



Broadcasting Decision CRTC 2015-41

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Route reference: 2014-383

Ottawa, 13 February 2015

Radio Acadie Itée

Caraquet, New Brunswick

Application 2014-0229-7, received 18 March 2014

Public Hearing in the National Capital Region

25 September 2014

CJVA Caraquet – Conversion to the FM band

*The Commission **approves** the application by Radio Acadie Itée for a broadcasting licence to operate a French-language commercial FM radio station in Caraquet, New Brunswick, to replace its AM station CJVA Caraquet.*

Application

1. Radio Acadie Itée (Radio Acadie) filed an application for a broadcasting licence to operate a French-language commercial FM radio station in Caraquet, New Brunswick, to replace its AM station CJVA Caraquet.
2. The station, which would target listeners between the ages of 45 and 65, would broadcast 81 hours of local programming during each broadcasting week. Local programming would include announcements of free community activities, fundraising campaigns, and coverage of political, economic, sports and cultural events. The rest of the programming would consist of wrap-around programming from the station CKLE-FM Bathurst.¹
3. The station would broadcast, during each broadcast week, 2 hours and 15 minutes of pure news, of which one hour would be local news. It would offer a local news service and unique public affairs programs, with a journalist in Caraquet, supported by the CKLE-FM newsroom.
4. Radio Acadie also proposed to modify the station's current music format—Acadian, country and retro (1950s and 1960s)—to include musical selections from the 1970s to the 1990s.

¹ CKLE-FM is a French-language commercial radio station owned by Radio de la Baie Itée. Radio Acadie holds 100% of Radio de la Baie Itée.

5. The station would operate at 94.1 MHz (channel 231B) with an average effective radiated power (ERP) of 17,000 watts (maximum ERP of 28,000 watts with an effective height of antenna above average terrain of 65.7 metres).
6. Radio Acadie is a corporation controlled by its board of directors, in accordance with the provisions of a shareholders agreement.
7. The Commission received interventions in support of this application, as well as interventions in opposition from Radio Péninsule inc., licensee of the community radio station CKRO-FM Pokemouche, New Brunswick (Radio Péninsule), the Association des radios communautaires acadiennes du Nouveau-Brunswick (ARCANB) and the Alliance des radios communautaires du Canada (ARCC). The public record for the present application is available on the Commission's website at www.crtc.gc.ca or by using the application number provided above.

Interventions

8. In its intervention, Radio Péninsule stated that the programming proposed by Radio Acadie is similar to that already offered by CKRO-FM. It added that CKRO-FM already meets the needs of its audience and that a new station entering the market would reduce its advertising revenues.
9. The ARCC expressed the view that the proposed service would affect the viability of CKRO-FM, as well as the viability of another station that is being implemented by Radio Chaleur Inc. (Radio Chaleur) and that will serve Petit-Rocher, New Brunswick. The ARCC stated that approval of the present application would result in the saturation of the market. The ARCC also noted that the proposed service would broadcast programming from another station (CKLE-FM), the contours of which overlap with those of CJVA, and would therefore not bring diversity to the market.
10. The ARCANB stated that the proposed service would have a negative impact on CKRO-FM and would not add anything new to the market since CKRO-FM already offers the same type of programming. The intervener also noted the fragility of the market in the Acadian peninsula.

Issues

11. After examining the application in light of the interventions received and in light of applicable policies and regulations, the Commission considers that the issues it must address in this decision are the following:
 - analysis of the programming; and
 - impact of approval of the application on other stations in the market.

Analysis of the programming

12. Radio Acadie did not propose an over-and-above Canadian content development (CCD) contribution. Assuming that the applicant's annual revenues for the proposed station are less than \$1.25 million, pursuant to section 15 of the *Radio Regulations, 1986* (the Regulations), the applicant would not be required to make basic annual contributions to CCD.
13. The applicant currently offers the only French-language commercial service in the market and would continue to offer the same service on the FM band.
14. Radio Acadie stated that the new FM service would offer more local programming (81 hours) than is currently offered by CJVA on the AM band (54 hours). Although a portion of the programming would be wrap-around programming from CKLE-FM, the Commission remains of the view that the community of Caraquet could benefit from the supplementary local programming offered by the new FM service.

Commission's decision

15. The Commission notes that all of the interveners compared the proposed service to the service offered by the community radio station CKRO-FM. However, Broadcasting Regulatory Policy 2010-499 sets out an expectation to the effect that community-based radio stations provide programming differing in style and substance from that provided by other elements of the broadcasting system, in particular, by commercial radio stations. For example, such programming should consist of music, especially Canadian music, not generally heard on commercial stations, in-depth spoken word programs, and programs targeting specific community groups. Since the nature of the service offered by the proposed station would differ from that of CKRO-FM, their programming should not be identical, and each of the stations would be subject to its respective regulations.

Impact on other stations in the market

16. The Commission recognizes that approval of the present application could reduce CKRO-FM's revenues. However, certain factors would mitigate the potential impact on that station:
 - CJVA is already operating as a commercial AM station in the Caraquet market. According to the applicant's projections, the additional revenue that CJVA-FM would generate in the Caraquet market, if the application is approved, is modest.
 - A large proportion of CKRO-FM's revenue comes from non-commercial sources.
17. Accordingly, the Commission is of the view that approval of the application would not have an undue financial impact on CKRO-FM.

18. Further, the Commission notes that the application would not lead to the introduction of a new service in the market since Radio Acadie's application is for a conversion to the FM band, and not to operate a new station. The impact of approving this application would therefore be much less than the interveners fear.
19. In regard to the service mentioned by the ARCC that was to be launched by Radio Chaleur in Petit-Rocher, there is still a licence, or licence application, for this service. Moreover, the community of Petit-Rocher is located more than one hour's drive from Caraquet, which would further minimize the impact of the Radio Acadie service on this potential station.

Conclusion

20. In light of all of the above, the Commission **approves** the application by Radio Acadie ltée for a broadcasting licence to operate a French-language commercial FM radio programming undertaking in Caraquet, New Brunswick, to replace the AM station CJAV Caraquet. Since the broadcasting licence for CJVA was renewed from 1 September 2013 to 31 August 2018 in Broadcasting Decision 2013-439, the Commission has granted CJVA-FM a licence term that coincides with the term granted in that decision, until 31 August 2018. The terms and **conditions of licence** are set out in the appendix to this decision.

Simulcast period and revocation of AM licence

21. As set out in the appendix to this decision, Radio Acadie is authorized to simulcast the programming of the new FM station on CJVA for a transition period of three months following the commencement of operations of the FM station. In accordance with sections 9(1)(e) and 24(1) of the *Broadcasting Act* and at the licensee's request, the Commission **revokes** the broadcasting licence for CJVA Caraquet at the end of the simulcast period.

Secretary General

Related documents

- *CJVA Caraquet – Licence renewal*, Broadcasting Decision CRTC 2013-439, 26 August 2013
- *Campus and community radio policy*, Broadcasting Regulatory Policy CRTC 2010-499, 22 July 2010

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

Appendix to Broadcasting Decision CRTC 2015-41

Terms, conditions of licence and encouragement for the French-language commercial FM radio programming undertaking in Caraquet, New Brunswick

Terms

The licence will expire 31 August 2018.

The station will operate at 94.1 MHz (canal 231B) with an average effective radiated power (ERP) of 17,000 watts (maximum ERP of 28,000 watts with an effective height of antenna above average terrain of 65.7 metres).

The Commission reminds the licensee that pursuant to subsection 22(1) of the *Broadcasting Act*, no licence may be issued until the Department of Industry notifies the Commission that its technical requirements have been met and that a broadcasting certificate will be issued.

Furthermore, the Commission will only issue a licence for this undertaking 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 **13 February 2017**. 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 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.
2. The licensee is authorized to simulcast the programming of the new FM station on CJVA Caraquet for a transition period of three months following the commencement of operations of the FM station.

Encouragement

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.