



Broadcasting Decision CRTC 2023-16

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Reference: 2021-413

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Public record: 1011-NOC2021-0413

Findings regarding market capacity and the appropriateness of issuing a call for radio applications to serve Joliette

Summary

The Commission finds that the market of Joliette, Quebec, could sustain at least one additional radio station at this time. Given the scarcity of FM frequencies and the additional interest in serving the market, the Commission has issued a call for applications for a new radio station to serve the Joliette radio market in Broadcasting Notice of Consultation 2023-17, also published today.

Background

1. In Broadcasting Notice of Consultation 2021-413, the Commission announced that it had received an application by Arsenal Media Inc. (Arsenal) for a broadcasting licence to operate a French-language commercial FM radio station in Joliette, Quebec.
2. Joliette is currently served by one French-language commercial radio station operated by Arsenal, CJLM-FM.
3. In accordance with Broadcasting Regulatory Policy 2014-554 (the Policy), the Commission called for comments on the capacity of the Joliette market to support a new station and the appropriateness of issuing a call for applications for a new station in this market. The Policy states that, following the receipt of comments, 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 support additional stations, return the application and issue a decision setting out this determination.

Interventions and replies

4. The Commission received interventions and replies from the Coop de solidarité radio communautaire de la MRC de Maskinongé (Coop), Radio Nord-Joli inc. (Radio Nord-Joli), and Arsenal. The Commission also received three interventions in opposition from individuals.
5. Following a procedural request from Radio Nord-Joli, the Commission allowed a further comment from Radio Nord-Joli and one final reply from Arsenal.

Opposing interventions

6. The Coop argued that the approval of a new radio station in the Joliette market could jeopardize the financial security of CHHO-FM Louiseville, Quebec, its French-language community radio station.
7. The Coop stated that the commercial territories of several companies based in Joliette include part of the Regional County Municipality (RCM) of Maskinongé and these companies represent an important source of income for the Coop.
8. It further stated that a high-powered radio station, such as the one proposed, could serve both the Lanaudière region and the RCM of Maskinongé, and therefore would have a negative impact on CHHO-FM's revenues. The Coop added that the proposed station may also decide to solicit advertising in the RCM of Maskinongé, which would not be able to accommodate a new advertising player.
9. Radio Nord-Joli submitted that a new radio station will have no real impact on the abundant radio offerings in the region, but will erode advertising revenues available to incumbent stations. Specifically, it stated that the Joliette market does not have the financial capacity to support an additional commercial radio station and that an additional radio station would hinder the long-term viability of its French-language community radio station, CFNJ-FM Saint-Gabriel-de-Brandon, Quebec.
10. Finally, Radio Nord-Joli suggested that Arsenal optimize its technical resources by exploiting new musical programs using HD Radio technology or Internet streaming, which would also have the merit of not squandering one of the last local FM frequencies available and result in a better use of spectrum.
11. In their interventions, the three individuals stated that the use of the proposed frequency could cause interference with the Vermont Public Radio, a radio station based in the United States.

Supporting intervention

12. In its intervention, Arsenal noted that based on several demographic and economic indicators, the Joliette market can accommodate a second French-language commercial radio station insofar as it is operated jointly with the incumbent station so as to benefit from operational synergies and costs savings. It further noted that a

market like Joliette cannot ensure the viability of two commercial radio stations belonging to different owners in direct competition.

13. Arsenal indicated that the proposed model with two stations operated by the same incumbent in a small market is also successful in several other radio markets in Quebec.
14. Arsenal noted that the population of the Lanaudière region has increased from 2017 to 2021, and that, as per several analysts, the phenomenon of teleworking will contribute to the continuation of significant migratory movements to regions such as the Lanaudière region.
15. Finally, Arsenal opposed a call for applications. Arsenal stated that there is no frequency scarcity since there are still at least five frequencies available to serve the market, and that, as the sole commercial operator in the market, its application meets one of the exceptions to the Policy.

Coop's and Radio Nord-Joli's replies

16. In its reply, the Coop noted that the proposed effective radiated power (ERP) of 14,913 watts (maximum ERP of 25,000 watts) will allow Arsenal to access the Maskinongé region.
17. The Coop further noted that for potential profitability, repatriation of tuning from Montréal is required, and it is of the view that Arsenal does not have the capacity to do so. According to the Coop, the increased advertising placements for local merchants on the air will unbalance the already very limited advertising market.
18. Radio Nord-Joli noted Arsenal's contradicting view of the economic health of the Joliette market. Arsenal stated that any new commercial radio station in Joliette must be operated by an owner already operating in the market. However, according to Radio Nord-Joli, a healthy market should be able to support a station independent of the owner of the station.

Arsenal's reply

19. In its reply to Radio Nord-Joli's and the Coop's interventions, Arsenal indicated that CJLM-FM is the only radio station authorized to serve the city of Joliette. It stated that there is little or no overlap between the 3 mV/m contour of the proposed radio station and CHHO-FM's and CFNJ-FM's primary contours.
20. In reply to Radio Nord-Joli's intervention, Arsenal indicated that CJLM-FM is not in financial difficulty and since its acquisition, its financial situation keeps improving.

Procedural request

21. On 29 July 2022, the Commission received a procedural request from Radio Nord-Joli requesting that the present proceeding be reopened to allow existing interveners

additional time to file new interventions and replies in light of the Commission's determinations in Broadcasting Decision 2022-143.

22. Radio Nord-Joli submitted in its procedural request that the Commission's determinations in Broadcasting Decision 2022-143 were not available to parties at the time of their submissions. Radio Nord-Joli argued that if it had known about these determinations prior to the deadlines set out in Broadcasting Notice of Consultation 2021-413, it would have formulated its submissions differently in the proceeding.
23. On 21 September 2022, the Commission granted a supplementary period for further comments and final replies.

Radio Nord-Joli's further comments

24. Radio Nord-Joli submitted that the Commission should come to the conclusion that the Joliette market cannot support a new commercial radio station. It stated that a new commercial radio station would have major negative impacts (both on its current station and on its expansion project) as well as on other community radio stations in adjacent markets.
25. Radio Nord-Joli expressed interest in serving the Joliette market and stated that it would submit an application to the Commission.

Arsenal's final reply

26. Arsenal reiterated that its application meets the exception criteria set out in the Policy. Therefore, it is of the view that the Commission should not issue a call for applications.
27. Arsenal noted that it is the sole commercial operator in the Joliette radio market and its project aims to improve service in that market by operating a new radio station. It also reiterated that there are still at least five frequencies available to serve the market. Therefore, Arsenal does not propose to use any of the last known frequencies in the market.
28. Finally, Arsenal stated that the use of the proposed frequency in no way compromises the project of Radio Nord-Joli.

Commission's analysis

29. The economic outlook of the region is positive, mainly due to significant population growth, which is expected to continue over the coming decades. As Arsenal stated in its intervention, the population of the Lanaudière region has increased from 2017 to 2021, making the Lanaudière region the second biggest population growth centre within the province of Quebec.
30. While interveners expressed concerns about impacts on existing community radio stations, the Commission notes that the economic situation of Joliette is healthy, with

the lowest unemployment rate in decades and disposable income in the region on par with the provincial average. Furthermore, the Joliette radio market has significant out-of-market tuning due to its proximity to Montréal, indicating potential for a new station to draw listenership and repatriate out-of-market tuning. In addition, Arsenal indicated in its reply that CJLM-FM, the sole incumbent in the market, is not in financial difficulty and its financial situation keeps improving since its acquisition.

31. Other interveners also expressed concerns about the impact on their access to Vermont Public Radio, a radio station based in the United States. The Commission notes that there are agreements between the Government of Canada and the Government of the United States of America regarding the coordination of FM Broadcasting Services. In assessing technical acceptability, the Department of Industry takes into consideration the interference protection afforded to existing radio stations, including FM radio station in the United States. However, in general, the portion of American FM radio station coverage on the Canadian side of the border is not protected from interference.
32. In Broadcasting Notice of Consultation 2021-413, the Commission noted that the applicant proposed to use one of the last known frequencies in the market. The Commission recognizes that while there may be other frequencies available to serve the market, the Commission did not identify other frequencies that could provide similar or greater coverage when compared to what was proposed by the applicant. Therefore, the Commission finds that there is a frequency scarcity in the Joliette market.
33. In its further comments, Radio Nord-Joli expressed interest to serve the market. The Commission therefore finds that there is interest in serving the Joliette radio market.

Conclusion

34. In light of the above, the Commission finds that the market of Joliette could sustain at least one additional radio station at this time.
35. Given the FM frequency scarcity and the additional interest to serve the market, the Commission has issued a call for applications for a new radio station to serve the Joliette market in Broadcasting Notice of Consultation 2023-17, also published today.

Secretary General

Related documents

- *Call for applications – Radio station to serve Joliette, Quebec*, Broadcasting Notice of Consultation CRTC 2023-17, 23 January 2023
- *CFNJ-FM Saint-Gabriel-de-Brandon – Technical changes*, Broadcasting Decision CRTC 2022-143, 2 June 2022

- *Call for comments on market capacity and the appropriateness of issuing a call for radio applications to serve Joliette, Quebec*, Broadcasting Notice of Consultation CRTC 2021-413, 15 December 2021
- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014