



Broadcasting Decision CRTC 2025-203

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Gatineau, 11 August 2025

7954689 Canada Inc.
Montréal, Quebec

Public record: 2024-0221-2

CFNV Montréal and CFQR Montréal – Change in ownership and effective control

Summary

The Commission approves an application by 7954689 Canada Inc. (7954689) for authority to change the ownership and effective control of the French-language commercial AM radio programming undertaking operating the station CFNV Montréal, Quebec, and the English-language commercial AM radio programming undertaking operating the station CFQR Montréal, Quebec. Through these transactions, Ronald Richards Realty Inc. (RRRI) will acquire all the shares of 7954689. At the close of the transaction, Ronald Richards will exercise the effective control of the stations.

The licensee will continue to operate the stations under the licences for the undertakings subject to the transaction, which will expire on 31 August 2027. This licensee will also be subject to the terms set out in Appendix 1 of this decision.

The Commission finds that approving this transaction is in the public interest, as it will help ensure that the stations continue to serve the community of Montréal, including the English official language minority community, by providing local programming.

In addition, the Commission proposes to make the order set out in Appendix 2 to this decision imposing on the licensee a condition of service, including expenditure requirements. Consistent with subsections 9.1(4) and 11.1(7) of the *Broadcasting Act*, interested persons may make representations only on the proposed order by no later than **21 August 2025**. The licensee may submit a reply to any representations received by no later than **26 August 2025**.

A dissenting opinion by Commissioners Bram Abramson and Ellen Desmond is attached to this decision.

Application

1. On 24 April 2024, the Commission received an application from 7954689 Canada Inc. (7954689) for authority to change the ownership and effective control of the French-language commercial AM radio programming undertaking CFNV Montréal, Quebec, and the English-language commercial AM radio programming undertaking CFQR Montréal,

Quebec. Following the transaction, Ronald Richards Realty Inc. (RRRI) would own all outstanding shares of 7954689 and effectively control the stations.

2. 7954689 is a privately owned Canadian radio broadcasting corporation controlled by Nicholas Tétrault, Rajiv Pancholy and Paul Tietolman.
3. RRRI is wholly owned by Ronald Richards, the sole shareholder. The effective control of RRRI is exercised by Ronald Richards.
4. On 23 October 2023, RRRI entered into an agreement with 7954689 to acquire 49% of the issued shares of 7954689. Subsequently, on 19 January 2024, RRRI entered into three agreements to purchase all the outstanding and issued shares of 7954689, and to repay shareholder loans to Nicholas Tétrault and Rajiv Pancholy.
5. 7954689 initially proposed a value of the transaction of \$386,002, which includes 51% of 7954689's shares (\$75,002), and the repayment of two shareholders' loans (\$311,000). At the time of the application, no leases or debt assumed were included in the proposed value of the transaction. 7954689 also requested an exception to the payment of tangible benefits.

Regulatory framework

6. Pursuant to subsection 5(1) of the *Broadcasting Act* (the Act), the Commission regulates and supervises the Canadian broadcasting system with a view to implementing the broadcasting policy set out in subsection 3(1) of the Act. To that end, subsection 11(4) of the *Radio Regulations, 1986* (the Regulations) requires prior Commission approval for changes to the effective control of radio undertakings. When seeking the Commission's approval, the applicant must demonstrate 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. The Commission will consider the application on its merits and will approve the transaction if the change in ownership and effective control is in the public interest. The public interest is reflected in the Canadian broadcasting and regulatory policy set out in subsections 3(1) and 5(2) of the Act.

Issues

7. After examining the record for this application in light of applicable regulations and policies, the Commission considers that it must address the following issues:
 - the appropriate route for the Commission to review the application;
 - whether the applicant's ownership structure satisfies the requirements for Canadian ownership and control;
 - whether the proposed transaction is in the public interest;
 - the value of the transaction and tangible benefits;

- the allocation of tangible benefits; and
- whether the proposed transaction fulfills the regulatory requirements.

Appropriate route for review

8. According to the *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure*¹ and Broadcasting Information Bulletin 2008-8-2, share transfer applications are reviewed using the administrative route where the value of the transaction, as determined by the Commission, is less than \$15,000,000 per radio station and the application does not raise any concerns with respect to Commission policies or regulations, including conditions of service.
9. As the value of the transaction (discussed below) is less than \$15,000,000 per radio station and the application did not raise any concerns with respect to Commission policies or regulations, including conditions of service, the Commission is satisfied that the application meets the criteria to be reviewed under the administrative route.

Canadian ownership and control

10. Pursuant to paragraph 3(1)(a) of the Act, the Canadian broadcasting system shall be effectively owned and controlled by Canadians. As required by the *Direction to the CRTC (Ineligibility of Non-Canadians)*² (the Direction), no broadcasting licence can be issued to a non-Canadian.
11. Ronald Richards, the sole owner and director of the board of directors of RRRI, is Canadian. Following the transactions, RRRI will be the sole shareholder of the licensee, and Ronald Richards will have effective control of the undertakings. As such, the proposed transaction satisfies the eligibility criteria set out in the Direction.

Public interest of the proposed transaction

12. When the Commission evaluates whether a transaction is in the public interest, it examines the extent to which the transaction improves the Canadian broadcasting system and contributes to meeting the policy objectives of the Act. Section 3 of that Act describes a broadcasting system that contributes to the creation and presentation of Canadian programming, and through its programming reflects the multicultural and multiracial nature of Canadian society. Furthermore, the programming that the system provides should be drawn from local and regional sources and should ensure that a diversity of news voices is offered to the public.

¹ SOR/2010-277, 8 April 2021.

² SOR/97-192, 8 April 1997.

13. The original shareholders of 7954689 are seeking to retire from radio broadcasting while Ronald Richards wishes to pursue the operations of both radio stations and invest additional resources.
14. The applicant claimed that the change in ownership and consequent increase in capital is vital for the continued operation of the stations. It further stated that it is sensitive to ensuring employment equity, especially towards the hiring of visible minorities, people with disabilities and Indigenous peoples. To celebrate the cultural diversity of Montréal, the applicant stated that it also intends to allocate time to music from content subcategory 33 (World beat and international) and to include daily programs dedicated to Caribbean artists and music.
15. If the application were approved, it would maintain the plurality of editorial voices and diversity in the Montréal market given that the applicant would continue to operate as an independent broadcaster.
16. Furthermore, CFQR, which serves the Anglophone official language minority communities of Montréal, would continue the production and broadcast of programs benefiting these communities. The Commission also considers that the continued operations of the stations would support the creation and presentation of programming and opportunities that reflect the multicultural and multiracial nature of Canadian society.
17. In light of the above, the Commission finds that approval of these transactions is in the public interest.

Value of the transaction and tangible benefits

18. The Commission's approach is that the public interest is served by requiring that the person or the qualified corporation acquiring the assets and effective control make financial contributions to Canadian content development (CCD) that are proportionate to the size and nature of the transaction. These contributions are known as "tangible benefits". The Commission's policy on tangible benefits is set out in the Tangible Benefits Policy.³ Tangible benefits serve the public interest because they increase the quantity and quality of Canadian programming and support the creation, distribution and promotion of such programming. Since the Commission does not solicit competing applications for changes to the ownership or effective control of broadcasting undertakings, the Commission requires that applicants propose tangible benefits when they seek the Commission's approval to change the effective control of radio and television programming services.
19. The amount of tangible benefits payable depends on the value of the transaction. In the case of radio stations, tangible benefits represent at a minimum 6% of the value of the transaction. The Commission looks at the value of the transaction as a whole, including the value of gross debt, working capital to be transferred at the close of the transaction, ancillary agreements, and any leases assumed by the purchaser for real property (buildings,

³ See Broadcasting Regulatory Policy 2014-459.

studios and offices) and transmission facilities. The value of leases is calculated over a period of five years. These elements, if applicable, are added to the purchase price.

20. With respect to multi-step transactions, in Broadcasting Decision 2006-309, the Commission noted it reserved the right, in the case of such transactions, to review not just the final step, but the entire sequence of events, including all previous steps, in order to determine the appropriateness of any proposed benefits package.

Positions of parties

21. The applicant, 7954689, initially proposed a value of the transaction of \$386,002, which included 51% of 7954689's shares (\$75,002), and the repayment of two shareholders' loans (\$311,000). Furthermore, at the time of the application, no leases or debt assumed was included in the proposed value of the transaction.
22. The applicant proposed that despite the acquisition of 7954689 taking place over two transactions, only the purchase price of 51% of the shares should be included in the value of the transaction. It argued that the two successive transactions are a consequence of circumstances where two shareholders had to withdraw from active roles due to personal issues, rather than a single process.
23. The applicant also submitted that \$332,750 raised through the issuance of new shares (representing 49% of total shares) to RRRI in October 2023 was used to settle the two shareholders' loans. Consequently, it is of the view that should the Commission decide to include this amount in the value of the transaction, the shareholders' loans of \$311,000 should not be included in the total valuation. Furthermore, 7954689 noted that there was a lease with a five-year value totalling \$300,000 and \$104,000 in debt to be assumed by the purchaser.
24. Finally, 7954689 requested an exception to the Tangible Benefits Policy, and, as such, did not propose a tangible benefits package.

Commission's decision

25. The Commission considers that the extent of the connections between the share purchases is key to determining whether these represent multiple discrete transactions or a single, multi-step transaction. In making this determination, the Commission considers, among other things, the lapse of time between the purchases, the parties involved, the purpose and objects of the purchases, and the degree of control of the acquiring company over the outcome of the purchases. The Commission also considers evidence on the record of the application and, where relevant, information drawn from various public sources including, for instance, any news releases issued concerning the purchases.
26. In the present case, the Commission notes that both purchases occurred within a short timeframe (approximately three months), involved the same buyers and sellers, and ultimately led to the change in effective control of the licensed undertakings. As a result, the Commission considers that in determining the value of the transaction for this

application, it should take into account the purchase price for 100% of the shares leading to the change in effective control of the licensed undertakings.

27. With respect to the shareholders loans of \$311,000, the Commission notes that the repayments are part of the share purchase agreements where RRRI acquired the remaining 51% of the shares of 7954689, and not in the agreement where 49% of 7954689's shares were issued to RRRI. Further, the Commission has determined that both steps of the transaction should be taken into account in assessing the purchase price. As such, the Commission does not agree with the applicant's position that these repayments should be excluded.
28. Regarding the value for the leases and for the debt assumed at closing identified by the applicant, the Commission considers that the inclusion of their value would be consistent with the Tangible Benefits Policy.
29. In light of the above, the Commission finds that the value of the transaction is \$1,122,752, itemized as follows:

October 2023 transaction - 49% of shares	
Purchase price (issuance of shares)	\$ 332,750
January 2024 transaction – 51% of shares	
Purchase price (shares and settlement of funds advanced by shareholders)	\$ 386,002
Debt	\$ 104,000
Value for the assumed leases over five years	\$ 300,000
Working capital	\$0
Total value of transaction	\$ 1,122,752

Allocation of tangible benefits

30. As per the Revised Commercial Radio Policy,⁴ tangible benefits amounts are to be paid over seven consecutive broadcasting years and be allocated as follows:
 - 3% to the Canadian Starmaker Fund and Fonds RadioStar;
 - 60% to Canadian Starmaker Fund and 40% to Fonds RadioStar

⁴ Broadcasting Regulatory Policy 2022-332.

- 1.5% to FACTOR and Musicaction;
 - 60% to FACTOR and 40% to Musicaction
- 1% to any eligible CCD initiative at the discretion of the purchaser; and
- 0.5% to the Community Radio Fund of Canada.

31. 7954689 requested that the Commission grant an exception to the payment of tangible benefits stemming from the transfer of ownership of both stations on the grounds that all the exception criteria set out in the Tangible Benefits Policy and reiterated in the Revised Commercial Radio Policy were met.

32. In accordance with the Tangible Benefits Policy, requests for an exception must be made at the time of filing the application and should meet all of the following criteria:

- The undertaking to be acquired is not in its first licence term, as many undertakings take up to one full term from the time of licensing to achieve profitability;
- The undertaking has suffered significant financial losses over an extended period of time (that is, for at least five consecutive years following the first licence term); and,
- The purchaser demonstrates that there is a public interest either for the broadcasting system as a whole or the community served in maintaining the failing undertaking.⁵

33. The Tangible Benefits Policy further states the Commission reserves its discretion at all times, and an exception will not necessarily be granted even if these criteria are met.⁶ The onus is instead on the applicant to clearly demonstrate that the public interest is fully met by the transaction without tangible benefits (for instance, to demonstrate that the undertaking is truly failing and is therefore unable to pay while continuing to provide service).

34. The Commission considers that 7954689 meets the first criterion as neither station subject to the transaction is in its first licence term.

35. The applicant submitted a document demonstrating significant financial losses for both stations since the 2010-2011 broadcast year. However, the financial information provided cannot be properly corroborated against the Commission's financial data records for CFNV and CFQR due to incomplete financial statements or unsubmitted annual returns during the current and past licence terms.

⁵ See paragraph 61 of the Tangible Benefits Policy.

⁶ *Ibid.*, paragraph 62.

36. Nonetheless, the financial information provided by the applicant shows that both CFNV and CFQR have both experienced a number of years of financial losses since the beginning of their second licence terms.⁷ However, despite the stations' history of financial losses since their launch, the applicant has not reached the threshold required by the second exception criterion of at least five consecutive years of financial losses since the beginning of the second licence term. As a result, the Commission finds that the applicant does not meet the second criterion.
37. Furthermore, although the Commission is of the view that the public interest would be served by the continued operation of the stations, the applicant has not submitted compelling justification or arguments that it meets the third criterion necessary for the Commission to grant an exception to the Tangible Benefits Policy. The applicant also has not mentioned nor demonstrated that the continued operation of the stations, or the change in ownership, is dependent on the approval of the request for an exception to the payment of tangible benefits. While the applicant described their plans to offer programming to continue serving the listeners of both stations, they did not establish how the equivalent of the tangible benefits contributions would otherwise be spent should an exception be granted.
38. Consistent with the Tangible Benefits Policy, in the case of transactions involving radio stations, tangible benefits represent at a minimum 6% of the value of the transaction. In the present case, 6% of the total value of the transaction would equal \$67,366. Granting an exception to the payment of the tangible benefits in this case would mean that the recipients of the funds would not receive a total of \$67,366 allocated over the course of seven consecutive broadcast years. The Commission notes that this amount would represent a significant loss for recipients of the funds, and those that would receive contributions through the eligible discretionary initiatives chosen by the applicant. Therefore, the Commission considers that the public interest would be better served by allocating the tangible benefits contributions as set out in the Tangible Benefits Policy. As a result, the Commission finds that the applicant does not meet the third criterion.
39. In light of the above, the Commission finds that an exception to the payment of tangible benefits in this instance would not be in the public interest. Based on the revised value of the transaction, 7954689 should be required to allocate \$67,366 in tangible benefits, which is consistent with the Tangible Benefits Policy and Revised Commercial Radio Policy.
40. The modernized Act now includes express provisions relating to the imposition of expenditure requirements. As a result, tangible benefits must be imposed by order made pursuant to subsection 11.1(2) of the Act. Accordingly, the Commission considers it appropriate to **propose to order** 7954689 Canada Inc. to allocate \$67,366 in tangible benefits, to be paid in equal instalments over seven consecutive broadcast years, consistent with the Tangible Benefits Policy and Revised Commercial Radio Policy.

⁷ Note that the licence for CFNV was renewed in Broadcasting Decision 2018-292, and the licence for CFQR was renewed in Broadcasting Decision 2019-292.

41. Further, the Commission considers it appropriate to **propose to order, as a condition of service**, 7954689 Canada Inc. to report, as part of its Annual Return required under section 9(2) of the Regulations, on its progress in making these payments.

Regulatory requirements

Licence terms

42. The licences for CFNV Montréal and CFQR Montréal expire on 31 August 2027. As no new licence is to be issued following the transaction, the Commission considers it appropriate to maintain the current licence terms for these stations.

Conclusion

43. In light of all of the above, the Commission approves, by majority decision, the application by 7954689 Canada Inc. for authority to change the ownership and effective control of the French-language commercial AM radio programming undertaking CFNV Montréal, Quebec, and the English-language commercial AM radio programming undertaking CFQR Montréal, Quebec.
44. The Commission reiterates that the applicant is to assume the licences for the undertakings subject to the transaction, which will expire on 31 August 2027. The applicant will also be subject to the terms and **conditions of service, and the order requiring a tangible benefits expenditure**, set out in the appendices of this decision.
45. This decision is to be appended to each licence.

The proposed order

46. Pursuant to subsection 11.1(2) of the Act, the Commission **proposes to order** 7954689 Canada Inc. to pay tangible benefits in the amount of \$67,366, to be paid in equal instalments over seven consecutive broadcast years and allocated in a manner consistent with the Tangible Benefits Policy and the Revised Commercial Radio Policy. In addition, pursuant to subsection 9.1(1) of the Act, the Commission **proposes to order** 7954689 Canada Inc. to file all proof of payment and eligibility regarding these contributions each year in a form deemed acceptable by the Commission consistent with subsection 9(2) of the Regulations.
47. Consistent with subsections 9.1(4) and 11.1(7) of the Act, interested persons may make representations only on the proposed order, set out in Appendix 2 of this decision, by no later than **21 August 2025**. The applicant may submit a reply to any representations received by no later than **26 August 2025**.

Reminders

Change in effective control of a broadcasting undertaking

48. The Commission notes that the first step of the transaction discussed in this decision took place without obtaining the Commission's approval. It reminds the licensee that pursuant to subparagraph 11(4)(a) of the Regulations, applicants must obtain prior Commission approval before effecting a change in the effective control of any broadcasting undertaking.

Force and effect of broadcasting licences

49. Pursuant to section 22 of the Act, the broadcasting licences will cease to have any force or effect if the broadcasting certificates issued by the Department of Industry (also known as Innovation, Science and Economic Development Canada) lapse.

Local news

50. Radio stations are an important daily source of local news and information for communities. Carrying on a broadcasting undertaking comes with conditions, regulatory obligations and responsibilities, which include contributing to the Canadian broadcasting system by ensuring that Canadians have access to local programming that reflects their needs and interests and informs them of important current issues.
51. Although the Revised Commercial Radio Policy does not specify a minimum level of weekly news to be broadcast, it does specify the type of spoken word material that must be included as part of a station's local programming. In accordance with that regulatory policy, the Commission reminds the licensee that its stations, in their local programming, must incorporate spoken word material of direct and particular relevance to the communities served, and that this programming must include local news, weather, sports coverage, and the promotion of local events and activities. In addition, the Commission encourages the licensee to ensure that a reasonable amount of daily local news and information is made available to those communities.

National Public Alerting System

52. The Commission has implemented obligations in respect of the broadcast of emergency alerts. For reference, see section 16 of the Regulations as well as Broadcasting Regulatory Policy 2014-444. The licensee must implement the public alerting system for each of its transmitters, and ensure that any alert broadcast decoders (e.g., ENDEC) used for the purposes of broadcasting emergency alert messages are installed and programmed to properly account for the applicable contour (as set out in paragraph 16(2)(b) of the Regulations) of the stations as well as that of any rebroadcasting transmitter that may appear on the licence for those stations.

Employment equity

53. In accordance with Public Notice 1992-59, the licensee should consider employment equity in its hiring practices and in all other aspects of its management of human resources.

54. The amendments to the *Broadcasting Act* resulting from the *Online Streaming Act* place greater emphasis on the inclusion of Indigenous persons, Canadians from Black or other racialized communities, and Canadians of diverse ethnocultural backgrounds, socio-economic status, abilities and disabilities, sexual orientations, gender identities and expressions, and ages, in the Canadian broadcasting system. The Commission has announced consultations on diversity and inclusion in its [Regulatory plan to modernize Canada's broadcasting framework](#). In the meantime, the Commission expects the licensee to reflect this emphasis in its operational decisions.

Secretary General

Related documents

- *Revised Commercial Radio Policy*, Broadcasting Regulatory Policy CRTC 2022-332, 7 December 2022
- *CFQR Montréal – Licence renewal*, Broadcasting Decision CRTC 2019-292, 15 August 2019
- *CFNV Montréal – Licence renewal*, Broadcasting Decision CRTC 2018-292, 21 August 2018
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *Amendments to various regulations, the standard conditions of licence for video-on-demand undertakings and certain exemption orders - Provisions requiring the mandatory distribution of emergency alert messages*, Broadcasting Regulatory Policy CRTC 2014-444 and Broadcasting Orders CRTC 2014-445, 2014-446, 2014-447 and 2014-448, 29 August 2014
- *A guide to the CRTC application process for changes in effective control and certain transfers of shares of broadcasting undertakings as well as for the acquisition of assets of broadcasting undertakings – Change in the manner of issuing related information bulletins*, Broadcasting Information Bulletin CRTC 2008-8-2, 6 December 2013
- *English-language AM radio station in Montréal*, Broadcasting Decision CRTC 2012-621, 9 November 2012
- *AM radio stations in Montréal*, Broadcasting Decision CRTC 2011-721, 21 November 2011
- *Change in effective control*, Broadcasting Decision CRTC 2006-309, 21 July 2006
- *Implementation of an Employment Equity Policy*, Public Notice CRTC 1992-59, 1 September 1992

- *Elements assessed by the Commission in considering applications for the transfer of ownership or control of broadcasting undertakings*, Public Notice CRTC 1989-109, 28 September 1989

Appendix 1 to Broadcasting Decision CRTC 2025-203

Terms, commitment, and expectations for the French-language commercial AM radio programming undertaking CFNV Montréal, Quebec and the English-language commercial AM radio programming undertaking CFQR Montréal, Quebec

Terms

The licences will expire 31 August 2027.

Commitment applicable to both stations

The licensee commits to ensuring that all of its programming (100%) broadcast during each broadcast week is local programming.

Expectations applicable to both stations

Diversity

The *Broadcasting Act* places significant emphasis on the inclusion and reflection of Indigenous persons, Canadians from Black or other racialized communities, and Canadians of diverse ethnocultural backgrounds, socio-economic status, abilities and disabilities, sexual orientations, gender identities and expressions, and ages, in the Canadian broadcasting system. The Commission expects the licensee to take concrete measures to ensure it contributes to this inclusion and reflection in both its programming and employment practices.

Canadian emerging artists

Consistent with the Commission's determination set out in *Revised Commercial Radio Policy*, Broadcasting Regulatory Policy CRTC 2022-332, 7 December 2022 (Broadcasting Regulatory Policy 2022-332), the Commission expects the licensee to devote, in each broadcast week, at least 5% of the station's musical selections to selections from Canadian emerging artists broadcast in their entirety. The licensee should report annually on how it has met this expectation, including the percentage of selections from Canadian emerging artists out of the total number of musical selections that were aired, and the number of distinct artists whose music has been aired. The licensee should also be able to provide, upon request, information such as a list of all titles, artists, and International Standard Recording Code (ISRC) numbers.

For the purposes of the above paragraph, the definition of "Canadian emerging artist" is the same as that set out in paragraph 346 of Broadcasting Regulatory Policy 2022-332.

Indigenous musical selections

Consistent with the Commission's determination set out in *Revised Commercial Radio Policy*, Broadcasting Regulatory Policy CRTC 2022-332, 7 December 2022 (Broadcasting Regulatory Policy 2022-332), the Commission expects the licensee to include Indigenous musical selections on the station's playlist. The licensee should report annually on the amount of Indigenous content aired on the station throughout the broadcast year (i.e., from 1 September to 31 August),

including the percentage of Indigenous musical selections out of the total number of musical selections that were aired, and the number of distinct artists whose music has been aired. The licensee should also be able to provide, upon request, information such as a list of all titles, artists, and International Standard Recording Code (ISRC) numbers.

For the purposes of the above paragraph, the licensee may use the provisional definition of “Indigenous-Canadian musical selection” set out in paragraph 441 of Broadcasting Regulatory Policy 2022-332 to determine whether a musical selection can be considered an Indigenous musical selection.

Appendix 2 to Broadcasting Decision CRTC 2025-203

Proposed order imposing a condition of service and an expenditure requirement on the licensee of the French-language commercial AM radio programming undertaking CFNV Montréal, Quebec and the English-language commercial AM radio programming undertaking CFQR Montréal, Quebec

The Commission proposes to make an order imposing the following condition of service and expenditure requirement on 7954689 Canada Inc. in respect of the French-language commercial AM radio programming undertaking CFNV Montréal, Quebec, and the English-language commercial AM radio programming undertaking CFQR Montréal, Quebec, pursuant to subsections 9.1(1) and 11.1(2) of the *Broadcasting Act*.

Order imposing a condition of service and an expenditure requirement on the licensee of CFNV Montréal and CFQR Montréal

1. The licensee shall expend, in equal payments over seven consecutive broadcast years and by no later than **31 August** of each year, a total amount of \$67,366 allocated as set out in paragraphs 4 and 48 in *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014, and at paragraph 160 in *Revised Commercial Radio Policy*, Broadcasting Regulatory Policy CRTC 2022-332, 7 December 2022.

The licensee shall file all proof of payment and eligibility regarding these contributions each year in a form deemed acceptable by the Commission consistent with subsection 9(2) of the *Radio Regulations, 1986*.

Dissenting opinion of Commissioners Bram Abramson and Ellen C. Desmond, K. C.

1. We agree with the majority decision that the application of 7954689 Canada Inc. (7954689) should be approved, and we agree that this transaction is in the public interest.
2. With this approval, the shares of 7954689 will transfer to Ronald Richard Realty Inc. The ownership and control of these two AM radio stations in Quebec (namely, the French-language commercial station CFNV Montréal and the English-language commercial station CFQR Montréal) will rest with Mr. Ronald Richards.
3. However, with the greatest respect to our colleagues, we disagree that the applicant should be required to pay tangible benefits. Our reasoning is provided below.

Framework

4. In 2011 and 2012, Messrs. Tétrault, Pancholy, and Tietolman won commercial AM radio licences to serve Montréal in French (940 kHz) and in English (600 kHz).¹ The stations launched in 2016 and 2017 as CFNV (French) and CFQR (English). Since this time, however, only once have they been able to earn a small profit.
5. Now these original owners are retiring from the radio business and wish to sell the stations. Mr. Richards, with whom ownership and control will rest, brings the resolve and resources to step into the vendors' shoes, including a commitment to assume debt that has been incurred.
6. When a radio licence is first issued for a given frequency, it is typically awarded by competitive selection. Thereafter, secondary transfers are permitted without returning the licence to a competitive process,² provided "tangible benefits" are payable. These benefits, in the normal course, are set at 6% of the value of the transaction. They are intended to benefit the broadcasting system, including by supporting the careers of Canadian artists in the creation, marketing, and promotion of their music. They act as a proxy for the additional commitments a competitive process would have elicited from bidders.
7. At the same time, there are instances where an undertaking may be granted an exemption from the payment of tangible benefits. The Commission's framework provides for such an exemption when the application meets the following criteria, also set out in paragraph 32 of the Broadcasting Committee's majority decision:³

¹ See Broadcasting Decisions 2011-721 and 2012-621.

² An alternative approach was contemplated, but ultimately rejected, in CRTC announcements dated 25 July 1978 and 7 January 1980; see, likewise, Public Notice 1989-109, as eventually updated by Broadcasting Regulatory Policy 2014-459.

³ This was a decision of the Broadcasting Committee on behalf of the Commission. See *Broadcasting Committee, By-Law No. 26 (CRTC)*, paragraph (e): "[a]ny act or thing done by the Broadcasting Committee shall be deemed to be an act or thing done by the members [...]" This delegating by-law was made pursuant to paragraph 11(1)(b) and subsection 12(3) of the Canadian Radio-television and Telecommunications Commission Act (CRTC Act), providing for duties to be delegated to standing committees by by-law. Such delegation to standing committees,

- the undertaking to be acquired is not in its first licence term (many undertakings take up to one full term from the time of licensing to achieve profitability);
- the undertaking has suffered significant financial losses over an extended period of time (that is, for at least five consecutive years following the first licence term); and
- the purchaser demonstrates that there is a public interest either for the broadcasting system as a whole or the community served in maintaining the failing undertaking.⁴

8. How each of these criteria applies to the transfer of CFNV and CFQR is addressed below.

Licence term

9. The Broadcasting Committee was unanimous that the first condition was met. CFNV was licensed in 2011 and began operations in 2016. CFQR was licenced in 2012 and began operations in 2017. Their licenses were renewed in 2018 and 2019, at which time they entered their second license terms.

Significant financial losses

10. Our 2014 guidance says a radio station must have suffered “significant losses over an extended period of time (that is, for at least five consecutive years following the first licence term).” It goes on to note that “the Commission will reserve its discretion at all times and that an exception will not necessarily be granted even if these criteria are met.”
11. The majority concludes that the parenthetical qualification—“that is, for at least five consecutive years following the first licence term”—should disqualify these losses from meeting the second criterion. We disagree.
12. That parenthetical is, in our view, a helpful rule of thumb, but to adhere to it rigidly undermines the broader principle. The Commission reserved its discretion, for greater certainty,⁵ not only to exclude marginal cases that technically meet the letter of the criteria, but also to include reasonable cases that might fall just short of it in form, if not in substance.
13. It is very clear that these undertakings have not managed to become profitable since their inception. While the undertakings did experience what could be referred to as a very small

whose remit is made explicit through by-law, is distinguished from other forms of delegation, like the assignment of particular cases and of panels to those cases.

⁴ See Broadcasting Regulatory Policy 2014-459 (Tangible Benefits Policy), paragraph 61.

⁵ The Commission, of course, must always reserve later discretion as to how persuasive its prior pronouncement ought to be since, “[a]s a matter of law ... while the CRTC may refer to and take guidance from its earlier decisions, those decisions cannot dictate its subsequent decisions. The CRTC is not bound by precedent and has a legal obligation not to fetter its discretion.” In other words, we must in each case weigh the positive value of predictability and stable precedents against the substantive facts before us, revising or qualifying our frameworks as the facts demand: “[o]nly procedural expectations are protected, not substantive expectations such as an expectation that a particular methodology would be followed.” *Bell Canada v. Canada (Attorney General)*, 2011 FC 1120 (CanLII), paragraphs 88-90; *TekSavvy Solutions Inc. v. Bell Canada*, 2024 FCA 121 (CanLII), paragraph 46.

profit in 2021, the applicant submits that this profit can be specifically attributed to “an intensive communication campaign launched by the Quebec government, during the COVID pandemic, and not to an improvement in performance.”

14. Such a situation is clearly a one-time exception. Taken as a whole, and despite their ownership group’s good will and deep experience, the stations have consistently sustained a financial loss under normal operating conditions.

Serving the public interest

15. Finally, in seeking an exemption, the applicant must demonstrate that “there is a public interest either for the broadcasting system as a whole or the community served in maintaining the failing undertaking.”
16. The majority was not satisfied that the applicant has met this criterion. In their view, the applicant has failed to demonstrate that the survival of the stations depends on the exemption. Yet this is an expansive interpretation of this criterion, an interpretation that departs from the plain wording of the test. Moreover, the majority have chosen to be expansive in this instance, having applied the second criterion narrowly, an approach that is not congruous.
17. The facts are such that the applicant is attempting to ensure the survival of these stations in an environment where the AM radio band is in decline. Many AM radio stations have converted to FM or have exited the market completely, recognizing the challenges of operating an AM station.
18. The applicant represents an independent voice, rather than a media conglomerate that may be able to amortize costs across broader operations. In this context, the Commission should be encouraging good-faith efforts to sustain local AM services that serve their communities. If the majority is able to conclude that the public interest would be served by the stations’ continued operation (with which we agree), there is clearly a public interest in maintaining them, both for the broadcasting system as a whole, and for the French-language majority and official-language minority communities they serve.

Conclusion

19. With all due respect to the majority, we believe this transaction warranted an exemption from tangible benefits. The stations have experienced extended financial losses. The proposed transaction is a commitment to continuity and renewal. Rigid adherence to a parenthetical threshold, paired with an elevated burden of proof on public interest, do not reflect our view of the balanced, discretionary standard the Commission set out in 2014. We therefore dissent from the majority’s determination not to waive these tangible benefits payments.