



## Broadcasting Decision CRTC 2019-247

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Reference: Part 1 licence renewal application posted on 28 February 2019

Ottawa, 9 July 2019

**10679313 Canada Inc.**  
Sainte-Marie, Quebec

*Public record for this application: 2018-0558-2*

### **CHEQ-FM Sainte-Marie – Licence renewal**

*The Commission **renews** the broadcasting licence for the French-language commercial radio station CHEQ-FM Sainte-Marie from 1 September 2019 to 31 August 2026.*

#### **Application**

1. The Commission received an application to renew the broadcasting licence for the French-language commercial radio station CHEQ-FM Sainte-Marie, Quebec.<sup>1</sup> The Commission received an intervention regarding this application, from Groupe Radio Simard (Radio Simard), to which the applicant replied.

#### **Intervention and reply**

2. Radio Simard submitted that CHEQ-FM is in non-compliance in regard to the soliciting of advertising in the Saint-Georges, Quebec market, contrary to the explanation provided by CHEQ-FM in the proceeding leading to Broadcasting Decision 2009-501, which reads as follows:

According to the licensee, the objective of the application is not to directly solicit businesses in neighbouring markets, sell them advertising or expand the station's main marketing area. The licensee stated that its goal was to consolidate existing advertising revenues and provide existing advertising clients with better reception. The licensee added that its station must compete with stations in Québec and Saint-Georges de Beauce that can be received by listeners in its central market.

3. According to Radio Simard, CHEQ-FM regularly solicits advertisers in the Saint-Georges market, either in person, or by fax and email. Further, Radio Simard noted that since Groupe Attraction Radio inc. and its successor 10679313 Canada Inc. acquired CHEQ-FM, this solicitation has increased.

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<sup>1</sup> The licence renewal application was filed by Groupe Attraction Radio inc. On 1 September 2018, Groupe Attraction Radio inc. and 10679313 Canada Inc. merged to form a new company known as 10679313 Canada Inc.

4. Radio Simard requested that the Commission impose a condition of licence prohibiting CHEQ-FM from soliciting advertising in the central Saint-Georges market.
5. In its reply, the applicant noted that it is not subject to any condition of licence that in any way prohibits the solicitation of advertising. In addition, it noted that Radio Simard did not provide any proof to support its accusations.
6. Accordingly, the applicant considers that the request to impose a condition of licence prohibiting the solicitation of advertising is not justified, especially in a context where commercial radio stations also face direct competition from digital platforms, social networks and search engines that local businesses increasingly use to geolocate and target their customers.

### **Commission's analysis and decision**

7. The Commission indicated in standard condition of licence 8 applicable to commercial radio stations<sup>2</sup> that a radio station with at least one-third local programming can solicit advertising in the area defined as its market.
8. As CHEQ-FM's programming consists of over one-third local programming, it is authorized to solicit and accept local advertising. This advertising should come from the market that it is authorized to serve, in this case Sainte-Marie de Beauce, and should not come from Saint-Georges.
9. Finally, the Commission considers that Radio Simard did not conclusively demonstrate that CHEQ-FM solicited local advertising in the Saint-Georges market. Therefore, the Commission finds that the station is in compliance and that it would be appropriate to renew CHEQ-FM's broadcasting licence for a full licence term of seven years.

### **Conclusion**

10. In light of the above, the Commission **renews** the broadcasting licence for the French-language radio programming undertaking CHEQ-FM Sainte-Marie, Quebec, from 1 September 2019 to 31 August 2026. The licensee shall adhere to the **conditions** set out in Broadcasting Regulatory Policy 2009-62, as well as to the **conditions** set out in the broadcasting licence for the undertaking.

### **Reminders**

11. Pursuant to Broadcasting Public Notice 2006-158, licensees of commercial FM radio stations in markets served by more than one private commercial radio station are required to devote at least one-third of the broadcast week to local programming. Commercial FM radio station licensees broadcasting less than one-third local

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<sup>2</sup> See Broadcasting Regulatory Policy 2009-62.

programming must, by condition of licence, refrain from soliciting or accepting local advertising.

12. Pursuant to section 22 of the *Broadcasting Act* (the Act), the broadcasting licence renewed in this decision will cease to have any force or effect if the broadcasting certificate issued by the Department of Industry lapses.
13. The licensee must comply at all times with the requirements set out in the Act, the *Radio Regulations, 1986* and its conditions of licence.

### **Employment equity**

14. 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**

- *CHEQ-FM Sainte-Marie de Beauce – Technical change*, Broadcasting Decision CRTC 2009-501, 19 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.*