Canadian Radio-television and Telecommunications Commission | Conseil de la radiodiffusion et des télécommunications canadiennes

A Broadcasting Decision CRTC 2020-137

PDF version

References: 2019-358-1 and 2020-114

Ottawa, 28 April 2020

Leclerc Communication inc.
Montréal, Quebec

Public record for this application: 2019-0952-4
Public hearing in Montréal, Quebec
12 February 2020

CJPX-FM Montréal – Acquisition of assets and licence amendments

The Commission ***approves, subject to certain modifications****, an application by Leclerc Communication inc. (Leclerc) for authority to acquire from Média ClassiQ inc. the assets of the French-language commercial specialty radio station CJPX-FM Montréal, and for a new broadcasting licence to continue the operation of this station.*

The Commission also ***approves*** *an application by Leclerc to amend CJPX-FM's conditions of licence in order to change the station's specialty format to a mainstream commercial format.*

The present decision completes Broadcasting Decision 2020-114 and sets out the rationale underlying Broadcasting Decision 2020-114 and the resulting approvals.

Application

1. Leclerc Communication inc. (Leclerc) filed an application for authority to acquire from Média ClassiQ inc. (Média ClassiQ) the assets of the French-language commercial specialty (Classical Music) radio station CJPX-FM Montréal, Quebec, and for a new broadcasting licence to continue the operation of this station. This application was approved by the Commission, subject to certain modifications, set out in Broadcasting Decision 2020-114.

2. Leclerc also filed an application to amend CJPX-FM's conditions of licence to change the station's specialty format to a mainstream music format (Adult Album Alternative – Triple A and Adult Contemporary). In addition, Leclerc committed to devote 25% of the station's French-language vocal music (FVM) musical selection rotations to emerging French-language artists. That application was also approved in Broadcasting Decision 2020-114.

3. Leclerc indicated that its applications are non-severable and that it would not be able to proceed with the acquisition of the assets of CJPX-FM without the Commission's approval of the requested amendments to the conditions of licence.

4. Jacques Leclerc holds 99.7% of the voting rights for Leclerc and exercises the effective control of the broadcasting undertakings. Nicolas Leclerc and Jean-François Leclerc each hold 0.15% of the voting rights. All of the directors of that company are Canadian. Accordingly, the Commission finds that Leclerc's application is consistent with the *Direction to the CRTC (Ineligibility of Non-Canadians)*.

5. Média ClassiQ is wholly owned by Groupe Radio Greg inc., which is effectively controlled by Gregory Charles, who holds 100% of the voting rights for Groupe Radio Greg inc.

6. Leclerc proposed a value of $3,780,000 for the assets to be acquired, and a value of the transaction of $4,889,163 for the calculation of tangible benefits. The proposed tangible benefits amount to $293,350, which represents 6% of the value of the transaction.

7. The Commission received 22 interventions in regard to this application, including a joint application from 31 interveners in support of the application, eight opposing interventions and 13 comments. Among others, the main intervention in opposition was from the Conseil Québécois de la musique (CQM) and seven other individuals who supported the CQM's position. The main comments were filed by the Association Québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ) and Cogeco Communications (Cogeco). Leclerc replied to the interventions.

Regulatory framework

8. Section 5(1) of the *Broadcasting Act* (the Act) confers upon the Commission the mandate to regulate and supervise all aspects of the Canadian broadcasting system to implement the Canadian broadcasting policy set out in section 3(1) of the Act. In addition, the Commission must be assured that approval of a proposed ownership transaction furthers the public interest as expressed in the objectives set out in section 3(1) of the Act. The review of ownership transactions in accordance with the public interest is an integral part of the Commission's regulatory and supervisory mandate under the Act.

9. Since the Commission does not solicit competitive applications for changes in effective control of broadcasting undertakings, the onus is on the applicant to demonstrate that approval is in the public interest, that the benefits of the transaction are commensurate with the size and nature of the transaction and that the application represents the best possible proposal under the circumstances.

10. The Commission must consider each application on its merits, based on the circumstances specific to the application.

Commission's analysis and decisions

11. After examining the public record for this application in light of applicable regulations and policies, the Commission considers that the issues it must address are the following:

    - the value of the transaction and tangible benefits;
    - licence amendments and market impact; and
    - the licence term and compliance analysis.

Value of the transaction and tangible benefits

Value of the transaction

12. The Commission's policy regarding tangible benefits is set out in Broadcasting Regulatory Policy 2014-459 (the Tangible Benefits Policy). In this policy, the Commission determined that it would be appropriate to require that tangible benefits generally be provided as part of a change in the effective control of all radio or television stations. For the purpose of calculating the value of tangible benefits, the Commission takes into account the value of the transaction as a whole, including the value of gross debt assumed, working capital to be transferred at closing, ancillary agreements and any leases assumed by the purchaser for real property (buildings, studios and offices) and transmission facilities. The value of leases is calculated over five years. These elements are then added to the purchase price, where applicable.

13. In the context of its application, Leclerc proposed a value of the transaction that included the lease for the antenna as well as ancillary agreements. The value of the transaction proposed by Leclerc also includes an agreement valued at $100,000 for advertising campaigns that Leclerc would make available to Média ClassiQ.

14. The Commission notes that Leclerc's calculation of the value of the proposed transaction is consistent with the regulatory framework and Commission practice. Accordingly, the Commission determines that the value of the transaction amounts to $4,889,163.

Tangible benefits

15. Pursuant to the Tangible Benefits Policy, for commercial radio stations, tangible benefits must represent at least 6% of the value of the transaction as determined by the Commission, and must be allocated to Radio Starmaker Fund or Fonds Radiostar (3%), FACTOR or MUSICACTION (1.5%), any eligible Canadian content development (CCD) eligible initiative at the discretion of the purchaser (1%), and the Community Radio Fund of Canada (CRFC) (0.5%).

16. As noted above, Leclerc proposed tangible benefits equal to 6% of the value of the transaction.

17. Consistent with the Tangible Benefits Policy, the Commission requires Leclerc to pay tangible benefits amounting to $293,350, to be allocated as follows in equal payments over seven consecutive broadcast years :

- 3% ($146,675) to Fonds Radiostar;
- 1.5% ($73,337) to MUSICACTION;
- 1% ($48,892) to eligible CCD initiatives; and
- 0.5% ($24,446) to the CRFC.

Tangible benefits stemming from a previous transaction

18. In 2015, the Commission approved an application by Média ClassiQ to acquire from Radio-Classique Montréal inc. and Radio-Classique Québec inc. the assets of the French-language commercial radio stations CJPX-FM and CJSQ-FM Québec (Quebec), respectively, and for new broadcasting licences to continue the operation of these stations. In that decision, Média ClassiQ was required to pay tangible benefits over seven consecutive broadcasting years, ending 31 August 2022.

19. The Commission notes the agreement reached between Leclerc and Média ClassiQ regarding the tangible benefits relating to the acquisition of CJSQ-FM Québec and CJPX-FM Montréal by Média ClassiQ in 2015, whereby Média ClassiQ will assume payment of the remaining $120,607 pertaining to CJSQ-FM Québec, and that Leclerc will assume payment of the remaining amount of $219,514 pertaining to CJPX-FM Montréal, to be allocated as follows in equal annual payments over three consecutive broadcast years:

- 3% ($109,755) to Fonds Radiostar;
- 1.5% ($54,879) to MUSICACTION;
- 1% ($36,585) to eligible CCD initiatives; and
- 0.5% ($18,294) to the CRFC.

20. The Commission expects that all tangible benefits stemming from broadcasting decision 2015-400 be paid as planned by the end of the 2021-2022 broadcast year.

Licence amendments and market impact

21. Leclerc wishes to acquire the assets of CJPX-FM in order to operate a station in the Montréal radio market, and is seeking to improve the station’s financial viability. To do so, Leclerc requested amendments to CJPX-FM’s conditions of licence in order to change the station’s specialty format to a mainstream music format (Adult Album Alternative – Triple A and Adult Contemporary). CJPX-FM is currently operated as a French-language commercial specialty format station devoted to classical music.

22. Specifically, Leclerc requested the deletion of conditions of licence 2 and 3 set out in the appendix to Broadcasting Decision 2015-400, which read as follows:

> 2. The licensee shall operate the station within the specialty format as defined in *A Review of Certain Matters Concerning Radio*, Public Notice CRTC 1995-60, 21 April 1995, and in *Revised content categories and sub-categories for radio*, Broadcasting Regulatory Policy CRTC 2010-819, 5 November 2010.
>
> 3. The licensee shall devote at least 20% of its musical selections from content category 3 (Special Interest Music) in each broadcast week to Canadian musical selections broadcast in their entirety and scheduled in a reasonable manner throughout each broadcast day.

23. As such, should the Commission approve the amendments, CJPX-FM would be subject to the standard conditions of licence for commercial AM and FM radio stations, set out in Broadcasting Regulatory Policy 2009-62.

24. In support of its amendment applications, Leclerc indicated that CJPX-FM is not viable in the short, medium or long term. It noted that the station has suffered considerable losses in recent years. Further, it specified that when Média ClassiQ acquired CJPX-FM in 2015, the station was experiencing a significant drop in the number of listeners and a decrease in audience share in the Montréal market. Leclerc stated that repositioning the station in the market would lead to increases in the number of listeners and audience share, which would result in an increase in revenue. Accordingly, Leclerc expressed the view that to acquire CJPX-FM and for the station to be economically viable, the Commission must approve the proposed change in format.

25. Leclerc proposed to offer a mainstream music format (Adult Album Alternative – Triple A and Adult Contemporary) with 60% of the programming to be devoted to music and 40% to be devoted to spoken word programming each broadcast week. The proposed programming is inspired by the format used by Leclerc’s station CJEC-FM Québec, known as WKND, which is successful. It also intends to appeal to the interests of adults aged 25 to 54.

Interventions

26. The Commission received a joint intervention filed by Leclerc in support of its application. Of the 31 individuals in support of the application, 18 are industry artists and 13 are Québécois artists whose music is broadcast by Leclerc on its Québec station, CJEC-FM. The interveners emphasized the programming diversity that Leclerc brings to the Québec market, and its willingness to promote and dedicate air time to emerging artists. The interveners also noted Leclerc’s involvement in the community and that no similar station exists in Montréal.

27. The Commission received eight interventions opposing the application. The main intervention was from the CQM. The seven other interventions were from individuals supporting the CQM's position and who had concerns over the loss of the only French-language commercial radio service dedicated to classical music in the Montréal market. The CQM expressed concern over the potential negative impact of the change in musical format proposed by Leclerc in the Montréal radio market, mainly the decrease in musical diversity, the decrease in direct support for Canadian and local classical music artists and the economic impact of the requested change (audience fragmentation).

28. The Commission received 11 comments from individuals raising the same issues as those raised by the CQM. The main comments were filed by ADISQ and Cogeco. ADISQ considered that the loss of a classical radio station in Montréal would be a significant loss to this radio market. In ADISQ's view, the Montréal market lacks diversity given that it is dominated by Bell Media Inc. (Bell Media) and Cogeco, and that the entry of an independent undertaking could add to the diversity of voices. ADISQ requested that the Commission impose a condition of licence requiring that at least 25 % of the FVM selections broadcast on CJPX-FM be devoted to French-language emerging artists, and requiring that the licensee file a report to that effect.

29. For its part, Cogeco indicated that an assessment regarding the market's capacity to sustain a new commercial station was not completed and, as such, expressed its opposition to the amendments requested by Leclerc to its conditions of licence. Cogeco considers that the application as filed by Leclerc does not ensure musical diversity, that it might adversely affect the already delicate competitive balance within the Montréal radio market, and that it should be considered only after the review process for the French-language commercial radio regulatory framework has been completed.

Leclerc's reply

30. In its reply, Leclerc stressed Cogeco's predominant position in Montréal's English- and French-language radio market. The applicant argued that its arrival as an independent player would not have an undue impact on the diversity of voices, given that the proposed musical format is not currently offered in the Montréal market and could foster greater competition in a market dominated by two licensees, Cogeco and Bell Media. Leclerc also submitted that the Canadian Broadcasting Corporation (CBC) (through ICI Musique), Stingray Group Inc. (Stingray) and Sirius XM Canada Inc. (SiriusXM) already offer classical music programming to listeners.

31. In regard to ADISQ's proposal to increase to 25% the rotation of FVM selections dedicated to French-language emerging artists each broadcast week, Leclerc confirmed its willingness to increase its initial commitment from 20% to 25%.

Commission’s analysis and decisions

32. In examining Leclerc’s application, the Commission considered questions relating to the diversity of voices and programming diversity, the economic need cited in support of changing the station’s format, the economic impact of the proposed changes on stations licensed to operate in the Montréal market, and the integrity of the licensing process.

Diversity of voices and programming diversity

33. In regard to the diversity of voices, Leclerc’s entry as a new player in the Montréal market would maintain a distinct radio voice in that market, given that it would replace Média ClassiQ, which currently operates only one station in Montréal and which is also an independent broadcasting undertaking.

34. In regard to the concerns expressed by the CQM, ADISQ and Cogeco relating to the change in CJPX-FM’s format, the Commission is of the view that the entry of Leclerc would maintain musical diversity in Montréal, although the musical offering would differ from that currently broadcast by the station.

35. The combination of the specialty format specified in condition of licence 2, with the Canadian music requirements set out in condition of licence 3 provides the station with less flexibility to change its musical offering when compared to a commercial mainstream station. As such, Leclerc indicated that the elimination of these conditions of licence is necessary in order to reach a larger audience, and thereby increase the station’s revenues and make the station profitable. Leclerc stated its intention to broadcast 126 hours of local programming covering topics that are relevant for the target audience, such as travel, new technologies, living well, family, music, television, movies, and local activities. For each broadcast week, Leclerc would broadcast 2.5 hours of news, weather, and traffic reports.

36. Leclerc also stated its intention to broadcast two programs simultaneously on CJPX-FM and CJEC-FM, which would be produced in Montréal. The first program, Studio WKND, which would be completely dedicated to Quebec’s Francophone music scene, would be broadcast Monday to Friday from 1 p.m. to 2 p.m. The second program, the format of which remains to be determined, would be broadcast on weekends from 4 p.m. to 5 p.m.

37. In regard to comments indicating that the loss of the specialty classical music format in the market would significantly decrease the diversity of the programming, the Commission recognizes the unique contribution of CJPX-FM's specialty classical music format, but also notes that due to its limited audience share, there would be a limited impact from the change in format on the overall audience in the Montréal market. In addition, as noted by both Leclerc and ADISQ, the programming proposed by Leclerc for the operation of CJPX-FM would provide greater exposure to many French-language Canadian artists, and in particular emerging artists. Consequently, the Commission considers that the music format proposed by Leclerc would contribute to the diversity of music programming in the Montréal market as no other commercial station in operation in that market offers the same format as that proposed by Leclerc. Further, as noted by Leclerc, the CBC (through ICI Musique), Stingray and SiriusXM already offer classical music programming to listeners.

38. Finally, the Commission notes that following the intervention period, Leclerc and ADISQ reached an agreement whereby Leclerc will file with ADISQ an annual report demonstrating the extent to which the station will offer programming diversity in the Montréal market through its support for French-language emerging artists resulting from 25% of FVM being dedicated to French-language emerging artists each broadcast week. An expectation in regard to Leclerc's commitment to ADISQ is set out in the appendix of this decision.

Economic need

39. The Commission notes that CJPX-FM is currently required to ensure that a minimum of 30% of the music broadcast each broadcast week is drawn from content category 3 (Special Interest Music), which includes content subcategory 31 (Concert), and that at least 20% of content category 3 music selections are Canadian (condition of licence 3). Média ClassiQ has not been able to make CJPX-FM profitable since acquiring the station's assets. The station reported a 35% decrease in total revenues between 2013 and 2018, and has not been profitable since 2014. The Commission notes that the classical music format does not allow for the same regulatory flexibility as the mainstream format, and that the listeners targeted by the classical music format are limited. Accordingly, the Commission considers that Leclerc has demonstrated an economic need justifying the proposed format change. Further, the Commission is of the view that the format change proposed by Leclerc would provide it with a better chance of achieving viability than would the current format.

40. In addition, the Commission considers that eliminating conditions of licence 2 and 3 for CJPX-FM would result in the station having the same programming requirements that are applicable to CJEC-FM, which would facilitate the programming synergies between the two stations.

Impact of the proposed amendments on commercial radio stations in Montréal

41. Leclerc provided financial projections for the operation of CJPX-FM. For the next four years, Leclerc forecasts that the station’s revenues will represent just under 3% of the total revenues of all French-language commercial radio stations in Montreal in 2019. Although this amount would be less than the revenues of CJEC-FM Québec, the station for which Leclerc has had success with the same format as proposed for CJPX-FM, the Commission considers the projections to be reasonable given that the Montréal radio market is more competitive that the Québec radio market, and given that Leclerc will need several years to establish the station in Montréal.

42. Leclerc stated that 55% of additional revenues would come from the market’s incumbent stations. Given the size of Montréal’s French-language radio market and the decrease in revenues in recent years (i.e., -8.7% since 2016), the Commission is of the view that there is currently limited potential for growth in this market. Accordingly, the Commission is of the view that Leclerc’s statement that the majority of additional revenues would come from the market’s incumbent stations is accurate.

43. The francophone audience share for French-language services in Montréal increased from 78% in 2018 to 81.3% in 2019. The Commission considers that this portion of revenues that Leclerc is planning to generate does not represent a significant portion of the total revenues of Montreal’s French-language radio market, the vast majority of which is generated by Bell Media and Cogeco.

44. The Commission notes that Cogeco, in its comments on Leclerc’s application, expressed concerns regarding the financial impact of the proposed amendment on the market’s incumbent stations. Cogeco argued that the increase in French-language listeners migrating to English-language stations is proof that the market cannot support an additional Adult Contemporary station.

45. The Commission also notes that in Broadcasting Decision 2019-125, it approved an application by Leclerc to amend certain conditions of licence for CKLX-FM Montréal in order to allow the station to operate under the Adult Contemporary format (Hot AC). Although the transaction ultimately did not close, the Commission noted that the increase in revenues did not make up a significant portion of the total revenues of Montréal’ French-language radio market, which is dominated by Bell Media and Cogeco.

46. Based on Leclerc’s proposed business plan, the Commission does not anticipate that CJPX-FM will have a notable impact on the revenue-generating capacity of the market’s incumbent French-language radio stations, given that the proposed musical format for the station is intended to be different than the current formats in this market and that Leclerc could thus target a different audience. It is anticipated that there will be an economic impact on Bell Média and Cogeco, who hold more favourable positions in the market.

47. The Commission also considers that the distribution of revenues would not change significantly given that the number of players in the Montréal market would remain unchanged following the transaction and that the proposed musical format is different from those currently offered in the market. Further, of all the players in the Montreal market, only Cogeco opposed the requested licence amendments.

48. Accordingly, the Commission considers that approval of the requested licence amendments would not have an undue impact on licensed radio stations in Montréal.

Integrity of the licensing process

49. The Commission generally expects radio station licensees who are granted a licence through a competitive process to maintain their original conditions of licence, at least during the first licence term. CJPX-FM launched in 1998 and has since been operated under a specialty format. Given that Média ClassiQ was granted the broadcasting licence for CJPX-FM in 2015 (see Broadcasting Decision 2015-400) and that it has since honoured its programming commitments relating to operating under a specialty format, the Commission finds that approval of Leclerc's requested licence amendments would not undermine the integrity of the Commission's licensing process.

Conclusion

50. In light of the above, the Commission **approves** the application by Leclerc Communication inc. to delete CJPX-FM Montréal's conditions of licence 2 and 3 and to amend condition of licence 1 in order to change the station's specialty format to a mainstream music format (Adult Album Alternative – Triple A and Adult Contemporary).

Licence term and compliance analysis

Licence term

51. Leclerc requested a new broadcasting licence and new conditions of licence relating to programming to continue operating CJPX-FM as specified in its application.

52. Furthermore, the Commission **denies** the application by Leclerc for a new seven-year broadcasting licence. Instead, the Commission considers it would be appropriate to grant a two-year licence term and to establish the same expiry date for the licences for CJPX-FM Montréal and CJEC-FM Québec, specifically, 31 August 2022, the current licence expiry licence date for CJEC-FM, since Leclerc indicated in its application that the two stations will share programming. In these circumstances, the Commission is of the view that it is preferable to review the performance and compliance of both stations at the same time.

Compliance analysis

53. Média ClassiQ did not provide any data regarding CCD contributions for 2015-2016 through 2017-2018 broadcast years. Leclerc explained that Média ClassiQ did not have access to the information submitted by former owners in regard to the 2015-2016 broadcast year and was therefore unable to determine the amount associated with these obligations, given that CCD contributions are calculated based on the previous broadcast year's revenue.
54. In regard to the 2016-2017 and 2017-2018 broadcast years, Média ClassiQ indicated that the calculations were performed and that the contributions were made. Due to a lack of knowledge, the contributions were made to MUSICATION, but the situation was rectified and a cheque equivalent to the amount owing for these two broadcast years issued to the CRFC.
55. The Commission considers that the licensee provided sufficient proof that CCD contributions were made for the 2015-2016 through 2017-2018 broadcast years. The Commission is satisfied that the licensee has now fulfilled its obligations in this regard and that the shortfall to the CRFC has been rectified. Consequently, the Commission is of the view that, given the circumstances, it is not necessary to impose corrective measures to address the late filing of proof of contributions for the years concerned.
56. In regard to the missing contributions to the CRFC for the 2016-2017 and 2017-2018 broadcast years, the Commission is satisfied with Leclerc's explanations and does not find appropriate, in the circumstances, to impose corrective measures given that these contributions were ultimately paid despite the delay in making those contributions.

Conclusion

57. The Commission finds that the acquisition of the assets of the broadcasting undertaking CJPX-FM by Leclerc Communication inc. would be in the public interest and would meet the objectives set out in section 3(1) of the Act, in particular, section 3(1)(f), which provides that each broadcasting undertaking shall make maximum use of Canadian resources; section 3(1)(g), which specifies that the programming originated by broadcasting undertakings should be of high standard; and section 3(1)(i)(iv), which sets out that the programming provided by the Canadian broadcasting system should provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern. Moreover, the transaction would contribute to the diversity of voices and to musical diversity in Montréal. The transaction would bring tangible benefits amounting to $293,350. Finally, Leclerc demonstrated an economic need for a change in musical format for CJPX-FM and that approval of the application would not have an undue financial impact on the stations in the Montréal radio market.

58. In light of all the above, the Commission **approves, subject to certain modifications**, the application by Leclerc Communication inc. for authority to acquire from Média ClassiQ inc. the assets of the French-language commercial specialty radio programming undertaking CJPX-FM Montréal, Quebec to continue operating the station.

59. The Commission also **approves** the application by Leclerc Communication inc. to delete CJPX-FM's conditions of licence relating to the specialty format to allow the station to operate under a commercial mainstream format (Adult Album Alternative – Triple A and Adult Contemporary).

60. The Commission expects Leclerc Communication inc. to respect its engagement to devote, in each broadcast year, 25% of the FVM musical selections broadcast to French-language emerging artists and to file an annual report with ADISQ.

61. Leclerc Communication inc. must advise the Commission of the close of the transaction. Upon surrender of the current licence issued to Média ClassiQ, the Commission will issue a new broadcasting licence to Leclerc, which will expire 31 August 2022. The terms and **conditions of licence** for this station are set out in the appendix to this decision.

Secretary General

Related documents

- *CJPX-FM Montréal – Acquisition of assets and licence amendment*, Broadcasting Decision CRTC 2020-114, 3 April 2020
- *CHOI-FM Québec and CKLX-FM Montréal – Acquisition of assets and licence amendment*, Broadcasting Decision CRTC 2019-125, 30 April 2019
- *CJPX-FM Montréal and CJSQ-FM Québejc – Acquisition of assets and licence amendments*, Broadcasting Decision CRTC 2015-400, 26 August 2015
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009

This decision is to be appended to the licence.

Appendix to Broadcasting Decisions CRTC 2020-114 and 2020-137

Terms, conditions of licence, expectations and encouragement for the French-language radio programming undertaking CJPX-FM Montréal, Quebec

Terms

The licence will expire 31 August 2022.

Conditions of licence

1. The licensee shall adhere to the conditions set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009, as well as to the conditions set out in the broadcasting licence for the undertaking.

2. The licensee may use two subsidiary communications multiplex operations (SCMO) system channels to broadcast a radio service primarily in Punjabi, Hindi, Urdu, Bengali, Tamil and Sinhalese languages on the first channel and a service primarily in Portuguese language with programs from Radio Club Montréal (94%) and other sources (6%) on the second channel.

Expectations

The Commission expects the licensee to fulfill its commitment to devote 25% of the French-language vocal music musical selection broadcast by CJPX-FM Montréal to emerging French-language artists.

The Commission expects the licensee to fulfill its commitment to file an annual report with the Association Québécoise de l'industrie du disque, du spectacle et de la vidéo indicating its contribution to the station's diversity in the Montréal market and particularly to the broadcast of music from emerging artists.

Pursuant to the equity purchase agreement with Média ClassiQ, the Commission expects the licensee to pay, by the end of the 2021-2022 broadcast year, outstanding tangible benefits commitments of $219,514 pertaining to CJPX-FM Montréal stemming from the 2015 transaction as set out in *CJPX-FM Montréal and CJSQ-FM Québec – Acquisition of assets and licence amendments*, Broadcasting Decision CRTC 2015-400, 26 August 2015.

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

Encouragement

In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, 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.