



Broadcasting Decision CRTC 2006-82

Ottawa, 15 March 2006

9015-2018 Québec inc.
Montréal, Quebec

*Application 2004-0141-4
Public Hearing in the National Capital Region
14 November 2005*

Ethnic AM radio station in Montréal

*The Commission **approves** an application by 9015-2018 Québec inc. (doing business under the name of Radio Moyen Orient du Canada) for a broadcasting licence to operate a new ethnic commercial AM radio station in Montréal. The applicant proposed a service primarily intended for Arab communities in Montréal.*

The application

1. The Commission received an application by 9015-2018 Québec inc. (doing business under the name of Radio Moyen Orient du Canada) for a broadcasting licence to operate a commercial ethnic AM radio programming undertaking in Montréal at 1450 kHz with a transmitter power of 1,000 watts, day and night.

Ethnic programming

2. The applicant committed to provide, during each broadcast week, programming directed to a minimum of 10 different ethnic groups in a minimum of 4 languages. All of the station's programming would be devoted to ethnic programming and in third languages. In its application, the applicant indicated that about 80% of spoken word programs would be directed to Arabic language groups and would be presented in a mixture of the most commonly used dialects, while 12% would be in classic literary Arabic. The remaining 8% of programming would serve Armenian, Syrian, Egyptian, Maghrebian and Iranian communities equally (1.6%).

Local reflection

3. The applicant made a commitment that at least 95% of all programming broadcast by the new station would be locally produced. According to the applicant's plans, this would include 42 hours per week of spoken word, of which 15 hours would be news. The applicant stated that it would take the necessary measures to ensure that open-line programming always complied with the regulatory requirements for this type of programming.

Canadian talent development

4. The applicant did not propose to take part in the Canadian Association of Broadcasters' (CAB) plan for Canadian talent development. Instead, the applicant committed to allocate the following amounts to Canadian talent development projects:
 - \$3,000 per year to the Canadian Association of Ethnic Broadcasters to keep its catalogue of ethnic Canadian titles current;
 - \$1,000 per year to MusicAction;
 - \$4,000 per year to new Canadian talent or third parties in the Canadian Arab community who are eligible for a contribution for Canadian talent development according to *An FM Policy for the Nineties*, Public Notice CRTC 1990-111, 17 December 1990 (Public Notice 1990-111).

Interventions

5. The Commission received interventions opposing the application from the Association des radiodiffuseurs communautaires du Québec (ARCQ) and Canadian Hellenic Cable Radio Ltd. (CHCR), licensee of CKDG-FM Montréal, an ethnic radio station.
6. ARCQ submitted that community radio in Quebec had been struggling for several years now, primarily because of the competitive environment. It added that the imbalance in the advertising market caused by the arrival of new alternative and specialty stations, and the concentration of media have created an almost unbearable situation for community radio stations in Montréal. As for this application, ARCQ stated that community radio station CINQ-FM Montréal serves more than 40 different ethnic groups in 7 languages and includes several merchants and event organizers from the Arab-language community among its clientele.
7. CHCR was concerned about the process by which the Commission announced the application without first issuing a call for applications. CHCR noted that the Commission recently approved four radio stations in Montréal and stated that it was simply too early to consider others. According to CHCR, the Montréal market needs time to adjust and find a fair balance.
8. CHCR pointed out that CKDG-FM has been on the air since April 2004 and has not yet managed to attain financial stability. According to CHCR, adding a new ethnic service would have an impact on the commitments of CKDG-FM.

Applicant's reply

9. In reply to the comments by ARCQ and CHCR, the applicant submitted that the impact on any existing service in Montréal would be limited since it was currently broadcasting on a subsidiary communications multiplex operations (SCMO) channel.

Commission's analysis and determinations

10. The Commission considers that the service proposed by the applicant would have a limited commercial impact on the Montréal market. This application proposed a station intended for a limited ethnic audience and forecast modest advertising revenues. Consequently, the Commission determined that a call for applications was not necessary in these circumstances. The Commission stated in *The issuance of calls for radio applications*, Public Notice CRTC 1999-111, 8 July 1999, that it would not issue a call for applications in certain specific cases, including applications for low-power stations and other proposals with very little or no commercial potential.
11. The Commission notes that the applicant currently operates an SCMO service in Montréal. The Commission considers that the over-the-air signal of the proposed AM station will greatly expand the range of this existing Montréal editorial voice. The applicant will also contribute to the diversity of radio station ownership in the Canadian broadcasting system. The service proposed by the applicant will offer an attractive mix of programming dedicated almost entirely to meeting the needs of currently underserved ethnic communities in the Montréal area.
12. The Commission considered the concerns expressed by the opposing interveners regarding the potential negative impact that the new station could have on CKDG-FM and CINQ-FM. The Commission is satisfied that the addition of this new station will increase the diversity of radio services available in the Montréal market without having an undue negative impact on the other existing radio stations since the service is already offered on an SCMO channel in the market, and it will have minimal commercial impact, as discussed above.
13. In light of the above, the Commission **approves** the application by 9015-2018 Québec inc. for a broadcasting licence to operate a commercial ethnic AM radio programming undertaking in Montréal. The station will operate at 1450 kHz with a transmitter power of 1,000 watts, day and night.
14. The licence will expire 31 August 2012 and will be subject to the **conditions** set out in *New licence form for commercial radio stations*, Public Notice CRTC 2000-137, 24 August 1999, with the exception of condition no. 5 relating to the CAB plan for Canadian talent development. The licence will also be subject to the following **conditions**:

The licensee shall, during each broadcast week, provide programming to a minimum of 10 different ethnocultural groups in a minimum of 4 languages.

From the beginning of operations, the licensee shall expend a minimum of \$8,000 during each broadcast year in direct expenditures for the development of Canadian talent. These contributions must be allocated as follows:

- \$3,000 each broadcast year to the Canadian Association of Ethnic Broadcasters to keep its catalogue of ethnic Canadian titles current;
 - \$1,000 each broadcast year to MusicAction; and
 - \$4,000 each broadcast year to new Canadian artists or third parties in the Canadian Arab community who are eligible for a contribution to Canadian talent development according to *An FM Policy for the Nineties*, Public Notice CRTC 1990-111, 17 December 1990.
15. The Commission expects the applicant to form an advisory council consisting of representatives of the ethnic communities served by the station, to appoint an ombudsperson to resolve complaints regarding programming, and to institute a complaints review service.

Issuance of the licence

16. The Commission reminds the applicant that, 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.
17. The licence for this undertaking will be issued 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 15 March 2008. 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.

Employment equity

18. In compliance with *Implementation of an Employment Equity Policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the applicant 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>