



Broadcasting Decision CRTC 2005-255

Ottawa, 23 June 2005

Radio Nord Communications inc.
Gatineau, Quebec

*Application 2004-0378-3
Public Hearing in the National Capital Region
1 December 2004*

French-language pop/rock and urban FM radio station in Gatineau with a transmitter in Gatineau (Buckingham sector)

*The Commission **approves** the application by Radio Nord Communications inc. (Radio Nord) for a broadcasting licence to operate a French-language FM radio programming undertaking in Gatineau, with a transmitter in Gatineau (Buckingham sector). The station will operate in the Pop/Rock and Urban musical format and will target young adults between the ages of 18 and 34.*

*Radio Nord's application is one of four applications approved today for broadcasting licences to carry on new FM stations to serve Ottawa, Ontario/Gatineau, Quebec. The Commission's general approach to these and other radio applications considered at the 1 December 2004 Public Hearing in the National Capital Region is set out in Introduction to Broadcasting Decisions CRTC 2005-253 to 2005-257 - Licensing of new radio stations to serve Ottawa, Ontario/Gatineau, Quebec, *Broadcasting Public Notice CRTC 2005-64*, also issued today.*

Introduction

1. The Commission received an application by Radio Nord Communications inc. (Radio Nord) for a broadcasting licence to operate a French-language commercial FM radio programming undertaking in Gatineau at 96.5 MHz (channel 243A)¹ with an effective radiated power (ERP) of 1,750 watts, with an FM transmitter in Gatineau (Buckingham sector) at 107.5 MHz (channel 298A1) with an ERP of 250 watts. Radio Nord proposed to operate the station in a Pop/Rock and Urban musical format that would target young adults between the ages of 18 and 34.
2. Radio Nord is a corporation with share capital, and ultimate control resides with Jean-Yves Gourd. Radio Nord is the licensee of five television stations, one television network and seven FM radio stations. CFGS-TV, CHOT-TV and CHLX-FM are located in Gatineau, Quebec, the same city that would be served under the current application.

¹ In view of problems raised by the Department of Industry, the applicant asked to change the proposed frequency from 98.5 MHz (channel 253A) with an effective radio power (ERP) of 1,800 watts to 96.5 MHz (channel 243A) with an ERP of 1,750 watts.

3. The Commission considered Radio Nord's application at a public hearing convened in the National Capital Region on 1 December 2004. At the hearing, the Commission examined a total of sixteen applications for new radio services in the Ottawa, Ontario/Gatineau, Quebec (Ottawa/Gatineau) market: ten for English-language services and six for French-language services. The Commission's general approach to the radio applications considered at the 1 December 2004 public hearing is set out in *Introduction to Broadcasting Decisions CRTC 2005-253 to 2005-257 – Licensing of new radio stations to serve Ottawa, Ontario/Gatineau, Quebec*, Broadcasting Public Notice CRTC 2005-64, also issued today (Public Notice 2005-64). Based on the record of the hearing, the Commission considers that the Ottawa/Gatineau market can accommodate two new English-language commercial radio stations, one new French-language commercial radio station and one English-language low-power tourist information radio station.

Interventions

4. The Commission received a large number of interventions regarding this application, most of which were in support.
5. In its intervention, the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ) requested that the Commission encourage any applicant that has access to the Gatineau and Ottawa advertising market to submit a plan for contributions to Canadian talent development (CTD) corresponding to the market category, and that the contributions be remitted to MusicAction. Further, ADISQ stressed the importance of the commitments made by applicants in terms of Canadian content, French-language vocal music and CTD, and made detailed recommendations for each application. ADISQ asked the Commission to take diversity of voices into consideration and to examine the impact of concentration of ownership in the radio industry as well as in all media in Quebec. ADISQ also underscored the importance of giving precedence to French-language stations in Ottawa/Gatineau for reasons of linguistic balance. Finally, ADISQ noted the significant commitments proposed by Radio Nord.
6. Christian Hit Radio Inc., the licensee of CHRI-FM Ottawa, opposed the application because the use of the frequency 98.5 MHz by Radio Nord would interfere with CHRI-FM's signal. However, since the intervention was filed, the applicant amended its application to use frequency 96.5 MHz.
7. An intervention containing a combined comment by the Canadian Diversity Producers Association, the Ottawa Chapter of the Chinese Canadian National Council and the National Organization of Immigrant and Visible Minority Women of Canada is addressed in Public Notice 2005-64.

Commission's analysis and determination

8. The Commission considered Radio Nord's application using the framework set out in *Introductory Statement – Licensing new radio stations*, which appeared as a preface to Decisions CRTC 99-480 to 99-482, 28 October 1999. In that statement, the Commission indicated that, pursuant to its *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998 (the Commercial Radio Policy), there are four factors that are generally relevant to the evaluation of competing commercial radio applications. These factors are:

- quality of the application;
- diversity of news voices in the market;
- likely impact on the market of a new entrant or entrants; and
- competitive state of the market.

Quality of the application

9. The Commission generally assesses the quality of an application for a new commercial radio station by examining the following:
- local programming proposals and the benefits the applicant would bring to the community;
 - commitments to Canadian content;
 - the quality of the business plan, including the proposed format; and
 - commitments in regard to Canadian talent development.

Local programming

10. The applicant committed to produce all of its programming locally. The station would offer 18 hours 51 minutes of spoken word during each broadcast week, including 3 hours 15 minutes devoted to local, regional, national and international newscasts, with the exception of sports reports.

Canadian content

11. Radio Nord indicated that it would accept a condition of licence requiring the station to devote, during each broadcast week, at least 45% of its Category 2 musical selections to Canadian musical selections played in their entirety. This commitment considerably exceeds the 35% minimum level set out in the *Radio Regulations, 1986*. A **condition of licence** to that effect is included in the appendix to this decision.

Quality of the business plan, including the proposed format for the station

12. Radio Nord proposed to operate the station in the Pop/Rock and Urban musical format. This format would target young men and women between the ages of 18 and 34. The musical identity of the station would be defined by urban music, including dance, R&B, techno, hip-hop, house, as well as pop and rock.

13. The applicant indicated that the station's spoken word programming would include local, regional, national and international news reports, press reviews, regular updates on the weather, road conditions and arts and attractions, seasonal updates on ski and sailing conditions, sports headlines, artist information briefs, interviews on a variety of topics, news of activities and events on school campuses, comments, station promotions, verbal bridges and recorded station identifications.

Canadian talent development

14. Radio Nord will not participate in the CTD plan created by the Canadian Association of Broadcasters. Instead, Radio Nord proposed to invest \$274,820 in direct spending over the first seven years of its licence on CTD, starting in the first year of station operations. The minimum yearly contribution during the licence term would be \$39,260. A **condition of licence** to that effect is set out in the appendix to this decision.

Diversity of news voices in the market

15. In Public Notice 2005-64, the Commission found that the diversity of news voices is not a significant issue in this proceeding because Ottawa/Gatineau residents already have access to news from a large variety of sources.

Market impact on existing stations

16. In Public Notice 2005-64, the Commission determined that the Ottawa/Gatineau market could accommodate the introduction of one new French-language commercial radio station. In its application, Radio Nord submitted that its new station in Gatineau would attract a portion of the audience of certain local stations, including that portion of the Francophone audience between the ages of 18 and 34 that now listens to English-language stations offering a musical format similar to what Radio Nord is proposing. According to the applicant, the new station would attract most of its listeners from Francophones in the 18-34 age group, who are less well-served by existing French-language stations. The Commission therefore considers that the impact on the existing French-language stations will be minimal.

Competitive state of the market

17. The Commission generally seeks to ensure that the competitive impact of a new station on a radio market will not impinge unduly on the ability of existing stations to meet their programming responsibilities under the *Broadcasting Act* (the Act). At the same time, the Commission's predisposition lies clearly in favour of increased competition and diversity, and the improvements in the overall quality of available services that these promote. The Commission also seeks to address any competitive imbalance that may exist in the market.

Cultural diversity

18. In its Commercial Radio Policy, the Commission encouraged broadcasters to reflect the cultural diversity of Canada in their programming and employment practices, especially with respect to news, music and promotion of Canadian artists.
19. The Commission expects Radio Nord to reflect Canada's cultural diversity in the proposed station's programming and employment practices.

Conclusion

20. The Commission notes that the percentage of Canadian content that the applicant proposes to broadcast during the broadcast week exceeds the regulatory requirement, which will increase exposure for Canadian music. The Commission is confident that approval of this application will contribute to programming diversity in the market by offering a range of artists and music that currently is very seldom heard on the local radio stations. The Commission also considers that the new station will fill a void in the French-language market with its urban-style music, including dance, R&B, techno, hip-hop, house, as well as pop and rock.
21. The Commission is confident that issuing a new licence to Radio Nord for the Ottawa/Gatineau market will strengthen its classical music station CHLX-FM, and could more effectively counterbalance the substantial presence of Astral Media Radio inc., licensee of the Rock D  tente and Radio   nergie FM radio networks.
22. Moreover, it is the Commission's view that the French-language commercial FM radio station proposed by Radio Nord will add variety and complement the radio fare now available in Gatineau and will respond to the expectations and needs of listeners in the market. Overall, the Commission is confident that the new station will contribute significantly to the objectives of Canada's broadcasting policy as set out in the Act and to the objectives of the Commercial Radio Policy.
23. Accordingly, the Commission **approves** the application by Radio Nord Communications inc. for a broadcasting licence to operate a French-language commercial FM radio programming undertaking in Gatineau at 96.5 MHz (channel 243A) with an ERP of 1,750 watts, with a transmitter in Gatineau (Buckingham sector) at 107.5 MHz (channel 298A1) with an ERP of 250 watts.
24. The licence will expire 31 August 2011 and will be subject to the **conditions of licence** set out in the appendix to this decision.

Issuance of the licence

Station in Gatineau

25. The Department of Industry (the Department) has advised the Commission that, while the application for the station in Gatineau is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.
26. The Commission reminds the applicant that, pursuant to section 22(1) of the Act, no licence may be issued until the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.
27. 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 station in Gatineau 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 23 June 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.

Transmitter in Gatineau (Buckingham sector)

28. The Department has advised the Commission that, while the transmitter in Gatineau (Buckingham sector) is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.
29. The Commission reminds the applicant that, pursuant to section 22(1) of the Act, no licence may be issued for the transmitter in Gatineau (Buckingham sector) until the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.
30. The transmitter in Gatineau (Buckingham sector) 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 23 June 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

31. Because this licensee is subject to the *Employment Equity Act* and files reports concerning employment equity with the Department of Human Resources and Skills Development, its employment equity practices are not examined by the Commission.

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 2005-255

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 number 5.
2. The licensee shall, as an exception to the percentage of Canadian musical selections set out in section 2.2(8) of the *Radio Regulations, 1986*, in any broadcast week, devote a minimum of 45% of its musical selections from content category 2 to Canadian selections broadcast in their entirety.

For the purposes of this condition, the terms “broadcast week,” “Canadian selection,” “content category” and “musical selection” shall have the same meaning as that set out in the *Radio Regulations, 1986*.

3. The licensee shall devote at least \$274,820 in direct expenditures to the promotion of Canadian artists over seven consecutive years beginning in the first year of operations. The minimum yearly contribution during the licence term shall be \$39,260 per broadcast year.