



## Broadcasting Decision CRTC 2006-348

Ottawa, 10 August 2006

**9147-2605 Québec inc.**  
Québec, Quebec

*Application 2004-1203-1*  
*Public Hearing in Québec, Quebec*  
*20 March 2006*

### **French-language specialty FM radio station in Québec**

*In this decision, the Commission **approves** the application by 9147-2605 Québec inc. for a broadcasting licence to operate a new French-language commercial specialty FM radio station in Québec at 92.7 MHz. The new station will offer a classical music format with selections from the baroque, classic and romantic eras as well as some contemporary pieces.*

### **Background**

1. The application by 9147-2605 Québec inc. (Radio-Classique) is one of ten requests to serve Québec that were considered at the 20 March 2006 Public Hearing in Québec. Six of these applications were for licences to operate new FM stations, of which four proposed to serve the city of Québec and two proposed to serve the city of Lévis. Three applications proposed to change the authorized contours of FM stations in the Québec area with the result that these stations could be considered as serving the Québec market. One final application proposed to operate a new AM station at Lévis. Some of these applications were also technically mutually exclusive as they proposed the use of the same frequencies in this market.
2. The Commission's determination regarding the ability of the Québec market to support new stations serving this market is set out in *Licensing of new radio stations and licence amendments for radio stations in the area of Québec, Quebec – Introduction to Broadcasting Decisions CRTC 2006-348 to 2006-351*, Broadcasting Public Notice CRTC 2006-101 (Public Notice 2006-101), of today's date. In *CKNU-FM Donnacona and CKNU-FM-1 Sainte-Croix-de-Lotbinière – Licence renewal and amendment*, Broadcasting Decision CRTC 2006-349, of today's date, the Commission has renewed the broadcasting licence for CKNU-FM Donnacona and its transmitter CKNU-FM-1 Sainte-Croix-de-Lotbinière, and has approved Radio Nord Communications inc.'s proposed amendments to the condition of licence concerning the solicitation of advertising and to the station's technical parameters. In *CFEL-FM Montmagny – Technical change*, Broadcasting Decision CRTC 2006-350, of today's date, the Commission has approved an application by 591991 B.C. Ltd. to change the technical parameters of CFEL-FM Montmagny as proposed. In *Denial of applications proposing*

*radio service for Québec and the region*, Broadcasting Decision CRTC 2006-351, of today's date, the Commission has denied the other competitive applications considered at the same public hearing.

### **The application**

3. Radio-Classique is a corporation controlled by Jean-Pierre Coallier. Radio-Classique proposed to operate a new French-language commercial specialty FM radio programming undertaking to serve the city of Québec at 92.7 MHz (channel 224B) with an average effective radiated power (ERP) of 2,100 watts. The applicant proposed to broadcast classical music from the baroque, classic and romantic eras as well as some contemporary pieces, of which 90% of its weekly musical selections would be drawn from subcategory 31 (Concert). Radio-Classique would target listeners in the 55 years and over age group.
4. Radio-Classique committed to broadcast a minimum of 124.5 hours of local programming each week consisting mainly of classical music programs, with 10 to 12 hours of spoken word programming weekly, which would include local announcements, short interviews, weather forecasts, news programming and *Bulletins des arts*, reporting on musical, cultural and social activities. News programming would represent approximately one hour and 30 minutes, a third of which (or approximately 30 minutes) would be of local interest. Two three-minute cultural spots, entitled *Les Petites Fugues*, would be broadcast daily.
5. Radio-Classique proposed to devote a minimum of 35% of its musical selections from content category 3 (Special Interest Music) to Canadian selections broadcast in their entirety each broadcast week.
6. The applicant did not intend to participate in the Canadian talent development (CTD) plan established by the Canadian Association of Broadcasters (CAB), and instead committed to expend direct CTD amounts each broadcast year equal to 2% of the station's sales or \$15,000, whichever is higher. The expenditures would be in the form of scholarships or financial assistance to record a CD or present a recital or concert, or simply as a means of encouraging an established artist. Radio-Classique stated that it intends to assist local artists and organizations in Québec in the same way it does in Montréal. Radio-Classique has agreed to adhere to its commitments by condition of licence.

### **Interventions**

7. The Commission received several interventions concerning this application. The majority of these interventions were in support of the application, some opposed it and a few provided comments.

8. The Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ) asked the Commission to consider the factors relevant to the evaluation of applications as outlined in *Introductory statement – Licensing new radio stations*, Decision CRTC 99-480, 28 October 1999, when evaluating each application heard at the 20 March 2006 Public Hearing. ADISQ emphasized the importance of the commitments each applicant is required to make with respect to Canadian content, French-language vocal music and CTD, including the promotion of new artists. ADISQ added that it did not intend to formally support any of the applications considered in this public proceeding and requested that, if the Commission is considering issuing a new licence for the Québec market, it license a French-language music radio station.
9. ADISQ stated that the music format proposed by Radio-Classique would enhance the diversity of music formats already offered in the market. It noted the applicant's proposed Canadian content level and asked the Commission to require that this level be increased gradually over the seven-year licence term.
10. ADISQ noted that while the proposed CTD expenditures were significant, the fact that no expenditures were earmarked for MusicAction was disappointing. Finally, ADISQ noted the applicant's proposal to broadcast two three-minute cultural spots, *Les Petites Fugues*, each day and requested that this be made a condition of licence.
11. MBL Communication Média inc. and Cogeco Diffusion inc. (Cogeco), the licensee of CJEC-FM and CJMF-FM Québec, expressed doubts as to the market's economic capacity to accommodate a new private commercial radio station.
12. Cogeco also pointed out the current uncertainty regarding the continuation of CHOI-FM's operations and the possible renewal of its licence. According to Cogeco, this singularly complicates the consideration of the applications in terms of short- and long-term outlooks for audience share and advertising revenues in the Québec radio market and in terms of the diversity of musical formats that will be offered in this market.
13. CKRL MF 89,1 inc. (CKRL), the licensee of the Type B community radio programming undertaking CKRL-FM Québec, noted that the province's urban community radio stations have been experiencing problems for several years and operate in an extremely competitive environment. The intervener was of the view that the entry of a new station in the Québec market would inevitably fragment its station's audience and advertising market. CKRL indicated that its programming is highly relevant to Québec residents and that the approximate 10 hours per week of classical music that it broadcasts is of high quality.
14. Much like CKRL, the Association des radiodiffuseurs communautaires du Québec (ARCQ) noted that community radio in the province has been experiencing problems for several years and operates in an extremely competitive environment. It opposed issuing new radio licences in the Québec market and the surrounding area because of the

potential decline in audience share for community radio. ARCQ was of the view that licensing Radio-Classique would have an impact on the value of community radio advertising and the advertising revenues of community radio stations.

#### **Applicant's replies**

15. Radio-Classique considered that ADISQ's intervention was highly favourable to its file. In response to ADISQ's questions regarding CTD, Radio-Classique indicated that, in its view, direct contributions to local artists and organizations are an important component of its plan for introducing its proposed programming, attracting loyal listeners and participating in the radio environment that it hopes to offer classical music fans in Québec. Radio-Classique suggested that once the station has become more profitable, it could consider sharing its CTD contributions between MusicAction and direct funding for local musicians.
16. In response to the concerns raised by CKRL, Radio-Classique noted that of all the applications considered by the Commission at the 20 March 2006 Public Hearing, its station would have the least impact on the audience, sponsors and survival of community station CKRL-FM.

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

17. In Public Notice 2006-101, the Commission determines that the Québec market could accommodate one or more radio services aimed at a fairly targeted audience and requiring modest revenues. The Commission considers that the applicant's proposed classical music format will have the least potential impact on the existing commercial radio stations, while offering the Québec market's listeners complementary music choices. The station proposed by Radio-Classique will operate as an independent station in the market and contribute to the diversity of voices. The Commission is of the view that the station will bring limited competition to the Québec market, given its forecast revenues of \$3.9 million for the first five years of operation.
18. In light of the foregoing, the Commission **approves** the application by 9147-2605 Québec inc. for a broadcasting licence to operate a French-language commercial specialty FM radio programming undertaking to serve Québec at 92.7 MHz (channel 224B) with an average ERP of 2,100 watts.
19. This licence will expire 31 August 2012 and will be subject to the **conditions** set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of conditions 5 and 8. The licence will also be subject to the **conditions** set out in the appendix to this decision.

### **Issuance of the licence**

20. The Department of Industry (the Department) has advised the Commission that, while this application is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.
21. The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.
22. Furthermore, the licence for this undertaking will be issued once the applicant has informed the Commission in writing that it is prepared to commence operations. The undertaking must be operational at the earliest possible date and in any event no later than 24 months from the date of this decision, unless a request for an extension of time is approved by the Commission before 10 August 2008. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

### **Employment equity**

23. In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the applicant to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.

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>*

## Appendix to Broadcasting Decision CRTC 2006-348

### Conditions of licence

1. The licence is subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, with the exception of conditions 5 and 8.
2. The station shall be operated within the Specialty format as defined in *A review of certain matters concerning radio*, Public Notice CRTC 1995-60, 21 April 1995, and *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000, as amended from time to time.
3. The licensee shall, in each broadcast week, devote a minimum of 90% of its musical selections to musical selections drawn from subcategory 31 (Concert).
4. The licensee shall, in each broadcast week, devote a minimum of 35% of its musical selections from content category 3 (Special Interest Music) to Canadian selections broadcast in their entirety.
5. The licensee shall make annual direct expenditures to CTD equal to 2% of the station's sales or \$15,000, whichever is higher, for the seven-year licence term, starting in the first year of the station's operation. All CTD expenditures must be made in accordance with the Commission's policy on qualifying contributions to CTD, as set out in Appendix 1 to *An FM policy for the nineties*, Public Notice CRTC 1990-111, 17 December 1990.