



## Broadcasting Decision CRTC 2017-189

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Reference: Part 1 application posted on 16 May 2016

Ottawa, 8 June 2017

**9427899 Canada Inc.**  
Montréal, Quebec

*Application 2016-0492-6*

### **CKIN-FM Montréal – Reallocation of tangible benefits**

*The Commission **approves** an application by 9427899 Canada Inc. to reallocate the tangible benefits flowing from the change in the effective control of the commercial ethnic radio station CKIN-FM Montréal, Quebec, to fund a scholarship for journalism students at Concordia University.*

#### **Application**

1. 9427899 Canada Inc. filed an application relating to the tangible benefits flowing from the change in effective control of the commercial ethnic radio station CKIN-FM Montréal, Quebec, that was approved by the Commission in Broadcasting Decision 2015-397. The applicant proposed to redirect the tangible benefits to fund a scholarship for journalism students at Concordia University with a focus on the development of spoken word content for ethnic radio.
2. The applicant argued that the tangible benefits would have a more meaningful impact if its annual contribution of \$5,918 could be directed to a single recipient rather than divided among the initiatives set out in Broadcasting Decision 2015-397.

#### **Intervention and reply**

3. The Commission received one intervention in opposition to the application from the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ), to which the applicant replied. The public record for this application can be found on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) or by using the application number provided above.
4. ADISQ argued that the appropriate time to request an exception to Broadcasting Regulatory Policy 2014-459 (the Tangible Benefits Policy) would have been when the application to acquire the assets of CKIN-FM was initially submitted. ADISQ also argued that the applicant did not adequately demonstrate the benefit to the system that would be achieved by allowing the amendment. ADISQ further argued that the contributions to the compulsory funds are not insignificant and that those funds have

planned their activities with the expectation of receiving the contributions as set out in the ownership transaction.

5. In its reply, the applicant restated its arguments that, given the modest dollars at stake, it makes more sense and will have more practical impact to direct those dollars to a single recipient.

### **Commission's analysis and decisions**

6. In Broadcasting Decision 2015-397, the Commission approved the application by Neeti P. Ray, on behalf of a corporation to be incorporated, to acquire the assets of the commercial ethnic radio station CKIN-FM Montréal. As a result of the transaction, tangible benefits amounting to \$41,430 (\$5,918 annually) over seven consecutive broadcast years must be allocated as follows:
  - 3% (\$20,715) to the Radio Starmaker Fund or Fonds Radiostar;
  - 1.5% (\$10,357) to FACTOR or Musicaction;
  - 1% (\$6,905) to any eligible Canadian content development initiative at the discretion of the purchaser; and
  - 0.5% (\$3,452) to the Community Radio Fund of Canada.
7. Since the licensee made the required contributions for the 2015-2016 broadcast year, the amount that remains to be disbursed is \$35,511.
8. In the Tangible Benefits Policy, the Commission stated that an applicant could propose a different allocation formula for tangible benefits in the face of unique circumstances. The Commission has also recognized the specialized nature of spoken word and ethnic radio stations and allowed these stations to direct their contributions to Canadian content development to initiatives that serve to develop music or spoken word content that supports that specialized nature of service.
9. The Commission considers that the proposed scholarship is more likely to foster the development of spoken word programming for ethnic radio and finds that, in this instance, the benefit to the broadcasting system would be greater if the annual tangible benefit contribution of \$5,918 were to be directed to a single recipient, as proposed, rather than distributed following the allocation formula set out in the Tangible Benefits Policy.
10. As set out in Broadcasting Public Notice 2006-158, scholarships for students studying in journalism or music programs are eligible Canadian content development initiatives.
11. In light of the above, the Commission **approves** the application by 9427899 Canada Inc. to allocate the remaining tangible benefits (\$35,511) to a scholarship for students pursuing journalism studies at Concordia University.

## Reminder

12. The licensee is responsible for ensuring that the tangible benefits contributions are allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of Broadcasting Public Notice 2006-158.

Secretary General

## Related documents

- *CKIN-FM Montréal – Acquisition of assets*, Broadcasting Decision CRTC 2015-397, 25 August 2015
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006

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