



Broadcasting Decision CRTC 2010-80

Route reference: 2009-405

Ottawa, 12 February 2010

RNC MEDIA Inc.
Québec, Quebec

Application 2009-0796-7, received 25 May 2009

CHOI-FM Québec – Licence amendment

*The Commission **approves** an application by RNC MEDIA Inc. to amend the broadcasting licence for the French-language commercial radio station CHOI-FM Québec in order to operate the station in a specialty FM format.*

Introduction

1. The Commission received an application from RNC MEDIA Inc. (RNC MEDIA) to amend the broadcasting licence for the French-language commercial radio programming undertaking CHOI-FM Québec in order to operate the station in a specialty FM format. Specifically, the licensee proposed to devote more than 50% of the broadcast week to spoken word programming. The station currently offers an alternative rock music format.
2. The licensee indicated that it would contribute significantly to the diversity of programming offered to the population of Québec, and that it would offer a new outlet for the broadcast of local news.
3. The Commission received a few interventions in connection with this application. The interventions and the applicant's reply can be found on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Background

4. In Broadcasting Decision 2006-600, the Commission approved an application by Radio Nord Communications inc. (now RNC MEDIA) for a broadcasting licence to operate a French-language FM radio programming undertaking in Québec. The purpose of the application was to enable RNC MEDIA to continue operating the radio station CHOI-FM following the non-renewal of its licence.¹ In its application, RNC MEDIA indicated that it would continue to operate the station in an alternative rock music format targeting listeners aged 18 to 34 years, with 100%-local programming.

¹ See Broadcasting Decision 2004-271.

5. In Broadcasting Decision 2006-600, in reference to the music format, the Commission indicated that “approval of the application will also ensure continuity of a radio service in Québec that adds musical diversity to the radio programming available to listeners in this market.” The Commission also noted the following:

The maintenance of this station in its current format will also serve to avoid disrupting the establishment of the three services recently authorized by the Commission following the public hearing of 20 March 2006. It will also provide a measure of stability sought by current and potential advertisers in this market and will resolve some of the uncertainty created by the non-renewal of this station’s licence under the previous operator, one the Commission had deemed, in Decision 2004-271, to be no longer capable of discharging the responsibilities of a broadcasting licensee.

6. Moreover, the Commission held a public hearing in Québec on 26 May 2009 to consider three applications for broadcasting licences for new commercial FM radio stations to serve the Québec market. At the hearing, the Commission also considered an application by Radio communautaire de Lévis for a broadcasting licence to operate a French-language Type B community FM radio programming undertaking in Lévis. This application was approved in Broadcasting Decision 2009-559. However, the Commission has not yet made a decision regarding the three applications for licences for FM commercial radio stations.

Commission’s analysis and determinations

7. The Commission notes the concerns raised by the Association québécoise de l’industrie du disque, du spectacle et de la vidéo (ADISQ) with regard to this application. Specifically, ADISQ stated that it regrets the loss of the alternative rock music format in the market – a unique music format with very little presence in Quebec. In addition, ADISQ indicated that it did not subscribe to the applicant’s view that the advent of stations CJSQ-FM Québec, owned by 9147-2605 Québec inc., CHXX-FM Donnacona (previously CKNU-FM), owned by RNC MEDIA, and CFEL-FM Montmagny, owned by 591991 B.C. Ltd., could compensate for the loss of the alternative rock music format, because the music formats offered by these stations are urban pop/rock and adult contemporary.
8. Moreover, ADISQ was of the view that the decision by RNC MEDIA to target an older audience, namely people 25 to 54 years of age, is regrettable given the success of CHOI-FM with listeners aged 18 to 34 years. In addition, ADISQ did not agree with RNC MEDIA’s assertion that the Québec market needs another spoken word station, because the market already has three, all of which are French-language stations.
9. RNC MEDIA submitted that the three stations mentioned by ADISQ target a different audience. Specifically, CBV-FM Québec, owned by the Canadian Broadcasting Corporation, does not operate within the context of commercial radio and targets a very specific audience, while CJMF-FM Québec, owned by Cogeco Diffusion inc., targets an

older female audience, and CHRC Québec, owned by Remparts de Québec, broadcasts mainly sports-related information.

10. With regard to the loss of the music format in the Québec market, RNC MEDIA submitted that CHXX-FM broadcasts alternative music (basically rock). RNC MEDIA pointed out that, in Broadcasting Decision 2006-349, the Commission approved an application to change the technical parameters of CHXX-FM, expanding the station's contours to include Québec. As a result, the presence of the music format in the Québec market would be maintained in the coming years. In addition, because CHXX-FM offers a music format that is almost identical to that of CHOI-FM, approval of this application would not affect the diversity of radio formats in Québec.
11. RNC MEDIA also noted that the Québec market is served by several private commercial stations that offer mainly music programming: CHIK-FM, CITF-FM, CJMF-FM, Rythme, CFOM-FM, CFEL-FM, CHXX-FM and Radio-Classique. According to RNC MEDIA, these stations meet the range of music requirements in the French-language Québec market.
12. Moreover, RNC MEDIA argued that as it ages, the CHOI-FM audience increasingly prefers spoken word radio to the alternative rock music format. RNC MEDIA would therefore like to offer modern and varied programming on the FM band, aimed at an audience that is interested in news, public debates, opinions, interviews and economic, political, social, cultural and sports analysis.
13. The Commission also received an intervention from Evanov Radio Group (Evanov). Evanov stated that it is not opposed to the changes proposed by RNC MEDIA. In its intervention, Evanov stated that the Québec market is well balanced with regard to ownership and the music formats available in the market. According to Evanov, what is missing in the Québec market is an independent voice and an English-language radio service to serve the anglophone minority.
14. Evanov added that this application aims to prevent the entry of a new broadcaster into the Québec market. It asked that the Commission neither consider nor rule on the application until it has made a decision on the applications heard at the May 2009 public hearing for new services in the Québec market.
15. In its reply to Evanov, RNC MEDIA stated that its application to amend the licence for CHOI-FM is in no way connected to the applications for new licences. According to RNC MEDIA, the programming overlap between the two applications by Evanov, which propose to offer a contemporary and easy listening music format for the two proposed stations, and that of CHOI-FM is almost nonexistent. RNC MEDIA therefore asked that the Commission proceed quickly with its application.
16. The Commission notes that none of the applications under consideration at the 26 May 2009 hearing in Québec proposed a specialty format. In addition, given that CHOI-FM is already established in the Québec market with a market share of 10%,

approval of this application would have little impact on the applications considered at the hearing of 26 May 2009. Accordingly, the Commission considers that there is no need to delay its decision in this case.

17. The Commission notes that RNC MEDIA's application proposes a significant investment in local information, produced by and for the people in the Québec market, and that, according to RNC MEDIA, the information available to the audience in this market is currently deficient, particularly on evenings and weekends. The investment in local information proposed by RNC MEDIA would partially compensate for the recent cuts to local information made by the TQS network (now known as "V") and by CHRC, as well as the ceasing of publication of the daily newspaper *Média Matin Québec* after the labour dispute at the *Journal de Québec* was resolved.
18. Further, the Commission notes that in a market study submitted by RNC Media, 89.8% of those polled listed information as a main interest. In addition, according to the study, 35-year-old audience members, who are the core of CHOI-FM's target audience, are the most interested in local news.
19. The Commission notes that few commercial stations operate in a specialty format devoted to spoken word programming in the Québec market. CHOI-FM, by operating its station in a specialty FM format, would offer a new voice for broadcasting local information. In addition, CHOI-FM already boasts strong performance in terms of profitability and listenership. Moreover, the Commission notes that the station intends to offer some music-based programming on weekends, where the alternative rock genre would be emphasized and maintained, and that CHXX-FM offers a music format that is almost identical to that of CHOI-FM.
20. Consequently, the Commission considers that the proposed amendment would have little impact on existing stations in the market. The Commission also notes that the applicant intends to continue to invest in emerging artists, notably by continuing to support the Qué-Rock project, which provides assistance to emerging music groups and which allows for the production of French-language vocal alternative rock music.
21. In light of all of the above, the Commission **approves** the application by RNC MEDIA Inc. to amend the broadcasting licence for the French-language commercial radio programming undertaking CHOI-FM Québec in order to operate the station in a specialty FM format. The licence will be subject to the following **conditions of licence**:

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.

The licensee shall devote more than 50% of programming broadcast during each broadcast week to programming drawn from category 1 (spoken word).

22. Furthermore, condition of licence number 1 shall be replaced with the following **condition of licence**:

The licence will be subject to the conditions set out in *Conditions of licence for AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009, with the exception of condition number 7.

Secretary General

Related documents

- *Community radio station in Lévis*, Broadcasting Decision CRTC 2009-559, 4 September 2009
- *Conditions of licence for AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009
- *French-language FM radio station in Québec*, Broadcasting Decision CRTC 2006-600, 20 October 2006
- *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, 10 August 2006;
- *CFEL-FM Montmagny – Technical change*, Broadcasting Decision CRTC 2006-350, 10 August 2006
- *CKNU-FM Donnacona and CKNU-FM-1 Sainte-Croix-de-Lotbinière – Licence renewal and amendment*, Broadcasting Decision CRTC 2006-349, 10 August 2006
- *French-language specialty FM radio station in Québec*, Broadcasting Decision CRTC 2006-348, 10 August 2006
- *CHOI-FM – Non-renewal of licence*, Broadcasting Decision CRTC 2004-271, 13 July 2004
- *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000

- *A Review of Certain Matters Concerning Radio*, Broadcasting Public Notice CRTC 1995-60, 21 April 1995

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>.