



## Broadcasting Decision CRTC 2022-75

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Reference: 2021-337

Ottawa, 24 March 2022

### **Cogeco Media Inc.**

Saguenay (Chicoutimi), Quebec

*Public record for this application: 2021-0295-3*

*Public hearing in the National Capital Region*

*6 December 2021*

### **CILM-FM Saguenay (Chicoutimi) – Acquisition of assets**

The Commission **approves** an application filed by Cogeco Media Inc. for authority to acquire from Arsenal Media Inc. the assets of the French-language commercial radio station CILM-FM Saguenay (Chicoutimi), Quebec.

#### **Application**

1. Cogeco Media Inc. (Cogeco) filed an application for authority to acquire from Arsenal Media Inc.<sup>1</sup> (Arsenal) the assets of the French-language commercial radio station CILM-FM Saguenay (Chicoutimi), Quebec. Cogeco also requested a new broadcasting licence to continue the operation of the station under the same terms and conditions as those in effect under the current licence.
2. Cogeco is a wholly owned subsidiary of Cogeco Media Acquisitions Inc. which, in turn, is a wholly owned subsidiary of Cogeco Inc. which is controlled by Gestion Audem Inc. The effective control of Gestion Audem Inc. is exercised by its Board of Directors.
3. Cogeco is a corporation eligible to hold a broadcasting licence in accordance with the *Direction to the CRTC (Ineligibility of non-Canadians)*.
4. Arsenal is owned by Sylvain Chamberland through holding companies (50.75%) with a minority interest from Fondation CSN (49.25%).
5. Arsenal indicated that it wanted to divest itself of the station because competition in the Saguenay market and declining revenues from commercial radio stations would make it difficult to make the station profitable, despite significant cost rationalization, including a substantial reduction in the station's staff.

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<sup>1</sup> At the time of filing, Arsenal Media Inc. operated under the name 10679313 Canada Inc.

6. For its part, Cogeco stated it wants to consolidate its presence in the Saguenay region with the addition of a music station that would complement the radio offering of its news/talk station CKYK-FM Saguenay. This would allow it to reach a wider audience, while benefiting from the synergies of operating two stations.
7. The purchase price for the assets of the station is \$600,000. Cogeco is proposing a value of the transaction of \$814,929 and is committing to pay a tangible benefits package of \$48,896, which represents 6% of the proposed value of the transaction.
8. The Commission received a joint intervention in support of the present application as well as an intervention in comments from the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ).

### **Regulatory framework**

9. The review of ownership transactions is an essential element of the Commission's regulatory and supervisory mandate under the *Broadcasting Act* (the Act). Since the Commission does not solicit competitive applications for changes in effective control of broadcasting undertakings, the onus is on the applicant to demonstrate that approval is in the public interest, that the benefits of the transaction are commensurate with the size and nature of the transaction and that the application represents the best possible proposal under the circumstances.
10. The Commission must consider each application on its merits, based on the circumstances specific to the application. In addition, pursuant to subsection 5(1) and paragraph 5(2)(b) of the Act, the Commission regulates and supervises all aspects of the Canadian broadcasting system in the public interest, in a flexible manner that takes into account regional needs and concerns. The public interest is reflected in the many objectives of the Act and of Canadian broadcasting policy set out in subsection 3(1) of the Act.

### **Issues**

11. After examining the record for this application in light of applicable regulations and policies, the Commission considers that the issues it must address are the following:
  - the public interest of the proposed transaction;
  - the Common Ownership Policy;
  - the value of the transaction;
  - the tangible benefits package;
  - the payment of the tangible benefits package from a previous transaction;
  - the French-language vocal music and emerging artists; and
  - the terms and conditions of licence.

## **Public interest of the proposed transaction**

12. To determine whether a proposed transaction is in the public interest, the Commission takes into account a wide set of factors set out in the Act, including the nature of programming and service to the communities involved as well as regional, social, cultural, economic and financial considerations. The Commission must be persuaded that the proposed transaction benefits Canadians and the broadcasting system.

## **Cogeco's position**

13. According to Cogeco, the acquisition of the station by a major Quebec broadcaster should strengthen CILM-FM's financial position and enable it to benefit from greater synergies. The two stations (CILM-FM and CKYK-FM Saguenay) would share the same premises in Saguenay and the same local advertising sales team. In this regard, Cogeco indicated that CILM-FM has only one sales representative, while CKYK-FM has five. Cogeco also noted that the management of administrative services and promotion would be consolidated. Thus, Cogeco is of the view that it will be able to make its investment profitable by implementing the Rythme FM (adult contemporary)<sup>2</sup> music format in Saguenay, which would be complementary to its CKYK-FM Saguenay station, which is predominantly talk radio. Cogeco stated it has already had success with this combination of music and talk stations in the Trois-Rivières and Sherbrooke markets.
14. Cogeco also noted that the adoption of the Rythme FM format in the Saguenay market should enable the station to significantly improve its audience share, which should translate into an increase in the station's advertising rates. This anticipated increase in audience share would come from Cogeco's promotional efforts and its association with the many cultural players in the Saguenay region, which should allow CILM-FM to establish itself firmly in the community.
15. In addition, despite the joint operation of CILM-FM Saguenay and CKYK-FM Saguenay, Cogeco stated the transaction would not affect the number of broadcasters in the Saguenay market, which would continue to be served by three separate private broadcasters: Arsenal (CKGS-FM La Baie), Bell Media Inc. (Bell) (CJAB-FM Saguenay – NRJ and CFIX-FM Saguenay – Rouge FM) and Cogeco. As such, the diversity of voices would not be affected.
16. Moreover, Cogeco stated that the transaction would allow CILM-FM to offer varied, quality programming that would make greater use of local resources, offer attractive employment opportunities, respond to the interests of market listeners, and showcase entertaining content using Canadian artists, all in accordance with several of the objectives of the Act.

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<sup>2</sup> CILM-FM is currently broadcasting Arsenal's O (Pop Rock) format.

17. Cogeco stressed that the station has been in a precarious financial situation for over 20 years. Arsenal has managed to stabilize the station's financial situation, but by implementing significant cuts. Indeed, Cogeco explained that CILM-FM's staff has been reduced to a minimum, resulting in certain impacts on programming, including:
  - local programming is produced by a single host;
  - the station has no journalists to cover local news; and
  - all newscasts on CILM-FM come from the Arsenal newsroom in Montréal.
18. According to Cogeco, adopting the Rythme FM format in Saguenay would make it possible to offer the population the best programs of the Rythme FM network hosted by well-known personalities enjoyed by the public. In addition, Cogeco would offer local programming led by a team of four hosts. Cogeco also stated it would add a reporter in Saguenay to the staff of the Cogeco Nouvelles agency to broadcast local news.
19. Finally, Cogeco stated that the newscasts aired would be tailored to the interests of the station's target group (women 25–54), while the news broadcast on its other station serving the Saguenay market, CKYK-FM, is aimed more at a male audience. Cogeco also indicated that it would place greater emphasis on Saguenay cultural news, as do the other stations in the Rythme FM network. In addition, it stated that CILM-FM would be able to provide continuous monitoring and that, during major events in the Saguenay market, the station would offer local coverage, which would allow it to inform Saguenay listeners adequately.

#### **Interventions and reply**

20. The Commission received a joint intervention in support of the application. According to the interveners, CILM-FM has been experiencing financial difficulties for several years, no doubt exacerbated by the pandemic of recent years. The interveners are reassured by Cogeco's motivation to give this station a second life. They say they are confident that Cogeco's plans to revitalize the station will benefit the Saguenay region, its citizens, business people and artists, as well as the Quebec radio system. They also stated that by joining the Rythme FM network, CILM-FM will certainly be able to offer visibility throughout Quebec to cultural and musical events in Saguenay.
21. The Commission also received an intervention commenting on the present application from ADISQ. ADISQ noted that Cogeco's contribution is important because the station has been in financial difficulty for years and must compete with two Bell-owned music stations. However, it maintains that the transaction raises questions about common ownership and diversity of voices. It also makes recommendations on the programming obligations of CILM-FM and on the value of the tangible benefits package that should be imposed on Cogeco.

22. In its reply to the ADISQ intervention, Cogeco responded to the various issues raised. These issues will be discussed in more detail in the following sections.

### **Commission's analysis and decision**

23. Cogeco submitted that it will be able to make the station profitable in its fourth year of operation, while greatly increasing its expenses. Cogeco's strategy should ensure the sustainability of a station that has been facing financial difficulties for many years, thus contributing to maintaining a service for the residents of Saguenay. In addition, the quality of CILM-FM's programming should improve as a result of Cogeco's expected investments.
24. Approval of the transaction would have a limited impact on the diversity of voices as diversity in terms of station ownership would be little affected, as the Saguenay market continues to be served by three private broadcasters (Arsenal, Bell and Cogeco), the CBC stations CBJ (ICI Radio-Canada Première) and CBJX-FM (ICI Musique) as well as the community radio station CKAJ-FM, operated by La Radio communautaire du Saguenay.
25. In addition, Cogeco plans to add a journalist to the staff of Agence Cogeco Nouvelles in Saguenay, which would make it possible to provide local news bulletins, unlike Arsenal, which did not broadcast them due to budget constraints. Furthermore, the news broadcast on CKYK-FM and CILM-FM should be different since Cogeco claims that local newscasts on CILM-FM would be tailored to the interests of the station's target group (women 25–54), while news broadcast on CKYK-FM is targeted more to a male audience.
26. Finally, the diversity of musical programming present in the Saguenay market should be maintained since the O musical format (Pop Rock) will be replaced by the Rythme FM format (adult contemporary), which is not currently present in the market.
27. In light of the above, the Commission considers that Cogeco is demonstrating a willingness to invest the financial and human resources necessary to turn around the station and to offer local programming, including news of interest and relevance to listeners in the city of Saguenay. Accordingly, the Commission concludes that the transaction would be in the public interest.

### **Common Ownership Policy**

28. Broadcasting Information Bulletin 2010-341 (the Bulletin) sets out guidelines for the application of the Common Ownership Policy for Radio<sup>3</sup> which apply, among other things, to applications that have a negligible impact on the diversity of voices or the competitive balance of a market.

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<sup>3</sup> See Public Notice 1998-41 and Broadcasting Public Notices 2006-158 and 2008-4.

29. The Bulletin specifies that the Common Ownership Policy for radio has two objectives:
- i. Ensure a plurality of ownership within the private commercial element of radio broadcasting and that Canadians thus have access to a variety of editorial voices within the radio component of the broadcasting system.
  - ii. Maintain a balance of competition between radio broadcasters in any particular market.
30. Pursuant to the policy, in a market with fewer than eight commercial radio stations operating in a particular language (as is the case for the Saguenay and Alma markets), a corporation may be permitted to own or control as many as three stations operating in that language, with a maximum of two stations in any one frequency band.
31. The Bulletin also states that in cases where adjacent markets are so close to each other as to create overlapping areas, a station will generally be excluded from the calculation of same-language stations operating in that market if the population of the overlapping area is less than 5% of the market in question. In cases where the overlapping area represents less than 15% but more than 5% of the market, the Commission considers the advertising for local businesses in that market by the station of interest and whether the direction of news and public affairs coverage will be affected by the transaction. Thereafter, if the Commission deems that the competitive balance of the market is maintained and the direction of news and public affairs coverage is not influenced, the Bulletin guidelines state that the application remains consistent with the Common Ownership Policy even if it appears to exceed the number of licensed stations.

#### **Intervention**

32. ADISQ noted that it does not have the data to judge whether or not the transaction violates the Common Ownership Policy and defers to the Commission's expertise on this issue. However, ADISQ noted that the transaction would have large-scale consequences in the Saguenay and Alma markets, where Cogeco, which is already well established, would increase its market share and consolidate its presence.
33. More specifically, ADISQ noted that the development of synergies and audience maximization by Cogeco will enable it to increase the attractiveness of its stations for advertisers, which could create an imbalance in the market. It noted that Cogeco, with the stations it owns in Alma and Saguenay, will become a player with significant local market power, which should be considered by the Commission.

#### **Reply from Cogeco**

34. In response to the intervention of ADISQ, Cogeco argued that CILM-FM Saguenay's local programming is not aimed at the Alma market and that CILM-FM Saguenay does not solicit and cannot solicit local advertising in the Alma market. Furthermore,

as the Alma market is already served by CKYK-FM Saguenay and CFGT-FM Alma (both owned by Cogeco), any solicitation of local advertising in the Alma market by CILM-FM would be to the detriment of its own stations.

#### **Commission's analysis and decision**

35. In accordance with the *Radio Regulations, 1986* (the Regulations), a market is defined, in the case of an FM station, by the smaller of its 3 mV/m footprint or the Numeris (formerly BBM) core area.
36. Cogeco currently owns CFGT-FM Alma, which covers Alma, and CKYK-FM Saguenay, which covers Saguenay as well as Alma. The acquisition of CILM-FM Saguenay by Cogeco would bring its ownership to two FM stations in Saguenay as well as a limited overlap with CFGT-FM Alma.
37. Thus, the overlap of the primary contour of CFGT-FM Alma (the adjacent market) creates an overlapping area between the primary contours of CKYK-FM, CFGT-FM and CILM-FM.<sup>4</sup>
38. With respect to the Saguenay market, considering that the population covered by the overlapping area represents less than 5% of the population covered by the respective primary contours of CKYK-FM and CILM-FM, CFGT-FM Alma should not be considered to serve the Saguenay market. The Commission therefore finds that the application is consistent with the Common Ownership Policy for the Saguenay market.
39. With respect to the Alma market, the area of overlap shown on the contour maps filed by Cogeco represents 13.6% of the population of CFGT-FM Alma's primary contours. The Commission must therefore consider, pursuant to the Bulletin, the advertising carried for local businesses in this market by the station in question and if the direction of news and public affairs coverage is likely to be influenced by the transaction.
40. Following a request for information, the Commission notes that CILM-FM does not broadcast any local news or public affairs programs for the Alma market. However, a portion of CILM-FM Saguenay's advertising revenue under Arsenal's management, although very small, came from Alma. Considering the population in the overlap area as well as the fact that CILM-FM has aired advertising in Alma, even to a negligible extent, CILM-FM Saguenay would be considered as a third FM presence broadcasting in French in the Alma market when owned by Cogeco.
41. In determining whether approval of the transaction can nonetheless be justified on economic or technical grounds, the Commission will consider the following factors:

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<sup>4</sup>The CKYK-FM Saguenay market, whose antenna is located in Saguenay, extends deeply into the Alma region, and the overlapping area created affects the markets of these two stations.

- Would approval of the application affect the competitive balance in the market?
- If there is a significant difference in the size of the markets served by the station, would the approval influence the direction of news and public affairs coverage?

If the answers to both questions above are negative, the transaction will be considered to be in compliance with the guidelines for the application of the Common Ownership Policy. In this situation, no further justification would be required, and no request for an exception would be necessary.

42. The Commission notes that only ADISQ intervened to present any risks regarding the balance of competition in the Alma market.
43. Cogeco stated that CILM-FM Saguenay's local programming will not target the Alma market and that CILM-FM Saguenay will not solicit local advertising in the Alma market. Furthermore, any solicitation of local advertising in that market would be to the detriment of its own stations.
44. The Commission also notes that no broadcaster intervened to raise any concerns regarding the balance of competition in the Alma market.
45. Finally, the Commission considers that CILM-FM Saguenay does not currently broadcast news and public affairs reports. For these reasons, the Commission concludes that approval of the application would not affect the balance of competition in the Alma market nor the orientation of CILM-FM Saguenay's news and public affairs coverage.
46. Since the acquisition of CILM-FM Saguenay by Cogeco would not disrupt the competitive balance of the market or the direction of news and public affairs coverage, and considering that Alma is a significantly smaller market than Saguenay, the Commission considers that the present application is consistent with the Common Ownership Policy under the guidelines set out in the Bulletin.
47. The Commission reminds Cogeco that should it wish to solicit or accept requests to broadcast local advertising outside its authorized market, namely the Saguenay market, it must first obtain the approval of the Commission.

### **Value of the transaction**

48. As set out in Broadcasting Regulatory Policy 2014-459 (Tangible Benefits Policy), to calculate the value of tangible benefits, the Commission takes into account the value of the transaction as a whole, including the value of gross debt, working capital to be transferred at closing of the transaction, ancillary agreements and any leases assumed by the purchaser for real property (buildings, studios and offices) and transmission facilities. The value of leases is calculated over a period of five years.



49. Cogeco proposed a value of the transaction of \$814,929. This amount includes the purchase price of the assets (\$600,000) as well as a lease that is assumed by Cogeco, established over a five-year period (\$214,929).
50. The Commission notes that the value of the transaction as proposed by Cogeco is consistent with the Tangible Benefits Policy. Accordingly, the Commission determines the value of the transaction is \$814,929.

### **Tangible benefits package**

51. Pursuant to the Tangible Benefits Policy, the Commission considers it appropriate to require that tangible benefits be provided for changes to the effective control of all radio and television programming undertakings. Tangible benefits resulting from a change in ownership or control of commercial radio stations must generally represent at least 6% of the value of the transaction, to be allocated to the Radio Starmaker Fund or Fonds Radiostar (3%), FACTOR or Musicaction (1.5%), eligible Canadian content development (CCD) initiatives at the discretion of the purchaser (1%) and the Community Radio Fund of Canada (CRFC) (0.5%).
52. With respect to discretionary projects, Cogeco specified in the joint supplementary brief that it intends to support initiatives that have an impact on the local communities served by CILM-FM and that meet the Commission's eligibility criteria.
53. Cogeco proposed a tangible benefits package in the amount of \$48,896, which represents 6% of the proposed value of the transaction.
54. In its intervention, ADISQ stated that if the Commission were to grant Cogeco an exception to the Common Ownership Policy by allowing the acquisition of CILM-FM, this exception would give it a competitive advantage over its competitors and a larger place in the market, in addition to causing the loss of diversity of voices in the Saguenay market. In return, it suggested that the Commission set the payment of tangible benefits related to the transaction at 7% rather than 6% of the value of the transaction.
55. In its reply, Cogeco submitted that there is no justification for such a requirement, particularly since it is not seeking an exception to the Common Ownership Policy. Furthermore, it considered that the transaction has no impact on the diversity of voices in the Saguenay and Alma markets.
56. As noted above in the analysis of the impact of this transaction on the Saguenay and Alma markets, the Commission finds that this transaction is consistent with the Common Ownership Policy and that approval of the application would not result in an exception to that policy or a loss of diversity of voices. Accordingly, the Commission is of the view that the proposed package of tangible benefits representing 6% of the value of the transaction, together with the allocation to the specified recipients and payment over seven consecutive broadcast years, as proposed by Cogeco, is consistent with the Tangible Benefits Policy.

57. In light of the above, the Commission **requires** that Cogeco pay the sum of \$48,896 in tangible benefits, representing 6% of the proposed value of the transaction, to be paid in equal annual payments over seven consecutive broadcast years, and to submit acceptable proof of payment. Payments shall be distributed as follows:

- 3% (\$24,448) to Fonds Radiostar or Radio Starmaker Fund;
- 1.5% (\$12,224) to Musicaction or FACTOR;
- 1% (\$8,149) at the discretion of the purchaser, to any eligible CCD project;
- 0.5% (\$4,075) to the CRFC.

#### **Payment of the tangible benefits package from a previous transaction**

58. On 31 July 2018, the Commission administratively approved the change in ownership and effective control of Groupe Attraction Radio Inc.<sup>5</sup> (the 2018 transaction), which owned several French-language commercial FM radio stations in Quebec, including CILM-FM. The Commission then imposed tangible benefits totalling \$1,270,644 to be paid in equal annual payments over seven consecutive broadcast years.

59. Although CILM-FM would be transferred to Cogeco, Arsenal is committed to continuing to assume the tangible benefits resulting from the 2018 transaction, including the portion attributable to CILM-FM.

60. Accordingly, the Commission reminds Arsenal that it remains responsible for the payment of all tangible benefits arising from the 2018 transaction, including those related to the CILM-FM station, in accordance with the scheduled payment period.

#### **French-language vocal music and emerging artists**

61. In accordance with subsections 2.2(5) and 2.2(10) of the Regulations, a commercial radio licensee must devote at least 65% of its Content Category 2 vocal musical selections to French-language musical selections broadcast in their entirety during any given broadcast week. Of this percentage, at least 55% must be broadcast during prime time, Monday to Friday, between 6:00 a.m. and 6:00 p.m.

62. With respect to broadcasting musical selections by emerging artists, the Commission does not currently impose a requirement on broadcasters, except in exceptional cases since, as stated in Broadcasting Regulatory Policy 2011-316 (definition of emerging Canadian artists on commercial radio), it was of the view that Canadian radio

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<sup>5</sup>Following this transaction, Groupe Attraction Radio Inc. was merged and continued its operations under the name 10679313 Canada Inc. now known as Arsenal Media Inc.

stations already broadcast a reasonable number of these types of musical selections and that it was not necessary to impose a minimum regulatory threshold.

63. However, as part of its review of the regulatory framework for commercial radio,<sup>6</sup> the Commission is examining the place and support for French-language vocal music (FVM) and emerging artists.
64. ADISQ argued that independent radio stations, including those operated by Arsenal, give more prominence to FVM than the large ownership groups. On the other hand, ADISQ noted that large groups like Cogeco are more likely to present centralized programming from Montréal. The ADISQ specified that this programming is characterized by a redundancy of titles with a concentration on a few hits, which results in a lack of musical diversity.
65. ADISQ added that Cogeco's practice is to broadcast as little FVM as possible. In support of its view, ADISQ noted that the Commission's 2019 performance study of CHOA-FM Rouyn-Noranda, one of the Cogeco stations currently under application to be sold to Arsenal, shows that the licensee aired only 54.3% FVM during prime time (Monday to Friday, 6 a.m. to 6 p.m.), instead of the minimum 55% as required by the Regulations.
66. Finally, ADISQ stressed that the transaction would be detrimental to the diversity of programming offered in Saguenay, since listeners in this market would lose a station that currently offers local programming, which would be replaced by that of a large network based on centralized programming, characterized by a lack of diversity and low FVM broadcasting.
67. For these reasons, ADISQ requested that the Commission impose a condition of licence on CILM-FM requiring that the station devote 50% of the FVM it broadcast to new music or emerging artists.
68. In its reply, Cogeco noted that this request appears to be contrary to ADISQ's position that the competitive balance in the Saguenay market must be preserved. Furthermore, the addition of such a condition of licence would impose a constraint on CILM-FM that its competitors (public, private and community radio stations) are not subject to, in a context where the new licensee is embarking on a costly revival process aimed at increasing the station's market share and revenues in order to bring it back to profitability, which has been non-existent for many years.
69. As such, Cogeco considered it inappropriate to impose a specific condition of licence on the broadcast of new or emerging music on a single commercial radio station that is facing significant financial difficulties and operating in a particular market, while the Commission is currently assessing the regulatory framework for commercial radio that should apply to all broadcasters in the industry.

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<sup>6</sup>See Broadcasting Notice of Consultation 2020-374.

70. Since the place and support to be given to FVM and emerging artists by commercial radio stations is an integral part of the review of the regulatory framework for commercial radio currently underway, the Commission considers it preferable that ADISQ's proposal be analyzed as part of the review of the regulatory framework for commercial radio. Given that CILM-FM is currently subject to subsections 2.2(5) and 2.2(10) of the Regulations with respect to FVM broadcasting requirements and that there is no indication at this time that there is a problem with the station's compliance in this regard, the Commission considers that imposing a requirement for the broadcast of new or emerging artists' music to ensure the station's compliance with current FVM broadcasting requirements is not necessary under the circumstances.
71. Accordingly, the Commission concludes that it is not necessary to impose a condition of licence on CILM-FM requiring the station to devote 50% of the FVM it broadcast to new music or music by emerging artists.

### **Terms and conditions of licence**

72. When a new licence is issued, the Commission reviews the licensee's compliance with its regulatory obligations, in particular those relating to the filing of annual reports and CCD contributions. In the case of an asset acquisition, the compliance audit is conducted as part of the application review rather than at the time of licence renewal.
73. In the present case, based on the Commission's compliance audit for the 2018–2019 and 2019–2020 years, CILM-FM is found to be in apparent compliance toward its annual CCD base contributions and annual report filings for the 2018–2019 and 2019–2020 broadcast years. However, at the time of review of this acquisition application, the Commission did not have the information necessary to verify compliance with these two regulatory requirements for the 2020–2021 broadcast year. The Commission will therefore conduct a full compliance analysis of the licensee at the time of the next licence renewal.
74. In light of the above, the Commission will issue a new licence to Cogeco under the same terms and conditions as those in effect in the current licence.

### **Conclusion**

75. In light of all of the above, the Commission **approves** the application by Cogeco Media Inc. for authority to acquire from Arsenal Media Inc, the assets of the French-language commercial radio undertaking CILM-FM Saguenay (Chicoutimi), Quebec.
76. In addition, the Commission requires Cogeco to pay tangible benefits totalling \$48,896, paid over seven consecutive broadcast years, and to submit acceptable proof of payment.

77. Cogeco shall notify the Commission of the close of the transaction, and upon surrender of the licences currently held by Arsenal, the Commission will issue new broadcasting licences to Arsenal, which will expire on 31 August 2024.

### **Reminders**

78. Pursuant to section 22 of the Act, the broadcasting licences will cease to have any force or effect if the broadcasting certificate issued by the Department of Industry lapses.
79. The Commission reminds Arsenal that it remains responsible for paying the tangible benefits resulting from the 2018 transaction and that it must respect the scheduled payment period.
80. The Commission reminds Cogeco that should it wish to solicit or accept requests to broadcast local advertising outside its authorized market, namely the Saguenay market, it must first obtain the Commission's approval.

### **Employment equity**

81. Because this licensee is subject to the *Employment Equity Act* and files reports concerning employment equity with the Department of Employment and Social Development, its employment equity practices are not examined by the Commission.

Secretary General

### **Related documents**

- *Call for comments – Commercial radio policy framework review*, Broadcasting Notice of Consultation CRTC 2020-374, 12 November 2020
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *Definition of emerging Canadian artists on commercial radio*, Broadcasting Regulatory Policy CRTC 2011-316, 12 May 2011
- *Revised guidelines for the application of the Common Ownership Policy for Radio*, Broadcasting Information Bulletin CRTC 2010-341, 4 June 2010
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998

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

## **Appendix to Broadcasting Decision CRTC 2022-75**

### **Terms, conditions of licence and expectation for the French-language commercial radio programming undertaking CILM-FM Saguenay (Chicoutimi), Quebec**

#### **Terms**

The licence will expire on 31 August 2024.

#### **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, as well as to the conditions set out in the licence for the undertaking.

#### **Expectation**

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