



Broadcasting Decision CRTC 2014-612

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Route reference: Part 1 application posted on 27 May 2014

Ottawa, 26 November 2014

Attraction Radio inc., on behalf of Radio Saguenay inc.
Chicoutimi, Quebec

Application 2014-0439-2

CKRS-FM Chicoutimi – Licence amendment

*The Commission **approves** an application to change the specialty spoken word format of the French-language commercial specialty radio station CKRS-FM Chicoutimi to a music format. This change in format will help maintain a diversity of voices in the Saguenay radio market.*

Application

1. Attraction Radio inc., on behalf of Radio Saguenay inc., filed an application to change the specialty spoken word format of the French-language commercial specialty radio station CKRS-FM Chicoutimi to an adult contemporary music format. To that end, the licensee proposed to delete conditions of licence 2, 3 and 4 set out in Broadcasting Decision 2013-715, which require the licensee to:
 - operate the station within the specialty format;
 - devote more than 50% of the programming broadcast during the broadcast week to programming drawn from content category 1 (Spoken Word);
 - broadcast at least 21 hours of spoken word programming in each broadcast week of direct relevance to the community served (including local news, weather and sports, and the promotion of local events and activities).
2. The licensee also requested to be relieved of its commitment to broadcast 6 hours and 5 minutes of local news each week. In addition, given that the station would be changing to a non-specialty format, it proposed to adhere to all the conditions of licence for commercial radio stations set out in Broadcasting Regulatory Policy 2009-62. To that end, it requested the deletion of the phrase “with the exception of condition 7” from condition of licence 1 set out in Broadcasting Decision 2013-715.
3. The licensee indicated that the proposed licence amendment was necessary to address the station’s financial situation and restore its financial viability. It argued that CKRS-FM would quickly disappear if it did not radically reorient its programming.

4. The Commission did not receive any interventions regarding this application.

Commission's analysis and decision

5. After examining the public record for this application in light of applicable regulations and policies, the Commission considers that it must address the following issues:
 - Has the licensee demonstrated a financial need justifying the requested amendment?
 - Would approval of the application have a financial impact on the Saguenay radio market?
 - Would approval of the application have an impact on the diversity of voices in the market?

Financial need

6. The licensee stated that the station had incurred significant losses over several years and must reposition itself in the market to revitalize CKRS-FM. If the application were denied, the licensee projected a decrease in revenues and indicated that the station might have to shut down in the near future.
7. In light of CKRS-FM's financial situation, the financial projections filed and the risk that the station might cease operations if the licence amendment is refused, the Commission considers that the licensee has demonstrated a financial need.

Financial impact on the market

8. Although CKRS-FM is experiencing financial difficulties, the Saguenay radio market posted a positive profit margin over the last five years. Moreover, the Commission notes that the other four stations serving the market did not intervene with respect to the present application.
9. Given the financial performance of the Saguenay market and considering that the purpose of this application is to change the format of a station already in operation and that other players in the market did not oppose the application, the Commission considers that the proposed licence amendment would have only a limited impact on the Saguenay radio market.

Impact on the diversity of voices

10. Should the application be approved, the licensee proposed to affiliate itself with the broad network Rythme FM owned by Cogeco Diffusion inc. for three years to increase its audience share in the market and restore the station's financial situation. CKRS-FM would, however, continue to broadcast 52.2 hours of local programming each broadcast week. The Commission notes that the affiliation offer by letter dated

1 April 2014 expires 30 November 2014. In the event that a formal agreement is reached in the future, the Commission **directs** the licensee to file as soon as possible an executed copy of its affiliation agreement for examination.

11. The Commission notes that the programming of Rythme FM and its adult contemporary music format targeting female listeners aged 25 to 54 is not currently offered by the other stations serving the Saguenay radio market. Consequently, the Commission considers that approval of this application would contribute to the diversity of voices in this market.

Conclusion

12. In light of all of the above, the Commission **approves** the application by Attraction Radio inc., on behalf of Radio Saguenay inc., to amend the broadcasting licence for the French-language commercial specialty radio programming undertaking CKRS-FM Chicoutimi to change its specialty spoken word format to an adult contemporary music format. Accordingly, the Commission deletes conditions of licence 2, 3 and 4 and the commitment set out in Broadcasting Decision 2013-715. Further, it amends condition of licence 1 as set out in that decision so that it reads as follows:

The licensee shall adhere to the conditions set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009.

Secretary General

Related documents

- *CKRS-FM Chicoutimi – Licence renewal*, Broadcasting Decision CRTC 2013-715, 18 December 2013
- *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009

**This decision is to be appended to the licence.*