



## Broadcasting Decision CRTC 2008-85

Ottawa, 23 April 2008

### **Radio Rimouski inc.**

Rimouski and Amqui, Quebec, and Edmundston, New Brunswick

*Applications 2007-1277-0 and 2007-1278-8, received 11 September 2007  
Broadcasting Public Notice CRTC 2007-115  
15 October 2007*

### **CFYX-FM Rimouski – New transmitters in Amqui and Edmundston**

*The Commission **denies** the applications by Radio Rimouski inc. to amend the broadcasting licence for CFYX-FM Rimouski, Quebec, in order to operate transmitters in Amqui, Quebec, and Edmundston, New Brunswick.*

#### **The applications**

1. The Commission received applications by Radio Rimouski inc. (Radio Rimouski) to amend the broadcasting licence for the radio programming undertaking CFYX-FM Rimouski, Quebec, in order to operate transmitters in Amqui, Quebec, and Edmundston, New Brunswick.
2. The transmitter in Amqui would operate at 92.7 MHz (channel 224A) with an average effective radiated power (ERP) of 280 watts, while the transmitter in Edmundston would operate at 97.3 MHz (channel 247LP) with an average ERP of 1.4 watts.
3. With respect to the Amqui transmitter, the licensee submitted that the Amqui area is part of the same market as Rimouski since the former area is included within CFYX-FM's 0.5 mV/m contour. The licensee indicated that it wanted to improve the quality of its signal in Amqui because meeting its financial objectives depends partly on advertising revenues from that area.
4. With respect to the Edmundston transmitter, the licensee submitted that it wanted to contribute to the diversity of the Edmundston radio market by offering its listeners a French-language radio station with a Classic rock music format. The new transmitter would rebroadcast all of CFYX-FM's programming consisting of 42 hours of local programming per broadcast week with the remaining 84 hours of programming originating from the Corus-Quebec network.

## **Interventions**

5. The Commission received an intervention by Astral Media Radio Inc. (Astral) commenting on the Amqui transmitter. In addition, the Commission received interventions by Radio Edmundston inc., the Alliance des radios communautaires du Canada, the Syndicat des Communications de la République du Madawaska and the Coopérative des Montagnes ltée. in opposition to the application to add a transmitter in Edmundston.
6. In its intervention, Astral argued that Radio Rimouski's application for Amqui could be perceived as an attempt to bypass the competitive broadcasting licensing process and to expand into new markets without making any commitments to local programming.
7. Astral expressed the view that introducing a new station in Amqui would fragment the audience and undercut the value of the commercial messages broadcast on its station, CFVM-FM Amqui, the only commercial station in Amqui.
8. The interveners opposed to the addition of a transmitter in Edmundston maintained that CFYX-FM Rimouski's programming would not be of interest to Edmundston residents.
9. These interveners also claimed that a new transmitter in Edmundston would have an adverse economic impact on the local radio market, which is already unstable and which is being served by local stations and stations from other markets. They submitted that French-language stations in Edmundston are currently in a precarious financial position, and that introducing a new station would adversely affect their viability by further fragmenting the audience and decreasing advertising revenue.
3. The interveners further noted that the Commission had already denied two previous applications by the applicant for rebroadcasting stations in Edmundston for the same reasons.<sup>1</sup>

## **Applicant's replies**

4. In response to the opposing interventions and the comment on its applications, Radio Rimouski reiterated its reasons for filing the applications with the Commission.
5. With respect to Amqui, the applicant pointed out that CFYX-FM's viability depends on the Amqui advertising market and that improving its signal in this city would benefit residents without adversely affecting the Astral station's profitability.
6. With respect to Edmundston, the applicant maintained that a transmitter rebroadcasting the programming of CFYX-FM Rimouski would repatriate Edmundston's Francophone audience that currently listens to U.S. stations and contribute to the diversity of voices in the market without having an adverse economic impact on the incumbent stations.

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<sup>1</sup> See Decision CRTC 90-1061 and Broadcasting Decision 2006-108.

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

7. After examining the applications and interventions, the Commission is of the view that there are four main issues to be considered:
- Is the Amqui area part of the Rimouski market?
  - Is CFYX-FM Rimouski's programming relevant to the Edmundston audience?
  - Would adding transmitters in Amqui and Edmundston have a negative impact on the stations operating in those markets?
  - Could approval of these applications be perceived as a means of bypassing the licensing process?

### **Is the Amqui area part of the Rimouski market?**

8. The Commission defines the market of a station as the area within the 3 mV/m contour of the station or the BBM Canada central market in which the station operates, whichever is smaller. The contour maps filed by Radio Rimouski with its original application confirm that Amqui is located within CFYX-FM's 0.5 mV/m contour but not within its 3 mV/m contour. The Commission therefore finds that Amqui is not part of the CFYX-FM radio market.

### **Is CFYX-FM Rimouski's programming relevant to the Edmundston audience?**

9. In most cases where it authorizes the addition of a transmitter to broadcast the programming of an originating station, the Commission does so in order to either correct technical deficiencies in the signal of the originating station within its authorized service area or to extend the originating station's signal into neighbouring communities, where the programming broadcast by those transmitters provides local reflection of the communities served by airing local news and promoting local community activities.
10. The Commission notes that Edmundston is located approximately 130 kilometres from Rimouski, not only in a different BBM Canada market from Rimouski, but also a different province and time zone.
11. The Commission further notes that the Edmundston area shares little or no direct affinity with the Rimouski area, and that the applicant did not propose to offer any programming that would specifically reflect the desired market. The Corus-Quebec programming, which accounts for 84 hours of all CFYX-FM Rimouski programming, consists mainly of spoken word content, which is intended for interested French-language stations and which originates primarily from Montréal and other major markets in Quebec.

12. In the absence of local programming that would add to programming diversity and reflect the concerns of the local radio market, the Commission is of the view that the programming offered by a transmitter of CFYX-FM Rimouski would not be relevant to the Edmundston audience.

**Would adding transmitters in Amqui and Edmundston have a negative impact on the stations operating in those markets?**

Amqui market

13. As noted above, the financial data available to the Commission indicate that CFVM-FM is in a precarious financial position. The station's relatively weak performance in terms of advertising revenues is due in part to competing stations in Rimouski, which together capture as much listenership in Amqui as CFVM-FM.
14. Analysis of BBM Canada survey data shows that, in fall 2007, CFVM-FM accounted for 40% of radio tuning share, 16% less than in 2003. These data also indicate that the tuning share lost by CFVM-FM was mostly captured by Rimouski stations, which together captured 42% of the Amqui radio market in 2007.
15. The Commission is therefore of the view that the addition of a transmitter of another station in Rimouski would further reduce CFVM-FM's listenership and advertising revenues and would therefore have a negative impact on the existing station, which is already in a precarious financial position.

Edmundston market

16. The Edmundston radio market is currently served by two French-language radio stations that are in precarious financial positions, namely, commercial station CJEM-FM owned by Radio Edmundston inc. and community station CFAI-FM, operated by the Coopérative des Montagnes ltée. These stations are sustaining significant losses in radio tuning share, although they capture 75% of tuning.
17. BBM Canada 2007 results reveal a significant loss in radio tuning share for each of the two local Edmundston stations compared to 2005. CJEM-FM shows a loss of 6% of its listenership and CFAI-FM a loss of 5%. Analysis of the data indicates that the listenership lost by these two stations was mainly taken by Sirius Satellite Radio Inc., which captured 5% of the listenership in 2007, CIEL-FM Rivière-du-Loup, which also captured 5% of the listenership, and two U.S. stations, which together captured 4%. The Commission is therefore of the view that the existing stations are currently exploiting the Edmundston market at its full capacity.
18. The applicant stated that it intends only to repatriate a Francophone audience that currently listens to stations other than those in Edmundston, including U.S. stations. It indicated its willingness to abide by a condition of licence prohibiting solicitation of the area's advertising market. However, the Commission is of the view that the proposed transmitter, because of its Classic rock music format and the information programming originating from the Corus-Quebec network, would take tuning share away from the existing local French-language stations.

19. Consequently, the Commission considers that approval of the application would, in the medium term, have a negative impact on the two Edmundston French-language stations, which are already in a precarious financial position.

**Could approval of the applications be perceived as a means of bypassing the licensing process?**

20. The Commission notes that the applicant proposed to add transmitters in cities that are not part of its radio market, as defined by the Commission. Further, the Commission notes that, as previously mentioned, the applicant did not propose to offer local programming in either Amqui or Edmundston.
21. Consequently, the Commission considers that approval of the applications to add transmitters in these two cities could be perceived as a means of bypassing the licensing process by expanding into new markets without committing to offering local programming that reflects the communities served in those markets.

**Conclusion**

22. As noted above, the Commission is not convinced that CFYX-FM Rimouski would appeal to the Edmundston audience.
23. Further, the Commission considers that adding a radio station in the Amqui and Edmundston markets would have an adverse economic impact on the existing radio stations, which are already in a precarious financial position.
24. In addition, the Commission determines that the applications by Radio Rimouski are not justified by technical requirements or reasons, as the applicant has not provided any evidence to that effect.
25. Finally, the Commission considers that approval of Radio Rimouski's applications could be perceived as a means of bypassing the licensing process because it would allow the applicant to expand into new markets without committing to offering local programming.
26. In the light of the foregoing, the Commission **denies** the applications by Radio Rimouski inc. to amend the broadcasting licence for the radio programming undertaking CFYX-FM Rimouski, in order to operate new transmitters in Amqui and Edmundston.

Secretary General

**Related documents**

- *CIEL-FM Rivière-du-Loup – New transmitter in Edmundston*, Broadcasting Decision CRTC 2006-108, 29 March 2006
- Decision CRTC 90-1061, 16 October 1990

*This decision 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>.*