



Broadcasting Decision CRTC 2010-954

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Ottawa, 22 December 2010

Radio Dégelis inc.

Dégelis and Rivière-du-Loup, Quebec

Application 2010-0735-2, received 30 April 2010

CFVD-FM Dégelis – New transmitter at Rivière-du-Loup

*The Commission **denies** the application by Radio Dégelis inc. to amend the broadcasting licence of radio station CFVD-FM Dégelis to add a transmitter at Rivière-du-Loup.*

The application

1. The Commission received an application by Radio Dégelis inc. (Radio Dégelis) to amend the broadcasting licence of the radio programming undertaking CFVD-FM Dégelis to add a transmitter at Rivière-du-Loup in order to rebroadcast the programming of CFVD-FM Dégelis to the residents of Rivière-du-Loup. Radio Dégelis proposed to operate the transmitter at 102.5 MHz (channel 273A) with an effective radiated power of 5,750 watts (non-directional antenna with an effective height of antenna above average terrain of 89.3 metres).
2. The licensee stated that the application was based on economic need and that approval of the application to increase the service area so that it could solicit advertising in the Rivière-du-Loup market could contribute to ensuring the financial viability of its undertaking.

Background

3. Radio Dégelis has been operating a radio station in Dégelis since 1978. The station's programming is also rebroadcast by two transmitters, CFVD-FM-2 Pohénégamook and CFVD-FM-3 Squatec.
4. In 2006, Radio Dégelis filed an application to add a transmitter at Rivière-du-Loup. The Commission denied the application in *CFVD-FM Dégelis – New transmitter at Rivière-du-Loup*, Broadcasting Decision CRTC 2006-543, 21 September 2006 (Broadcasting Decision 2006-543).

Commission's analysis and determinations

5. The Commission received several interventions in support of this application, as well as comments and interventions opposing it. The public record for this proceeding is

available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

6. After examining the application in light of applicable regulations and policies and taking into account the interventions received and the applicant's reply to the interventions, the Commission considers that the issues to be addressed in its determinations are the following:

- the appropriateness of approving this application without a competitive process;
- the impact of the new transmitter on the existing stations; and
- diversity of voices.

The appropriateness of approving this application without a competitive process

7. Generally, when the Commission authorizes the addition of a transmitter to rebroadcast the programming of an originating station it is to correct clearly defined technical deficiencies in the signal of the originating station within its authorized service area, or to address demonstrated economic need.
8. In this case Radio Dégelis has not demonstrated a technical need. It has rather cited CFVD-FM's financial difficulties as the principle reason for the addition of a transmitter at Rivière-du-Loup. According to the licensee, the advertising revenues that could flow from the Rivière-du-Loup advertising market are necessary to ensure the financial viability of the station.
9. The Commission has carefully noted the financial difficulties that CFVD-FM is experiencing. However, the Commission considers that the current application seeks to introduce a new radio service to the Rivière-du-Loup advertising market – a market currently served by two commercial radio stations. The Commission considers that the introduction of such a service to Rivière-du-Loup should be the subject of a competitive process that would permit the Commission to evaluate the financial health of the market as well as its ability to support one or more new services without undue negative impact on the existing stations.

The impact of the new transmitter on the existing stations

10. The Rivière-du-Loup radio market is currently served by two stations, CIBM-FM, operated by CIBM-FM Mont-Bleu ltée, and CIEL-FM, operated by Radio CJFP (1986) ltée. Both of these licensees are owned by Guy Simard (Groupe Simard).
11. The Commission considers that entry of CFVD-FM into the Rivière-du-Loup market would have a negative impact on CIEL-FM and CIBM-FM. Moreover, given that CFVD-FM's musical format (adult contemporary pop-rock) is very similar to CIBM-FM's format, approving this application would only increase the potential impact on CIBM-FM.

12. The Commission notes that in Broadcasting Decision 2006-543, it cited the precarious financial position of CIBM-FM and CIEL-FM. The Commission notes and that the consolidated financial situation of the Groupe Simard stations has deteriorated somewhat since 2006 and that the addition of a transmitter at Rivière-du-Loup could exacerbate the situation and further weaken those stations.

Diversity of voices

13. As stated above, the Rivière-du-Loup radio market is served by two stations owned by Groupe Simard, CIBM-FM and CIEL-FM. CIBM-FM offers a pop-rock musical format, and CIEL-FM a soft rock format.
14. In its application, Radio Dégelis stated that it would contribute to musical diversity with its contemporary hits format and its local programming, which reflects political, social and cultural current affairs in the Témiscouata region. Also, according to Radio Dégelis, CFVD-FM's programming could be attractive to the residents of Rivière-du-Loup, given the high number of commuters travelling between Témiscouata and Rivière-du-Loup every day.
15. The Commission notes that the format proposed by Radio Dégelis is similar to the formats offered by the Groupe Simard stations, particularly CIBM-FM. Although the Commission considers that CFVD-FM's weekend programming could offer an alternative to listeners in Rivière-du-Loup, the Commission concludes that it would contribute only marginally to increasing musical diversity in this market.

Conclusion

16. In light of all of the above, the Commission **denies** the application by Radio Dégelis inc. to amend the broadcasting licence of radio programming undertaking CFVD-FM Dégelis to add a transmitter at Rivière-du-Loup. Also, as stated above, if Radio Dégelis wishes to contribute to the diversity of radio services in the Rivière-du-Loup market, it will have to submit to a competitive process that would permit the Commission to evaluate the financial situation of the market as well as its capacity to support one or more new services.

Secretary General