



## Broadcasting Decision CRTC 2020-114

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Reference: 2019-358-1

Ottawa, 3 April 2020

**Leclerc Communication inc.**  
Montréal, Quebec

*Public record for this application: 2019-0952-4*

*Public hearing in Montréal, Quebec*

*12 February 2020*

### **CJPX-FM Montréal – Acquisition of assets and licence amendment**

*The Commission **approves, subject to certain modifications**, an application by Leclerc Communication inc. for authority to acquire from Média ClassiQ inc. the assets of the French-language commercial specialty radio station CJPX-FM Montréal, and for a new broadcasting licence to continue the operation of this station.*

*The rationale underlying this decision and the resulting approvals will be published at a later date.*

#### **Application**

1. Leclerc Communication inc. (Leclerc) filed an application for authority to acquire from Média ClassiQ inc. (Média ClassiQ) the assets of the French-language commercial specialty (Classical Music) radio station CJPX-FM Montréal, Quebec, and for a new broadcasting licence to continue the operation of this station.
2. Leclerc also filed an application to amend CJPX-FM's conditions of licence to change the station's specialty format to a mainstream music format (Adult Album Alternative – Triple A and Adult Contemporary). In addition, Leclerc committed to devote more than 25% of the station's French-language vocal music (FVM) musical selection rotations to emerging French-language artists.
3. Jacques Leclerc holds 99.7% of the voting rights for Leclerc and exercises the effective control of the broadcasting undertakings.
4. Média ClassiQ is wholly owned by Groupe Radio Greg inc. Média ClassiQ is controlled by Gregory Charles.

#### **Public interest and impacts on the broadcasting system**

5. The Commission finds that the acquisition of the assets of the French-language commercial specialty radio station CJPX-FM will have a positive impact on the station's

sustainability and will serve the public interest. Accordingly, the Commission **approves** the application, with the modifications set out below.

6. In the Commission's view, that the decision is in the public interest and relies on the existing regulatory policy. As such, during its examination of this application, the Commission specifically analysed the possible impacts on the Canadian broadcasting system and the proposed benefits stemming from the acquisition in regard to the Canadian broadcasting system. Accordingly, the rationale underlying this decision will be further described as part of the publication of a reasoned decision which will be published at a later date.
7. The Commission **approves** the application by Leclerc for authority to acquire from Média ClassiQ the assets of the French-language commercial specialty radio programming undertaking CJPX-FM.
8. The Commission also **approves** the application by Leclerc to delete CJPX-FM's conditions of licence relating to the specialty format to allow the station to operate under a commercial mainstream format (Adult Album Alternative – Triple A and Adult Contemporary).
9. The Commission sets the value of the transaction at \$4,889,163.
10. The Commission notes the agreement reached between Leclerc and Média ClassiQ regarding the tangible benefits relating to the acquisition of CJSQ-FM Québec and CJPX-FM Montréal by Média ClassiQ in 2015, whereby Média ClassiQ will assume payment of the remaining \$120,607 pertaining to CJSQ-FM Québec, and that Leclerc will assume payment of the remaining amount of \$219,514 pertaining to CJPX-FM Montréal, to be allocated as follows in equal annual payments over three consecutive broadcast years:
  - 3% (\$109,755) to Fonds Radiostar;
  - 1.5% (\$54,879) to MUSICACTION;
  - 1% (\$36,585) to eligible Canadian content development (CCD) initiatives; and
  - 0.5% (\$18,294) to the Community Radio Fund of Canada (CRFC).
11. The Commission requires Leclerc to pay tangible benefits amounting to \$293,350, which represents 6% of the value of the transaction value, to be allocated as follows in equal payments over seven consecutive broadcast years:
  - 3% (\$146,675) to Fonds Radiostar;
  - 1.5% (\$73,337) to MUSICACTION;
  - 1% (\$48,892) to eligible CCD initiatives; and
  - 0.5% (\$24,446) to the CRFC.

12. The Commission expects that all tangible benefits stemming from *CJPX-FM Montréal and CJSQ-FM Québec – Acquisition of assets and licence amendments*, Broadcasting Decision CRTC 2015-400, 26 August 2015, be paid as planned by the end of the 2021-2022 broadcast year.
13. To follow up on an intervention from the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ), the Commission notes Leclerc's commitment to file an annual report to ADISQ to prove that CJPX-FM effectively serves programming diversity in the Montreal market and that Leclerc respects its commitment to devote, in each broadcast week, 25% of the FVM musical selections broadcast to emerging artists.
14. The other issues put forward by the other interveners will be set out in a reasoned decision to be published at a later date.
15. Furthermore, the Commission **denies** the request by Leclerc for a new seven-year broadcasting licence. The Commission considers it appropriate to grant a two-year licence term and to establish the same expiry date for the licences for CJPX-FM Montréal and CJEC-FM Québec, specifically 31 August 2022, the current licence expiry date for CJEC-FM, since Leclerc indicated in its application that the two stations will share programming. In these circumstances, the Commission is of the view that it is preferable to review the performance and compliance of both stations at the same time.

## Conclusion

16. In light of all the above, the Commission **approves, subject to certain modifications**, the application by Leclerc Communication inc. for authority to acquire from Média ClassiQ inc. the assets of the French-language commercial specialty radio programming undertaking CJPX-FM Montréal, Quebec.
17. The Commission also **approves** the application by Leclerc to delete CJPX-FM's conditions of licence relating to the specialty format to allow the station to operate under a commercial mainstream format.
18. Leclerc commits to devote, in each broadcast year, 25% of the FVM musical selections broadcast to emerging artists and to file an annual report to ADISQ.
19. Leclerc must advise the Commission of the close of the transaction. Upon surrender of the current licences issued to Média ClassiQ, the Commission will issue a new broadcasting licence to Leclerc which will expire 31 August 2022. The terms and **conditions of licence** for this station are set out in the appendix to this decision.
20. The rationale underlying this decision and the resulting approvals will be published at a later date.

Secretary General

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

## **Appendix to Broadcasting Decision CRTC 2020-114**

### **Terms, conditions of licence, expectations and encouragement for the French-language radio programming undertaking CJPX-FM Montréal, Quebec**

#### **Terms**

The licence will expire on 31 August 2022.

#### **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 may use two subsidiary communications multiplex operations (SCMO) system channels to broadcast a radio service primarily in Punjabi, Hindi, Urdu, Bengali, Tamil and Sinhalese languages on the first channel and a service primarily in Portuguese language with programs from Radio Club Montréal (94%) and other sources (6%) on the second channel.

#### **Expectations**

The Commission expects the licensee to fulfill its commitment to devote 25% of the French-language vocal music selection broadcast by CJPX-FM Montréal to emerging French-language artists.

The Commission expects the licensee to fulfill its commitment to file an annual report with the Association Québécoise de l'industrie du disque, du spectacle et de la vidéo indicating its contribution to the station's diversity in the Montréal market and particularly to the broadcast of music from emerging artists.

Pursuant to the equity purchase agreement with Média ClassiQ, the Commission expects the licensee to pay, by the end of the 2021-2022 broadcast year, outstanding tangible benefits commitments of \$219,514 pertaining to CJPX-FM Montreal stemming from the 2015 transaction as set out in *CJPX-FM Montréal and CJSQ-FM Québec – Acquisition of assets and licence amendments*, Broadcasting Decision CRTC 2015-400, 26 August 2015.

The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.

#### **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.