



Broadcasting Decision CRTC 2012-696

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Route reference: 2012-475

Additional reference: 2012-475-2

Ottawa, 20 December 2012

4517466 Canada Inc.
Montréal, Quebec

Application 2012-0175-6, received 13 February 2012
Public hearing in the National Capital Region
7 November 2012

Ethnic television station in Montréal

*The Commission **approves** an application for a broadcasting licence to operate a multilingual ethnic television station in Montréal.*

The application

1. The Commission received an application by 4517466 Canada Inc. (4517466) for a broadcasting licence to operate a multilingual ethnic television programming undertaking in Montréal to be known as ICI (International Channel/Canal International).
2. The applicant is controlled by its board of directors.
3. The new station would operate on channel 47 with an average effective radiated power (ERP) of 2,700 watts (maximum ERP of 5,500 watts with an effective height of antenna above average terrain of 196 metres).
4. The applicant proposed to offer programming in the Italian, Greek, Arabic, Portuguese, Persian, Romanian, Mandarin, Cantonese, Russian, Hindi, Urdu, Spanish, French, English, Armenian, Polish and Creole languages and indicated that the programming would be directed to the Italian, Lebanese, Egyptian, Algerian, Greek, Portuguese, Chinese, Russian, Romanian, Pakistani, Indian, Iranian, Haitian, Jewish, German, Ukrainian, Polish and Turkish ethnic groups. The applicant committed to devote at least 14 hours of its programming each broadcast week to local ethnic programming.
5. In Broadcasting Decision 2012-697, also issued today, the Commission approved Rogers Broadcasting Limited's (Rogers) application (2012-0756-4) for authorization to acquire from 2209005 Ontario Inc. (2209005) the assets of CJNT-DT, an ethnic television programming undertaking in Montréal and to convert CJNT-DT into an English-language television programming undertaking. As stated in Broadcasting

Notice of Consultation 2012-475, the Commission decided to consider the two applications conjointly because they could be considered complementary, with ICI seeking to serve Montréal's ethnic communities, which are currently served by CJNT-DT.

6. 4517466 and Rogers indicated that a number of possible synergies could arise between their respective services, such as sharing news gathering resources and personnel, acquiring programming from each other and national sales representation for ICI by Rogers.
7. The Commission received several interventions in support of this application, as well as comments from the Canadian Media Production Association and the Urban Diversity Forum. The public record for this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Commission's analysis and decisions

8. After examining the application in light of applicable regulations and policies, the Commission considers that the issues it must address are the proposed station's contribution to ethnic communities in Montréal and the viability of the proposed station.
9. As noted above, the applicant intends to provide programming in at least 15 languages other than English and French targeting no less than 18 ethnic groups, as well as 14 hours of local ethnic programming each broadcast week. **Conditions of licence** to this effect are set out in the appendix to this decision.
10. The Commission considers that the proposed station would provide programming to communities that are currently underserved or not served at all. Moreover, the Commission is confident that the station will allow Montréal's ethnic communities to become involved and to reconnect with their local programming. The Commission also considers that approval of the proposed station will allow the broadcasting system to better reflect the multicultural nature of Montréal's ethnic communities, which is consistent with the objectives set out in the *Broadcasting Act*.
11. With respect to the business model of the proposed station, the Commission notes that the applicant proposed to operate under a cooperative model whereby producers would be able to shape their programming as part of their own business within the business structure provided by 4517466. Specifically, producers would own the advertising inventory related to their programming and would consequently be able to generate revenue by selling advertising to their target communities, with a share of the revenue being allocated to 4517466. The applicant indicated that it would manage the day-to-day operations and assume responsibility for the new station's regulatory obligations. The Commission notes that the applicant must assume responsibility for content broadcast by participating producers.
12. The Commission notes that the applicant filed letters of interest from 16 producers who have committed to buy time slots on the channel's schedule once it is launched, as well as letters from advertisers willing to commit to buy advertising during the broadcast of certain television programs. The Commission also notes that the

producers in charge of selling advertising have experience and knowledge of their respective communities, which could offset the concern that it might be difficult for them to generate sufficient advertising revenue within their respective communities, given the fragmented makeup of Montréal's ethnic communities.

13. The Commission notes that the tangible benefits relating to Rogers' acquisition of CJNT-DT, approved in Broadcasting Decision 2012-697, will be allocated to ICI, spread equally over five years. In addition, 4517466 submitted that Rogers would enter into a program supply agreement with ICI that would provide the latter with up to 200 hours per year of OMNI ethnic and third-language programming for a period of five years, at no cost to ICI. The applicant also submitted that 2209005, the current owner of CJNT, has committed to provide ICI with a loan in the aggregate amount of \$1,000,000, as well as master control hosting and origination services for five years, free of charge. Finally, 4517466 submitted that Mi-Cam Communications Inc. (Mi-Cam)¹ has committed to provide ICI, at no cost, with office space, studio facilities and technical equipment until it becomes profitable.
14. While ICI's proposed business model remains unproven, the Commission is of the view that the commitments made by Rogers and 2209005 should significantly offset the costs associated with the launch of the station and should contribute to help sustain its operations, particularly within its first five years. Following this period, the Commission expects ICI to be financially independent and to no longer require regulatory relief or any further financial assistance from other broadcasters in order to remain viable.

Conclusion

15. In light of all of the above, the Commission **approves** the application by 4517466 Canada Inc. for a broadcasting licence to operate a multilingual ethnic television programming undertaking in Montréal. The terms and **conditions of licence** are set out in the appendix to this decision.

Secretary General

Related Documents

- *CJNT-DT Montréal – Acquisition of assets*, Broadcasting Decision CRTC 2012-697, 20 December 2012
- *Notice of hearing*, Broadcasting Decision CRTC 2012-475, 5 September 2012

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

¹ Mi-Cam is the production company of Mohammad Nowrouzzahrai, the principal shareholder of 4517466.

Appendix to Broadcasting Decision CRTC 2012-696

Terms, conditions of licence, expectations and encouragements

Terms

The licence will expire 31 August 2019.

Conditions of licence

1. The licensee shall adhere to the conditions set out in the appendix to *Standard conditions of licence, expectations and encouragements for conventional television stations*, Broadcasting Regulatory Policy CRTC 2011-442, 27 July 2011.
2. The licensee shall devote to the broadcast of ethnic programs, as defined in section 2 of the *Television Broadcasting Regulation, 1987*:
 - a) not less than 60% of the total number of hours broadcast monthly between 6 p.m. and midnight; and
 - b) not less than 75% of the total number of hours broadcast annually between 8 p.m. and 10 p.m.
3. The licensee shall devote to the broadcast of Canadian programs:
 - a) not less than 55% of the total number of hours broadcast annually between 6 a.m. and midnight; and
 - b) not less than 50% of the total number of hours broadcast annually between 6 p.m. and midnight.
4. The licensee shall devote to the broadcast of non-ethnic programs:
 - a) not more than 40% of the total number of hours broadcast annually between 6 a.m. and midnight; and
 - b) not more than 50% of the total number of hours broadcast annually between 6 p.m. and midnight.
5. In each broadcast month, the licensee shall broadcast ethnic programs directed to no less than 18 distinct ethnic groups.
6. In each broadcast month, the licensee shall broadcast ethnic programs in no less than 15 different languages.
7. In each broadcast month, the licensee shall broadcast 14 hours of original local ethnic programming, calculated monthly.

Expectations

The standard expectations applicable to this licensee are set out in the appendix to *Standard conditions of licence, expectations and encouragements for conventional television stations*, Broadcasting Regulatory Policy CRTC 2011-442, 27 July 2011, as amended from time to time.

Encouragements

The standard encouragements applicable to this licensee are set out in the appendix to *Standard conditions of licence, expectations and encouragements for conventional television stations*, Broadcasting Regulatory Policy CRTC 2011-442, 27 July 2011, as amended from time to time.