated, (CKMW) for a broadcasting licence to operate an English-language commercial FM radio station in Ottawa, Ontario. While the applicant had proposed to use 88.5 MHz (channel 203B), the Commission authorizes it to operate at 98.5 MHz (channel 253A), a frequency requested for use by CKMW in another application considered at the 1 December 2004 public hearing.*

*The station will operate in a musical format described by the applicant as featuring a broad range of musical styles, including crooners, standards, ballads, love songs and contemporary hits drawn from both current and past musical eras. It will be targeted to older listeners.*

*CKMW's application is one of four applications approved today for broadcasting licences to carry on new FM radio stations to serve Ottawa, Ontario/Gatineau, Quebec. The Commission's general approach to these and other radio applications considered at the 1 December 2004 Public Hearing in the National Capital Region is set out in Introduction to Broadcasting Decisions CRTC 2005-253 to 2005-257 – Licensing of new radio stations to serve Ottawa, Ontario/Gatineau, Quebec, *Broadcasting Public Notice CRTC 2005-64*, also issued today.*

### **Introduction**

1. The Commission received an application by CKMW Radio Ltd., on behalf of a corporation to be incorporated, (CKMW) for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Ottawa, Ontario at 88.5 MHz (channel 203B) with an effective radiated power (ERP) of 2,961 watts. CKMW proposed to operate the station in a musical format that it described as featuring a broad range of musical styles, including crooners, standards, ballads, love songs and contemporary hits drawn from both current and past musical eras. The proposed station would be targeted to older listeners.

2. CKMW will be controlled by CKMW Radio Ltd., which in turn is controlled by Mr. William Evanov. Mr. Evanov, directly or indirectly, operates several radio stations in the Greater Toronto market. In *Youth Contemporary FM radio station in Halifax*, Broadcasting Decision CRTC 2004-514, 26 November 2004, the Commission approved an application by CKMW Radio Ltd., on behalf of a corporation to be incorporated, to operate a new radio station in Halifax. That station has not yet commenced operations.
3. The Commission considered CKMW's application at a public hearing convened in the National Capital Region on 1 December 2004. At the hearing, the Commission examined a total of sixteen applications for new radio services in the Ottawa, Ontario/Gatineau, Quebec (Ottawa/Gatineau) market: ten for English-language services and six for French-language services. The Commission's general approach to the radio applications considered at the 1 December 2004 public hearing is set out in *Introduction to Broadcasting Decisions CRTC 2005-253 to 2005-257 – Licensing of new radio stations to serve Ottawa, Ontario/Gatineau, Quebec*, Broadcasting Public Notice CRTC 2005-64, also issued today (Public Notice 2005-64). Based on the record of the hearing, the Commission considers that the Ottawa/Gatineau market can accommodate two new English-language commercial radio stations, one new French-language commercial radio station and one English-language low-power tourist information radio station.

### **Commission's analysis and determination**

4. The Commission considered CKMW's application using the framework set out in *Introductory Statement – Licensing new radio stations*, which appeared as a preface to Decisions CRTC 99-480 to 99-482, 28 October 1999. In that statement, the Commission indicated that, pursuant to its *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998 (the Commercial Radio Policy), there are four factors that are generally relevant to the evaluation of competing commercial radio applications. These factors are:
  - quality of the application;
  - diversity of news voices in the market;
  - likely impact on the market of a new entrant or entrants; and
  - competitive state of the market.

### **Quality of the application**

5. The Commission generally assesses the quality of an application for a new commercial radio station by examining the following:
  - local programming proposals and the benefits the applicant would bring to the community;
  - commitments to Canadian content;
  - the quality of the business plan, including the proposed station format and optimal use of the proposed frequency; and
  - commitments in regard to Canadian talent development.

#### *Local programming*

6. CKMW stated that a large portion of its local, spoken word programming would be dedicated to news because its research had revealed that its target audience attaches a high priority to such content. The applicant indicated that news would be broadcast thirteen times daily, Monday to Friday, and in four three-minute news reports on Saturdays and Sundays. The news programming would be complemented by information features offered throughout the broadcast week such as reports on health issues, leisure activities, business news, theatre and the arts and a community calendar as well as a book club, which would be aired twice on the weekends.
7. The Commission is satisfied that the applicant's proposed local programming will reflect the needs and interests of its target audience and will add to the diversity of programming available in the Ottawa/Gatineau market.

#### *Canadian content*

8. CKMW proposed a music format that would feature a broad range of musical styles targeted to an audience of those between the ages of 35 and 64, with a focus on those aged 45 years and over. With respect to Canadian content levels, CKMW made a commitment that 40% of all musical selections drawn from category 2 (Popular music) broadcast during each broadcast week would be devoted to Canadian selections. The applicant also stated that, in accordance with the minimum regulatory requirements, 35% of all category 2 musical selections broadcast between 6:00 a.m. and 6:00 p.m., Monday to Friday, would be Canadian.
9. The Commission notes that the proposed level of Canadian content to be aired over the broadcast week exceeds the minimum regulatory requirement, and would therefore provide enhanced exposure for Canadian music. The applicant stated that it would adhere to this commitment as a condition of licence. A **condition of licence** requiring the applicant to adhere to its commitment is set out in the appendix to this decision.

#### *Quality of the business plan, including the proposed format for the station*

10. CKMW stated that the proposed station would operate in a format that would feature a wide array of artists and music genres, including world music, folk, classic, smooth jazz and instrumentals. In the evenings, the music programming would include blocks dedicated to specific music genres, such as crooners and instrumentals. The applicant stated that the proposed format was based on a similar format that it has operated successfully at its Newmarket station CKDX-FM. It added, however, that the proposed Ottawa station would target a slightly younger audience and feature more new or current musical selections than its Newmarket station, and offer more folk and roots-based music.

11. CKMW stated that the station would offer a high level of instrumental music, and program musical selections drawn from a variety of musical eras spanning the last 50 years as well as new or recent musical selections. All of the musical selections would be “melodic” and “soft.” According to a sample playlist filed as part of the application, 35% of the musical selections would be instrumental and 65% would be vocal. The sample playlist also indicated that 40% of the musical selections would be current or recent, 26% would be from the 1980s and 1990s, and 33% would be from the 1960s and 1970s.
12. CKMW submitted that its research had revealed that there is a significant demand among older adults for a radio station that offers easy listening music. It stated that a survey of the market, which it had commissioned, indicated that 61% of respondents would “definitely” or “probably” listen to the proposed station.
13. The Commission is satisfied that CKMW has provided evidence of demand for its proposed station and has set out a satisfactory business plan based on providing a format that will offer an eclectic music mix that will provide a high level of diversity to the market. The Commission considers that the proposed format will appeal to older adults, a segment of the population that is currently under-served in the Ottawa/Gatineau market. The applicant’s commitment to broadcast a significant amount of instrumental music will serve to promote and develop an under-represented genre of Canadian music. The Commission is also mindful of CKMW Radio Ltd.’s experience in the operation of other radio stations in large urban markets in Canada, including CKDX-FM Newmarket, which offers a format similar to the one proposed in the present application.

*Canadian talent development*

14. The applicant indicated that it would not participate in the Canadian talent development (CTD) plan created by the Canadian Association of Broadcasters. Instead, CKMW proposed a number of initiatives, which would amount to \$4 million in direct expenditures over seven years. This budget would be based on minimum annual expenditures as follows: \$362,500 in the first year of operation, \$572,500 in the second year, \$577,500 in the third year, \$602,500 in the fourth year, \$637,500 in the fifth year, \$622,500 in the sixth year and \$625,000 in the seventh year.
15. CKMW stated that, over seven years, it would make the following direct expenditures on the development and promotion of Canadian talent, as detailed below:
  - \$175,000 to the Ontario Council of Folk Festivals as funding for its annual conference and to support the development of roots music;
  - \$70,000 to the National Arts Centre Orchestra;
  - \$70,000 to the Ottawa Symphony Orchestra;
  - \$70,000 to the Gatineau Symphony Orchestra;
  - \$90,000 to the Tulip Festival to fund the performance of a Canadian musician on the Festival’s main stage;
  - \$480,000 for the development of an instrumental CD by a Canadian musician;

- \$480,000 for the development of a vocal CD by a Canadian musician;
- \$695,000 to the Capital Concert, which will showcase established and developing Canadian musicians;
- \$215,000 to L'Alliance des radios communautaires du Canada (ARC);
- \$35,000 to the Festival Franco-ontarien to provide funding for musicians performing at the event;
- \$175,000 to the Foundation to Assist Canadian Talent on Record (FACTOR);
- \$175,000 to MusicAction;
- \$920,000 for the development of a catalogue of Canadian instrumental music; and
- \$350,000 for the salary for a CTD co-ordinator whose duties would be to implement and oversee the CTD initiatives noted above.

16. At the hearing, the Commission asked the applicant to explain how its proposed contribution to ARC, an organization dedicated to promoting French-language community radio stations, would be directed to CTD. CKMW responded that the exact details on which projects would receive this funding have not yet been established. The applicant nevertheless affirmed that it expected that the funding would be used for CTD initiatives.
17. The Commission will accept this proposed contribution as an eligible CTD expenditure only if the funding is directed to CTD initiatives. CKMW is directed to file details of this initiative with the Commission for its approval within 60 days of the date of this decision.
18. With respect to the applicant's proposal to allocate \$350,000 over seven years (\$50,000 annually) for a CTD co-ordinator, the Commission notes that, in the past, it has approved salaries for such co-ordinators as valid contributions to CTD in cases where the salary forms a relatively small portion of the overall CTD commitment, and where the initiatives proposed would require the devotion of a significant amount of time by the co-ordinator to ensure that the initiatives are realized. The Commission is satisfied that, in this case, the duties of the co-ordinator would be significant and warrant the inclusion of the \$50,000 yearly salary as part of the overall CTD budget.
19. Subject to the provision that CKMW's contribution to ARC be directed to CTD initiatives, the Commission finds that the CTD commitments proposed by the applicant meet the eligibility criteria set out in *Contributions by radio stations to Canadian talent development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995. The Commission is satisfied that the applicant's CTD plan will serve to promote and develop local, regional and national Canadian musical talent, particularly in the genre of instrumental music, which is currently an under-represented genre of music. Of particular note is the applicant's initiative to develop a catalogue of Canadian instrumental music and the associated \$920,000 budget to be spent over seven years. The Commission considers that the proposed catalogue will provide a central source for Canadian instrumental music and artists. The catalogue will also be a valuable research tool for radio licensees considering the introduction or addition of instrumental musical selections to their musical rotations.

20. A **condition of licence** requiring the applicant to adhere to its CTD commitments is set out in the appendix to this decision.

**Diversity of news voices in the market**

21. In Public Notice 2005-64, the Commission found that the diversity of news voices is not a significant issue in this proceeding because Ottawa/Gatineau residents already have access to news from a large variety of sources. The Commission notes, however, that the approval of this application will add to this diversity.

**Market impact on existing stations**

22. In Public Notice 2005-64, the Commission determined that the Ottawa/Gatineau market could accommodate the introduction of two new English-language commercial radio stations. In its application, CKMW submitted that its primary target audience of those between the ages of 45 and 64 is currently underserved in the market and that small numbers of listeners to its proposed station would come from the audiences of a wide variety of existing Ottawa/Gatineau radio stations without having a large impact on any one of them. It also expected that some Francophones would tune to its proposed station.
23. The Commission is satisfied that the approval of CKMW's proposal will contribute to programming diversity in the Ottawa/Gatineau market, and respond to the preferences of older adults in the region without having a significant impact on the existing radio stations in the market.

**Competitive state of the market**

24. The Commission generally seeks to ensure that the competitive impact of a new station on a radio market will not impinge unduly on the ability of existing stations to meet their programming responsibilities under the *Broadcasting Act* (the Act). At the same time, the Commission's predisposition lies clearly in favour of increased competition and diversity, and the improvements in the overall quality of available services that these promote.
25. The Commission notes that, as a new entrant, CKMW will increase competition in the Ottawa/Gatineau market. The Commission considers that CKMW Radio Ltd., as an experienced broadcaster, will be able to compete on a stand-alone basis with other radio licensees in the market.

**Cultural diversity**

26. In its Commercial Radio Policy, the Commission encouraged broadcasters to reflect the cultural diversity of Canada in their programming and employment practices, especially with respect to news, music and promotion of Canadian artists.
27. The Commission expects CKMW to reflect Canada's cultural diversity in the proposed station's programming and employment practices.

## Conclusion

28. The Commission considers that the diverse format that will feature a broad range of adult standards and easy listening musical styles, as proposed by CKMW, will add to the variety of the radio programming available in the Ottawa/Gatineau market, and help fulfil the expectations and needs of older listeners in that market, a group that is currently underserved. Considering CKMW Radio Ltd.'s experience in operating other radio stations in large urban markets and, particularly, in programming an FM station in Newmarket with a similar format, the Commission is satisfied that the applicant has the experience to operate its proposed station viably and to be able to compete on a stand-alone basis with other radio licensees in the market. As a new entrant in the Ottawa/Gatineau market, CKMW will increase the diversity of editorial voices available in the market and increase competition among English-language stations. CKMW's commitments to spoken word programming will provide local reflection of particular interest to its target audience and its contributions to CTD will benefit Canadian artists and foster the development of more Canadian instrumental music, a musical genre that is currently under-represented. The Commission is satisfied that the Ottawa/Gatineau market can accommodate CKMW's proposed station without having an undue negative impact on existing radio stations. Overall, the Commission is of the view that the new station will make an important contribution to fulfilling the requirements of the Broadcasting Policy for Canada as set out in the Act, and the objectives of the Commission's Commercial Radio Policy.
29. CKMW had proposed to operate at 88.5 MHz (channel 203B) with an ERP of 2,961 watts. Based on its examination of the record of the proceeding, the Commission, however, finds that the competing application by Newcap to operate a radio station at 88.5 MHz with class C1 technical parameters represents the optimal use of that frequency and, in *English-language alternative rock FM radio station in Ottawa*, Broadcasting Decision CRTC 2005-253, issued today, has approved Newcap's application. At the same time, the Commission has decided to award 98.5 MHz (channel 253A) to CKMW, a frequency requested for use by CKMW in another application considered at the 1 December 2004 public hearing.
30. In light of all of the above, the Commission **approves in part** the application by CKMW Radio Ltd., on behalf of a corporation to be incorporated, for a broadcasting licence to operate an English-language commercial FM radio programming undertaking in Ottawa. The Commission authorizes the applicant to operate the new station at 98.5 MHz (channel 253A) with an ERP of 700 watts, as proposed in CKMW's other application considered at this public hearing.
31. The licence will expire 31 August 2011 and will be subject to the **conditions of licence** set out in the appendix to this decision.

## **Issuance of the licence**

32. The Department of Industry (the Department) has advised the Commission that, while CKMW's application proposing the use of 98.5 MHz (channel 253A) is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.
33. The Commission reminds the applicant that, pursuant to section 22(1) of the Act, no licence may be issued until the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.
34. Furthermore, the licence for this undertaking will only be issued once the applicant has:
  - satisfied the Commission, with supporting documentation, that an eligible Canadian corporation has been incorporated in accordance with the application in all material respects, and
  - informed the Commission in writing that the applicant is prepared to commence operations.
35. 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 23 June 2007. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before that date.

## **Interventions**

36. The Commission received many interventions in support of this application as well as opposing interventions by Christian Hit Radio Inc. (Christian Hit), the licensee of CHRI-FM Ottawa, Global Communications Limited (Global), the licensee of CIII-TV-6 Ottawa, and Norm Wright and Brian Perkin (Wright and Perkin).
37. Christian Hit and Global were also applicants at the 1 December 2004 public hearing. They expressed concern that CKMW's proposed use of 88.5 MHz had the potential to cause interference to their respective broadcasting operations in Ottawa.
38. Wright/Perkin opposed the use of 88.5 MHz to provide a radio service in the Ottawa/Gatineau market. The interveners noted that they had filed an application with the Commission on 23 July 2004 for a new FM radio station to serve Perth, Ontario that would operate at 88.5 MHz with an ERP of 700 watts (average) and 1,350 watts (maximum). Wright/Perkin stated that awarding 88.5 MHz to one of the applicants for licences to serve the Ottawa/Gatineau radio market would preclude the use of that frequency in Perth. Wright/Perkin submitted that 88.5 MHz was the best available frequency to serve Perth and requested that the Commission reserve judgement on awarding that frequency until their application was considered.



39. Given that the Commission has decided to authorize CKMW to operate at another frequency, namely 98.5 MHz, the Commission is satisfied that the concerns raised by the opposing interveners are no longer relevant to its determination on CKMW's application.
40. An intervention containing a combined comment by the Canadian Diversity Producers Association, the Ottawa Chapter of the Chinese Canadian National Council and the National Organization of Immigrant and Visible Minority Women of Canada is addressed in Public Notice 2005-64.

### **Employment equity**

41. 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.

Secretary General

*This decision is to be appended to the licence. It 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>*

## Appendix to Broadcasting Decision CRTC 2005-254

### Conditions of licence

1. The licence will be subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of condition number 5.
2. The licensee shall, as an exception to the percentage of Canadian musical selections set out in section 2.2(8) of the *Radio Regulations, 1986*, in any broadcast week, devote in that broadcast week a minimum of 40% of its musical selections from content category 2 to Canadian selections broadcast in their entirety.

For the purposes of this condition, the terms “broadcast week,” “Canadian selection,” “content category” and “musical selection” shall have the same meaning as that set out in the *Radio Regulations, 1986*.

3. (a) Upon commencement of operation, the licensee shall make direct expenditures of at least \$4 million over seven consecutive years on the development and promotion of Canadian talent, as detailed in this decision, and based upon the following annual budgets:

year one	\$362,500
year two	\$572,500
year three	\$577,500
year four	\$602,500
year five	\$637,500
year six	\$622,500
year seven	\$625,000

- (b) Over seven consecutive years, the licensee’s direct expenditures on the development and promotion of Canadian talent shall be distributed as follows:

- \$175,000 to the Ontario Council of Folk Festivals;
- \$70,000 to the National Arts Centre Orchestra;
- \$70,000 to the Ottawa Symphony Orchestra;
- \$70,000 to the Gatineau Symphony Orchestra;
- \$90,000 to the Tulip Festival;
- \$480,000 for the development of an instrumental CD by a Canadian musician;
- \$480,000 for the development of a vocal CD by a Canadian musician;
- \$695,000 to the Capital Concert;
- \$215,000 to L’Alliance des radios communautaires du Canada (ARC) for initiatives that support Canadian talent development;
- \$35,000 to the Festival Franco-ontarien;

- \$175,000 to the Foundation to Assist Canadian Talent on Record (FACTOR);
- \$175,000 to MusicAction;
- \$920,000 for the development of a catalogue of Canadian instrumental music; and
- \$350,000 for a CTD co-ordinator who will implement and oversee the CTD initiatives noted above.