



## Broadcasting Decision CRTC 2013-153

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Route reference: 2012-678

Ottawa, 26 March 2013

**Rogers Broadcasting Limited**  
Edmonton, Alberta

*Application 2011-0365-5, received 18 February 2011*

### **CKER-FM Edmonton – Licence renewal and amendment**

*The Commission **renews** the broadcasting licence for the commercial ethnic radio station CKER-FM Edmonton from 1 April 2013 to 31 August 2019.*

*The Commission **approves** the licensee's request to reduce the number of ethnic groups that CKER-FM is required to serve through its programming as well as the number of languages in which that programming must be broadcast.*

#### **Introduction**

1. Rogers Broadcasting Limited (Rogers) applied to renew the broadcasting licence for the commercial ethnic radio programming undertaking CKER-FM Edmonton. This licence expires 31 March 2013.<sup>1</sup> The Commission received numerous interventions in support of this application.
2. The licensee proposed to reduce the number of ethnic groups that CKER-FM is required to serve through its programming, as well as the number of languages in which that programming must be broadcast, from 19 to 12. This would be done through an amendment to the condition of licence to this effect, which is currently set out in the appendix to Broadcasting Decision 2003-386. All other conditions would remain unchanged.
3. Rogers submitted that CKER-FM cannot become commercially competitive under the current condition of licence. It stated that the costs associated with upholding its current programming obligations, particularly in regard to the number of languages in which the station must broadcast its programming, cannot be sustained based on current and projected revenues.

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<sup>1</sup> The original licence expiry date for this station was 31 August 2010. The licence was administratively renewed from 1 September 2011 to 31 March 2013 as a result of Broadcasting Decisions 2010-342, 2011-556, 2012-164 and 2012-456.

4. It further submitted that the proposed amendment would allow CKER-FM to implement a broadcast schedule that is identical seven days a week, thereby maximizing the potential for building audience consistency and loyalty. Rogers stated that this model would allow CKER-FM to “super-serve” the ethnocultural groups and languages that consistently deliver in programming quality and revenue-generating potential, which, in turn, would allow the station to attract and retain local and national advertisers.

### **Commission’s analysis and decisions**

5. After examining the applications in light of applicable regulations and policies, the Commission considers that the issues to be addressed are the following:
  - whether the licensee has demonstrated financial need for the proposed amendment;
  - the potential impact of the amendment on Edmonton’s ethnic population; and
  - whether the proposed amendment is consistent with the Commission’s ethnic broadcasting policy.

### **Demonstrated financial need for the proposed amendment**

6. In Broadcasting Decision 2008-288, the Commission denied applications for new ethnic radio stations in Edmonton, based on the inability of the market to sustain another ethnic service. In that same decision, the Commission acknowledged CKER-FM’s poor financial performance.
7. In support of its current amendment request, Rogers indicated that the economic slowdown of the radio industry, particularly in the Edmonton market, as well as the lack of advertiser support for ethnic radio in Edmonton have contributed to the financial under-performance of its station.
8. The Commission notes, however, that CKER-FM has generally been profitable since 2010, as reflected by financial data submitted by Rogers with its application. Further, based on financial projections that it provided for the station under both approval and denial scenarios, Rogers projected slight profits in both revenue and profit before interest and taxes margins over the next seven years should the present application be denied.
9. Accordingly, the Commission does not consider that Rogers has demonstrated financial need for the proposed licence amendment.

### **Potential impact of the amendment on Edmonton’s ethnic population**

10. As set out in its programming schedule, CKER-FM currently serves 19 ethnic groups in the following 19 languages: Arabic, Cantonese, Croatian, Dutch, German, Greek, Hindi, Hungarian, Italian, Japanese, Mandarin, Polish, Portuguese, Punjabi, Serbian, Somali, Spanish, Tagalog and Ukrainian. Under the model underlying the proposed

amendment, CKER-FM would no longer serve the Croatian, Greek, Hungarian, Japanese, Portuguese, Serbian and Somali ethnic communities.

11. According to the 2011 census conducted by Statistics Canada,<sup>2</sup> the total ethnic population served by CKER-FM is approximately 158,475. The ethnic population that CKER-FM proposes to no longer serve is 14,365, which would result in a decrease of approximately 9.1 percent of the ethnic population served by the station.
12. Rogers submitted that the ethnic groups to be served under its proposed model are those it believes attract the most advertising revenue. It further submitted that the increase in profitability for the station that would result from approval of its proposal would bring tangible benefits to Edmonton's ethnocultural performers and events.
13. The Commission notes that although there is a limited amount of ethnic programming available on other radio stations in Edmonton, CKER-FM is the only station licensed as an ethnic service and remains the most significant source of ethnic programming in the city. Furthermore, although the licensee has proposed to reduce the number of ethnic groups to which its programming would be directed, it has not proposed to reduce the amount of time devoted to ethnic programming in each broadcast week. Finally, the proposed amendment does not preclude CKER-FM from offering programming to additional ethnic groups in the future, if the station achieves profitability and if the community shows demand.
14. In the Commission's view, the benefits that maintaining the station would have for Edmonton's ethnic community, even with the proposed reductions in ethnic groups served and languages of broadcast, outweigh the potential impact of the loss of service to a small number of ethnic groups.

#### **Consistency of the amendment with the Commission's Ethnic broadcasting policy**

15. As set out in Public Notice 1999-117 (the Ethnic broadcasting policy), the number of ethnic groups and languages to be served by a radio station shall be determined by "the demographics of the community, the services already available and the degree of support shown by local community organizations." As such, there is no established minimum number of ethnic groups and languages that must be served by an ethnic radio station. The Ethnic broadcasting policy also states that "a balance may be struck between the two priorities [of] serving as many groups as practical, and providing high quality programming to those groups that are served."
16. Rogers stated that CKER-FM is unable to properly serve its core audience because the focus of the station's programming is too broad due to the requirement to direct its programming to such a high number of distinct ethnic groups. The licensee further stated that the costs associated with broadcasting programming in so many languages cannot be sustained. Finally, Rogers stated that the high level of volunteer involvement in the broadcast of programming during prime time radio to 19 distinct

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<sup>2</sup> These figures are based on the current 19 non-official languages in which CKER-FM broadcasts programming, using mother tongue data for the Edmonton Census Metropolitan Area.

ethnic groups in 19 languages makes it extremely difficult to deliver a high quality broadcast product.

17. Rogers submitted that for CKER-FM to become successful, it must take a “quality over quantity” approach to serving its listeners, offering a more focused programming schedule with higher quality programming. It further submitted that this would strengthen its advertising base, thereby increasing its revenue.
18. The Commission notes that CKER-FM is the only ethnic radio station in Edmonton. Further, Rogers has maintained its commitment to serving Edmonton’s ethnic community, as originally set out in Broadcasting Decision 2006-651, in which the Commission approved Rogers’ acquisition of a number of assets from O.K. Radio Group Ltd., which included the assets of CKER-FM.
19. Under the proposed amendment, the amount of ethnic programming broadcast by CKER-FM would not change. As such, the station would continue to devote, by condition of licence, 84 hours and 30 minutes of programming per broadcast week to ethnic programming and would continue to serve a large segment of the ethnic population in Edmonton. In addition, given that more than 90% of the ethnic population currently served by the station would continue to be served under the proposed amendment, the Commission considers that CKER-FM would continue to provide service to ethnic groups that are sufficiently representative of the demographics of the community. Finally, the Commission considers that Rogers’ proposed amendment is a reasonable compromise between serving as many ethnic groups as possible and providing high-quality programming.
20. In light of the above, the Commission considers that the proposed amendment is consistent with the Ethnic broadcasting policy.

## **Conclusion**

21. The Commission **renews** the broadcasting licence for the ethnic commercial radio programming undertaking CKER-FM Edmonton from 1 April 2013 to 31 August 2019. The term and **conditions of licence** are set out in the appendix to this decision.
22. In addition, the Commission **approves** the licensee’s request to reduce from 19 to 12 the number of ethnic groups CKER-FM is required to serve and the number of languages in which CKER-FM’s programming must be broadcast. The amended **condition of licence** in this regard is set out in the appendix to this decision.

## **Employment equity**

23. Because this licensee is subject to the *Employment Equity Act* and files reports concerning employment equity with the Department of Human Resources and Skills Development, its employment equity practices are not examined by the Commission.

## Reminders

### Case-by-case approach to determining ethnic groups served and languages of programming

24. The Commission reminds licensees of ethnic radio stations, as well as applicants seeking authorization to operate new ethnic radio stations, that conditions of licence relating to the number of ethnic groups to be served and the number of languages in which to broadcast programming are applied on a case-by-case basis. Licensees applying for amendments in this regard are required to demonstrate how the quality of service offered by the station in question would or would not change, and to justify the impact of the change on the ethnic groups in the particular market served. Moreover, applications for any such changes would be subject to a public process.

### Tangible benefits stemming from previous transaction

25. As noted above, in Broadcasting Decision 2006-651, the Commission approved an application by Rogers for authority to acquire, from O.K. Radio Group Ltd., the assets of CKER-FM. The Commission reminds the licensee that the tangible benefits resulting from that decision must be paid over a period of seven broadcast years, which ends 31 August 2013.

Secretary General

### Related documents

- *Various radio programming undertakings – Administrative renewals*, Broadcasting Decision CRTC 2012-456, 28 August 2012
- *Administrative renewals*, Broadcasting Decision CRTC 2012-164, 20 March 2012
- *Administrative renewals*, Broadcasting Decision CRTC 2011-556, 31 August 2011, as corrected by Broadcasting Decisions CRTC 2011-556-1, 23 September 2011; 2011-556-2, 16 December 2011; and 2011-556-3, 5 April 2012
- *Administrative renewals*, Broadcasting Decision CRTC 2010-342, 4 June 2010
- *Licensing of new radio stations to serve Edmonton, Alberta*, Broadcasting Decision CRTC 2008-288, 17 October 2008
- *CHDI-FM and CKER-FM Edmonton, CJOK-FM and CKYX-FM Fort McMurray and its transmitter CJOK-FM-1 Tar Island, CFGP-FM Grande Prairie and its transmitters CFGP-FM-1 Peace River and CFGP-FM-2 Tumbler Ridge – Acquisition of assets*, Broadcasting Decision CRTC 2006-651, 29 November 2006
- *CKER-FM Edmonton – Licence renewal*, Broadcasting Decision CRTC 2003-386, 11 August 2003
- *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999

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

## **Appendix to Broadcasting Decision CRTC 2013-153**

### **Term and conditions of licence for the commercial ethnic FM radio programming undertaking CKER-FM Edmonton, Alberta**

#### **Term**

The licence will expire 31 August 2019.

#### **Conditions of licence**

1. The licensee shall adhere to the conditions of licence set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009.
2. In each broadcast week, the licensee shall broadcast ethnic programming directed towards not less than 12 distinct ethnic groups, in not less than 12 different languages.
3. The licensee shall devote a minimum of 84 hours and 30 minutes of the broadcast week to ethnic programs as defined in the *Radio Regulations, 1986*, as amended from time to time.