



Broadcasting Decision CRTC 2018-485

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Reference: Part 1 licence renewal application posted on 23 February 2018

Ottawa, 19 December 2018

10679313 Canada inc.
Chicoutimi, Quebec

Public record for this application: 2017-0742-3

CILM-FM Chicoutimi – Licence renewal

*The Commission **renews** the broadcasting licence for the French-language commercial radio station CILM-FM Chicoutimi, Quebec, from 1 January 2019 to 31 August 2024. This short-term licence renewal will allow for an earlier review of the licensee's compliance with regulatory requirements.*

Application

1. Groupe Attraction Radio inc. (Groupe Attraction)¹ filed an application to renew the broadcasting licence for the French-language commercial radio station CILM-FM Chicoutimi, Quebec, which expires 31 December 2018.²
2. The Commission received a comment from the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ), to which the applicant replied.

Background

3. In Broadcasting Decision 2009-525, the Commission renewed the broadcasting licence for the French-language community radio station CKRS-FM Saguenay,³ Quebec, for a short-term of four years, having determined that the licensee was in non-compliance with regard to the broadcast of French-language vocal music and Canadian musical selections.

¹ On 31 July 2018, the Commission approved a change to the effective control and ownership of Groupe Attraction Radio inc. Following that transaction, Groupe Attraction Radio inc. was amalgamated to continue operations under the undertaking 10672313 Canada inc. The new licensee of CILM-FM Chicoutimi is 10679313 Canada inc.

² The broadcasting licence for CILM-FM was administratively renewed from 1 September to 31 December 2018 in Broadcasting Decision 2018-306.

³ On 2 December 2014, the Department of Industry authorized a change to the station's call sign from CKRS-FM Saguenay to CILM-FM Chicoutimi.

4. Subsequently, in Broadcasting Decision 2013-715, the Commission once again renewed the broadcasting licence for CKRS-FM for a short term (five years), having determined that the licensee was in non-compliance with regard to Canadian content development (CCD) contributions and the broadcast of French-language vocal music.

Non-compliance

Canadian content development contributions

5. In Broadcasting Public Notice 2006-158 (the Policy), the Commission set out its approach relating to the creation of Canadian content, which was based on eligible CCD contributions.
6. The Commission also stated that for contributions by broadcasters to be used as effectively as possible, they must be applied to initiatives that foster the creation and promotion of audio content for broadcast using Canadian resources. The Commission therefore adopted a revised list of CCD initiatives eligible for contributions other than those allocated to FACTOR and MUSICACTION and Radio Starmaker Fund and Fonds RadioStar. Further, the Commission specified that contributions must support initiatives through direct expenditures and be allocated to the support, promotion, training and development of Canadian musical and spoken word talent, including journalists.
7. During the last licence term, the licensee was required to meet certain obligations relating to CCD contributions. The appendix to Broadcasting Decision 2013-715 sets out all of the conditions of licence for CKRS-FM, including the following:
 5. To fulfill its original commitment to Canadian content development (CCD) set out in *CKRS Saguenay – Conversion to FM band*, Broadcasting Decision CRTC 2006-640, 24 November 2006, the licensee shall contribute a minimum of \$23,000 during the 2013-2014 broadcast year to Canadian content development, to be allocated as follows:
 - \$3,000 to MUSICACTION;
 - \$10,000 in the form of scholarships to the Art et technologie des médias program of the CÉGEP at Jonquière; and
 - \$10,000 to the amateur singing competition, “Chansons en fête de St-Ambroise.”
8. In a letter dated 5 December 2017, the Commission asked for clarifications regarding the payments in form of scholarships to students registered in the Art et technologie des médias program of the CÉGEP de Jonquière (the ATM program). Specifically, the Commission questioned Groupe Attraction concerning scholarship payments totalling \$3,500 to students in the ATM program specializing in radio. According to the Policy, the eligibility of this type of payment is questionable since subsidies offered to schools and educational institutions that offer courses in broadcasting or

are dedicated to the continuing education of radio employees are not eligible CCD initiatives.

9. In its reply, Groupe Attraction proposed elements to be considered when determining the eligibility of contributions paid to students specializing in radio. Specifically, it noted that an examination of course outlines for journalism students and students specializing in radio shows that 62% of the courses are identical. Further, it proposed that the radio specialization field should instead be called “Animation et journalisme radiophonique” (radio hosting and journalism) since it is normal to find people who simultaneously practice both radio hosting and journalism activities, such as radio hosts of predominantly spoken word programs, who do interviews, announce headlines or even discuss the day’s news with listeners.
10. Although the Commission considers that the eligibility of the contributions paid to students in radio remains questionable given the nature of the Policy and despite the licensee’s explanations, it concurs that the Groupe Attraction fulfilled its regulatory obligation, which was to direct \$10,000 in the form of scholarships to the ATM program. Consequently, the Commission finds Groupe Attraction in compliance the condition of licence 5.
11. The appendix to Broadcasting Decision 2013-715 also includes the following condition of licence:
 6. The licensee shall contribute \$5,692 to parties and initiatives conforming to the definition of eligible initiatives set out in paragraph 108 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006, and submit proof of payment by 7 April 2014.
12. The Commission notes that Groupe Attraction made a payment in the amount of \$5,692 in 2013, but that this contribution was deemed ineligible in Broadcasting Decision 2013-715 given that the supported initiatives did not comply with the Policy. The same amount was therefore re-imposed at the time of the station’s 2013 licence renewal. When questioned on this issue during the current proceeding, Groupe Attraction stated that it believed it had made the payment. It stated that it remembered authorizing the payment but attributed the regulatory shortfall to communication problems associated with the period of rationalization and transition following the licence renewal.
13. The contribution in this amount was paid during the clarification process for the present application and proof that the amount was paid was filed with the Commission on 13 December 2017, three years and eight months late.
14. In light of the above, the Commission finds Groupe Attraction in non-compliance with the condition of licence 6.

Regulatory measures

15. The Commission's approach to non-compliance by radio stations is set out in Broadcasting Information Bulletin 2014-608. Under this approach, each instance of non-compliance is evaluated in its context and in light of factors such as the quantity, recurrence and seriousness of the non-compliance. The circumstances leading to the non-compliance in question, the arguments provided by the licensee and the actions taken to rectify the situation are also considered.
16. The Commission notes that the missing amounts were paid and that measures have been put in place to prevent future instances of non-compliance relating to CCD contributions. These measures include maintaining a detailed table of the requirements to which its 15 stations are subject and the addition of administrative resources to support all its stations. Nevertheless, this is the third consecutive licence term in which the station has been found to be in non-compliance with regulatory requirements. Consequently, the Commission finds it appropriate to renew the broadcasting licence for CILM-FM for a shortened period, until 31 August 2024. This short-term licence renewal will allow for an earlier review of the licensee's compliance with regulatory requirements.

Conclusion

17. In light of all of the above, the Commission **renews** the broadcasting licence for the French-language commercial radio programming undertaking CILM-FM Chicoutimi from 1 January 2019 to 31 August 2024. The licensee shall adhere to the **conditions of licence** set out in Broadcasting Regulatory Policy 2009-62, as well as the conditions set out in the broadcasting licence for the undertaking.

Reminders

18. It is important that radio station licensees make their required contributions to CCD, given that CCD initiatives not only help to develop and advance the careers of emerging Canadian artists but also increase the supply of high-quality Canadian music in a variety of genres and the demand for Canadian music by listeners. Unpaid CCD contributions therefore have the potential to cause harm to the Canadian broadcasting system.
19. It is incumbent upon licensees to provide proof of payment to such initiatives by the required deadlines. Licensees must also provide sufficient documentation to support the eligibility of their contributions. Failure to do so may result in a contribution being found ineligible by the Commission, which in turn may affect a stations compliance with regulatory requirements.
20. The Commission reminds licensees that all CCD contributions must be directed to eligible initiatives. The Commission further reminds licensees that it adopted a revised list of eligible CCD initiatives in the Policy and that its website provides [guidelines regarding the eligibility of CCD contributions](#).

21. Pursuant to section 22 of the *Broadcasting Act*, the broadcasting licence renewed in this decision will cease to have any force or effect should the broadcasting certificate issued by the Department of Industry lapse.

Cultural diversity

22. The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.

Employment equity

23. In accordance with Public Notice 1992-59, the Commission encourages the licensee to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.

Secretary General

Related documents

- *CILM-FM Chicoutimi – Administrative renewal*, Broadcasting Decision CRTC 2018-306, 22 August 2018
- *Update on the Commission's approach to non-compliance by radio stations*, Broadcasting Information Bulletin CRTC 2014-608, 21 November 2014
- *CKRS-FM Chicoutimi – Licence renewal*, Broadcasting Decision CRTC 2013-715, 18 December 2013
- *Various radio programming undertakings – Licence renewals*, Broadcasting Decision CRTC 2009-525, 27 August 2009
- *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992

This decision is to be appended to the licence.