



Broadcasting Decision CRTC 2008-221

Ottawa, 26 August 2008

RNC Média inc.
Gatineau, Quebec

Application 2008-0140-9, received 25 January 2008
Public Hearing in the National Capital Region
13 May 2008

CHLX-FM Gatineau – Licence amendment and renewal

*The Commission **approves** the application by RNC Média inc. to amend the broadcasting licence for the French-language commercial radio station CHLX-FM Gatineau by deleting its conditions of licence relating to its operation within the specialty FM format. The Commission also **renews** the broadcasting licence for CHLX-FM Gatineau from 1 September 2008 to 31 August 2015.*

Introduction

1. The Commission received an application by RNC Média inc. (RNC Média) to amend and renew the broadcasting licence for the French-language specialty commercial FM radio programming undertaking CHLX-FM Gatineau. The current licence expires 31 August 2008.
2. The licence for CHLX-FM was first issued to 9098-7280 Québec inc., a subsidiary of Radio Nord Communications inc., in Decision 2001-626, which was rendered following a hearing on competing applications held in the National Capital Region in 2001. Later, in Broadcasting Decision 2004-368, the Commission approved the application by Radio Nord Communications inc. to acquire the assets of Groupe Radio RNC inc. Finally, on 29 March 2007, Radio Nord Communications inc. changed its name to RNC Média inc.
3. In the application, the licensee applied to delete the station's conditions of licence relating to its operation within the specialty FM format. Under these conditions of licence, CHLX-FM must:
 - be operated within the specialty format as defined in Public Notices 2001-14 and 1995-60, or as amended from time to time by the Commission;
 - devote at least 70% of its music programming to concert music (subcategory 31);

- devote at least 15% of its music programming to jazz and blues music (subcategory 34); and
 - devote, in any broadcast week, 15% or more of the station's musical selections from category 3 (Special Interest Music) to Canadian selections, scheduling them in a reasonable manner throughout the broadcast day.
4. According to RNC Média, it has been its experience in recent years that the type of radio programming offered by CHLX-FM is indeed enjoyed, but by only a small audience. This prevents the station from becoming profitable. RNC Média indicated that it attributes the station's under-performance to the specific nature of the music format and the small size of the French-language market that the station serves.
 5. The licensee proposed to offer a soft popular music format comprised of ballads and love songs that will enable it to attract a slightly younger audience and strike a better balance between the female and male audiences. The licensee also proposed to devote, by condition of licence, at least 20% of its music programming to jazz (subcategory 34).

Intervention

6. The Commission received a comment from the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ).
7. In its intervention ADISQ expressed concern over the impact on the integrity of the licensing process of allowing an undertaking licensed to operate a station within a specialty FM format is allowed to abandon the format, especially when the choice of format was a key factor in the issuing of the licence. ADISQ also expressed its view that the new music format could overlap with some of the formats currently available in the market.
8. ADISQ stated that it is not convinced that the station's current music format is not viable in the Ottawa-Gatineau market. ADISQ indicated that it has always refused to accept the idea that the choice of music format alone can explain the financial problems of a radio station.
9. The licensee did not respond to ADISQ's comment.

Commission's analysis and determinations

10. The Commission evaluates licensees' applications for removal of conditions of licence related to the specialty FM format on a case-by-case basis. Generally, the Commission expects applicants to which it has issued a licence following a competitive process to fulfill their commitments, at least during the first licence term. The Commission notes that RNC Média met the obligations relating to the specialty FM format during the first term of its licence, despite significant financial losses.

11. The Commission has carefully examined the application, taking the licensee's arguments into account. The Commission notes the licensee's efforts to establish the proposed music format in the Ottawa-Gatineau market, despite a difficult start owing to serious technical problems that interfered with its operations. According to the licensee, the station's specialty format targets an audience older than that usually sought by advertisers, with the result that the station is accumulating deficits year after year.
12. The Commission notes the licensee's proposal to devote, by condition of licence, at least 20% of its music programming to jazz (subcategory 34). In *Commercial Radio Policy 2006*, the Commission announced that it would amend the *Radio Regulations, 1986* (the Regulations) in order to require that at least 25% of musical selections from subcategory 31 and at least 20% of musical selections from subcategory 34 broadcast by commercial stations during each broadcast week be Canadian selections. In Broadcasting Public Notice 2008-67, the Commission announced that the amendments made to the Regulations would take effect 1 September 2008. Consequently, the licensee must devote, during each broadcast week, at least 20% of musical selections from subcategory 34 to Canadian selections and schedule them in a reasonable manner throughout the broadcast day, as set out in section 3(1)(b) of the Regulations.
13. In light of all of the above, the Commission **approves** the application by RNC Média inc. to amend the broadcasting licence for CHLX-FM by deleting the conditions of licence related to its operation within the specialty FM format.
14. Further, on the basis of its review of the application and the licensee's past performance, the Commission **renews** the broadcasting licence for the French-language commercial FM radio programming undertaking CHLX-FM Gatineau from 1 September 2008 to 31 August 2015. The licence will be subject to the **conditions** set out in the appendix to this decision.

Canadian content development

15. In its *Commercial Radio Policy 2006*, the Commission set out a new approach to the development and promotion of Canadian artists. In order to reflect a new emphasis on development initiatives that lead to the creation of audio content for broadcast using Canadian resources, the Commission replaced the expression "Canadian talent development" (CTD) with "Canadian content development" (CCD). Under the new policy, each radio station holding a commercial radio licence is required to make a basic annual CCD contribution based on its total broadcast revenues in the previous broadcast year.

16. In Broadcasting Public Notice 2007-79, the Commission solicited comments on the proposal to amend the Regulations in order to reflect the determinations set out in the policy frameworks for commercial radio and for digital radio announced in Broadcasting Public Notices 2006-158 and 2006-160, respectively. One of the proposed changes was an amendment to section 15 of the Regulations in order to put into place the new regime for CCD contributions announced in Broadcasting Public Notice 2006-158.
17. On 23 July 2008, in Broadcasting Public Notice 2008-67, the Commission indicated that the amendments set out in *Regulations amending the Radio Regulations 1986*, SOR/2008-177, 28 May 2008, would take effect on 1 September 2008. Consequently, the Commission reminds the licensee that it is required to respect the requirements relating to CCD contributions set out in section 15 of the Regulations.
18. RNC Média also made a commitment to devote to CCD, over and above the basic contribution, an annual contribution of \$8,000 to eligible parties and initiatives, as defined in Broadcasting Public Notice 2006-158.

Secretary General

Related documents

- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *CHLX-FM Ottawa/Gatineau – Acquisition of assets*, Broadcasting Decision CRTC 2004-368, 25 August 2004
- *New classical music FM station in Ottawa/Hull*, Decision CRTC 2001-626, 4 October 2001
- *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000
- *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999
- *A Review of Certain Matters Concerning Radio*, Public Notice CRTC 1995-60, 21 April 1995

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 2008-221

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 conditions n^{os}. 1 and 5.
2. The licensee shall adhere to the Canadian Association of Broadcasters' *Equitable Portrayal Code*, as amended from time to time and approved by the Commission. However, the application of the foregoing condition of licence will be suspended if the licensee is a member in good standing of the Canadian Broadcast Standards Council.
3. In each broadcast week, the licensee shall devote a minimum of 20% of its music programming to jazz music selections (subcategory 34) broadcast in their entirety.
4. In addition to the required basic annual contribution to Canadian content development (CCD), set out in section 15 of the *Radio Regulations, 1986*, as amended by *Regulations Amending the Radio Regulations, 1986*, SOR/2008-177, 28 May 2008, announced in *Amendments to the Radio Regulations, 1986 – Implementation of the Commercial Radio Policy 2006 and the Digital Radio Policy – Regulatory policy*, Broadcasting Public Notice CRTC 2008-67, 23 July 2008, the licensee shall make an annual contribution of \$8,000 to the promotion and development of Canadian content.

Of this amount, the licensee shall allocate no less than 20% per broadcast year to FACTOR and/or MUSICACTION. The remaining amounts of this additional CCD contribution shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.