



Broadcasting Decision CRTC 2005-338

Ottawa, 21 July 2005

I.T. Productions Ltd.

Vancouver, British Columbia

Application 2003-1174-6

Public Hearing at Vancouver, British Columbia

28 February 2005

Ethnic AM radio station in Vancouver

*In this decision, the Commission **approves** the application by I.T. Productions Ltd. for a broadcasting licence to operate a new ethnic AM radio station at Vancouver at 1200 kHz. The applicant proposed a service that will be directed predominantly to Vancouver's South Asian communities.*

Background

1. The application by I.T. Productions Ltd. (I.T.) was one of eight applications for broadcasting licences to operate new radio stations at Vancouver considered by the Commission at a public hearing that commenced on 28 February 2005 in Vancouver. I.T.'s application was for a broadcasting licence to operate a new Vancouver ethnic radio station targeted primarily to South Asian audiences. It is one of two such applications approved today by the Commission. In *Ethnic FM radio station in Vancouver*, Broadcasting Decision CRTC 2005-339, the Commission also approves the application by South Asian Broadcasting Corporation Inc. (SABC) for an ethnic FM station. The six other applications for radio broadcasting licences considered at the Vancouver hearing, including five proposing new ethnic radio services, have been denied by the Commission in *Denial of various applications proposing new Vancouver radio services*, Broadcasting Decision CRTC 2005-340 of today's date.
2. The Commission's determinations that a demand exists for new ethnic radio services targeted principally to South Asian audiences, and that the Vancouver radio market can absorb the impact of their introduction, are set out in *Licensing of new ethnic radio stations to serve Vancouver – Introduction to Broadcasting Decisions CRTC 2005-338 to 2005-340*, Broadcasting Public Notice CRTC 2005-68 (Public Notice 2005-68 also issued today. Public Notice 2005-68 also summarizes the rationale underlying the Commission's decisions to approve the applications by I.T. and SABC, namely that these two applications best met the evaluation criteria established by the Commission in *Call for applications for broadcasting licences to carry on radio programming undertakings to serve Vancouver, British Columbia*, Broadcasting Public Notice CRTC 2004-55, 21 July 2004 (the call for applications) and represent the best use of the frequencies involved.

The applicant

3. I.T., a corporation incorporated in British Columbia, is effectively controlled by Ms. Shushma Datt through her ownership of 100% of the corporation's issued voting shares. I.T. has provided a programming service (known as Radio Rim Jhim) to ethnic audiences in Vancouver for the past seventeen years via the subsidiary communications multiplex operations (SCMO) facilities of CJJR-FM Vancouver. The applicant has an existing staff of more than 25 announcers, producers and administrative personnel who are to be employed in the operation of the new station.

Programming plans and commitments

Ethnic programming

4. The applicant made a commitment to provide programming directed to a minimum of 11 different ethnic groups in 17 different languages in each broadcast week. All of the station's programming would be devoted to ethnic programming, and 95% of this would be in third languages. A minimum of 73% of all programming would be in the Hindustani and Punjabi languages. The applicant's proposal indicates that approximately 93% of the service would be directed to underserved groups in the Vancouver market, namely its South Asian communities, and that a further 1% would target other underserved ethnic groups. For the purpose of this calculation regarding the amount of programming that I.T. would devote to underserved ethnic groups, the Commission has considered to be "underserved", ethnic groups that, according to the data contained in the *CRTC Broadcasting Policy Monitoring Report 2004*, currently receive five hours or less of programming per week from existing Vancouver ethnic radio stations.

Local reflection

5. The Commission notes I.T.'s commitment to ensure that at least 85% of all programming aired by the new station is locally produced. According to the applicant's plans, this would include 32 hours per week of spoken word, of which 14 hours would be news. Other plans include locally produced programs covering the Hindi and Punjabi music scene, and an open-line program that would air daily except on Sunday. The applicant would establish an advisory council consisting of ten representatives of the ethnic communities served by the station. It would also appoint an ombudsperson to resolve issues and concerns regarding programming, and institute a complaints review process.

Canadian talent development

6. The applicant did not propose to take part in the plan developed by the Canadian Association of Broadcasters (CAB) establishing varying levels for financial contributions by licensees to Canadian talent development. Instead, I.T.'s written application contained a commitment to allocate \$500,000 over the first seven years of operation to Canadian talent development, consisting of \$60,000 in each of the first five years of operation, increasing to \$100,000 in each of years six and seven. At the hearing, the applicant

advised that the seven-year total of \$500,000, as identified in its written application, had inadvertently understated its intended seven-year commitment to Canadian talent development by \$20,000. It stated that the total amount of its commitment to Canadian talent development should have been identified as \$520,000 over seven years, including \$110,000 in each of years six and seven. Given the relatively small amount concerned, the Commission accepts the change as a clarification of the applicant's commitment to Canadian talent development.

7. Specifically, the applicant stated that it would provide funding for the Canadian talent development initiatives, and in the amounts specified below:
 - scholarships for students of the Natraj School of Dancing and the Shaimak Davar School of Dancing - \$5,000 each, for a total of \$10,000 per year;
 - scholarships for students enrolled in the broadcasting or journalism programs of the British Columbia Institute of Technology, Simon Fraser University and University of British Columbia - \$10,000 each, for a total of \$30,000 per year;
 - contribution to the Canadian Association of Ethnic Broadcasters for the maintenance of its catalogue of Canadian ethnic recordings - \$5,000 per year;
 - sponsorship of an annual poetry writing and reading contest - \$15,000 per year; and
 - sponsorship of a talent search contest - \$50,000 in each of the sixth and seventh years of operation.

Interventions

8. The Commission received more than 470 interventions in support of I.T.'s application. Some ten individuals or groups of individuals filed written comments expressing opposition to the application. Several of the interventions expressing opposition contained statements questioning the strength of the applicant's commitments and its ability to provide adequate service to, in particular, the Punjabi and Sikh communities of Vancouver. In another opposing intervention, Mr. Max Lama claimed that I.T. and the other applicants for Vancouver radio licences, with the exception of Newlife Communications Inc., had failed to make provision in their plans for programming directed to the Christians present in many of Vancouver's ethnic communities. Fairchild Radio Group Ltd. (Fairchild), licensee of CJVB Vancouver and indirect owner of the licensee of CHKG-FM Vancouver, intervened to request that I.T., if licensed, be restricted by condition of licence from targeting Vancouver's Chinese community.
9. Regarding the restriction proposed by Fairchild in its intervention, the Commission notes that the applicant, in its written application, had agreed to accept a condition of licence that it adhere to such a restriction. As for the opposing interveners whose concerns were that the applicant would be unable to provide adequate service to Vancouver's Punjabi and Sikh communities, the Commission notes that, prior to the hearing, it requested these interveners to substantiate their claims in writing. None, however, responded to the Commission's request by the specified date. The Commission further notes the applicant's reply to these interveners, in which I.T. dismisses their concerns. Among

other things, the applicant noted that fully two-thirds of its current staff, who, as mentioned above, will be employed in the operation of the station, have Punjabi as their mother tongue, that almost half of their number are Sikh, and that 70% of the programming to be aired by the station would be in languages spoken by those of Punjabi origin. The applicant also noted the many letters of support filed by members of Vancouver's Sikh community, and added that, in the 17 years that its SCMO operation has been providing service to the community, it has received only one complaint, which was subsequently resolved.

Commission's analysis and determinations

10. Based on the demographic, economic and other evidence relative to the criteria set out in Public Notice 2005-68, the Commission has determined that there is a demand and a market for ethnic programming directed principally to Vancouver's South Asian communities sufficient to warrant the licensing of two new ethnic radio services, and that the introduction of such ethnic services would not have a material impact on the ability of incumbent radio licensees to meet their programming responsibilities under the *Broadcasting Act* (the Act). Furthermore, based on its assessment of the eight applications proposing new Vancouver radio services, the Commission has determined that the applications by I.T. and SABC best meet the evaluation criteria set out in the call for applications and represent the best use of the frequencies involved.
11. With respect to I.T., the Commission has considered, among other things, the success that this applicant has enjoyed in the operation of a predominantly Hindustani-language SCMO service in Vancouver. It notes that the over-the-air signal of the proposed AM station will greatly expand the range of this existing Vancouver editorial voice to reach a far larger audience than that served by I.T.'s SCMO service. I.T. will also contribute to the diversity of radio station ownership in the Canadian broadcasting system. The service proposed by I.T. will offer an attractive mix of programming dedicated almost entirely to meeting the needs of currently underserved ethnic communities in the Vancouver area. The Commission is satisfied that I.T.'s business plan in this and in other areas is sound, and that the applicant's experience and familiarity with the market will enable the proposed station to repatriate audiences and revenues from the two existing South Asian-language stations that currently target Vancouver audiences, but broadcast from nearby Washington State.
12. The Commission accordingly **approves** the application by I.T. Productions Ltd. for a broadcasting licence to operate a commercial AM (ethnic) radio programming undertaking at Vancouver, at 1200 kHz, with a transmitter power of 25,000 watts.

13. The licence will expire 31 August 2011 and will be subject to the **conditions** set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of condition of licence 5, which would otherwise have required the licensee to participate in the CAB's Distribution Guidelines for Canadian Talent Development. The licence will also be subject to the further **conditions** set out in the appendix to this decision, each of which is consistent with the applicant's commitments.
14. The Commission expects the applicant to adhere to its commitment to establish an advisory council consisting of ten representatives of the ethnic communities served by the station and appoint an ombudsperson to resolve issues and concerns regarding programming, and to institute a complaints review process.
15. Further, the Commission expects the applicant to ensure that its Canadian talent development initiatives, which are described earlier in this decision as well as in its appendix, are eligible as direct contributions, as set out in Appendix 1 of *An FM policy for the nineties*, Public Notice CRTC 1990-111, 17 December 1990.

Issuance of the licence

16. The Commission reminds the applicant that, pursuant to section 22(1) of the 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.
17. Furthermore, the licence for this undertaking will be issued 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 21 July 2007. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before that date.

Employment equity

18. 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.

Secretary General

This decision is to be appended to the licence. It is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>

Appendix to Broadcasting Decision CRTC 2005-338

Conditions of licence

1. The licence will be subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of condition 5.
2. The licensee shall, in each broadcast week, direct programming to a minimum of 11 cultural groups in a minimum of 17 different languages.
3. Not less than 100% of the programming broadcast by the licensee shall be ethnic programming, and not less than 95% of the programming in each broadcast week shall be third language programming.
4. Not less than 73% of the programming in each broadcast week shall be in the Hindustani and Punjabi languages.
5. None of the programming broadcast by the licensee shall be in a Chinese language.
6. The licensee shall make direct annual expenditures of at least \$60,000 in each of the first five years of operation, and at least \$110,000 in each of years six and seven, on the development and promotion of Canadian talent. These amounts shall be distributed as follows:
 - annual scholarships for students of the Natraj School of Dancing and the Shaimak Davar School of Dancing - \$5,000 each, for a total of \$10,000 per year;
 - annual scholarships for students enrolled in the broadcasting or journalism programs of the British Columbia Institute of Technology, Simon Fraser University and University of British Columbia - \$10,000 each, for a total of \$30,000 per year;
 - contribution to the Canadian Association of Ethnic Broadcasters for the maintenance of its catalogue of Canadian ethnic recordings - \$5,000 per year;
 - sponsorship of an annual poetry writing and reading contest - \$15,000 per year; and
 - sponsorship of a talent search contest - \$50,000 in each of the sixth and seventh years of operation.