



## Broadcasting Notice of Consultation CRTC 2015-135

PDF version

Ottawa, 10 April 2015

### **Call for comments on market capacity and on the appropriateness of issuing a call for radio applications to serve Edmonton, Alberta**

*The Commission has received applications for broadcasting licences to operate new commercial radio stations to serve Edmonton, Alberta. The Commission is seeking comment on market capacity and on the appropriateness of issuing a call for radio applications to serve Edmonton. The Commission encourages interested persons, including the applicants, to submit additional information that the Commission will take into consideration before making a final determination on whether it should proceed with a call for applications.*

*The deadline for the receipt of interventions is **11 May 2015**. Only parties that file interventions may file a reply to matters raised during the intervention phase. The deadline to file replies is **21 May 2015**.*

#### **Background**

1. In Broadcasting Regulatory Policy 2014-554, the Commission set out its procedure for issuing calls for applications for broadcasting licences to operate radio stations. According to that procedure, applications for new radio stations in markets of all sizes will generally result in the issuance of a call for applications with the following exceptions:
  - proposals with very little or no commercial potential or impact, including some low-power applications;
  - proposals to provide the first commercial service in a market;
  - proposals by the sole commercial operator in a market to improve service to the market, either through an AM to FM conversion or a new station;
  - proposals to provide the first commercial service in the other official language in a market, or to convert the only station in the other official language from AM to FM; and
  - proposals to convert stations from AM to FM, in markets with two or fewer commercial operators.

2. The Commission will also take into account the availability or scarcity of spectrum when considering applications that propose to use one of the last known frequencies in a market. Such applications will not be eligible to be considered under one of the exceptions to the issuance of a call.
3. Upon receipt of an application that does not fall within one of the exceptions to the issuance of a call, the Commission will publish a notice of consultation to seek comment on market capacity and the appropriateness of issuing a call. The Commission will also publish the following information in the notice of consultation: the applicant's name, the type of service proposed (commercial mainstream or specialty, community, campus, etc.), the technical parameters proposed (frequency, band, broadcast power) and a sampling of the main communities included in the primary contour of the proposed station's coverage.

### **Applications for Edmonton**

4. The Commission announces that it has received the following applications for broadcasting licences to operate new radio stations to serve Edmonton, Alberta.

<b>Applicant</b>	<b>Type of service</b>	<b>Technical parameters</b>
VMS Media Group Ltd.	Commercial ethnic radio station	106.5 MHz FM with an average effective radiated power (ERP) of 2,100 watts (maximum ERP of 10,000 watts)
Neeti P. Ray, on behalf of a corporation to be incorporated	Commercial ethnic radio station	1,650 kHz AM with a daytime and night-time transmitter power of 10,000 watts
Antoine Karam, on behalf of a corporation to be incorporated	Commercial ethnic radio station	106.5 MHz FM with an average ERP of 1,822 watts (maximum ERP of 8,800 watts)
South Fraser Broadcasting Inc. <sup>1</sup>	Commercial ethnic radio station	580 kHz AM with a daytime and night-time transmitter power of 10,000 watts

5. VMS Media Group Ltd. and Antoine Karam, on behalf of a corporation to be incorporated proposed the use of one of the last known available FM frequencies in Edmonton.

<sup>1</sup> In Broadcasting Notice of Consultation 2013-663, the Commission announced that it would consider, as part of a public hearing held on 26 February 2013, an application by South Fraser Broadcasting Inc. to operate an ethnic commercial AM radio station in Edmonton. However, the Commission subsequently announced in Broadcasting Notice of Consultation 2013-663-1 that the application had been withdrawn.

## Call for comments

6. In light of the above, the Commission calls for comments on the capacity of Edmonton to support a new station and on whether it should issue a call for applications for new radio stations to serve that market. The Commission encourages interested persons, including the applicants, to submit additional information that the Commission will take into consideration before making a final determination on whether to proceed with a call for applications.
7. Aggregated financial information relating to the Edmonton radio market is set out in the appendix to this notice.
8. Following receipt of comments, the Commission will conduct an assessment of the market's capacity to support an additional station, taking into account economic and financial data as well as the comments received in the public consultation.
9. As indicated in Broadcasting Regulatory Policy 2014-554, the Commission will weigh factors such as market capacity, spectrum availability or scarcity and interest in serving the market when deciding whether to:
  - publish the application for consideration during the non-appearing phase of a public hearing;
  - issue a call for applications; or
  - make a determination that the market cannot sustain additional stations, return the application and issue a decision setting out this determination.

## Procedure

10. The *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to the present proceeding. The Rules of Procedure set out, among other things, the rules for content, format, filing and service of interventions, replies, answers of respondents and requests for information; the procedure for filing confidential information and requesting its disclosure; and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and its accompanying documents, which can be found on the Commission's website under "Statutes and Regulations." The *Guidelines on the CRTC Rules of Practice and Procedure*, set out in Broadcasting and Telecom Information Bulletin 2010-959, provide information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.
11. The Commission invites interventions that address the issues and questions set out above. The Commission will accept interventions that it receives on or before **11 May 2015**. Only parties that file interventions may file a reply to matters raised during the intervention phase. The deadline for the filing of replies is **21 May 2015**.

12. The Commission encourages interested persons and parties to monitor the record of the proceeding, available on the Commission's website, for additional information that they may find useful when preparing their submissions.
13. Submissions longer than five pages should include a summary. Each paragraph of all submissions should be numbered, and the line **\*\*\*End of document\*\*\*** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
14. Submissions must be filed by sending them to the Secretary General of the Commission using **only one** of the following means:

**by completing the**  
[\[Intervention/comment/answer form\]](#)

or

**by mail to**  
CRTC, Ottawa, Ontario K1A 0N2

or

**by fax at**  
819-994-0218

15. Parties who send documents electronically must ensure that they will be able to prove, upon Commission request, that service/filing of a particular document was completed. Accordingly, parties must keep proof of the sending and receipt of each document for 180 days after the date on which the document is filed. The Commission advises parties who file and serve documents by electronic means to exercise caution when using email for the service of documents, as it may be difficult to establish that service has occurred.
16. In accordance with the Rules of Procedure, a document must be received by the Commission and all relevant parties by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline. Late submissions, including those due to postal delays, will not be considered by the Commission and will not be made part of the public record.
17. The Commission will not formally acknowledge submissions. It will, however, fully consider all submissions, which will form part of the public record of the proceeding, provided that the procedure for filing set out above has been followed.

### **Important notice**

18. All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, facsimile, email or through the

Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), becomes part of a publicly accessible file and will be posted on the Commission's website. This information includes personal information, such as full names, email addresses, postal/street addresses, telephone and facsimile numbers, etc.

19. The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
20. Documents received electronically or otherwise will be put on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
21. The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its own search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

#### **Availability of documents**

22. Electronic versions of the interventions and of other documents referred to in this notice, are available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) by visiting the "Participate" section, selecting "Submit Ideas and Comments," and then selecting "our open processes." Documents can then be accessed by clicking on the links in the "Subject" and "Related Documents" columns associated with this particular notice.
23. Documents are also available from Commission offices, upon request, during normal business hours.

#### **Location of Commission offices**

Toll-free telephone: 1-877-249-2782

Toll-free TDD: 1-877-909-2782

Les Terrasses de la Chaudière  
Central Building  
1 Promenade du Portage, Room 206  
Gatineau, Quebec  
J8X 4B1  
Tel.: 819-997-2429  
Fax: 819-994-0218

## ***Regional offices***

### **Nova Scotia**

Metropolitan Place  
99 Wyse Road  
Suite 1410  
Dartmouth, Nova Scotia  
B3A 4S5  
Tel.: 902-426-7997  
Fax: 902-426-2721

### **Quebec**

505 de Maisonneuve Boulevard West  
Suite 205  
Montréal, Quebec  
H3A 3C2  
Tel.: 514-283-6607

### **Ontario**

55 St. Clair Avenue East  
Suite 624  
Toronto, Ontario  
M4T 1M2  
Tel.: 416-952-9096

### **Manitoba**

360 Main Street  
Suite 970  
Winnipeg, Manitoba  
R3C 3Z3  
Tel.: 204-983-6306  
Fax: 204-983-6317

### **Saskatchewan**

403 – 1975 Scarth Street  
Regina, Saskatchewan  
S4P 2H1  
Tel.: 306-780-3422  
Fax: 306-780-3319

### **Alberta**

200 – 4<sup>th</sup> Avenue South-East  
Suite 574

Calgary, Alberta  
T2G 4X3  
Tel.: 403-292-6660  
Fax: 403-292-6686

**British Columbia**

858 Beatty Street  
Suite 290  
Vancouver, British Columbia  
V6B 1C1  
Tel.: 604-666-2111  
Fax: 604-666-8322

Secretary General

**Related documents**

- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014
- *Notice of hearing*, Broadcasting Notice of Consultation CRTC 2013-663, 9 December 2013, as amended by Broadcasting Notice of Consultation CRTC 2013-663-1, 14 February 2014
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC 2010-959, 23 December 2010

**Appendix to Broadcasting Notice of Consultation  
CRTC 2015-135**

**Aggregated financial information relating to the Edmonton radio market  
(2010-2014 broadcast years)**

**Revenue**

<b>Year</b>	<b>2010</b>	<b>2011</b>	<b>Var</b>	<b>2012</b>	<b>Var</b>	<b>2013</b>	<b>Var</b>	<b>2014</b>	<b>Var</b>	<b>CAGR</b>
<b>Reporting Units</b>	18	19	n/a	19	n/a	19	n/a	19	n/a	n/a
<b>Local Time Sales</b>	\$61,504,692	\$62,600,302	1.78%	\$62,842,671	0.39%	\$63,121,264	0.44%	\$62,907,330	-0.34%	0.6%
<b>National Time Sales</b>	\$18,702,609	\$23,595,917	26.16%	\$26,072,807	10.50%	\$29,685,274	13.86%	\$28,761,574	-3.11%	11.4%
<b>Syndication-Production</b>	\$37,217	\$391,866	952.92%	\$366,826	-6.39%	\$19,871	-94.58%	\$112,668	467%	31.9%
<b>Government Grants</b>	0	0	n/a	0	n/a	0	n/a	0	n/a	n/a
<b>Other</b>	\$1,432,100	\$1,457,382	1.77%	\$1,755,035	20.42%	\$1,252,385	-28.64%	\$1,323,912	5.71%	n/a
<b>Total Revenue</b>	<b>\$81,676,618</b>	<b>\$88,045,467</b>	<b>7.80%</b>	<b>\$91,037,339</b>	<b>3.40%</b>	<b>\$94,078,794</b>	<b>3.34%</b>	<b>\$93,105,484</b>	<b>-1.03%</b>	<b>3.3%</b>

**Expenses**

<b>Year</b>	<b>2010</b>	<b>2011</b>	<b>Var</b>	<b>2012</b>	<b>Var</b>	<b>2013</b>	<b>Var</b>	<b>2014</b>	<b>Var</b>	<b>CAGR</b>
<b>Program and Production</b>	\$24,614,287	\$25,894,755	5.20%	\$27,700,602	6.97%	\$27,532,395	-0.61%	\$28,073,070	1.96%	3.3%
<b>Technical</b>	\$2,239,432	\$2,816,225	25.76%	\$2,903,276	3.09%	\$2,841,608	-2.12%	\$2,875,063	1.18%	6.5%
<b>Sales and Promotion</b>	\$22,415,205	\$25,649,063	14.43%	\$24,384,189	-4.93%	\$23,211,598	-4.81%	\$23,675,104	2.0%	1.4%
<b>Administration and General</b>	\$14,732,464	\$15,614,568	5.99%	\$13,850,846	-11.30%	\$14,236,811	2.79%	\$14,868,948	4.44%	0.2%
<b>Total Expenses</b>	<b>\$64,001,388</b>	<b>\$69,974,611</b>	<b>9.33%</b>	<b>\$68,838,913</b>	<b>-1.62%</b>	<b>\$67,822,412</b>	<b>-1.48%</b>	<b>\$69,492,185</b>	<b>2.46%</b>	<b>2.1%</b>

### Performance

Year	2010	2011	Var	2012	Var	2013	Var	2014	Var	CAGR
<b>Operating Income</b>	\$17,675,230	\$18,070,856	n/a	\$22,198,426	n/a	\$26,256,382	n/a	\$23,613,299	n/a	n/a
<b>Depreciation</b>	\$3,110,008	\$2,507,892	-19.36%	\$2,514,529	0.26%	\$2,143,666	-14.75%	\$2,695,859	25.76%	-3.5%
<b>P.B.I.T.</b>	<b>\$14,565,222</b>	<b>\$15,562,964</b>	<b>n/a</b>	<b>\$19,683,897</b>	<b>n/a</b>	<b>\$24,112,716</b>	<b>n/a</b>	<b>\$20,917,440</b>	<b>n/a</b>	<b>n/a</b>
<b>Interest Expense</b>	\$670,896	\$1,192,974	77.82%	\$1,060,240	-11.13%	\$1,010,268	-4.71%	\$1,126,805	11.54%	n/a
<b>Adjustments</b>	\$-30,865,654	\$3,255,108	n/a	\$7,002,226	n/a	\$-1,093,516	n/a	\$4,766,271	n/a	n/a
<b>Pre-tax Profit</b>	<b>\$-16,971,328</b>	<b>\$17,625,098</b>	<b>n/a</b>	<b>\$25,625,883</b>	<b>n/a</b>	<b>\$22,008,932</b>	<b>n/a</b>	<b>\$24,556,906</b>	<b>n/a</b>	<b>n/a</b>

### Program and production

Year	2010	2011	Var	2012	Var	2013	Var	2014	Var	CAGR
<b>Percentage of Total Expenses</b>	38.5%	37%	n/a	40.2%	n/a	40.6%	n/a	40.4%	n/a	n/a
<b>Percentage of Total Revenue</b>	30.1%	29.4%	n/a	30.4%	n/a	29.3%	n/a	30.2%	n/a	n/a

### Profitability

Year	2010	2011	Var	2012	Var	2013	Var	2014	Var	TCAC
<b>Operating Margin</b>	21.6%	20.5%	n/a	24.4%	n/a	27.9%	n/a	25.4%	n/a	n/a
<b>P.B.I.T. Margin</b>	17.8%	17.7%	n/a	21.6%	n/a	25.6%	n/a	22.5%	n/a	n/a
<b>Pre-tax Margin</b>	-20.8%	20%	n/a	28.1%	n/a	23.4%	n/a	26.4%	n/a	n/a