



Broadcasting Decision CRTC 2008-222

Ottawa, 26 August 2008

Various applicants

Ottawa, Ontario and Gatineau, Quebec

Public Hearing in the National Capital Region

13 May 2008

Licensing of new radio stations to serve Ottawa and Gatineau

*The Commission **approves** the applications by Astral Media Radio inc. and by Frank Torres, on behalf of a corporation to be incorporated, for broadcasting licences to operate new FM radio stations to serve Ottawa and Gatineau.*

*The Commission **denies** the remaining applications for broadcasting licences for radio stations to serve Ottawa and Gatineau.*

*The Commission also **denies** the application by Instant Information Services Incorporated to change the authorized contours of the English-language FM commercial tourist radio station CHIO-FM Ottawa by increasing the effective radiated power from 25 watts to an average effective radiated power of 427 watts.*

Introduction

1. At a public hearing commencing 13 May 2008 in the National Capital Region, the Commission considered 10 applications for new radio programming undertakings to serve Ottawa and Gatineau, some of which are mutually exclusive on a technical basis.
2. The following four applicants proposed to operate at 99.7 MHz:
 - Astral Media Radio inc.
 - Christian Hit Radio Inc.
 - Mark Steven Maheu, on behalf of a corporation to be incorporated
 - Ottawa Media Inc.
3. The following six applicants proposed to operate at 101.9 MHz or 101.7 MHz:

- Corus Radio Company
 - Fiston Kalambay Mutombo, on behalf of a corporation to be incorporated
 - Frank Torres, on behalf of a corporation to be incorporated
 - Instant Information Services Incorporated
 - Radio de la communauté francophone d'Ottawa
 - Réél-Radio
4. The Commission also received an application by Instant Information Services Incorporated (Instant Information Services) to change the authorized contours of the English-language commercial tourist FM radio programming undertaking CIIO-FM Ottawa by increasing the effective radiated power (ERP) from 25 watts to an average ERP of 427 watts. The increase in power would change the status of CIIO-FM Ottawa, which currently operates at 99.7 MHz (channel 259), from an unprotected low-power service to a protected Class A service. Instant Information Services' use of this frequency is technically mutually exclusive with several of the applications for new radio stations. Consequently, were the Commission to grant a licence to one of the applicants proposing to operate a new station using this frequency, Instant Information Services would be required to find an alternate frequency either on the FM or the AM band.
 5. As part of this process, the Commission received and considered interventions with respect to each application. The public record for this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."
 6. After reviewing the applications and interventions, the Commission is of the view that the primary issues to be considered are as follows:
 - Can the Ottawa-Gatineau radio market sustain additional radio services?
 - If so, which of the applications should be approved, in light of the factors identified in Broadcasting Public Notice 2007-66 (the Call)?

The Ottawa-Gatineau radio market and its ability to sustain new stations

7. According to Statistics Canada's 2006 Census, the population of the Ottawa-Gatineau market was 1.13 million. The population had increased by 5.9% from the 2001 Census, as compared to 5.4% for Canada, 6.6% for Ontario and 4.3% for Quebec during the same period.
8. The Conference Board of Canada (the Conference Board) estimates that there were 1.18 million people in the Ottawa-Gatineau region in 2007, reflecting an increase of 0.6% over 2006. The Conference Board forecasts that by 2013 there should be 1.22 million people in the Ottawa-Gatineau region.

The Ottawa-Gatineau English-language radio market

9. The Ottawa-Gatineau English-language radio market consists of 10 FM and 3 AM commercial radio stations offering the following formats:
 - CFGO (Sports), CFRA (News/Talk), CJMJ-FM (Adult Contemporary) and CKKL-FM (Adult Contemporary/Classic Hits), owned by CTV Limited;¹
 - CHEZ-FM (Classic Rock), CISS-FM (Hot Adult Contemporary), CIWW (Oldies 50s to 70s) and CKBY-FM Smith Falls (Country),² owned by Rogers Broadcasting Limited;
 - CIHT-FM (Top 40 Mainstream) and CILV-FM (Alternative Rock), owned by Newcap Inc.;
 - CJLL-FM, an ethnic radio service, owned by Radio 1540 Ltd;
 - CJWL-FM (Pop Standards/Instrumental Easy Listening), owned by Evanov Radio Group Inc.; and
 - CKQB-FM (Mainstream Rock), owned by Astral Media Radio inc. (Astral).³
10. The market is also served by the community-based campus radio stations CKCU-FM and CHUO-FM, as well as the instructional campus radio station CKDF-FM and the specialty radio programming undertaking CHRI-FM.
11. The Ottawa-Gatineau English-language commercial radio stations had advertising revenues of approximately \$58 million in 2007, a 6% increase over the \$55 million reported for 2006. From 2002 to 2006, radio advertising revenues grew by 8.2% per year on average. In 2007, these stations earned a combined profit before interest and taxes (PBIT) of \$16 million for a PBIT margin of 26%, which is lower than the PBIT margin of 30% recorded for 2006. This level of profitability compares favourably with PBIT margins of 24% for Ontario and 20% for Canada in 2006.
12. From an economic point of view, the Ottawa-Gatineau region has been performing very well. The region's growth in gross domestic product (GDP) has been higher than that of Ontario and Quebec for the last three years and higher than that of Canada for the last two years. According to the Conference Board's forecasts, the region should continue to grow at a steady pace, with an estimated GDP of 2.8% in 2008 and of 2.9% in each of 2009 and 2010. Retail sales are expected to grow an annual average of 5.6% from 2008 to 2012.

¹ In Broadcasting Decision 2007-165, the Commission approved the transfer of effective control of these and other radio programming undertakings from CHUM Limited (CHUM) to CTVglobemedia Inc. (CTVgm). On 31 July 2007, CHUM changed its name to CTV Limited. Consequently, the licensee for the stations is CTV Limited, which is wholly controlled by CTVgm.

² CKBY-FM Smith Falls is included in the Ottawa-Gatineau English-language radio market because it receives significant tuning and revenue from the market.

³ In Broadcasting Decision 2007-359, the Commission approved Astral's acquisition of the assets of 53 radio stations from Standard Radio Inc., including CKQB-FM.

13. The applicants' economic and financial analyses all concluded that the market conditions are sound. The fact that none of the incumbents appeared at the hearing to oppose the applications for new stations allows the Commission to conclude that the Ottawa-Gatineau English-language radio market is healthy. Based on the size and strength of the Ottawa-Gatineau English-language radio market, the current profitability of its commercial stations and the economic outlook for the region, the Commission is of the view that the market could support the licensing of two additional English-language commercial radio stations.

The Ottawa-Gatineau French-language radio market

14. The Ottawa-Gatineau French-language radio market currently consists of five FM stations offering the following formats: CIMF-FM (Adult Contemporary/Soft Rock) and CKTF-FM (Contemporary Hit Radio), owned by Astral; CFTX-FM (Pop/Rock) and CHLX-FM (Classic/Jazz), owned by RNC MÉDIA inc. (RNC MÉDIA); and CJRC-FM (News/Talk), owned by Corus Radio Company.⁴
15. The Commission notes that in Broadcasting Decision 2008-221, also issued today, it approved RNC MÉDIA's application to delete the conditions of licence related to CHLX-FM's operation within the specialty format. RNC MÉDIA stated that the station will offer a Soft Popular Music format.
16. The Ottawa-Gatineau French-language commercial radio stations had advertising revenues of approximately \$15.4 million in 2007, a 3% increase over the \$15 million recorded for 2006. From 2002 to 2006, radio advertising revenues grew by 9.8% per year on average. In 2007, these stations earned a combined PBIT of \$3.2 million for a PBIT margin of 21%, which is higher than the PBIT margin of 18% recorded for 2006. This level of profitability compares favourably with the PBIT margins of 14% for Quebec and 20% for Canada in 2006.
17. While the economic outlook for the Ottawa-Gatineau French-language radio market is positive, the market does not have the same capacity to support additional stations as does the English-language market. In the present circumstances, the Commission had to consider not only the limited commercial impact of the proposed new French-language services but also the significant impact associated with CHLX-FM's change in format.

Assessment of the applications

18. Having determined that there is room in the Ottawa-Gatineau radio market for additional services, the Commission has considered the applications to serve Ottawa and Gatineau in light of the factors relevant to the evaluation of the applications outlined in the Call, which include the following factors set out in Decision 99-480:

⁴ CJRC-FM has been temporarily simulcasting on both the AM and FM bands since the commencement of operations on 16 April 2007 while it addresses technical issues related to its FM coverage.

- the quality of the application;
 - the diversity of news voices;
 - the competitive state of the radio market and level of market impact; and
 - the best use of the frequency.
19. The details relevant to the assessment of the applications are set out in Appendix 1 to this decision.
 20. Having considered all of the applications in light of the criteria set out above, the Commission finds that the proposals by Astral and Frank Torres (Torres), on behalf of a corporation to be incorporated, best meet the needs of the Ottawa-Gatineau radio market.
 21. The Commission considers that the proposal by Astral, which currently operates two French-language stations and one English-language station in the Ottawa-Gatineau market, would enhance competition in the English-language market. The Commission has also noted Astral's commitment to devote 40% of its musical selections from category 2 (Popular Music) weekly and between 6 a.m. and 6 p.m. Monday to Friday to Canadian selections, which exceeds the regulatory minimum. Astral also committed to broadcast 24 hours and 30 minutes of spoken word programming per broadcast week and indicated at the hearing that 126 hours of its weekly programming would consist of local programming.
 22. Astral further committed to devote \$5,866,866 over seven consecutive broadcast years upon commencement of operations to Canadian content development (CCD) over and above the basic annual contribution to CCD. Specifically, Astral indicated that in addition to the required basic annual contributions, it would, by condition of licence, allocate a contribution of \$856,643 in the first year of operation decreasing to \$824,518 in the seventh year. Astral proposed to direct \$171,329 of this over-and-above contribution to FACTOR in the first year decreasing to \$164,904 in the seventh year. The remainder would be directed to eligible initiatives as follows:
 - \$2,330,604 over seven years to My First at the NAC;
 - \$1,101,740 over seven years to New Female Canadian Talent in Blues & Roots;
 - \$252,230 over seven years to Music and Journalism Scholarships;
 - \$504,460 over seven years to Radio Enfant; and
 - \$504,460 over seven years to Aboriginal Voices Radio.
 23. Finally, approval of Astral's application will allow for a radio station that will have a competitive radio signal with all the incumbents without creating any unreasonable interference with the signals of existing radio stations.

24. The Commission also considers that the proposal by Torres for a blues/blues rock-based format would increase competition and enhance diversity in the market, by introducing a new voice and a music format not commonly found in the market. Torres also committed to devote 40% of its musical selections from category 2 weekly and between 6 a.m. and 6 p.m. Monday to Friday, as well as 20% of its weekly selections from subcategory 34 (Jazz and blues), to Canadian selections, which exceeds the current regulatory minimums. Further, in order to ensure musical diversity in its programming, Torres committed to broadcast in each broadcast week a minimum of 20% category 3 (Special Interest Music) musical selections broadcast in their entirety. Torres indicated that 120 hours of its weekly programming would consist of local programming.
25. Finally, Torres committed to devote \$750,000 over seven consecutive broadcast years upon commencement of operations to CCD over and above the basic annual contribution to CCD. Specifically, Torres committed to devote \$107,144 per broadcast year to CCD, to be allocated to the following eligible initiatives:
- \$64,286 to FACTOR;
 - \$34,000 to Canadian Music Week to promote blues music showcases;
 - \$4,500 to the Blues In The Schools Program;
 - \$2,358 to Starboard Communications to develop syndicated blues programming; and
 - \$2,000 to the Ottawa Blues Society.

Determinations

26. Based on all of the foregoing, the Commission **approves** the following applications for broadcasting licences to operate English-language commercial FM radio programming undertakings in Ottawa and Gatineau:

Astral Media Radio inc.

Application 2007-1204-3, received 21 August 2007

Frank Torres, on behalf of a corporation to be incorporated

Application 2007-1203-5, received 21 August 2007

The terms and **conditions of licence** for these new services are set out in Appendices 2 and 3 to this decision respectively.

27. The Commission reminds the licensees that, as of 1 September 2008, they will be required to adhere to the requirements relating to contributions to 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 Broadcasting Public Notice 2008-67.

28. In reaching its decision, the Commission has taken into account the contribution that a community Type B French-language station such as that proposed by Radio de la communauté francophone d'Ottawa (RCFO) would make towards meeting the objectives of the *Broadcasting Act*, which states that the Canadian broadcasting system, operating primarily in the English and French languages and comprising public, private and community elements, provides, through its programming, a public service essential to the maintenance and enhancement of national identity and cultural sovereignty. However, having examined the application by RCFO, the Commission is of the view that RCFO did not present a compelling business case for the service.
29. Similarly, with respect to the application by Instant Information Services for an increase in power whereby CIIO-FM would pass from an unprotected low-power service to a protected Class A service, the Commission has taken into consideration the licensee's statement that it was in the process of reaching an agreement with the City of Ottawa to become the Designated Broadcast System in the event of an emergency. However, given the scarcity of frequencies and its determination that the market can support the addition of two new commercial stations, the Commission is of the view that the proposed service does not represent the optimal use of the available frequencies.
30. As regards the application by Réél-Radio for a community-based campus FM station, the Commission took into consideration the fact that the Ottawa-Gatineau market is already served by two community-based stations (CKCU-FM and CHUO-FM) and one campus instructional station (CKDF-FM).
31. Finally, with respect to the applications by Christian Hit Radio Inc. and Fiston Kalambay Mutombo, on behalf of a corporation to be incorporated, the Commission noted that the proposed format was already available in the market through the programming of the specialty radio station CHRI-FM.
32. In light of all of the above, the Commission **denies** the eight following applications for broadcasting licences to operate radio programming undertakings in Ottawa and Gatineau, as set out below:

Christian Hit Radio Inc.

Application 2007-0072-5, received 17 January 2007

Corus Radio Company

Application 2007-1181-3, received 21 August 2007

Fiston Kalambay Mutombo, on behalf of a corporation to be incorporated

Application 2007-0069-2, received 17 January 2007

Instant Information Services Incorporated

Application 2007-1202-7, received 21 August 2007

Mark Steven Maheu, on behalf of a corporation to be incorporated

Application 2007-1206-9, received 21 August 2007

Ottawa Media Inc.

Application 2007-1178-0, received 21 August 2007

Radio de la communauté francophone d'Ottawa

Application 2007-1217-6, received 21 August 2007

Réél-Radio

Application 2007-0001-0, received 3 January 2007

33. The Commission also **denies** the following application to change the authorized contours of the English-language FM commercial tourist radio programming undertaking CIIO-FM Ottawa by increasing the effective radiated power from 25 watts to an average ERP of 427 watts:

Instant Information Services Incorporated

Application 2007-1177-2, received 21 August 2007

Employment equity

34. Because Astral is subject to the *Employment Equity Act* and files reports concerning employment equity with the department of Human Resources and Social Development Canada, its employment equity practices are not examined by the Commission.

Secretary General

Related documents

- *CHLX-FM Gatineau – Licence amendment and renewal*, Broadcasting Decision CRTC 2008-221, 26 August 2008
- *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
- *Call for applications for a broadcasting licence to carry on a radio programming undertaking to serve Ottawa, Ontario and Gatineau, Quebec*, Broadcasting Public Notice CRTC 2007-66, 22 June 2007
- *Acquisition of assets*, Broadcasting Decision CRTC 2007-359, 28 September 2007
- *Transfer of effective control of CHUM Limited to CTVglobemedia Inc.*, Broadcasting Decision CRTC 2007-165, 8 June 2007
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006

- *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000
- *Introductory statement – Licensing new radio stations*, Decision CRTC 99-480, 28 October 1999
- *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999
- *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992

This decision and the appropriate appendix are to be appended to each licence. This document 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 1 to Broadcasting Decision CRTC 2008-222

Specific details relevant to the assessment of the applications for new broadcasting licences for FM radio programming undertakings to serve Ottawa, Ontario and Gatineau, Quebec

Applicant	Details from the application
Astral Media Radio inc. Application 2007-1204-3	<p>Type: English-language commercial FM radio programming undertaking</p> <p>Technical parameters: 99.7 MHz (channel 259C1), average effective radiated power of 45,000 watts</p> <p>Format: Comfort radio (Soft Adult Contemporary and ballad style)</p> <p>Target audience: 35-54 years (primary), 55-64 years (secondary), skewing 80% to female listeners</p> <p>Canadian content (music): 40% over the broadcast week and between 6 a.m. and 6 p.m., Monday to Friday</p> <p>Local programming per broadcast week***: 126 hours</p> <p>Spoken word programming per broadcast week***: 24 hours, 30 minutes</p> <p>News programming per broadcast week***: 91 minutes (news****) (60% local)</p> <p>Canadian content development contribution (over basic annual contribution): \$5,866,866 over seven consecutive broadcast years</p> <p>Emerging artists programming per broadcast week***: not specified</p> <p>Hit material***** (music): 49.9%</p>
Christian Hit Radio Inc. Application 2007-0072-5	<p>Type: English-language commercial specialty FM radio programming undertaking</p> <p>Technical parameters: 99.7 MHz (channel 259B1), average effective radiated power of 2,400 watts</p> <p>Format: Religious specialty talk with traditional worship music, of which 80% will be subcategory 35 (non-classic religious)</p> <p>Target audience: 45+ years; core: 55 years; median: 60 years</p> <p>Canadian content (music): 35% category 2*; 12% category 3**</p> <p>Local programming per broadcast week: 56 hours</p> <p>Spoken word programming per broadcast week: 107 hours</p> <p>News programming per broadcast week: 10 hours of news (25% local) and public service announcements (75% local)</p> <p>Canadian content development contribution (over basic annual contribution): \$3,500 over 7 years</p> <p>Emerging artists programming per broadcast week: minimum 10%</p> <p>Hit material (music): 10%</p>

Corus Radio Company
Application 2007-1181-3

Type: English-language commercial specialty FM radio programming undertaking
Technical parameters: 101.9 MHz (channel 270B1), average effective radiated power of 4,100 watts
Technical parameters: 101.9 MHz (channel 270B1), average effective radiated power of 4,100 watts
Format: News/Talk
Target audience: 18-64 years; core: 35-49 years
Canadian content (music): N/A
Local programming per broadcast week: 108 hours, 30 minutes
Spoken word programming per broadcast week: N/A
News programming per broadcast week: 9 hours, 34 minutes (news) (75% local)
Canadian content development contribution (over basic annual contribution): \$2,800,000 over seven consecutive broadcast years
Emerging artists programming per broadcast week: N/A
Hit material (music): N/A

Fiston Kalambay Mutombo, OBCI
Application 2007-0069-2

Type: French-language specialty commercial FM radio programming undertaking
Technical parameters: 101.9 MHz (channel 270A), average effective radiated power of 285 watts
Format: Specialty Christian music
Target audience: not specified
Canadian content (music): 35% category 2; 90% category 3
Local programming per broadcast week: 126 hours
Spoken word programming per broadcast week: 12 hours, 30 minutes
News programming per broadcast week: 2 hours of news (80% local)
Canadian content development contribution (over basic annual contribution): \$31,500 over seven consecutive broadcast years
Emerging artists programming per broadcast week: 20%
French-language vocal music per broadcast week: 100%

Frank Torres, OBCI
Application 2007-1203-5

Type: English-language commercial FM radio programming undertaking
Technical parameters: 101.9 MHz (channel 270A), average effective radiated power of 1,300 watts
Format: Blues/Blues-rock based – 20% category 3 weekly
Target audience: 25-54 years; core/median: 40 years
Canadian content (music): 40% category 2 weekly and between 6 a.m. and 6 p.m., Monday to Friday; 20% subcategory 34 (Jazz and Blues) weekly
Local programming per broadcast week: 120 hours per week on average; reserve remaining 6 hours per week to broadcast either local syndicated or other syndicated music programming when available and deemed appropriate to format
Spoken word programming per broadcast week: 13 hours, 47 minutes
News programming per broadcast week: 3 hours, 54 minutes (news) (60% local) and 1 hour, 51 minutes (weather, sports and traffic surveillance material)
Canadian content development contribution (over basic annual contribution): \$750,000 over seven consecutive broadcast years
Emerging artists programming per broadcast week: 20%
Hit material (music): 49.9%

**Instant Information
Services Incorporated**
Applications
2007-1177-2 and
2007-1202-7

Type: Increase in power and new FM (French-language commercial FM radio programming undertaking)
Technical parameters: 99.7 MHz (channel 259A), average effective radiated power of 427 watts
Technical parameters: 101.9 MHz (channel 270A1), effective radiated power of 200 watts
Format: Tourist radio
Target audience: All demographics
Canadian content (music): N/A
Local programming per broadcast week: 100 hours
Spoken word programming per broadcast week: N/A
News programming per broadcast week: 10-15 minute broadcast loops, repeated 24/7, 365 days a year; loops consist of weather forecasts and conditions, road condition reports, road traffic reports, etc. for the Ottawa region
Canadian content development contribution (over basic annual contribution): none
Emerging artists programming per broadcast week: 50-100%
Hit material (music): N/A

Ottawa Media Inc.
Application 2007-1178-0

Type: English-language commercial FM radio programming undertaking
Technical parameters: 99.7 MHz (channel 259B1), average effective radiated power of 4,800 watts
Format: Adult Album Alternative (Triple A)
Target audience: 35-64 years, skewed to female listeners; core: women 35-54
Canadian content (music): 40% category 2 over broadcast week, 35% category 2 between 6 a.m. and 6 p.m., Monday to Friday
Local programming per broadcast week: 100 hours
Spoken word programming per broadcast week: 34 hours, 18 minutes
News programming per broadcast week: 13 hours (news) (80% local)
Canadian content development contribution (over basic annual contribution): \$2,100,301 over seven consecutive broadcast years
Emerging artists programming per broadcast week: 12%
Hit material (music): 49.9%

**Mark Steven Maheu,
OBCI**
Application 2007-1206-9

Type: English-language commercial FM radio programming undertaking
Technical parameters: 99.7 MHz (channel 259B1), average effective radiated power of 3,000 watts
Format: Pop Alternative
Target audience: 24-44 years; core: 25-34, skewed slightly to female listeners
Canadian content (music): 35% category 2
Local programming per broadcast week: 126 hours
Spoken word programming per broadcast week: 12 hours, 36 minutes
News programming per broadcast week: 5 hours, 4 minutes (news) (75% local)
Canadian content development contribution (over basic annual contribution): \$2,100,000 over seven consecutive broadcast years
Emerging artists programming per broadcast week: 4%
Hit material (music): 49.9%

Radio de la communauté francophone d'Ottawa

Application 2007-1217-6

Type: French-language community Type B FM radio programming undertaking

Technical parameters: 101.7 MHz (channel 269A), average effective radiated power of 718 watts

Format: Rock, Pop and Dance (80%), as well as country, concert, folk, world beat and international, jazz and blues

Target audience: French-language population

Canadian content (music): 35% category 2; 12% category 3

Local programming per broadcast week: 94 hours

Spoken word programming per broadcast week: 31 hours, 50 minutes

News programming per broadcast week: 4 hours (news) (20% local)

Canadian content development contribution (over basic annual contribution): N/A

Emerging artists programming per broadcast week: N/A

Hit material (music): N/A

French-language vocal music per broadcast week: 65% category 2

Réél-Radio

Application 2007-0001-0

Type: French-language community-based campus FM radio programming Undertaking

Technical parameters: 101.9 MHz (channel 270A1), average effective radiated power of 158 watts

Format: Maximum 80% category 2; concert, folk, world beat and international as well as jazz and blues

Target audience: French-language population

Canadian content (music): 35% category 2; 12% category 3

Local programming per broadcast week: 121 hours, 5 hours of which will be devoted to programs originating from la Coalition des radios universitaires

Spoken word programming per broadcast week: 34 hours

News programming per broadcast week: 21 minutes news (80% local) and 8-10 hours of public affairs programming weekly

Canadian content development contribution (over basic annual contribution): N/A

Emerging artists programming per broadcast week: not specified

Hit material (music): N/A

French-language vocal music per broadcast week: 65% category 2

* Percentages shown for category 2 musical selections (Popular Music) are for the broadcast week and for the period from 6:00 a.m. to 6:00 p.m., Monday to Friday. The definition of "broadcast week" is the same as that set out in the *Radio Regulations, 1986*.

** Percentages shown for category 3 musical selections (Special Interest Music) are for the broadcast week. The definition of "broadcast week" is the same as that set out in the *Radio Regulations, 1986*.

*** The definition of "broadcast week," as it relates to local, spoken word and news programming and to emerging artists, is the same as that set out in the *Radio Regulations, 1986*.

**** As set out in Public Notice 2000-14, "news" excludes related surveillance material, that is, weather, traffic, sports and entertainment reports.

***** The definition of "hit material" is the same as that set out in Public Notice 1997-42.

Appendix 2 to Broadcasting Decision CRTC 2008-222

Astral Media Radio inc.

Application 2007-1204-3, received 21 August 2007

Terms, conditions of licence and expectation

Issuance of the broadcasting licence to operate an English-language commercial FM radio programming undertaking in Ottawa, Ontario and Gatineau, Quebec

Terms

The licence term will begin 1 September 2008 and will expire 31 August 2015.

The station will operate at 99.7 MHz (channel 259C1) with an average effective radiated power of 45,000 watts.

The Department of Industry (the Department) has advised the Commission that while this application 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.

The Commission reminds the applicant that pursuant to section 22(1) of the *Broadcasting 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.

Furthermore, 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 undertaking 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 26 August 2010. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

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 of licence nos. 1 and 5.
2. The licensee shall, as an exception to the percentage of Canadian musical selections set out in sections 2.2(8) and 2.2(9) of the *Radio Regulations, 1986* (the Regulations), in each broadcast week:

- a) devote a minimum of 40% of its musical selections from content category 2 (Popular Music) to Canadian selections broadcast in their entirety; and
- b) devote, between 6:00 a.m. and 6:00 p.m., in the period from Monday to Friday of the same broadcast week, a minimum of 40% 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 Regulations.

- 3. 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, upon commencement of operations, contribute annually to CCD the following amounts:

Year 1	\$856,643
Year 2	\$848,728
Year 3	\$843,208
Year 4	\$836,528
Year 5	\$831,268
Year 6	\$825,973
Year 7	\$824,518

Of these amounts, the licensee shall allocate the following to FACTOR annually:

Year 1	\$171,329
Year 2	\$169,746
Year 3	\$168,642
Year 4	\$167,306
Year 5	\$166,254
Year 6	\$165,195
Year 7	\$164,904

The remaining amounts of this additional 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.

4. If the licensee originates 42 or more hours of programming in any broadcast week, 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.

Expectation

Cultural diversity

The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.

Appendix 3 to Broadcasting Decision CRTC 2008-222

Frank Torres, on behalf of a corporation to be incorporated

Application 2007-1203-5, received 21 August 2007

Terms, conditions of licence, expectation and encouragement

Issuance of the broadcasting licence to operate an English-language commercial FM radio programming undertaking in Ottawa, Ontario

Terms

The licence will begin 1 September 2008 and will expire 31 August 2015.

The station will operate at 101.9 MHz (channel 270A) with an average effective radiated power of 1,300 watts.

The Department of Industry (the Department) has advised the Commission that while this application 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.

The Commission reminds the applicant that pursuant to section 22(1) of the *Broadcasting 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.

Furthermore, the Commission will only issue the licence once it has received documentation confirming that:

- an eligible Canadian corporation has been incorporated in accordance with the application in all material respects.
- the applicant is prepared to commence operations. The undertaking 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 26 August 2010. 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.

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 of licence nos. 1 and 5.

2. The licensee shall, as an exception to the percentage of Canadian musical selections set out in sections 2.2(3), 2.2(8) and 2.2(9) of the *Radio Regulations, 1986*, in each broadcast week:
 - a) devote a minimum of 20% of its musical selections from content category 3 (Special Interest Music), subcategory 34 (Jazz and Blues) to Canadian selections broadcast in their entirety;
 - b) devote a minimum of 40% of its musical selections from content category 2 (Popular Music) to Canadian selections broadcast in their entirety; and
 - c) devote, between 6:00 a.m. and 6:00 p.m., in the period from Monday to Friday of the same broadcast week, a minimum of 40% of its musical selections from content category 2 to Canadian selections broadcast in their entirety.
3. The licensee shall, in each broadcast week, broadcast a minimum of 20% of category 3 musical selections broadcast in their entirety.
4. In addition to the required basic annual contribution to Canadian content development 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, upon commencement of operations, make an annual contribution of \$107,143 (\$750,000 over seven consecutive broadcast years) to the promotion and development of Canadian content.

Of this amount, the licensee shall allocate \$64,286 per broadcast year to FACTOR.

The remaining amounts of this additional 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.

5. If the licensee originates 42 or more hours of programming in any broadcast week, 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 (CBSC).

For the purposes of these conditions, 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*.

Expectation

Cultural diversity

The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.

Encouragement

Employment equity

In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the licensee to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.

Dissenting opinion of Commissioner Michel Morin

I would like to state from the outset that I completely agree with the Commission's first selection: Astral Media. It is on the second selection that my opinion differs from that of my respected colleagues, the Vice-Chair Broadcasting and the Vice-Chair Telecommunications.

Our choices were limited because only two frequencies were available. After having selected a music station as our first choice, I feel that we should have opted without hesitation for a talk station for the sake of diversity, the competition that we must attempt to encourage and the lack of talk stations on the FM band available to the 700,000 English-language consumers in the Ottawa-Gatineau region.

The need for diversity

The Ottawa-Gatineau English-language radio market is largely dominated by music and sports, with 12 out of 14 stations offering these formats (not counting ethnic, religious, community and student stations). Today, following the Commission's decision, two new music stations will be added to the 12 existing stations, which will result in 14 music stations out of a total of 16.

Why must we limit the talk radio market to two stations: the CBC's public station Radio One on the FM band and private commercial station CFRA, owned by CTVglobemedia, on the AM band? Why should 2 undertakings out of 16 comfortably rule over a quarter of the region's total listenership and dominate the FM and AM bands without having to face competition from a new talk station?

Absent granting approval for a new News/Talk radio station, the CBC public station and the private station CFRA will continue to share 26% of the total listenership in the region, at 14% and 12% respectively, coming in first and second place out of the 14 radio stations in the region (BBM survey – Winter 2008).

What a great deal these two highly successful talk stations share! What a comfort on the FM band for the public station and what a windfall on the AM band for the lone commercial station CFRA! Thank you regulators, thank you CRTC!

Ottawa-Gatineau English-Language Radio Stations			
<i>Music and sports</i> 65% of total anglophone listenership		<i>Talk</i> 26% of total anglophone listenership	
FM BAND			
CTVglobemedia	14%	CBC	14%
CJMJ-FM	Adult Contemporary (MAJIC 100)	CBO-FM	News/Talk
CKKL-FM	Adult contemporary (Classic Hits)		
Rogers Radio	17%		
CHEZ-FM	Classic Rock		
CKBY-FM	Country		
CISS-FM	Hot Adult Contemporary		
Newcap Radio	12%		
CIHT-FM	Top 40 Mainstream		
CILV-FM	Alternative Rock		
Astral Media Radio	5%		
CKQB-FM	Mainstream Rock		
Evanov Radio Group	6%		
CJWL-FM	Pop/Easy listening		
CBC	4%		
CBOQ-FM	CBC Radio Two		
AM BAND			
CTVglobemedia	6%	CTVglobemedia	12%
CFGO	Sports	CFRA	News/Talk
Rogers Radio	2%		
CIWW	Oldies 50s to 70s		
NEW STATIONS (DECISION CRTC 2008-222)			
FM BAND			
Astral Media Radio	Soft Adult Contemporary		
Frank Torres (OCBI)	Blues		
TOTAL:	14	2	

Source: BBM Top-line radio statistics – Ottawa Gatineau English CTRL S1-2008

Over the past year, CBC Radio One has consistently (except during the BBM survey of Fall 2007) ranked first out of the 14 stations in the region, while CFRA, after 60 years of service, has come second three times out of four, with all stations on both bands combined. To put it mildly, we are in the presence of talk stations that are thriving rather than dying, and only a single one of them depends on the advertising market to survive.

In September 2007, the Commission held a five-day hearing on the theme of diversity of voices. In its determination of 15 January (Broadcasting Public Notice 2008-4), the Commission firmly restated the importance of “ensuring that Canadians receive programming from different sources.” How can this position be reconciled with the monopoly that the CBC’s talk station enjoys on the FM band and the absence of other FM News/Talk stations?

How, given the desired perspective of a diversity of voices, can we not establish a commercial station on the FM band to challenge the CBC? Especially when the *Broadcasting Act* sets out in paragraph 3(1)(i)(iv) that programming should “provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern.”

At the diversity of voices hearing in September 2007, it became clear that the CBC cannot guarantee diversity outside of election time and that neither the French-language nor English-language networks of the Crown corporation have a content analysis or accounting system similar to that put in place during election campaigns. Only the establishment of such a strict system could enable the management of the two networks to accurately assess the diversity of opinions presented on their various platforms (Transcript: <http://crtc.gc.ca/eng/transcripts/2007/tb0917.htm>, paragraphs 176 to 191).

Thus, since the public broadcaster alone cannot guarantee overall diversity in all of its programming and is not obligated to do so in any event, despite the hiring of two ombudsmen, it appears natural that we must – immediately – resort to market forces to establish greater diversity in the region’s English-language radio landscape. We cannot entrust the diversity of voices with respect to news and public affairs programming on the FM band to one player, whether public or commercial. This would be asking too much of the client!

I will let listeners of all kinds assess this argument, particularly in a region that will soon have 16 stations, 14 of which will have predominantly music formats and therefore much less news and public affairs content, which I consider is essential to the proper democratic functioning of our societies.

I believe that following the diversity of voices hearing of September 2007, anglophone listeners in the Ottawa-Gatineau region could have expected a decision from the Commission that emphasized diversity of voices, spoken word and news. Theory is good, but practice is better.

As I previously stated in my Kelowna dissenting opinion (Broadcasting Decision 2008-62), nothing can match talk radio for capturing Canadian identity and ensuring a diversity of voices, with respect to both ownership and content on the air. But you still need a good proposal!

And we had such a proposal. Corus Radio Company (Corus) was ready to move forward with a talk radio and information-gathering proposal that would require the hiring of approximately 10 professional journalists and 20 citizen journalists, as well as the creation of an advanced website to link the various information sources. It was also the only one of the twelve parties that responded to the Commission's call for applications to propose a talk radio format. This proposal even complemented that of Astral Media, which proposed a radio station for women (and was unanimously approved by the three male members of the Commission). The Corus proposal would have been geared more towards men, as it is known that male listeners are generally bigger fans of spoken word content.

In summary, in terms of diversity, anglophone listeners in Ottawa-Gatineau deserve something other than two music stations. Note in passing that the Blues/Blues-Rock music format proposal was presented unsuccessfully by the same company (Frank Torres, OBCI) twice, in London and Vancouver, in the last six months. Furthermore, there are no other music stations of this type in Canada. In the United States, it is possible (it cannot be verified with the Federal Communications Commission) that some of the 6,000 commercial stations offer, as in Canada, Blues content, but it is not possible to obtain information as accurate as in Canada. According to my information, none of the 6,000 U.S. commercial stations have a Blues-Rock format. Public Radio offers Blues programming on Friday, Saturday and Sunday evening. For example, KPLU Seattle offers weekend programming with their "NPR News" and a Jazz format. Incidentally, is it not telling that the proponent of this station for the Ottawa-Gatineau region made no references at the hearings to any other Blues station with this format in North America? But there was no lack of references to festivals! To say the least, the Commission certainly made a bold move in choosing Torres!

Why approve the Ottawa application now when those for Vancouver and London were denied? Broadcasting Decision 2008-222 is silent on this point. If two panels composed of a half-dozen commissioners previously denied Torres on two occasions, was the selection not, at best, far from obvious? How could the Commission say "yes" to Torres and "no" to Corus and 10 other proposals presented at the hearings in May in Gatineau?

Clearly, diversity of voices would have been better served by a talk radio proposal, which is a more demanding format that generally requires more patience on the part of shareholders and more investment than music radio stations.

On the need for competition

In his classic *The Competitive Advantage of Nations*, Michael E. Porter of Harvard University explains that competition between clusters of businesses of the same nature in a given geographic area generates innovation.

We know that in the Ottawa-Gatineau region, the 12 English-language music stations compete with each other every day. Each must innovate and closely monitor the others' radio formats to survive. They must regularly adjust their approach, be bold and even change their radio format. That is competition and, in that context, innovation is more often than not necessary to survive.

Nothing of the sort exists for the talk stations. Alone on their respective bands, they can depend on markets that are practically guaranteed. A new talk station with a great deal of local content on the FM band would undoubtedly breathe some new life into the region's talk radio stations and force the Ottawa public station to offer listeners higher-quality local programming. The Corus proposal had everything required to stimulate healthy competition between the Ottawa-Gatineau region English-language talk stations. How can a single actor representing talk radio on the FM band assure the Commission of dynamic talk radio in the region? Why would what is good for music stations not be good for talk stations?

As to whether the English-language market is ready for a new News/Talk station, let us look at some figures. First, since 2003, of all the large English-language markets in Canada, the Ottawa-Gatineau region English-language market experienced the strongest growth in talk radio listenership – a performance all the more significant given that the market only has 2 talk stations out of 14! Imagine what growth could have occurred if there had been three or four News/Talk radio stations in the region!

The figures that follow were taken from the comments made by the Canadian Association of Broadcasters (CAB) within the context of a discussion on defining emerging artists (http://support.crtc.gc.ca/applicant/docs.aspx?pn_ph_no=pb2008-16&call_id=71032&lang=e&defaultname=cab/acr&replyonly=&addtinfo).

According to the figures compiled by the CAB, English-language News/Talk stations in the Ottawa-Gatineau region experienced an increase of 11.8% in overall listenership from 2003 to 2007, while music stations experienced a decrease of 10.2%. As the table below shows, no English-language market in the country recorded talk radio listenership growth as strong as that of the Ottawa-Gatineau region.

Listening trend to Popular Music Stations and Talk Stations in the Top Ten Canadian Radio Markets (Compound Annual Growth Rate, 2003 - 2007)⁵

Radio Markets	Private Pop Music Stations	Talk Stations	All Market Stations
Calgary	-14.4%	+7.1%	-8.3%
Edmonton	-1.7%	+3.0%	+1.5%
Montreal French	-17.9%	+21.2%	-4.5%
Montreal English	-6.4%	-2.6%	-5.3%
Ottawa-Gatineau (F)	-5.7%	+7.1%	-3.4%
Ottawa-Gatineau (E)	-10.2%	+11.8%	-3.3%
Québec	+7.2%	-13.1%	+0.6%
Toronto	-5.2%	+4.4%	+0.8%
Vancouver	-13.2%	+7.7%	-5.9%
Winnipeg	+0.6%	-0.3%	-0.4%
Average	-6.7%	+4.6%	-2.8%

Is it surprising that the decrease in overall commercial music station listenership in the Ottawa-Gatineau market was one of the most significant in the country after Calgary and Vancouver? Could there be a problem? Why force the issue by adding a 14th music station when the 12 current players are already dealing with the fact that music radio has fallen out of favour in the Ottawa-Gatineau English-language market?

Other CAB figures clearly show that, when music stations were added between 2003 and 2007, the listenership share of music stations in the Ottawa English-language market fell by nearly 32% on average. That is huge! A Canadian record this time! And we are adding not one, but two music stations! What will the average ratings be for music stations in the Ottawa-Gatineau English-language market in three years? Does the CRTC really have the best interests of these English-language stations at heart?

⁵ Source: *BBM Radio Books, Fall 2003-2007, Total 12+, Mon. to Sun. 5 a.m. to 1 a.m. CAB analysis and calculation.*

Per station average listening trend to Popular Music Stations in markets where new stations were added between 2003 and 2007 (Compound Annual Growth Rate, 2003 - 2007)⁶

Radio Markets	Private Pop Music Stations
Calgary	-30.6%
Edmonton	-19.7%
Ottawa-Gatineau (F)	-28.6%
Ottawa-Gatineau (E)	-31.8%
Québec	-22.9%
Winnipeg	-9.6%
Average	-23.9%

The figures clearly show that the Ottawa-Gatineau English-language market was ripe for a new talk station. Consumers in the area are among the most highly educated in the country. Politics are everywhere in this region brimming with issues, not only federal but also provincial and municipal, since Ottawa is the second largest city in Ontario and Gatineau the fourth largest in Quebec.

In any event, this region is no exception. Since 2005, for example, BBM surveys of listeners aged 12 and up have shown a decrease in music listenership for all radio formats combined. These decreases are even more dramatic because they reveal a decrease in total listenership, despite the increase in population and in News/Talk listenership. Clearly, this translates to a complete loss for the entire system.

⁶ Idem.

Listening share (%) by format in 14 large Canadian markets: Victoria, Vancouver, Calgary, Edmonton, Regina, Saskatoon, Winnipeg, London, Hamilton, Toronto, Ottawa, Montréal, Halifax, Kitchener/Waterloo

	Winter 2005	Winter 2006	Winter 2007	Winter 2008	2005 - 2008
News/Talk	22.9	23.8	23.1	24.1	5%
Music Formats	71.1	69.8	70.4	67.8	-5%
<i>Urban</i>	<i>1.3</i>	<i>1.2</i>	<i>1.2</i>	<i>0.9</i>	<i>-30%</i>
<i>Retro</i>	<i>2.2</i>	<i>1.8</i>	<i>1.7</i>	<i>1.7</i>	<i>-25%</i>
<i>Classic Rock</i>	<i>6.9</i>	<i>6.1</i>	<i>6.5</i>	<i>5.4</i>	<i>-21%</i>
<i>Jazz</i>	<i>1.4</i>	<i>1.6</i>	<i>1.4</i>	<i>1.1</i>	<i>-16%</i>
<i>Classic Hits</i>	<i>4.8</i>	<i>4.4</i>	<i>4.1</i>	<i>4.1</i>	<i>-15%</i>
<i>Mainstream Rock/Pop</i>	<i>4.4</i>	<i>3.9</i>	<i>3.6</i>	<i>3.7</i>	<i>-15%</i>
<i>Adult Standards</i>	<i>3.6</i>	<i>2.9</i>	<i>3.2</i>	<i>3.1</i>	<i>-13%</i>
<i>Country</i>	<i>5.9</i>	<i>6.3</i>	<i>5.9</i>	<i>5.7</i>	<i>-4%</i>
<i>Contemporary Hits</i>	<i>8.3</i>	<i>7.7</i>	<i>8.3</i>	<i>8.1</i>	<i>-2%</i>
<i>Adult Contemporary</i>	<i>16.3</i>	<i>16.5</i>	<i>17.0</i>	<i>16.1</i>	<i>-1%</i>
<i>Classics</i>	<i>6.2</i>	<i>6.6</i>	<i>6.1</i>	<i>6.6</i>	<i>7%</i>
<i>Hot AC</i>	<i>7.6</i>	<i>7.7</i>	<i>7.8</i>	<i>8.2</i>	<i>8%</i>
<i>Modern Rock/Alternative</i>	<i>2.5</i>	<i>3.1</i>	<i>3.6</i>	<i>3.2</i>	<i>27%</i>

Note: During the period from Winter 2005 to Winter 2008, the other formats, such as religious, sports and multicultural, saw their listening share rise from 6 to 8.1%, an overall increase of 35%.

Source: BBM, Monday to Friday, 5 a.m. to 1 a.m., listeners 12 years and older.

Almost none of the music formats, big or small, are safe: Classic Rock (-21%), Classic Hits (-15%), Mainstream Rock/Pop (-15%), Country (-4%), etc. The table above shows that, despite the regular introduction of new music formats, overall listenership to music radio stations across the country fell by 5%. And this despite the fact that since Spring 2006, 8 of the 11 stations added to the Canadian radio landscape were music stations.

It is certainly possible that the new, more accurate PPM (Portable People Meter) audience measurement system, which uses small boxes that listeners of all ages wear at all times, will correct the aforementioned listenership figures upward in the large markets of Montréal, Toronto, Vancouver, Calgary and Edmonton (some are already saying that it is revolutionizing the radio industry), but the problem remains: do English listeners in the Ottawa-Gatineau region not deserve better than 2 talk stations out of 16?

In addition to offering listeners another option, a new talk station on the FM band would have been a new challenge for CBC architects. But no. There is currently one public station with but a single – private – undertaking for competition, which just celebrated its 60th birthday and is alone on the AM band. Is this how the CRTC defines competition? One public talk station with its only rival a technically handicapped station on the AM band, which young people in particular are not even able to tune into on their MP3 players, iPods and Zunes.

I believe that it is our duty as regulators to promote and develop competition between actors in the system to better meet consumer needs. Competition means that radio stations have no choice but to become closer to their clients and be more in tune with their needs to offer them products that meet their expectations. From the moment when talk radio becomes a “habit” in a region or, worse, is seen as an historical landmark because there are only two stations offering the service, it comes to a standstill. Innovation becomes less urgent, everything depends on the existing audience, the loyal listeners. There is no more talk of “conquering the market.” It is only when a new player arrives with its own ideas and concepts and the ability to show innovation and leadership that things can evolve, that the offering can diversify and that consumer choices can multiply.

In maintaining the status quo, the Commission has missed an opportunity to revitalize both public and commercial talk radio in the Ottawa-Gatineau English-language market. Music stations cannot provide enough content and propose an alternative to the public broadcaster – the sole authority on talk radio on the FM band – with hourly news bulletins and a few talk programs scattered here and there throughout the programming schedules.

Of the 11 proposals presented to the Commission, only the Corus proposal was likely to seriously challenge the only two talk stations in the region.

The impact of a talk station on the 26% of the current listenership of the two talk stations would undoubtedly be greater than that of a blues music station on the 65% of the listenership generated by the 14 other music stations (according to the data provided by BBM). It is simple mathematics! Furthermore, it is certain that competition from a talk station in this market would result in a service offering for the population as a whole undeniably superior to the blues music station selected by the Commission.

Imagine a blackout similar to that of Summer 2003, which affected 50 million consumers in Ontario and the United States. Imagine a strike or lockout at the CBC newsroom (which happened twice during my career as a journalist with the Société Radio Canada). Which newsroom on the FM band could meet this challenge? Who could, for 48 straight hours (as was the case in 2003), keep the 700,000 English speakers in the Ottawa-Gatineau region with no electricity informed? This is merely one example to demonstrate the necessity of a second talk radio station with a large newsroom on the FM band.

Aside from diversity, the addition of a new player was essential not only to stimulate existing talk radio stations but also to offer the public an alternative, especially since we know that there will be no new calls for applications in the near future, given the lack of new frequencies.

The Commission's decision is all the more dramatic in light of the constant increase in federal budgets on both sides of the Ottawa River and the ever-growing number of technology companies in the region which guarantee talk radio a bright future. Ask the CBC or CFRA!

Finally, although it is one of the five major radio players in the country, Corus is still surprisingly absent from the Ottawa-Gatineau English-language market. The arrival of a player of its calibre would certainly have stimulated competition! A new dynamic could have been created between the three talk stations, pushing the entire talk radio market towards a general increase in listenership with 100% Canadian content! Corus is a company with the means to wage an intense battle against its competitors.

The region's English-language market already has five national players, namely CTVglobemedia (three stations), Rogers Radio (three stations), Newcap (two stations), Astral (two stations now in light of the Commission's decision) and the CBC (two stations), which share over 80% of total listenership. The addition of Corus as a sixth national player would simply have increased competition. In this regard, it is important to note that only four players dominate most markets in the U.S. (Eric Klinenberg, *Fighting for Air – The Battle to Control America's Media*, Metropolitan Books, 2007, p. 62).

More specifically, before us we had a market that was in need of a new player to stimulate the talk radio genre. Michael E. Porter, whom I mentioned earlier, came up with the concept of clusters, which is at the heart of his theory of competition and innovation. It would be in our best interest to draw on this concept to increase the vitality of our broadcasting system.

Finally, some might say that adding a new station could destabilize the other two players, namely CBC Radio One and CFRA. As mentioned earlier, the two stations in question are not exactly on life support, with each having over a 10% market share. In markets with over 500,000 residents other than Ottawa-Gatineau, only Vancouver has two talk radio stations, each with over 10% market share: the CBC with 10.7% and CKNW with

10.9%. In the Ottawa-Gatineau English-language market, the CBC and CFRA have 14.1 and 11.8%, respectively.

I think that as regulators we have the duty to defend the interests of the entire broadcasting system, not those of one player in particular. Further, the table below shows that the overall increase in talk radio tuning is greater where there are several talk stations in a region and, conversely, it is less pronounced, sometimes even showing decreases, where there are only two such stations. Over a long period of time, this trend seems to be confirmed in markets of over 500,000 listeners, such as the Ottawa-Gatineau English-language market.

Thus, since 2000, in seven English-language markets with over 500,000 listeners, consumers have expressed a stronger preference for talk stations when there were more than two News/Talk stations. In the major English-language markets where there are at least three News/Talk stations, such as in Toronto, Vancouver and Calgary, the total market share of talk radio stations increased by at least three 3%, and sometimes by 4.5%. On the contrary, in areas where the number of talk stations was limited to two, growth was slower (Ottawa, 728,000 and Edmonton, 890,000 listeners), and even negative (Winnipeg, 623,000 and Hamilton 631,000 listeners).

In my view, there is no doubt that the difference is due simply to competition. Regardless of the market, there are always more frequencies on the FM band devoted to music than to talk. When stations are added (which is not easy, as talk stations require significantly more investment), tuning gains for all News/Talk stations increase and, when boosted by competition, the entire market associated with talk stations see significant gains in market share.

For transparency, however, I must emphasize that the observation of market shares during the period is not linear. For example, had I used the Winter 2001 column rather than the Winter 2000 column as I did in the table below, the gain in market share for talk radio in markets with more than two talk stations would have been greater in Toronto (+5.9%), but lower in Vancouver (+0.1%) and Calgary (+2.3%). In markets where there are only two talk stations, the overall situation would have been even more negative: an increase of only 0.5% in Ottawa and decreases of -5.8 and -3.7%, respectively in Winnipeg and Hamilton. In Edmonton, the situation would have remained unchanged for a decade! In the end, regardless of whether data for one year rather than another were used, over a long period of time (eight or nine years), we would come to the same conclusion: growth in market share for News/Talk stations is greater in markets where there are more than two talk stations.

Listenership in English-language markets of 500,000+; total listening share trends for talk stations

	Winter 2000	Winter 2008	
MARKETS WITH MORE THAN 2 TALK STATIONS			
TORONTO 4,703,000 (4 stations) - CBLA-FM - CFMJ - CFRB - CFTR	17.5%	22.0%	+4.5%
VANCOUVER 2,006,000 (5 stations) - CBU - CFUN - CKNW - CKWX - CHMJ	26.2%	29.8%	+3.6%
CALGARY 954,000 (3 stations) - CBR - CHQR - CFFR	15.7%	19.0%	+3.3%
MARKETS WITH FEWER THAN 2 TALK STATIONS			
OTTAWA 703,000 - CBO-FM - CFRA	23.1%	25.9%	+2.8%
EDMONTON 901,000 - CBX - CHED	18.0%	19.1%	+1.1%
WINNIPEG 625,000 - CBW - CJOB	24.8%	23.4%	-1.4%

HAMILTON 637,000 - CBLA-FM - CHML	17.9%	12.7%	-5.2%
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The Corus proposal

First, Corus does not have to convince anyone of its commitment to News/Talk stations: 17 of its 52 station across the country offer this format.

If the Commission had approved this corporation’s proposal, the new Ottawa-Gatineau station would have been the second in Canada (after Edmonton) to be staffed with a fully integrated newsroom for services broadcast both live on air and on the web. The Commission would have been able to determine whether the western station better met the expectations of listeners than the eastern station or vice-versa! But mostly, with respect to the future of our broadcasting system, the experience of this new marriage between the web and a conventional newsroom would not have been limited to a single station.

As for the English-language market of Ottawa-Gatineau, it offered outstanding potential for implementing a talk station/web hybrid, as residents are not only the most highly educated in the country on a par with Boston in the U.S. (two universities, 1,800 technology companies and the federal public service), but also because the under 35 age group accounts for more than half of the potential listeners. As for the Internet penetration needed for the project to be successful, it exceeds 90%, a score well above the national average (Ottawa-Gatineau ranks first in Canada among its 20 main cities). There is no doubt that it would have been a prime location for the Corus project!

By focusing on the Internet (a growing news source among 42% of persons under 34 years of age), the proposal was a marriage of a new and a traditional media source. This would have been a particularly promising project for our broadcasting system if you consider that the weekly tuning of traditional stations continues to decrease among this age group. With its proposal, Corus aimed for a younger audience, even if its main market was the 35 - 49 age group. The arrival of PPM radio data in Montréal (Fall 2008), in Toronto and Vancouver (Fall 2009), and in Calgary and Edmonton (Fall 2010) will give us a better picture. For the moment, however, one thing for certain is that the experiments conducted in the past year in Houston and in Philadelphia indicate an unsuspected increase in listenership among the younger age groups. The goal of the Corus project was to specifically target a younger audience for talk radio: those under 49 years of age.

Moreover, research conducted by Corus revealed that a segment of barely 15% of listeners to the new station would have migrated from the other commercial station, CFRA. As for the impact on the CBC, it would have been minimal, as the dominant audience of the Crown Corporation appears to be adults 50 - 64 years of age. In fact, based on research conducted by Corus, only one third of its potential listeners named CBC or CFRA as their station of choice.

By concentrating on “hyper local” coverage, Corus anticipated drawing 65% of its revenue from new, very local advertisers after two years of operation. The impact on the revenues of other music stations would have been reduced by as much. In addition, gradually, the contribution of very local advertisers would only enrich our broadcasting system. Think of on-line classified ads that attract an ever-increasing number of readers of local dailies and weeklies. Accordingly, a new category of advertisers who to date have been faithful to local weeklies would benefit from a new platform enriched by local news and at a minimal cost of \$15, \$20 or \$30 – prices more affordable for small neighbourhood advertisers than the \$100 or \$200 per unit charged by traditional commercial stations.

To implement this “hyper local” coverage neighbourhood by neighbourhood, the company proposed to hire six full-time and four part-time reporters, namely two sports reporters and two reporters assigned to traffic and weather, along with three persons who would be responsible for the website. These positions would be specifically earmarked to training the 20 citizen-journalists that the company proposed to hire during its first seven-year licence term.

This proposal is out of the ordinary and would have been, along with one recently launched by the same company in Edmonton, a great experiment for our entire broadcasting system. Should it be pointed out that none of the eleven other applicants that appeared at the hearing put forward anything remotely close to the Corus proposal?

At this point, allow me to digress for a moment. In my Kelowna dissenting opinion (Broadcasting Decision 2008-62) and during the examination of the Canadian Television Fund (*CRTC Report to the Minister of Canadian Heritage on the Canadian Television Fund*, 5 June 2008), I repeatedly made it clear that the CRTC, in the interest of the broadcasting system, should be less conservative and more open to proposals that challenge our current ways of producing programs. As I also stated in my Sherbrooke and TQS dissenting opinions (Broadcasting Decisions 2007-435 and 2008-129), we must resist the temptation to micromanage and keep in mind the overall interests and excellence of the Canadian broadcasting system.

I believe that the Corus proposal targeting the 700,000 anglophones aged 12 and over in the Ottawa-Gatineau region fits clearly within this definition of a promising proposal for the system. Having been a journalist for over 30 years, I can quote with conviction the comments of Sylvie Courtemanche, the Corus Entertainment Vice-President of Government Relations, when the company appeared on 13 May 2008 in Gatineau:

Corus Radio believes that information matters to people, and involvement in creating and distributing content has become equally important. This is a major reason why the use of community reporters as providers of news and information is growing around the world. We will augment their contribution with the work done by our professional staff and news feed.

From Corus's perspective, community reporters will serve as our window on Ottawa-Gatineau, and Corus will fully promote the use of community reporters on-air and on-line, while providing them direction, training and an understanding of journalistic principles and broadcasting standards.

We believe that merging on-air and on-line radio services provides a tremendous opportunity for Corus to cover the news and information of the highest priority to Ottawa-Gatineau residents. Community reporters will provide an essential vehicle for accomplishing this goal.

Another important point: with its proposed contribution of \$2.8 million to Canadian content development (CCD) over seven years, Corus was second to Astral Media (\$5.9 million), while the Torres proposal approved by the Commission calls for a contribution that is four times less (\$750,000). Further, Corus would have been able to offer internships to Algonquin College and Carleton University journalism students.

Corus's generosity was equalled only by its commitment to produce a News/Talk format that could not be fundamentally amended, unlike music stations that can change their formats as they see fit. As for Torres, the only additional requirement to those usually imposed on music stations was to devote 20% of all musical selections aired each week to musical selections from category 3, subcategory 34 (Jazz and Blues).

In addition to focusing on a new News/Talk format, Corus was to invest heavily in the long-term project, as it forecast no profits during the the first seven-year term but rather a negative profit before interest and taxes (PBIT) margin for each year and accumulated losses of \$5.2 million. Only after this period would the undertaking finally begin to generate revenues that are greater than expenses. Does this company not have a long-term vision that should please the CRTC?

Conclusion

Given that the advertising market in the Ottawa-Gatineau region is one of the richest in the country with a PBIT of 26% or \$16 million in PBIT, it would have been a perfect opportunity to introduce a new talk station to the region. The result would have been to minimize the risk for shareholders who must, in the case of talk stations, always demonstrate patience (some stations operate for seven years without profits) and opt for a longer-term vision.

While music stations are at a crossroads, with most experiencing drops in listenership, the need for a third talk station was even more apparent given that CFRA and the CBC in particular appear to be faring comfortably in much different age groups than those courted by Corus, namely the under-35 age group.

For 15 years, the talk format has seen continuous growth in Canada. In the 14 anglophone and bilingual markets referred to above, talk radio today holds the top rank in terms of listening hours. This growth was experienced in large part by commercial radio. Rogers and Corus Radio invested heavily, which often resulted in saving the AM band, which had been abandoned by CBC in particular. In the English-language market, Rogers increased its investments in Toronto (680 News), Vancouver (News 1130), Calgary (660 News) and Kitchener (570 News). Corus did the same in Vancouver (CKNW), Edmonton (CHED), Calgary (CHQR), Winnipeg (CJOB) and Hamilton (CHML). There is no doubt that this format has a very bright future.

The factors that will ensure the growth of this radio format include:

- the ageing of the population; thus a greater number of potential listeners;
- ever-increasing traffic congestion that literally creates a reason to tune in;
- issues surrounding health and healthcare delivery of which people are becoming more aware;
- the fluctuation of financial markets and the economy, which piques the interest of retirees and those approaching retirement who are ever-increasingly concerned with their financial situation;
- the need for broadcasting or telecommunication undertakings to rely on newsrooms to constantly refresh their broadcasting platforms through news, weather and sports, which, by definition, have a short “shelf-life”;
- the increasing frequency of weather events, which are of interest to everyone; and
- a growing interest among the public in general in international events that have the potential to affect people in their daily lives.

As I explained in detail above, diversity, competition and the 700,000 anglophone listeners in the Ottawa-Gatineau region would be better served by a new talk station than by a music station with a format that remains to be proven not only in Canada but in North America.

In light of all of the above, I express my dissent with the choice of the Commission for a Blues music station. I would have preferred the Commission to opt for a talk station that is more characteristic of our identities and democratic values.

Michel Morin
Commissioner
August 2008