



Broadcasting Decision CRTC 2015-15

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Route reference: 2014-383

Ottawa, 21 January 2015

Gill Broadcasting Ltd.
Winnipeg, Manitoba

Application 2013-1810-6, received 31 December 2013
Public hearing in the National Capital Region
25 September 2014

Ethnic commercial FM radio station in Winnipeg

*The Commission **denies** an application to operate an ethnic commercial FM radio station in Winnipeg.*

Application

1. Gill Broadcasting Ltd. (Gill) filed an application to operate an ethnic commercial FM radio station in Winnipeg, Manitoba. The station would operate at 92.9 MHz (channel 225A) with an effective radiated power of 1,800 watts (non-directional antenna with an effective height of antenna above average terrain of 55.9 metres).
2. The proposed station would broadcast 126 hours of local programming each broadcast week, including 43 hours of spoken word programming. It would devote 7 hours per broadcast week to newscasts, including 4 hours and 30 minutes of local and regional news. Further, the station would target adults between the ages of 18 and 54, with a core audience of adults aged 25 to 44.
3. Gill stated that of the programming to be broadcast each broadcast week, 100% would be devoted to ethnic programming and 85% would be devoted to third-language programming. It also proposed to broadcast approximately 20 hours of English-language programming each broadcast week.
4. The applicant indicated that it would accept a condition of licence requiring it to direct ethnic programming to at least 9 distinct cultural groups in at least 11 different languages each broadcast week.
5. Finally, in addition to the required basic annual contribution to Canadian content development (CCD) set out in section 15 of the *Radio Regulations 1986*, the applicant committed to contribute a total of \$227,500 over seven consecutive broadcast years to CCD upon commencement of operations.

Interventions

6. The Commission received interventions in support of this application. It also received opposing interventions from Dufferin Communications Inc. (Dufferin), Mr. Wayne Yaskew, Mr. Jatgar Singh and Mr. Bhupinder Toor. The applicant provided a joint reply to Dufferin and Mr. Yaskew, as well as separate replies to Mr. Singh and Mr. Toor. The public record for this proceeding can be found on the Commission's website at www.crtc.gc.ca and by using the application number provided above.

Intervention from Dufferin

7. Dufferin submitted that approval of Gill's application would undermine the steady improvements that it had made to its ethnic commercial AM radio station CKJS Winnipeg since acquiring it from Newcap in 2011.¹ It argued that granting a licence to a new ethnic station—particularly one with a stronger FM signal—would harm CKJS in several ways, especially at a time when it is working to stabilize the market while continuing to meet the needs of the ethnic communities.
8. It also argued that since 84 of the 105 hours of third-language programming proposed by Gill would be dedicated to languages already served by CKJS, Gill's station would take away revenue, audiences and talent from CKJS, thereby resulting in unprofitability and a diminished quality of programming for the station. Dufferin added that approval of the application would affect its station's ability to meet its conditions of licence.
9. Further, Dufferin asserted that the Winnipeg radio market is stagnant at best and that the Commission is obligated under the Commercial Radio Policy to consider the possibility of over-licensing markets such as Winnipeg. In support of its claims, Dufferin submitted a study on the impact of a new ethnic/English-language station in Winnipeg.
10. Finally, Dufferin argued that the Hendershot study provided by Gill in its application recommends the addition of a mainly English-language station for Winnipeg and supports its claim that the city does not have a sustainable economy to absorb the introduction of another ethnic station. As such, the applicant's proposed station is in direct contradiction with its own study's recommendation. However, Dufferin indicated that if the Commission were to determine that the Winnipeg radio market could sustain an additional ethnic radio station, the Commission should issue a call for applications.

Interventions from Wayne Yaskew, Jatgar Singh and Bhupinder Toor

11. Mr. Yaskew, an employee of CKJS, and Mr. Toor, producer of Radio Dhamaal (a weekly program broadcast by CKJS), submitted that the Winnipeg radio market

¹ The Commission approved this transaction in Broadcasting Decision 2011-661.

cannot sustain the entry of a second ethnic station. They added that approval of the application would harm CKJS in terms of revenue and diversity of programming.

12. For his part, Mr. Singh, who operates the South Asian Subsidiary Communications Multiplex Operation (SCMO) service Radio Apna, submitted that if the Commission were to approve Gill's application without issuing a call for applications, he would be denied the chance to present his own application for an FM service. He also submitted that approval of a new ethnic FM service would financially harm his SCMO service.

Applicant's replies

Reply to Dufferin and Wayne Yaskew

13. Gill argued that its proposed station would complement rather than compete with CKJS for the following reasons:
 - the addition of a second ethnic station could increase the opportunities for ethnic groups to receive programming in their mother tongue at their convenience; and
 - with the exception of Punjabi/Hindi, Tagalog and Chinese, there would not be any overlap in the languages offered by both stations.
14. With respect to Dufferin's claim that the proposed station would have a stronger signal than that of CKJS, the applicant submitted coverage maps demonstrating that CKJS reaches far into Northern Manitoba and south into the United States, and that the proposed station would be limited to Winnipeg and its outlying areas.
15. Gill also indicated that its financial projections on the growth of the Winnipeg radio market are conservative and that its station would have minimal impact on existing broadcasters. In addition, it stated that only 10% of its Year 2 revenue would be drawn from other radio services and that the projected growth rate of the station is less than that anticipated for radio revenue and retail sales. Further, Gill indicated that ethnic radio stations tend to outperform mainstream radio stations across Canada.
16. Finally, concerning the recommendation in the Hendershot study for a mainly English-language station, Gill indicated that Winnipeg is home to 5% of Canada's immigrants and that the proposed station would offer English-language programming directed to the ethnic population during the peak hours of 6 a.m. and 10 a.m. to appeal to the largest audience.

Reply to Jatgar Singh

17. Gill indicated that the SCMO service Radio Apna had benefitted from almost two decades of operation, during which time its operator had many opportunities to apply for a broadcasting licence. It added that according to its monitoring of the service, Radio Apna's Winnipeg component is minimal as the bulk of the programming appears to originate from Radio India (2003) Ltd., based in Surrey.

Reply to Bhupinder Toor

18. Gill indicated that when its application was made public, the airing of East Indian programming was limited to three hours midday during the week and three hours on Sunday. As such, the addition of an ethnic station offering programming in East Indian languages would make this programming available for listeners and advertisers at different times of the day. Further, it noted that its financial projections were conservative and that its revenue would rely more heavily on other media—especially print—and on underserved multicultural advertising.

Commission's analysis

19. The Winnipeg radio market is currently served by one ethnic radio station, CKJS, operated by Dufferin. The Commission notes that CKJS has experienced financial challenges over the past five years and that revenues remained flat during that period. Of the 21 languages in which it broadcasts, Punjabi/Hindi and Tagalog make up its core programming, with 18 hours of Punjabi/Hindi content and 38 hours of Tagalog content broadcast each week. While the programming schedule provided by Gill demonstrates intent to avoid a programming conflict with CKJS—as evidenced by its proposal to broadcast English-language programming during the morning drive, when CKJS broadcasts programming in Tagalog—the Commission considers that there is still potential for programming overlap given that Gill proposed to broadcast 70 hours of Punjabi/Hindi content and 12 hours of Tagalog content each week.
20. Further, even though Gill proposed to air 20 hours of English-language programming per week, it could still target the Punjabi/Hindi or Tagalog communities with this content, if licensed. Statistics Canada's 2011 Census reported the number of residents in the Winnipeg Census Metropolitan Area with either Punjabi/Hindi or Tagalog as the language most spoken at home at 25,645. For the above reasons, the Commission considers that it would be difficult for these communities to support two radio services providing similar content.
21. The Commission also notes that if the application were approved and the station's proposed programming were to yield insufficient results, Gill could alter the programming so long as it were offered to at least 9 distinct cultural groups in at least 11 different languages each broadcast week, which could further harm CKJS's financial viability.
22. Finally, with respect to Mr. Singh's request for a call for applications, the Commission is of the view that a call is not warranted given that the requested frequency (92.9 MHz) is not the last one available in Winnipeg and since it did not receive any interest to serve Winnipeg in response to a previous call announced in Broadcasting Notice of Consultation 2012-223.

Conclusion

23. Given the limited revenue growth of the existing ethnic radio station CKJS and the modest Hindi/Punjabi and Tagalog populations in Winnipeg, the Commission finds

that the Winnipeg radio market would be highly challenged to sustain an additional ethnic station at this time.

24. Accordingly, the Commission **denies** the application by Gill Broadcasting Ltd. for a broadcasting licence to operate an ethnic commercial FM radio programming undertaking in Winnipeg.

Secretary General

Related documents

- *Call for applications – Radio stations to serve Winnipeg*, Broadcasting Notice of Consultation CRTC 2012-223, 18 April 2012
- *CHNK-FM Winnipeg – Acquisition of assets and licence amendment; CKJS Winnipeg – Acquisition of assets and licence renewal*, Broadcasting Decision CRTC 2011-661, 24 October 2011