



Broadcasting Decision CRTC 2017-393

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Reference: Part 1 application posted on 8 March 2017

Ottawa, 1 November 2017

8384860 Canada Inc.
Vancouver, British Columbia

Public record for this application: 2017-0158-2

CHLG-FM Vancouver – Licence amendment

*The Commission **denies** the application by 8384860 Canada Inc. to amend the broadcasting licence for the English-language commercial radio station CHLG-FM Vancouver by removing a condition of licence relating to the broadcast of special interest music.*

Application

1. 8384860 Canada Inc., a subsidiary of Newcap Inc. (Newcap), filed an application to amend the broadcasting licence for the English-language commercial radio station CHLG-FM Vancouver in order to remove the condition of licence requiring it to devote at least 15% of its musical selections in each broadcast week to selections drawn from content category 3 (Special Interest Music). The Commission did not receive any interventions regarding this application.
2. In support of its application, the applicant argued that the amendment was necessary for the financial viability of the station. Specifically, it argued that the audience for special interest music was very limited and that this had alienated listeners and impacted CHLG-FM's market share and revenue. It stated that the station had operated at a significant loss since launching in 2009 and was expected to continue to do so for the foreseeable future. According to the applicant, offering a more targeted and consistent music format would provide opportunities for increased market share and revenue generation. Finally, it indicated that CHLG-FM would no longer broadcast special interest music if the application were approved.

Commission's analysis and decision

3. After examining the public record for this application in light of applicable regulations and policies, the Commission considers that the issue it must address is whether the licensee has demonstrated a compelling economic need justifying the proposed amendment.

4. From 2012 to 2016, revenues for CHLG-FM increased at a compound annual growth rate significantly higher than that reported by commercial stations in the Vancouver market over the same period. Moreover, Newcap is a well-established radio operator capable of ensuring the continued financial viability of the station, and since it acquired the station in 2014 and subsequently changed its format,¹ profit before interest and taxes for the undertaking has been positive.
5. Accordingly, the Commission finds that the applicant has not demonstrated a compelling economic need for the amendment. Moreover, the applicant has not put forward any other compelling factors to justify why the application should be approved.
6. In light of all of the above, the Commission **denies** the application by 8384860 Canada Inc. to amend the broadcasting licence for the English-language commercial radio programming undertaking CHLG-FM Vancouver in order to remove the condition of licence requiring it to devote at least 15% of its musical selections to content category 3 (Special Interest Music) in each broadcast week.

Secretary General

¹ See *Change in the effective control of certain licensed broadcasting subsidiaries of Bell Media Inc.*, Broadcasting Decision CRTC 2014-129, 19 March 2014.