



## Broadcasting Decision CRTC 2015-471

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Reference: 2015-136

Ottawa, 21 October 2015

### Various applicants

Brampton, Ontario

*The application numbers are set out in the decision.*

*Public hearing in the National Capital Region*

*12 June 2015*

### Licensing of new radio stations to serve Brampton

*The Commission **approves** the application by Radio Humsafar Inc. for a broadcasting licence to operate a new ethnic commercial AM radio station to serve Brampton.*

*The Commission **denies** the applications by Neeti P. Ray, on behalf of a corporation to be incorporated and Ravinder Singh Pannu, on behalf of a corporation to be incorporated for broadcasting licences to operate radio stations to serve Brampton.*

### Applications

1. At a public hearing commencing 12 June 2015 in Gatineau, Quebec, the Commission considered three applications for new AM radio stations to serve Brampton, Ontario. The applicants were as follows:
  - Neeti P. Ray, on behalf of a corporation to be incorporated (Neeti P. Ray)
  - Radio Humsafar Inc. (Radio Humsafar)
  - Ravinder Singh Pannu, on behalf of a corporation to be incorporated (Ravinder Singh Pannu)
2. Each applicant proposed to operate its new station at 1350 kHz. Consequently, their applications are mutually exclusive on a technical basis.
3. Neeti P. Ray would be wholly owned by The Neeti P. Ray Family Trust and controlled by Mr. Neeti P. Ray, the sole trustee.
4. Radio Humsafar is equally owned by Mr. Jasvir Sandhu and Mr. Kamaljit Kaur, and controlled by Mr. Sandhu pursuant to a Unanimous Shareholders Agreement dated 5 January 2011.

5. Ravinder Singh Pannu would be wholly owned and controlled by Mr. Ravinder Singh Pannu.

## **Background**

6. The application by Neeti P. Ray was initially scheduled to be considered at a non-appearing hearing held on 25 September 2014 and was published in Broadcasting Notice of Consultation 2014-383. However, the Commission received the application by Radio Humsafar during the intervention period ending 22 August 2014 and the application by Ravinder Singh Pannu on 7 October 2014.
7. Given that all three applications proposed the use of 1350 kHz, the Commission withdrew the application by Neeti P. Ray from the 25 September 2014 public hearing and scheduled it with the Radio Humsafar and Ravinder Singh Pannu applications as part of the 12 June 2015 public hearing.

## **Interventions**

8. As part of this process, the Commission received and considered interventions with respect to each application. In the case of the application by Neeti P. Ray, the Commission also considered the interventions and reply that had already been accepted and filed on the public record for the 25 September 2014 public hearing. The public record for each application can be found on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) or by using the appropriate application number, provided in Appendix 1 to this decision.

## **Commission's analysis**

9. The Commission must determine which of the present applications, all of which are mutually exclusive on a technical basis, would represent the best use of the frequency 1350 kHz, should it determine first that the Brampton radio market is able to sustain an additional radio service. In this regard, and after examining the public record for this proceeding in light of applicable regulations and policies, the Commission considers that the issues it must address are the following:
  - whether the Brampton radio market can sustain an additional radio service without an undue negative impact on existing stations; and
  - if so, which of the applications should be approved.

## **The Brampton radio market and its ability to sustain new stations**

10. The city of Brampton is part of the greater Numeris Toronto Central Market and is reached by the majority of Toronto's radio stations. Of the 32 commercial radio stations operating in the Toronto area, 9 are ethnic within the meaning of the Commission,<sup>1</sup> in addition to 1 that provides a significant portion (36.9%) of

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<sup>1</sup> See the Ethnic broadcasting policy set out in Public Notice 1999-117.

third-language programming. While the ethnic market's overall profit before interest and taxes (PBIT) margin (14.5%) was not as high as Toronto's 2014 average (28%), it was comparable to the national average for ethnic stations (14.8%) and has experienced growth over the past five years. In addition, the PBIT of these ethnic stations increased over the past year.

11. There are four commercial ethnic radio stations serving mainly South Asian audiences in or near Brampton: CIAO Brampton, CINA Mississauga, CJMR Mississauga and CJSa-FM Toronto. In 2014, the collective PBIT margin of these four stations was higher than that of the Greater Toronto Area's (GTA) ethnic market average, with overall revenues and profitability increasing from 2013 to 2014. Since the contours of the above-mentioned stations provide coverage of portions of the GTA, these stations can derive revenues from markets other than Brampton.
12. Moreover, the Brampton radio market benefits from positive economic and demographic indicators, including:
  - a rapidly growing ethnic population;
  - household incomes significantly above the provincial and national levels; and
  - strong retail sales and gross domestic product forecasts at the GTA and provincial levels.
13. Based on the above, the Commission is satisfied that the Brampton radio market could support the licensing of an additional station to serve South Asian audiences, whether primarily third- or English-language, without having an undue negative impact on existing stations.

### **Assessment of the applications**

14. The Commission has considered the applications to serve Brampton in light of the following factors relevant to the evaluation of the applications, which include the factors set out in Decision 99-480:
  - the quality of the application;
  - the diversity of news voices; and
  - the competitive state of the radio market and the level of market impact.
15. Details of the applications are set out in Appendix 1 to this decision.
16. Having considered all three applications in light of the criteria set out above, the Commission finds that the proposal by Radio Humsafar for a new ethnic AM radio station best meets the needs of the Brampton radio market.

17. Radio Humsafar is a well-financed and experienced broadcaster whose experience would contribute to its ability to establish itself in the Brampton radio market. Moreover, the diversity of news voices in that market will be enhanced with the arrival of this new player.
18. Radio Humsafar indicated that all of the station's programming would be ethnic programming targeting at least 14 ethnic groups in 11 languages, and that at least 80% of the programming would be broadcast in third languages. The applicant agreed to adhere to these commitments by condition of licence. Further, the programming will be devoted primarily to the South Asian population, with 20% of the programming in the English-language and directed at second generation English-speaking South Asians, and 80% in a third language and directed primarily at the Punjabi-, Hindi- and Urdu-speaking population. In the Commission's view, by serving a wider range of languages than those proposed by the other applicants, the proposal by Radio Humsafar will increase the diversity of local ethnic radio programming in Brampton. Further, the provision of such a broad service will ensure that a number of smaller ethnic groups in that market have a basic radio service. A **condition of licence** relating to the minimum number of ethnic groups to be served and the languages of broadcast is set out in Appendix 2 to this decision.
19. The new service will serve a growing ethnic audience of Brampton residents by offering local news and community information targeting listeners aged 12 and above, with a core audience between the ages of 18 and 55. The applicant committed to devote 105 hours of local programming each broadcast week, 60% of which will be spoken word programming. It will broadcast 7 hours and 35 minutes of news, including 4 hours and 56 minutes of local and regional news, 1 hour and 8 minutes of national news and 1 hour and 31 minutes of international news.
20. In addition, the new service will further the growth of high-quality third-language Canadian programming, the promotion of cross-cultural understanding and the full participation of all people in Canadian society, in line with Public Notice 1999-117.
21. All commercial radio licensees must adhere to the requirements relating to contributions to Canadian Content development (CCD) set out in section 15 of the *Radio Regulations, 1986*, as amended from time to time. Radio Humsafar committed to devote, over and above the basic annual contribution to CCD, a total of \$107,000 to CCD over seven consecutive broadcast years upon commencement of operations. Although ethnic radio broadcasters are not required to direct a portion of the CCD contribution amount to FACTOR or MUSICACTION, the applicant stated that \$5,000 in year 1 and \$7,000 in year 2 of operations would be devoted to FACTOR. For years 3 through 7, at least 20% would be devoted to FACTOR. The remainder will be directed to Dalewood Productions to fund an initiative to help launch the musical careers of emerging artists.

## Conclusion

22. Based on all of the foregoing, the Commission **approves** the following application for a broadcasting licence to operate an ethnic commercial AM radio programming undertaking in Brampton:

**Radio Humsafar Inc.**

*Application 2014-0843-5, received 22 August 2014*

23. The terms and **conditions of licence** for this new service are set out in Appendix 2 to this decision.

24. In light of the above, the Commission **denies** the two following applications for broadcasting licences to operate radio programming undertakings in Brampton.

**Neeti P. Ray, on behalf of a corporation to be incorporated**

*Application 2014-0237-0, received 20 March 2014*

**Ravinder Singh Pannu, on behalf of a corporation to be incorporated**

*Application 2014-1032-3, received 7 October 2014*

Secretary General

## Related documents

- *Notice of hearing*, Broadcasting Notice of Consultation CRTC 2014-383, 23 July 2014
- *Introductory statement – Licensing new radio stations*, Decision CRTC 99-480, 28 October 1999
- *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999

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

## Appendix 1 to Broadcasting Decision CRTC 2015-471

### Details from the applications for new broadcasting licences for AM radio programming undertakings to serve Brampton, Ontario

Applicant	Details from the application
<p><b>Neeti P. Ray, on behalf of a corporation to be incorporated</b> Application 2014-0237-0</p>	<p><b>Type:</b> English-language commercial AM radio programming undertaking</p> <p><b>Technical parameters:</b> 1350 kHz with a daytime transmitter power of 1,000 watts and a night-time transmitter power of 55 watts (non-directional antenna)</p> <p><b>Format:</b> News talk (spoken word during English-language segments; spoken word and music during third-language segments)</p> <p><b>Target audience:</b> Male and female listeners aged 12 and up</p> <p>English-language programming directed at general Brampton population from 6 a.m. to 7 p.m. on weekdays and from 9 a.m. to 3 p.m. on weekends</p> <p>Third-language ethnic programming from 7 p.m. to midnight on weekdays and throughout the weekend</p> <p><b>Canadian content (music):</b> 35% category 2*; 10% category 3**, 10% during ethnic programming periods</p> <p><b>Local programming per broadcast week***:</b> 126 hours</p> <p><b>Spoken word programming per broadcast week:</b> 101 hours, 30 minutes</p> <p><b>News programming per broadcast week:</b> 23 hours 14 minutes (news and related surveillance material), 17 hours 22 minutes local and regional, 2 hours 56 minutes national, 2 hours 56 minutes international</p> <p><b>Canadian content development contribution (over the basic annual contribution):</b> \$105,000 over seven consecutive broadcast years</p>

<p><b>Radio Humsafar Inc.</b> Application 2014-0843-5</p>	<p><b>Type:</b> ethnic commercial AM radio programming undertaking</p> <p><b>Technical parameters:</b> 1350 kHz with a daytime transmitter power of 1,000 watts and a night-time transmitter power of 45 watts (non-directional antenna)</p> <p><b>Format:</b> 100% ethnic programming directed to at least 14 cultural groups in a minimum of 11 languages; 80% third-language programming</p> <p><b>Target audience:</b> Male and female listeners aged 12 and up (core audience between the ages of 18 and 55)</p> <p>20% of the programming (English-language ethnic) directed at 2<sup>nd</sup> generation English-speaking South Asians</p> <p>80% of the programming (third-language) primarily directed at the South Asian population</p> <p><b>Canadian content (music):</b> 35% category 2*; 10% category 3**, 7% during ethnic programming periods</p> <p><b>Local programming per broadcast week***:</b> 105 hours</p> <p><b>Spoken word programming per broadcast week:</b> 60%</p> <p><b>News programming per broadcast week:</b> 7 hours 35 minutes (news and related surveillance material) 4 hours 56 minutes local and regional, 1 hour 8 minutes national, 1 hour 31 minutes international</p> <p><b>Canadian content development contribution (over the basic annual contribution):</b> \$107,000 over seven consecutive broadcast years</p>
<p><b>Ravinder Singh Pannu, on behalf of a corporation to be incorporated</b> Application 2014-1032-3</p>	<p><b>Type:</b> English-language commercial AM radio programming undertaking</p> <p><b>Technical parameters:</b> 1350 kHz with a daytime transmitter power of 1,000 watts and a night-time transmitter power of 38 watts (non-directional antenna)</p> <p><b>Format:</b> News talk / world music (59% spoken word / 41% music)</p> <p><b>Target audience:</b> Male and female listeners aged 12 and up</p> <p>61% of the programming (English-language ethnic) directed at 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> generation South Asian, Indo-Caribbean and African communities</p> <p>39% of the programming (third-language) primarily directed at the South Asian population and broadcast during peak and off-peak listening hours</p> <p><b>Canadian content (music):</b> 35% category 2*; 10% category 3**, 10% during ethnic programming periods</p> <p><b>Local programming per broadcast week***:</b> 126 hours</p>

	<p><b>Spoken word programming per broadcast week:</b> 74 hours</p> <p><b>News programming per broadcast week:</b> 10 hours 30 minutes (news and related surveillance material) 5 hours 15 minutes local and regional, 2 hours 37 minutes national, 2 hours 38 minutes international</p> <p><b>Canadian content development contribution (over the basic annual contribution):</b> \$112,000 over seven consecutive broadcast years</p>
<p>* Percentages shown for category 2 musical selections (Popular Music) are for both the broadcast week and the period from 6 a.m. to 6 p.m., Monday to Friday. The definition of "broadcast week" is the same as that set out in the <i>Radio Regulations, 1986</i>.</p> <p>** Percentages shown for category 3 musical selections (Special Interest Music) are for the broadcast week. The definition of "broadcast week" is the same as that set out in the <i>Radio Regulations, 1986</i>.</p> <p>*** The definition of "broadcast week," as it relates to local, spoken word and news programming, is the same as that set out in the <i>Radio Regulations, 1986</i>.</p>	



## Appendix 2 to Broadcasting Decision CRTC 2015-471

Radio Humsafar Inc.

Application 2014-0843-5, received 22 August 2014

### Terms, conditions of licence, expectation and encouragement for the ethnic commercial AM radio programming undertaking in Brampton, Ontario

#### Terms

The licence will expire 31 August 2022.

The station will operate at 1350 kHz with a daytime transmitter power of 1,000 watts and a night-time transmitter power of 45 watts (non-directional antenna).

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.

Furthermore, the Commission will only issue a licence for this undertaking 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 **20 October 2017**. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

#### Conditions of licence

1. The licensee shall adhere to the conditions set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009, as well as to the conditions set out in the broadcasting licence for the undertaking.
2. In each broadcast week, the licensee shall provide programming directed at a minimum of 14 distinct ethnic groups in at least 11 different languages.
3. In addition to the required basic annual contribution to Canadian content development (CCD), set out in section 15 of the *Radio Regulations, 1986*, as amended from time to time, the licensee shall contribute \$107,000 to the promotion and development of Canadian content, to be allotted each year as follows:

Year 1	\$5,000
Year 2	\$7,000
Year 3	\$10,000

Year 4	\$10,000
Year 5	\$25,000
Year 6	\$25,000
Year 7	\$25,000

The licensee shall allocate the following amounts of its additional annual CCD contribution to FACTOR:

Year 1	\$5,000
Year 2	\$7,000
Year 3	\$2,000
Year 4	\$2,000
Year 5	\$5,000
Year 6	\$5,000
Year 7	\$5,000

The remaining amounts of this additional CCD contribution shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

### **Expectation**

The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.

### **Encouragement**

In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 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.