



## Broadcasting Decision CRTC 2005-426

Ottawa, 19 August 2005

### **Radio Nord Communications inc.**

Val d'Or and Rouyn-Noranda, Quebec

*Application 2003-1473-2*

*Broadcasting Public Notice CRTC 2004-37*

*2 June 2004*

### **CHGO-FM Val d'Or and its transmitter CHGO-FM-1 Rouyn-Noranda – Licence renewal**

*The Commission renews the broadcasting licence for CHGO-FM Val d'Or and its transmitter CHGO-FM-1 Rouyn-Noranda, from 1 September 2005 to 31 August 2012. Details on the licensee's proposals for the new licence term and other requirements imposed by the Commission are addressed below.*

#### **The application**

1. The Commission received an application by Radio Nord Communications inc. (Radio Nord) to renew the broadcasting licence for the commercial radio programming undertaking CHGO-FM Val d'Or and its transmitter CHGO-FM-1 Rouyn-Noranda, which expires 31 August 2005.<sup>1</sup>
2. In its renewal application, Radio Nord proposed to delete its commitment with respect to spoken word programming, or to reduce the level of spoken word programming broadcast from 20% to 12%. The licensee also proposed to delete its commitment not to broadcast programming aimed at the 18 to 34 age group, and to change CHGO-FM's commitment to Canadian talent development to a \$400 annual contribution to MusicAction.
3. Radio Nord also proposed to delete the following condition of licence:

It is a condition of licence that programming other than local programming originate exclusively from the Radio Nord inc. and Radiomédia inc. (Radiomédia) networks.

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<sup>1</sup> The Commission notes that the broadcasting licence for CHGO-FM Val d'Or and its transmitter CHGO-FM-1 Rouyn-Noranda was renewed administratively in *Administrative renewals*, Broadcasting Decisions CRTC 2004-365, 23 August 2004 (1 September 2004 to 28 February 2005), CRTC 2005-59, 14 February 2005 (1 March 2005 to 30 June 2005) and CRTC 2005-228, 1 June 2005 (1 July 2005 to 31 August 2005).

#### **Decrease in spoken word programming**

4. In its licence renewal application, Radio Nord proposed to delete its commitment concerning spoken word programming broadcast by CHGO-FM Val d'Or and by its transmitter CHGO-FM-1 Rouyn-Noranda. However, if the Commission decided to retain this commitment, Radio Nord proposed reducing the level of spoken word programming from 20% to 12%.
5. In support of its proposal, Radio Nord explained that CHGO-FM was originally CKVD, an AM station that, for years, was an affiliate of Radiomédia, which at the time broadcast Expos baseball games and Montréal Canadiens hockey games as well as 12-minute national and international newscasts three times a day. Radio Nord pointed out that CHGO-FM is now a rock music station, with less spoken word programming, similar to other commercial stations with a rock music format. According to the licensee, producing 25.2 hours of spoken word programming each week, i.e., 3.6 hours a day, requires considerable effort and resources for a small regional station that does not have the synergies of other stations. Furthermore, Radio Nord noted that, in 1993, the Commission issued a proposed amendment to the *Radio Regulations, 1986* that would delete the requirement for a minimum level of spoken word programming for commercial FM radio stations.

#### **Programming aimed at the 18 to 34 age group**

6. Radio Nord also proposed to delete its commitment not to broadcast programming aimed at the 18 to 34 age group. Radio Nord explained that this commitment was made a few years ago when the radio industry in Abitibi was different, and that Astral Média Radio inc. (Astral), the licensee of CJMM-FM Rouyn-Noranda and CJMV-FM Val d'Or, is dominant in CHGO-FM's niche, the 25 to 54 age group. According to the licensee, stations broadcasting programming from the Énergie network, which formerly targeted the 18 to 34 age group, now broadcast numerous selections from the classic rock format, the genre with which CHGO-FM has been associated since its inception. As a result, Radio Nord did not see why CHGO-FM should continue its commitment not to aim at the 18 to 25 age group given that its competition no longer targets this niche directly.

#### **Affiliation with Radiomédia and contributions to Canadian talent development**

7. The licensee noted that its affiliation with Radiomédia was replaced by the Nouvelles Télé-Radio (NTR) service.
8. With respect to its existing commitment to continue contributing \$1,000 annually in direct spending on Canadian talent development for CJGO-FM La Sarre, CKRN Rouyn-Noranda, CKVD Val d'Or and CHAD Amos, the licensee noted that CKRN, CKVD and CHAD have been converted to FM. The licensee emphasized that wishes to make an annual contribution to MusicAction that is in line with the contributions made by other local and regional station of the same type as those that it operates in the region.

9. In this respect, Radio Nord committed, by condition of licence, to contribute a minimum of \$400 annually to MusicAction for each of CHOA-FM Rouyn-Noranda, CHGO-FM Val d'Or and CJGO-FM La Sarre, as set out in the Canadian Association of Broadcasters' (CAB's) plan for contributions to Canadian talent development.

### **Interventions**

10. The Commission received several interventions in connection with the CHGO-FM Val d'Or licence renewal and in connection with the licence renewals for CHOA-FM Rouyn-Noranda and CJGO-FM La Sarre, which are also held by Radio Nord.<sup>2</sup>
11. Generally, the interveners commented on their dissatisfaction with local news and the diversity of newscasts aired by Radio Nord stations in Abitibi-Témiscamingue, blaming, among other things, Radio Nord's media monopoly in Abitibi-Témiscamingue.
12. More specifically, the comments addressed the following four items:
  - the quality and diversity of news coverage;
  - the licensee's proposal to reduce CHGO-FM's level of spoken word programming from 20% to 12%;
  - opting out in favour of the Outaouais or other regions; and
  - contributions to Canadian talent development.

### **Quality and diversity of news coverage**

13. The City of Lebel-sur-Quévillon was opposed to renewing the licences for CHGO-FM Val d'Or and CHOA-FM Rouyn-Noranda. The intervener submitted that Radio Nord has a monopoly in Abitibi-Témiscamingue and in northern Quebec, and expressed concern that this monopoly could harm the reception of a quality service in Abitibi-Témiscamingue. The intervener pointed out that, since the licensee's labour dispute, the region has not had adequate regional news coverage. The intervener also asked the Commission to require that Radio Nord settle the dispute with its employees so that the region can get adequate regional news coverage.
14. Some interveners reported that Radio Nord is steadily cutting journalists, which, in their view, is affecting the quality of news coverage. They also stated that Radio Nord has cut 13 host positions at CHGO-FM and CHOA-FM, going from 23 hosts in 1993 to 10 in 2002.

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<sup>2</sup> See *CHOA-FM Rouyn-Noranda and its transmitters CHOA-FM-1 Val d'Or/Amos and CHOA-FM-2 La Sarre – Licence renewal* and *CJGO-FM La Sarre – Licence renewal*, Broadcasting Decisions CRTC 2005-427 and 2005-428, 19 August 2005.

15. While they expressed concern regarding Radio Nord's monopoly in Abitibi-Témiscamingue, the interveners asked that the stations seeking renewal offer a higher volume of and more extensive local news coverage, and that Radio Nord offer programming that is different from that broadcast on its other radio and television stations.

**Proposed reduction of CHGO-FM's level of spoken word programming from 20% to 12%**

16. Some interveners questioned whether Radio Nord was fulfilling its mandate by reducing CHGO-FM's spoken word programming from 20% to 12%.
17. The Fédération nationale des communications and the Syndicat des employé(e)s en communication de l'Abitibi-Témiscamingue asked that Radio Nord maintain its current level of spoken word programming and provide programming of interest to the local communities it serves. Radio Nord should also, in their opinion, ensure that radio and television newsrooms are truly separate.

**Opting out in favour of the Outaouais or other regions**

18. Some interveners maintained that Radio Nord is opting out of Abitibi-Témiscamingue by centralizing its management positions in the Outaouais region or in Montréal. Others maintained that Radio Nord is producing several programs in the Outaouais region and airing them on CHGO-FM and CHOA-FM. These interveners questioned whether this programming truly reflects the realities of the Abitibi-Témiscamingue region.

**Contributions to Canadian talent development**

19. The Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ) raised concerns with respect to Radio Nord's contributions to Canadian talent development in prior years.
20. ADISQ asked the Commission to require, as a condition of licence for the licensee's next licence term, that contributions to Canadian talent development made for the stations to be renewed be directed to MusicAction.
21. ADISQ also made comments regarding the streamlined process set out by the Commission in *The CRTC Streamlines Radio Renewals Process*, Broadcasting Circular CRTC 2002-448, 7 June 2002 (Circular 2002-448). ADISQ noted that, in Circular 2002-448, the Commission stated that it would "assess the effectiveness of this streamlining measure after the 2003 radio renewal round has been completed."
22. ADISQ stated that it was not opposed in principle to the streamlined process adopted by the Commission for renewal applications that do not raise any significant concerns, but it was concerned about the use of the streamlined process for the licence renewals for stations CHGO-FM, CHOA-FM and CJGO-FM. ADISQ

submitted that there were not enough evaluations of the stations' compliance, nor was there enough information on the public file for it to determine whether or not to support the licence renewals for a seven-year term. ADISQ asked that the Commission hold a full public proceeding on the renewal applications for CHGO-FM, CHOA-FM and CJGO-FM and require, as a condition of their licence renewal under the streamlined process, that CHGO-FM, CHOA-FM et CJGO-FM file with the Commission:

- annual compliance reports on Canadian content and French-language vocal music;
- a report demonstrating that the station provides access to the airwaves to French-language Canadian artists and offers a variety of their musical selections; and
- a separate compliance report on Canadian talent development contributions, to be placed on the public file.

### **Licensee's reply**

#### *Quality and diversity of news coverage*

23. Radio Nord noted that the comments on the quality and diversity of news coverage were made within the context of a labour dispute that was ongoing for almost 20 months and resulted in reduced service by the stations owing to a labour shortage. Radio Nord also noted that because of the area's geographic, economic and demographic realities, it cannot serve each municipality separately as the interveners would like. However, the licensee stated that it is sensitive to the needs of the interveners, but that it cannot provide this type of news coverage for economic and geographic reasons.
24. In response to comments that Radio Nord has a monopoly in Abitibi-Témiscamingue, the licensee stated that it must compete daily with the radio stations operated by Astral and the Canadian Broadcasting Corporation (CBC) as well as with community stations such as CIBO-FM, CHEF-FM and CHUT-FM. Radio Nord also pointed out that it employs 14 journalists in Abitibi-Témiscamingue, two assigned exclusively to radio, which is more than the Énergie and CBC stations combined.
25. With respect to local programming, Radio Nord noted that CHGO-FM and CJGO-FM broadcast 100% local programming and that CHOA-FM airs 94 hours of local programming out of a total of 126 hours of programming per week. The licensee added that the programming aired by the Énergie stations mainly originates from Montréal, and that the CBC broadcasts only 30 hours of local programming per week.
26. With respect to the decrease in the number of hosts since 1993, Radio Nord noted that, at the time, it was operating five stations and now it has only three. It also faces greater competition from the Énergie network.

27. In closing, Radio Nord stated that it does not intend to eliminate the distinct nature of the stations and that the confusion probably stems from the new international and national news agreement with the NTR network, the service offered to by the Canadian Press.

*Proposed reduction of CHGO-FM's level of spoken word programming from 20% to 12%*

28. Radio Nord explained that the proposed reduction in spoken word programming to 12% would make it possible for CHGO-FM to compete with the Énergie station. It noted, more specifically, that CHGO-FM has a rock music format and that a lower level of spoken word programming would reflect the profiles of other commercial stations with a similar format.

*Opting out in favour of the Outaouais or other regions*

29. The licensee noted its efforts to create a new information division in Abitibi-Témiscamingue and a human resources division for the territory, and that the technical division for all of Radio Nord is based in Abitibi-Témiscamingue.

*Contributions to Canadian talent development*

30. Radio Nord committed to make up the difference between its commitment to contribute \$1,000 annually for stations CJGO-FM, CHGO-FM and CHOA-FM and the payments made up until the end of the 2004 broadcast year.

### **Commission's analysis and determination**

31. The Commission notes the interveners' comments on the quality and diversity of news coverage. In their opinion, Radio Nord does not have enough journalists to cover the entire Abitibi-Témiscamingue territory sufficiently, and some noted that Radio Nord was steadily reducing its news staff. They asked that stations up for renewal provide more extensive coverage and more local news. Some interveners also noted Radio Nord's monopoly in Abitibi-Témiscamingue.
32. The Commission notes that, in its response to the interveners, Radio Nord maintained that it is impossible to provide the news coverage requested by the interveners because of the geographic, economic and demographic realities of the service area. Radio Nord stated that its journalists cover all areas of Abitibi, primarily Rouyn-Noranda and Val d'Or, the two largest population centres, as well as La Sarre, Amos and all of the small municipalities.
33. The Commission carefully examined the application and considered the comments by the licensee and the interveners regarding the quality of news aired by CHGO-FM. The Commission notes Radio Nord's major responsibilities in covering such a large territory. The Commission further notes that there was a labour dispute at Radio Nord in Abitibi-Témiscamingue at the time interventions were filed concerning the licence renewals for stations CHGO-FM, CJGO-FM and CHOA-FM and that the stations' news services were

affected during that period. However, on 20 July 2004, the employees of Radio Nord in Abitibi-Témiscamingue ended the strike. The Commission thus expects that the news services affected by the strike are returning to the quality of service provided before the dispute began.

34. With respect to comments that Radio Nord has a monopoly in Abitibi-Témiscamingue, the Commission notes that the region is also served by Astral, the CBC and community radio stations.
35. With respect to Radio Nord's proposal concerning its spoken word programming, the Commission notes that, under *Policies for local programming on commercial radio stations and advertising on campus stations*, Public Notice CRTC 1993-38, 19 April 1993, the licensees of commercial FM stations in markets served by more than one private commercial radio station are generally required to devote at least one third of the station's broadcast week to local programming if they wish to solicit or accept local advertising. In *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998 (the Commercial Radio Policy), the Commission decided to maintain its one-third local programming guideline with respect to FM stations in competitive markets.
36. Radio Nord is required, by condition of licence, to refrain from soliciting or accepting local advertising for broadcast during any broadcast week unless one third of the programming aired is local. The Commission notes that CHGO-FM is a rock station that broadcasts almost all local programming.
37. In light of the interveners' concerns, the Commission reminds the licensee that the definition of local programming, as reiterated in the Commercial Radio Policy, is as follows:

Local programming includes programming that originates with the station or is produced separately and exclusively for the station. It does not include programming received from another station and rebroadcast simultaneously or at a later time; nor does it include network or syndicated programming that is five minutes or longer unless it is produced either by the station or in the local community by arrangement with the station.

38. The Commission considers it appropriate to cease requiring that the licensee broadcast a minimum level of spoken word programming.<sup>3</sup> Accordingly, the commitment regarding spoken word programming is deleted. The Commission notes that CHGO-FM has a musical orientation and that a lower level of spoken word programming reflects the practices of other commercial FM stations using the same format.

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<sup>3</sup> In Decision CRTC 2000-149, 9 May 2000, the Commission authorized Radio Nord to reduce the level of spoken word programming that it broadcasts from 40% to 20%.

39. The Commission reminds the licensee that the definition of local programming, as set out in the Commercial Radio Policy, indicates that, in their local programming, licensees must include spoken word material of direct and particular relevance to the community served, such as local news, weather and sports, and the promotion of local events and activities.
40. In addition, the Commission considers it appropriate to delete the licensee's commitment not to broadcast programming aimed at the 18 to 34 age group. This will improve Radio Nord's competitive position.
41. With respect to Radio Nord's request to delete the condition of licence requiring that programming other than local programming originate exclusively from the Radio Nord and Radiomédia networks, the Commission notes that the station is now affiliated with the NTR service and that Radiomédia no longer exists as a news service. Accordingly, the Commission **approves** the request to delete this condition of licence.
42. With respect to its commitment to Canadian talent development, the licensee agreed to accept, as a condition of licence, to spend a minimum of \$400 per year, which will be paid directly to MusicAction. The Commission notes that the proposed amount complies with the terms and conditions set out in the CAB's Distribution Guidelines for Canadian Talent Development, as established in *Contributions by radio stations to Canadian talent development – a new approach*, Public Notice CRTC 1995-196, 17 November 1995.
43. The Commission examined Radio Nord's contributions to Canadian talent development for the period 1 September 1998 to 31 August 2004 and notes that there was a \$2,300 discrepancy in its contributions for all of its stations.
44. The Commission notes the licensee's commitment to make up the difference between its commitments to Canadian talent development and the payments made during the current licence term. Accordingly, the Commission requires that Radio Nord pay to third parties involved in Canadian talent development the outstanding amount for all its stations of \$2,300, by 31 August 2006.
45. The Commission notes ADISQ's comments regarding the streamlined renewal process for radio licences. The Commission stated in Circular 2002-448 that the streamlining initiatives it has adopted in recent years in order to lighten the regulatory burden have assisted the licensees of broadcasting undertakings and have allowed the Commission to direct its limited resources to priority sectors. As regards assessing the effectiveness of these measures, the Commission will soon issue a circular detailing its conclusions with respect to this approach.



46. While the Commission recognizes that its monitoring reports as well as the reports filed by the applicants may not always have been readily available on the public record, the Commission has now taken steps to ensure that these reports can be accessed on its Internet site. Moreover, the Commission is convinced that the additional steps proposed by ADISQ, namely, that licensees be required to file additional reports, would only add to the administrative burden faced by broadcasters.

### **Conclusion**

47. Based on its review of this licence renewal application and the licensee's past performance, the Commission **renews** the broadcasting licence for the commercial radio programming undertaking CHGO-FM Val d'Or and its transmitter CHGO-FM-1 Rouyn-Noranda, from 1 September 2005 to 31 August 2012. The licence will be subject to the **conditions** set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999 (Public Notice 1999-137), and to the following **condition**:

The contributions set out in condition of licence no. 5 of Public Notice 1999-137 shall be paid to MusicAction.

### **Employment equity**

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

Secretary General

*This decision is to be appended to the licence. It is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*