



Broadcasting Decision CRTC 2008-308

Ottawa, 14 November 2008

Fairchild Radio (Vancouver FM) Ltd.
Vancouver, British Columbia

Application 2008-0146-6, received 28 January 2008
Broadcasting Public Notice CRTC 2008-54
18 June 2008

CHKG-FM Vancouver – Licence renewal

*The Commission **renews** the broadcasting licence for CHKG-FM Vancouver, from 1 January 2009 to 31 August 2015. The Commission **denies** the licensee's request for an amendment to its conditions of licence that would have permitted it to broadcast programming in Mandarin between 6 a.m. and 3 p.m., Monday to Friday.*

Introduction

1. The Commission received an application by Fairchild Radio (Vancouver FM) Ltd. (Fairchild) to renew the broadcasting licence for the commercial ethnic FM radio programming undertaking CHKG-FM Vancouver, which expires 31 December 2008.¹ Fairchild also requested an amendment to its current conditions of licence that would permit it to broadcast programming in Mandarin between 6 a.m. and 3 p.m., Monday to Friday.

Background

2. Following a highly competitive licensing process in 1996, the Commission authorized Fairchild to operate an ethnic radio station in Vancouver targeted predominantly to the Chinese community (Decision 96-288). The Commission found that Fairchild's commitment to restrict the hours during which Chinese-language programming would be broadcast to after 3 p.m. on weekdays was significant. Accordingly, the Commission imposed Fairchild's commitment as a condition of licence, which stipulates that the licensee must not broadcast any ethnic programming directed to the Chinese community during the 6 a.m. to 3 p.m. period on weekdays.
3. Subsequently, in 1999, the Commission denied Fairchild's application for an amendment to its conditions of licence that would have allowed CHKG-FM to schedule programming in Mandarin before 3 p.m. on weekdays (Decision 99-461). In denying that application, the Commission found that:

¹ In *Administrative renewals*, Broadcasting Decision CRTC 2008-245, 29 August 2008, the Commission renewed CHKG-FM Vancouver's licence, from 1 September 2008 to 31 December 2008.

- the licensee's original commitment to restrict the broadcast of programming directed to the Chinese community to after 3 p.m. and its commitment to schedule programming directed to non-Chinese cultural groups during the 6 a.m. to 3 p.m. period, Monday to Friday, were key elements in the decision to award a new FM licence to Fairchild;
 - the licensee had not provided compelling evidence to justify a licence amendment, particularly since CHKG-FM was in its first term of licence; and
 - the Mandarin-language programming as proposed could result in the current programming directed to non-Chinese cultural groups during the 6 a.m. to 3 p.m. weekday period being displaced to low audience periods.
4. The Commission notes that, in the present application, Fairchild is requesting the same licence amendment as proposed in the application that was denied in Decision 99-461.

Interventions to the present application

5. The Commission received two interventions in connection with the proposed licence amendment. One intervener commented that an approval would likely result in reducing CHKG-FM's service to previously underserved cultural groups. In an opposing intervention, Mainstream Broadcasting Corporation (Mainstream), licensee of ethnic radio station CHMB Vancouver, contended that an approval would have a direct and negative impact on CHMB. Mainstream argued that the prohibition on broadcasting ethnic programming directed to the Chinese community before 3 p.m. on weekdays was a key factor in awarding a licence to Fairchild in 1996. In Mainstream's view, Fairchild did not indicate compelling circumstances that would warrant a change in CHKG-FM's current conditions of licence.

Commission's analysis and determinations

6. The Commission considers that the primary issues to be examined in its evaluation of CHKG-FM's licence renewal application are as follows:
- Did the licensee provide compelling evidence to warrant approval of the proposed amendment to its conditions of licence?
 - Would an approval result in a reduction in the quantity and quality of CHKG-FM's service to non-Chinese cultural groups?

Did the licensee provide compelling evidence to warrant approval of the proposed amendment to its conditions of licence?

7. Fairchild submitted that the proposed amendment to CHKG-FM's conditions of licence is now warranted because the current Chinese-language radio market in Vancouver has changed substantially since the station was originally licensed in 1996. The licensee further maintained that the present application was prompted by the many requests it has received from its listeners for programming in Mandarin during the morning drive

period. In Fairchild's view, this audience demand directly reflects the growth in Vancouver's Mandarin-speaking population.

8. According to Statistics Canada's 2006 Census, more than 315,000 persons in the Vancouver central market area (CMA) identified a Chinese dialect as their mother tongue, representing approximately 15% of the CMA's population. Of this, approximately 126,000 individuals identified Cantonese as their mother tongue while just over 69,000 people identified Mandarin. An additional 120,000 persons indicated Chinese as their mother tongue without specifying the exact dialect. Even though Vancouver's Cantonese speakers outnumber its Mandarin speakers by more than 55,000, the 47% growth in its Mandarin-speaking population between 2001 and 2006 has far exceeded the 3.3% growth recorded by its Cantonese-speaking population over the same period.
9. Of the five ethnic radio stations currently licensed to serve the Vancouver CMA, three provide predominantly Chinese-language programming services: Fairchild's stations CJVB and CHKG-FM and Mainstream's station CHMB. Both CHMB and CJVB are authorized to broadcast programming in a Chinese language without restrictions. As noted above, CHKG-FM is allowed to offer programming directed to the Chinese community but is not permitted to do so during weekdays between 6 a.m. and 3 p.m. In addition to these radio services, Fairchild Television, an ethnic specialty television service operated by Fairchild Television Ltd., offers programming in Mandarin.
10. The Commission recognizes that the Mandarin-speaking population in Vancouver has grown substantially since 1996. Nevertheless, with three radio stations offering Mandarin-language programming at various times throughout the broadcast day as well as Fairchild Television broadcasting in Mandarin, the Commission is satisfied that Vancouver's Mandarin-speaking population is well served at this time.
11. The Commission notes that CJRJ and CKYE-FM, the two remaining ethnic radio stations serving Vancouver's CMA, provide programming directed primarily to the South Asian community and, by condition of licence, are prohibited from broadcasting in a Chinese language. These two stations, which are owned and operated by I.T. Productions Ltd. and South Asian Broadcasting Corporation Inc., respectively, were licensed in 2005 following a competitive licensing process for new ethnic radio stations to serve Vancouver (Broadcasting Decisions 2005-38 and 2005-39). None of the eight applications filed in this proceeding proposed to offer programming in a Chinese language. In the Commission's view, the absence of any application dedicated to the Chinese-speaking community indicated a general satisfaction with the level of Chinese-language programming available in the market at that time.
12. In imposing a condition of licence on each of the successful 2005 applicants prohibiting the broadcasting of any Chinese-language programming, the Commission took into consideration Fairchild's intervention to that proceeding. Fairchild opposed the introduction of any new ethnic radio station to the Vancouver market that would be allowed to broadcast programming in a Chinese language. It stressed that Vancouver's Chinese-speaking community was well served by CJVB, CHKG-FM and CHMB.

In Fairchild's view, the addition of any new Chinese-language services would have negative consequences on the competitive balance enjoyed by these three stations and on the level and quality of programming provided to Vancouver's Chinese community.

13. On balance and in light of the services already provided in Mandarin and Fairchild's 2005 assessment of Vancouver's Chinese-language radio market, the Commission finds that the licensee did not provide compelling evidence to warrant approval of the proposed amendment to CHKG-FM's conditions of licence.

Would an approval result in a reduction in the quantity and quality of CHKG-FM's service to non-Chinese cultural groups?

14. Consistent with the Ethnic Broadcasting Policy (Public Notice 1999-117), all five ethnic radio stations serving the Vancouver CMA are subject to conditions of licence that require the broadcasting of ethnic and third-language programming to a range of cultural groups in many languages. In establishing the required number of distinct cultural groups to be served, the Commission weighs the ability of ethnic stations to provide appropriate amounts of quality programming to a variety of cultural groups. The Commission evaluates how this broad service requirement is met in light of the ethnic programming available from all stations in the market. The Commission emphasizes that the requirement to serve a variety of ethnic groups remains an important element of the framework for ethnic broadcasting.
15. The Commission acknowledges that Fairchild did not propose to reduce the number of cultural groups served by CHKG-FM. Further, in response to Mainstream's intervention, Fairchild clarified that it intended to schedule Mandarin-language programming only during the peak weekday morning drive period of 6 a.m. to 9 a.m. Fairchild stressed that this represents only 15 hours between 6 a.m. and 3 p.m., Monday to Friday. It offered assurances that the remaining 30 hours of its current weekday schedule between 9 a.m. and 3 p.m. would remain unchanged and continue to serve a number of non-Chinese cultural groups.
16. The Commission notes that CHKG-FM's program schedule dated 25 July 2008 indicated that eight cultural groups are served weekdays between 6 a.m. and 9 a.m. Under Fairchild's proposal, all of these groups would be displaced from the morning drive period and scheduled in less desirable late afternoon, evening or weekend timeslots. Further, the proposed condition of licence would not prohibit Fairchild from expanding Mandarin-language programming offered by CHKG-FM to encompass part or all of the remaining 30 hours of the 9 a.m. to 3 p.m. period on weekdays.
17. In light of the above, the Commission finds that an approval would result in a reduction in the quantity and quality of CHKG-FM's service to some or all of these non-Chinese cultural groups, contrary to the objectives of the Ethnic Broadcasting Policy noted above.

Conclusion

18. The Commission **renews** the broadcasting licence for CHKG-FM Vancouver, from

1 January 2009 to 31 August 2015. The Commission **denies** the proposed amendment to CHKG-FM's conditions of licence.

19. The **conditions of licence**, including a **condition** prohibiting the licensee from broadcasting any ethnic programming directed to the Chinese community during the 6 a.m. to 3 p.m. period on weekdays, are set out in the appendix to this decision.

Canadian content development

20. The Commission reminds the licensee that it must adhere to the requirements relating to contributions to Canadian content development (CCD) set out in section 15 of the *Radio Regulations, 1986*. Most commercial radio licensees must allocate 60% of their minimum required CCD contributions to FACTOR or MUSICACTION. However, as an ethnic broadcaster, Fairchild may instead direct 60% of its minimum required CCD contributions to any eligible initiative that supports the creation of ethnic programs.

Secretary General

Related documents

- *Ethnic FM radio station in Vancouver*, Broadcasting Decision CRTC 2005-339, 21 July 2005
- *Ethnic AM radio station in Vancouver*, Broadcasting Decision CRTC 2005-338, 21 July 2005
- *Call for applications for broadcasting licences to carry on radio programming undertakings to serve Vancouver, British Columbia*, Broadcasting Public Notice CRTC 2004-55, 21 July 2004
- Decision CRTC 99-461, 14 October 1999
- *Application for a new ethnic FM radio programming undertaking - approved; two other FM applications – denied*, Decision CRTC 96-288, 29 July 1996
- *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999

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 2008-308

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 conditions of licence 1, 5 and 8.
2. The station shall be operated within the Specialty format as defined in *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000 and *A Review of Certain Matters Concerning Radio*, Public Notice CRTC 1995-60, 21 April 1995, as amended from time to time.
3. In each broadcast week, the licensee shall broadcast a minimum of 100 hours of ethnic programming.
4. In each broadcast week, the licensee shall provide programming directed to a minimum of 20 cultural groups in a minimum of 15 different languages.
5. The licensee shall not broadcast any ethnic programming directed to the Chinese community during the 6:00 a.m. to 3:00 p.m. period on weekdays.
6. The licensee is authorized, to use subsidiary communications multiplex operations (SCMO) channel for the purpose of broadcasting a predominantly Korean-language radio service.
7. If the licensee originates 42 or more hours of programming in any broadcast week, the licensee shall adhere to the Canadian Association of Broadcasters' *Equitable Portrayal Code*, as amended from time to time and approved by the Commission. However, the application of the foregoing condition of licence will be suspended if the licensee is a member in good standing of the Canadian Broadcast Standards Council.

Encouragement

Employment equity

In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 992-59, 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.