



Broadcasting Decision CRTC 2008-96

Ottawa, 2 May 2008

Carl Gilbert (OBCI)

Saguenay (zone La Baie), Quebec

Application 2007-1634-2, received 20 November 2007

Broadcasting Public Notice CRTC 2007-142

21 December 2007

Use of frequency 105.5 MHz by the new FM radio station in Saguenay (zone La Baie)

*The Commission **denies** the application by Carl Gilbert, on behalf of a corporation to be incorporated, to operate the new commercial radio programming undertaking in Saguenay (zone La Baie) at 105.5 MHz (channel 288B), with an average effective radiated power of 30,600 watts.*

Introduction

1. The Commission received an application by Carl Gilbert, on behalf of a corporation to be incorporated (Carl Gilbert), to operate the new French-language commercial FM radio programming undertaking in Saguenay (zone La Baie), Quebec at 105.5 MHz (channel 288B), with an average effective radiated power (ERP) of 30,600 watts.
2. The applicant submitted the current application in response to the Commission's direction set out in Broadcasting Decision 2007-95. In that decision, the Commission stated that it would only issue a licence for the station provided that the applicant submitted, within three months of the date of that decision, an amendment to its application proposing new technical parameters that are acceptable to both the Commission and the Department of Industry. The Commission subsequently approved two applications for extensions, the second of which expired on 21 December 2007.
3. In Broadcasting Public Notice 2007-142, the Commission announced the application by Carl Gilbert to use frequency 105.5 MHz in Saguenay (zone La Baie).
4. The Commission received many interventions in support of the application, as well as an intervention opposing the application from Groupe Radio Antenne 6 inc. (Groupe Antenne 6).

Commission's analysis and determinations

5. The Commission considered it appropriate to address the following three questions in its examination of this application:

- Given the expanded service area that would result from the proposed technical changes, would the residents of La Baie be adequately served?
- Since the expansion of the authorized contours would allow the station to also serve Chicoutimi, Jonquière and surrounding localities, should the Commission consider the application as an application for a new station in a new market? Further, would this expansion result in a change to the station's mandate, from that of a local service to that of a regional service?
- Would the use of the newly proposed technical parameters have a negative impact on the stations already operating in those markets?

New service area

6. The initial application proposed the use of frequency 99.9 MHz (channel 260A), with an ERP of 6,000 watts from an antenna 18.3 metres in height. The new technical parameters, as proposed, differ significantly from the initial technical parameters. The applicant has now proposed a Class B FM frequency with an average ERP of 30,600 watts from an antenna 97.9 metres in height. The applicant also proposed a transmitter site located 15 km from the site that it originally proposed. The new parameters would significantly expand the station's service area to encompass a number of additional localities, including Chicoutimi and Jonquière.
7. In its intervention, Groupe Antenne 6 stated that Carl Gilbert would experience major problems in terms of coverage of its central market, which would be inadequate in La Baie despite the fact that the proposed new contour is ten times larger than that originally proposed.
8. In reply, the applicant stated that if listeners in La Baie were to complain about the quality of the signal, it would do everything in its power to remedy the situation, including adding a transmitter operating on another frequency, if necessary.
9. The applicant submitted that the new technical parameters would ensure the reception of a high-quality signal in La Baie as well as in the Lower Saguenay region and in Chicoutimi and Jonquière. In support of this, the applicant noted that the Mont Sainte-Claire site in Chicoutimi was previously used for the facilities of CJAB-FM (Astral Media Radio Inc., 1979 to 1982) and that the signal from that station was clear in La Baie.
10. The applicant added that the site represents the best compromise given the difficulty in locating a site belonging to a telecommunications undertaking in La Baie that would be able to serve the Lower Saguenay region.
11. The Commission notes, however, that the Lower Saguenay region was not included in the initial application.

12. In addition, the Commission notes that the applicant proposed a new transmitter site 15 km from the originally proposed site, thereby further distancing it from zone La Baie. Although La Baie is still located within the transmitter's 3 mV/m contour, the uneven terrain that surrounds it could cause signal deficiencies in a number of areas, as demonstrated by the real contour maps.
13. Consequently, the Commission considers that the licensee has not demonstrated that the proposed technical parameters would allow the new station to adequately serve La Baie.

Changes to the station's authorized contours and to the station's mandate

14. In its initial application, the applicant proposed to broadcast 100% local programming with a focus on La Baie and the surrounding area. In the current application, the applicant added the Lower Saguenay as a region it wishes to serve.
15. In addition, the new parameters proposed by the applicant would see the 3 mV/m contour encompass not only La Baie and the Lower Saguenay region but also other localities including Jonquière and Chicoutimi. This would cause the population served by the station to climb from 63,016 to 158,155, an increase of 95,139 relative to the initial application.
16. The Commission defines the market of a radio station either as the territory within the 3 mV/m contour or the BBM market, whichever is smaller. In the present case, given the newly proposed technical parameters and taking into account the considerable expansion of the 3 mV/m contour, the station would serve a market that encompasses practically the entire Saguenay radio market.
17. The Commission further notes that the changes proposed by the applicant would require an application for a new station in a new market rather than an application for a technical change. Moreover, these two types of applications are very different, particularly in regard to administrative matters relating to the process that must be followed and the market conditions that must be taken into consideration in the case of an application for a new station.
18. Finally, the Commission considers that an expansion of the station's service area well beyond the La Baie market would change the station's mandate from that of a local station to that of a regional station.

Impact of the proposed technical parameters on target markets

19. In its intervention, Groupe Antenne 6 stated that it would not be wise to introduce a new station to the region at this time. By covering the Saguenay region, the proposed station would access not only the zone La Baie advertising base but also that of the entire region.

20. In reply, Carl Gilbert stated that the reason for submitting the initial application to the Commission was to give a voice to the merchants and inhabitants of La Baie and the Lower Saguenay region, who have been overlooked in recent years. It also stated that Groupe Antenne 6, which operates six radio stations in Saguenay-Lac-Saint-Jean, would be able to compete effectively, in spite of the entry of a new station, through possible collaborations between those six stations.
21. Based on the technical parameters proposed in the current application, the market to be served by the applicant's station would encompass many localities that are already served by four commercial radio stations: CFIX-FM Saguenay and CJAB-FM Saguenay (Astral Media Radio Inc.), CKRS-FM Saguenay (591991 B.C. Ltd.) and CKYK-FM Alma (Groupe Antenne 6).
22. According to available financial data, the four aforementioned commercial stations together recorded a profit before interest and tax (PBIT) margin of 7.3% in 2006¹ and average annual growth of 3.7% of total revenue over the 2002-06 period. In comparison, all French-language commercial radio stations in Quebec combined recorded a PBIT margin of 11.8% in 2006 and average annual growth of 5% of total revenue over the same period.
23. Since the Saguenay radio market is not very dynamic at this time, the Commission considers that increased competition could destabilize the market. The Commission is concerned that adding a new station to the Saguenay market would have a negative impact on listenership and on the advertising revenues of the commercial stations currently serving all or part of the Saguenay market.

Conclusion

24. In light of all of the above, the Commission **denies** the application by Carl Gilbert, on behalf of a corporation to be incorporated, to operate the new French-language commercial FM radio programming undertaking in Saguenay (zone La Baie), Quebec at 105.5 MHz (channel 288B), with an average ERP of 30,600 watts.

Secretary General

¹ Financial results for 2007 are not yet available in the Commission's financial database.

Related documents

- Broadcasting Public Notice CRTC 2007-142, 21 December 2007, as amended by Broadcasting Public Notice CRTC 2007-142-1, 4 January 2008
- *French-language FM radio station in Saguenay (zone La Baie)*, Broadcasting Decision CRTC 2007-95, 21 March 2007

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>.