



## Broadcasting Decision CRTC 2009-811

Route reference: 2009-461

Additional reference: 2009-461-4

Ottawa, 23 December 2009

**Radio Sept-Îles inc.**  
Sept-Îles, Quebec

*Application 2009-0739-7, received 5 August 2009*  
*Public Hearing in the National Capital Region*  
*29 October 2009*

### CKCN-FM Sept-Îles – Licence renewal

*The Commission **renews** the broadcasting licence for the French-language commercial radio station CKCN-FM Sept-Îles from 1 January 2010 to 31 August 2013. This short-term licence renewal will enable the Commission to review, at an earlier date, the licensee's compliance with regulatory requirements and its conditions of licence.*

#### Introduction

1. The Commission received an application by Radio Sept-Îles inc. (Radio Sept-Îles) to renew the broadcasting licence for the French-language commercial radio programming undertaking CKCN-FM Sept-Îles.<sup>1</sup>
2. As part of this process, the Commission received and considered an intervention from the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ), which addressed general issues. The intervention and the applicant's reply to the intervention can be found on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings."
3. In Broadcasting Notice of Consultation 2009-461, the Commission announced that it would hold a public hearing commencing 29 September 2009 to consider various broadcasting applications.<sup>2</sup> Subsequently, in Broadcasting Notice of Consultation 2009-461-4, the Commission announced that the application by Radio Sept-Îles would be considered at the appearing phase of the hearing. The Commission also stated that the licensee may have failed to comply with section 9(2) of the *Radio Regulations, 1986* (the Regulations) concerning the provision of annual reports for broadcast years 2005 to 2008 inclusively. The Commission also stated that the licensee may have failed to comply

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<sup>1</sup> The current licence was administratively renewed until 31 December 2009 in Broadcasting Decision 2009-506.

<sup>2</sup> The hearing was held on 29 October 2009.

with its condition of licence regarding contributions to Canadian talent development (CTD) for broadcast years 2005, 2006 and 2007.

### **Commission's analysis and determinations**

4. After examining the application in light of applicable regulations and policies, and having considered the intervention received and the applicant's reply to the intervention, the Commission considers that the issues to be addressed in its determinations relate to the following:
  - the provision of annual reports,
  - contributions to CTD,<sup>3</sup> and
  - a second consecutive instance of non-compliance.

### **Provision of annual reports**

5. The Commission notes the licensee's apparent non-compliance concerning the provision of annual reports for broadcast years 2005 to 2008 inclusively.
6. At the 29 October 2009 hearing, the licensee admitted having breached section 9(2) of the Regulations, and stated that this was its first year managing the station, which it acquired on 1 September 2008. The licensee added that since acquiring the station, it had made numerous efforts to achieve the station's priority objectives. The licensee stated that it takes non-compliance with the Commission's regulatory requirements seriously and described the measures taken to prevent any reoccurrence, specifically, implementing a computer system to handle its accounting transactions rather than using an external accounting firm.

### **Contributions to Canadian talent development**

7. The Commission further notes the licensee's apparent non-compliance with its condition of licence concerning contributions to CTD for broadcast years 2005, 2006 and 2007, and concerning the contribution recipient identified in the relevant condition of licence. The Commission notes that the licensee did not make the CTD contributions by the deadline of 31 August each year and changed recipients without requesting the Commission's approval.
8. At the hearing, the Commission indicated that the licensee was in non-compliance for having failed to inform the Commission of the change in recipient for its CTD contributions, given that the event no longer existed. It was clarified at the hearing that the contributions that were to be paid to Gala des artistes de la relève de Sept-Îles, which is no longer in existence, would, in the future, be allocated to Cegep de Sept-Îles.

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<sup>3</sup> As set out in Broadcasting Public Notice 2006-158, the Commission replaced the expression "Canadian talent development" (CTD) with "Canadian content development" (CCD).

## Second consecutive instance of non-compliance

9. The Commission notes that while the licensee is in non-compliance for the first time with the Regulations with respect to the provision of annual reports and with its condition of licence concerning the payment of CTD contributions, this is its second non-compliance with Commission requirements.
10. At its last licence renewal in 2005,<sup>4</sup> the licensee was found to be in non-compliance with respect to the broadcast of French-language vocal music, a requirement set out in section 2.2(5) of the Regulations. As a result, the Commission renewed CKCN-FM's licence for a shorter term of four years, ending 31 August 2009, in order to assess more closely the licensee's compliance with section 2.2(5) of the Regulations.
11. Following this instance of non-compliance, the Commission analyzed the programming broadcast by CKCN-FM during the week of 7 to 13 September 2008. The analysis shows that during the period assessed, the licensee complied with Commission requirements with respect to the broadcast of French-language vocal music.
12. At the hearing, the licensee explained that it had improved its computer system to ensure that CKCN-FM complies with the Commission's regulatory requirements.
13. In view of the steps taken by CKCN-FM to comply with the Regulations and with its condition of licence, and given the change in the Commission's approach since 2006 such that specific CCD contributions are no longer imposed by condition of licence, the Commission does not consider it necessary to issue an order. However, the Commission intends to continue monitoring CKCN-FM's performance closely and advises the licensee that, if the Commission determines that CKCN-FM is in breach of the Regulations or its conditions of licence, it may take any enforcement measures at its disposition under the *Broadcasting Act*. For the current year, the Commission notes that the applicant complied with its regulatory requirements and filed its annual report on 30 November 2009.
14. The Commission reminds the licensee that it must adhere to the requirements set out in section 15 of the Regulations relating to annual contributions to CCD. The annual contributions are based on the licensee's revenues in the previous broadcast year. Parties and initiatives eligible for CCD funding are identified in paragraph 108 of Broadcasting Public Notice 2006-158.
15. Given that this is the second time that the licensee has been found to be in non-compliance, the Commission would normally renew the licence for a period of two years. However, the Commission notes that CKCN-FM changed owners since the last instance of non-compliance. Further, the Commission is satisfied with the steps taken by the licensee to resolve issues relating to the filing of annual reports through the acquisition of a new computer system. The Commission also notes that although the licensee failed to advise the Commission of the new recipient for its CTD contributions, the contributions had indeed been allocated. Finally, the Commission notes that the licensee fulfilled its

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<sup>4</sup> See Broadcasting Decision 2005-113.

requirements for the 2009 broadcast year (filing of annual reports and CCD contributions). Therefore, in light of the circumstances, the Commission is of the view that renewing the licence for a term of four years is appropriate.

## Conclusion

16. In light of all of the above, and given that the Commission is satisfied with the steps taken by the licensee to comply with its conditions of licence and with its regulatory obligations in the future, the Commission **renews** the broadcasting licence for the French-language commercial radio programming undertaking CKCN-FM Sept-Îles from 1 January 2010 to 31 August 2013. This short-term renewal will enable the Commission to assess, at an earlier date, the licensee's compliance with the Regulations and its conditions of licence.

## Related documents

- *Administrative renewals*, Broadcasting Decision CRTC 2009-506, 20 August 2009
- Broadcasting Notice of Consultation CRTC 2009-461, 30 July 2009, as amended by Broadcasting Notice of Consultation CRTC 2009-461-4, 18 September 2009
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *CKCN-FM Sept-Îles – Licence renewal*, Broadcasting Decision CRTC 2005-113, 24 March 2005

*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:*  
[www.crtc.gc.ca](http://www.crtc.gc.ca).