



Broadcasting Decision CRTC 2005-603

Ottawa, 23 December 2005

Radio Nord Communications inc.

Donnacona and Sainte-Croix-de-Lotbinière, Quebec

Application 2005-1232-8

Public Hearing in the National Capital Region

19 December 2005

Acquisition of assets – CKNU-FM Donnacona and CKNU-FM-1 Sainte-Croix-de-Lotbinière

*The Commission **approves** the application by Radio Nord Communications inc. to acquire the assets of radio station CKNU-FM Donnacona and its transmitter CKNU-FM-1 Sainte-Croix-de-Lotbinière, Quebec.*

The application

1. The Commission received an application by Radio Nord Communications inc. (Radio Nord) for authority to acquire the assets of the radio programming undertaking CKNU-FM Donnacona and its transmitter CKNU-FM-1 Sainte-Croix-de-Lotbinière, Quebec, from 6087329 Canada Inc., a corporation operated and controlled by Mr. Patrice Demers.
2. Radio Nord also requested a broadcasting licence to continue the operation of this undertaking under the same terms and conditions as those in effect under the current licence, with the exception of the condition noted below, upon surrender of the licence issued to 6087329 Canada Inc.
3. Given that CKNU-FM has been unprofitable for many years, the applicant did not propose any tangible benefits in the application.
4. Radio Nord proposed to replace CKNU-FM's current condition of licence relating to local programming, which reads:
 - broadcast a minimum of 42 hours of local programming per week consisting of news and public affairs as well as community service programming;

Instead, Radio Nord proposed that CKNU-FM be subject to the following standard condition of licence, as stipulated in the appendix to *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999:

Subject to paragraph 6, it is a condition of licence for commercial FM stations serving markets other than single-station markets (Public Notice CRTC 1993-121), that the licensee refrain from soliciting or accepting local advertising for broadcast during any broadcast week when less than one-third of the programming aired is local. The definition of local programming shall be as set out in Public Notice CRTC 1993-38, as amended from time to time.¹

5. Radio Nord is a corporation with share capital, and is ultimately controlled by Mr. Jean-Yves Gourd. Radio Nord is the licensee of five television stations, one television network and seven radio stations serving Abitibi-Témiscamingue, the Outaouais and eastern Ontario. Further, Radio Nord is involved in the Saguenay-Lac-Saint-Jean region as the controlling shareholder of Group Antenne 6 Inc., the licensee of five radio stations. Radio Nord also has a new radio station in Montréal.

Interventions

6. The Commission received an intervention in support of this application as well as interventions in opposition by two individuals. The opposing interveners expressed concern that the transaction would result in a loss of CKNU-FM's unique nature, particularly with respect to local programming and musical content.

Commission's analysis and determination

7. In making its decision, the Commission has considered the transaction's potential impact on the Donnacona market. Given that Radio Nord does not operate any broadcasting undertakings in this market, the acquisition of CKNU-FM and its transmitter would allow the applicant to expand into a new market.
8. In assessing CKNU-FM's financial situation, the Commission notes that the undertaking recorded a negative average profit before interest and tax margin for the three years preceding the date of the application. Consequently, and in accordance with *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998, relating to unprofitable undertakings, the Commission does not require any tangible benefit.
9. The Commission does not have any specific concerns arising from this application regarding ownership or the financial impact on the Donnacona market. Radio Nord is a large broadcaster with experience operating local radio and television stations.
10. In its evaluation of this application, the Commission has also taken into consideration the applicant's commitment to abide by CKNU-FM's business plan and to maintain the station's local orientation. The Commission considers that this commitment addresses the major concerns raised by the interveners.

¹ See *Local programming policy for FM radio – Definition of a single-station market*, Public Notice CRTC 1993-121, 17 August 1993, and *Policies for local programming on commercial radio stations and advertising on campus stations*, Public Notice CRTC 1993-38, 19 April 1993.

11. In light of the above, the Commission is satisfied that this transaction is in the public interest. The Commission **approves** the application by Radio Nord Communications inc. for authority to acquire the assets of the radio programming undertaking CKNU-FM Donnacona and its transmitter CKNU-FM-1 Sainte-Croix-de-Lotbinière.
12. The Commission will issue a broadcasting licence to Radio Nord, upon surrender to the Commission of the licence issued to 6087329 Canada Inc.
13. The new licence for CKNU-FM will expire 30 April 2006, the current expiry date. The licence will be subject to the same terms and **conditions** as those in effect under the current licence, with the exception of the new **condition** set out in paragraph 4 above.

Employment equity

14. 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>