



## Broadcasting Decision CRTC 2018-455

PDF version

References: 2018-260 and 2018-260-1

Ottawa, 6 December 2018

*Public record: 1011-NOC2018-0260*

### **Findings regarding market capacity and the appropriateness of issuing a call for radio applications to serve the Regional County Municipality of Portneuf**

*The Commission finds that the market of the Regional County Municipality of Portneuf, Quebec, could sustain one radio station at this time. Given that no parties other than Michel Lambert, on behalf of a corporation to be incorporated (OBCI) expressed an interest in serving this market, the Commission considers that it is not necessary to publish a call for applications.*

*Accordingly, the Commission will publish the application filed by Michel Lambert, OBCI, for a broadcasting licence to operate a new commercial FM radio station in this market as part of the non-appearing phase of an upcoming public hearing.*

#### **Introduction**

1. In Broadcasting Notice of Consultation 2018-260, the Commission announced that it had received an application by Michel Lambert, on behalf of a corporation to be incorporated (OBCI), for a broadcasting licence to operate a commercial radio station to serve the Regional County Municipality (RCM) of Portneuf, Quebec.
2. The Portneuf RCM is located west of the city of Québec and north of the Lotbinière RCM. Its population is spread out, with the slight majority of residents located in the cities of Portneuf, Pont-Rouge, Donnacona and Saint-Raymond.
3. In accordance with Broadcasting Regulatory Policy 2014-554 (the Policy), the Commission called for comments on the capacity of the Portneuf RCM market to support a new station and the appropriateness of issuing a call for applications for new stations in this market. The Policy states that the Commission weighs various factors, such as market capacity, spectrum availability or scarcity, and interest in serving the market when deciding whether to:
  - publish the application for consideration as part of the non-appearing phase of a public hearing;
  - issue a call for applications; or

- make a determination that the market cannot sustain additional stations, return the application and issue a decision setting out this determination.

## **Interventions and replies**

4. The Commission received one joint intervention providing general comments from radio station operators based in the city of Québec and supporting interventions from regional organizations.

## **Interventions**

5. Bell Media Inc., Cogeco Media Inc., Leclerc Communication inc., Media ClassiQ Inc. and RNC MEDIA Inc. (the Québec operators), which operate eight stations<sup>1</sup> in the Québec market, stated that the Portneuf RCM is served by CHXX-FM Donnacona and its transmitter CHXX-FM-1 Sainte-Croix-de-Lotbinière, Québec. They also mentioned the financial difficulties that the station has experienced since it was first licensed in 1995 (then CKNU-FM and CKNU-FM-1), difficulties that were not resolved by a new licensee or licence amendments. Also, the Québec operators were of the view that shortly after obtaining a licence, the licensee operating a single station in the Portneuf RCM would look to amend its service to include the Québec market in its coverage area to remain profitable.
6. The mayor of Ville de Donnacona and the Portneuf RCM stated that the region has the economic capacity to sustain this project. They stated that the Portneuf RCM has not had an active radio station since CKNU-FM relocated outside of the Portneuf RCM in 2005.
7. The Centre local de développement (CLD) de Lotbinière and the Lotbinière RCM also believe that the economy of Lotbinière, coupled with that of Portneuf, can easily sustain the station.
8. The mayor of Donnacona, the Portneuf and Lotbinière RCMs, as well as the CLD de Lotbinière are of the view that it is not necessary to issue a call for applications, since they believe it is clearly a project that will offer the first commercial service in the Portneuf market.

## **Replies**

9. In their reply, the Québec operators reiterated that the project described in the application does not meet the criteria for an exception to the issuance of a call for applications. They reiterated that it is unlikely that the station would be profitable, considering that the only other local radio station in the market, CHXX-FM, has not been capable of being profitable while complying with its original local restrictions.

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<sup>1</sup> The interveners did not include CHXX-FM Donnacona in the Québec market for the purposes of this proceeding.

10. For its part, the applicant replied that businesses in the proposed licensed area would be capable of generating the expected advertising revenues. According to the applicant, the station's modest business plan is based on the capacity of the proposed coverage area, including Portneuf, Lotbinière and neighbouring RCMs, and the frequency proposed in the application does not allow for amendments to the technical parameters such that the station could sufficiently cover the Québec market.

### **Commission's analysis**

11. According to the information on the public record, the economic and demographic indicators for the Portneuf RCM are largely positive and even superior to those for the province of Quebec. According to the Statistics Canada 2016 Census, between 2011 and 2016, the population of the Portneuf RCM grew by 7.4%, which is greater than the province's population growth of 3.3%. When compared with markets of similar size, the Portneuf market could accommodate its own station.
12. A new station would be the first service dedicated to the Portneuf market, aside from the 14 hours of dedicated local programming on CHXX-FM.
13. The Commission is of the view that the frequency spectrum allows for an additional radio service and considers that approval of the application would not affect the availability of frequencies in the Québec market. Further, no parties other than Michel Lambert, OBCI expressed an interest in serving this market.

### **Conclusion**

14. In light of all of the above, the Commission considers that the RCM of Portneuf could sustain a radio station.
15. Given that no other parties expressed interest in serving this market, the Commission will publish the application filed by Michel Lambert, OBCI as part of the non-appearing phase of an upcoming public hearing.

Secretary general

### **Related documents**

- *Call for comments on market capacity and the appropriateness of issuing a call for radio applications to serve the Regional County Municipality of Portneuf, Quebec*, Broadcasting Notice of Consultation CRTC 2018-260, 1 August 2018
- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014