



Broadcasting Decision CRTC 2017-227

PDF version

Reference: 2016-437

Ottawa, 30 June 2017

Findings regarding market capacity and the appropriateness of issuing a call for radio applications to serve the Ottawa-Gatineau radio market

The Commission finds that the Ottawa-Gatineau radio market cannot sustain an additional radio station at this time. Consequently, the Commission will not issue a call for applications for new commercial radio stations to serve that market and will return the application filed by Antoine Karam, on behalf of a corporation to be incorporated, for a broadcasting licence to operate a commercial ethnic AM radio station to serve Ottawa, Ontario and Gatineau, Quebec.

Introduction

1. In Broadcasting Notice of Consultation 2016-437, the Commission announced that it had received an application by Antoine Karam, on behalf of a corporation to be incorporated (Karam, OBCI), for a broadcasting licence to operate a commercial ethnic AM radio station to serve Ottawa, Ontario and Gatineau, Quebec.
2. The Ottawa-Gatineau radio market (or Numeris Ottawa-Gatineau Central Area), which has the same boundaries as the Ottawa-Gatineau Census Metropolitan Area, includes the cities of Ottawa and Gatineau, as well as Clarence-Rockland, Ontario to the east, and stretches west to the town of Arnprior, Ontario. The Ottawa-Gatineau radio market is currently served by 20 commercial stations (17 FM and 3 AM), of which 15 are English-language stations, four are French-language stations, and one is an ethnic station.
3. In accordance with Broadcasting Regulatory Policy 2014-554 (the Policy), the Commission called for comments on the capacity of the Ottawa-Gatineau radio market to support a new station and whether it should issue a call for applications for new radio stations to serve that market. The Policy states that 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 applications for consideration as part of 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 applications and issue a decision setting out this determination.

Interventions and reply

4. The Commission received an intervention from an individual expressing support for a new ethnic radio station to serve Ottawa-Gatineau. The Commission also received a joint intervention by Corus Entertainment Inc. (Corus), Rogers Communications Inc. (Rogers), BCE Inc. (BCE) and Newcap Inc. (Newcap), as well as interventions from RNC MEDIA Inc. (RNC), Cogeco Media Inc. (Cogeco), Radio 1540 Limited (Radio 1540) and Radio Carleton Inc. (Radio Carleton), all of whom commented on the limitations of the market. Radio 1540 also submitted a reply to the supporting intervention. Karam, OBCI did not submit an intervention or a reply. The public record for this proceeding can be found on the Commission's website at www.crtc.gc.ca.
5. Corus, Rogers, BCE and Newcap opposed the licensing of a new mainstream commercial radio station to serve the Ottawa-Gatineau market. In their view, not only is the market well served, with 19 English- and French-language stations serving over one million people, it is also over-licensed when compared to similar English- and French-language radio markets across the country. These interveners also cited declines in revenues, profitability and tuning hours for Ottawa-Gatineau radio stations as reasons not to issue a call for applications to operate either English- or French-language radio stations in the market.
6. RNC and Cogeco opposed the licensing of a new French-language radio station to serve the Ottawa-Gatineau market. In their view, the market is well-served by the currently operating francophone commercial, community, campus and Canadian Broadcasting Corporation (CBC) radio stations. They added that a new French-language radio station would have an undue negative impact on incumbent stations due to decreases in market revenues, and because BCE's francophone stations are the only profitable francophone stations in the market.
7. Both Radio 1540 and Radio Carleton opposed the licensing of a new commercial ethnic radio station to serve Ottawa-Gatineau. Radio 1540 stated that its station CJLL-FM Ottawa, which provides programming in 20 languages directed towards 37 distinct cultural groups, has faced significant financial challenges since it launched in 2003, despite efforts to generate advertising revenues and strengthen the station's financial performance by increasing the quality and diversity of programming. Noting the low ratio of the population with a knowledge of neither English nor French as compared to other Canadian markets, Radio 1540 argued that the addition of another ethnic station would result in the Ottawa-Gatineau radio market having the lowest non-official language population per ethnic station in the country.
8. For its part, Radio Carleton submitted that the Ottawa-Gatineau ethnic radio market is currently being served by its station CKCU-FM Ottawa, as well as by CHUO-FM Ottawa¹ and CJLL-FM. Radio Carleton argued that the addition of a new ethnic station would have a significant impact on its station, given the large amount of

¹ Radio Ottawa Inc. is the licensee of CHUO-FM.

CKCU-FM's advertising revenues that are tied to the ethnic/multicultural programs on its station, along with its plans to increase the number of languages served by that station in the near future.

Commission's analysis

9. The Commission received little expression of interest to operate a radio station to serve Ottawa-Gatineau in response to Broadcasting Notice of Consultation 2016-437, suggesting that it might prove challenging for an operator to enter the market and achieve viability.
10. Although Ottawa-Gatineau currently benefits from positive economic indicators and a growing ethnic population, its radio revenues are decreasing, with many stations operating at a loss in recent years.
11. Further, a new ethnic radio station in the Ottawa-Gatineau market would likely be in direct competition with the ethnic station CJLL-FM, thereby risking undue financial impact on that station.
12. In light of the above, the Commission finds that the Ottawa-Gatineau radio market cannot sustain an additional radio station at this time.

Conclusion

13. Based on the written record of the proceeding, its concerns over the effects of licensing a new commercial radio station in Ottawa-Gatineau at this time and its existing policy framework, the Commission is not persuaded that issuing a call for applications for new radio stations to serve that radio market is warranted. Consequently, it will return the application filed by Antoine Karam, on behalf of a corporation to be incorporated.
14. Further, consistent with its approach set out in the Policy, the Commission will not generally be disposed to accept applications for new commercial radio stations to serve the Ottawa-Gatineau radio market for a period of two years from the date of this decision.

Secretary General

Related documents

- *Call for comments on market capacity and on the appropriateness of issuing a call for radio applications to serve the Ottawa-Gatineau market*, Broadcasting Notice of Consultation CRTC 2016-437, 3 November 2016
- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014