



Broadcasting Decision CRTC 2007-166

Ottawa, 8 June 2007

Rogers Broadcasting Limited
Calgary and Edmonton, Alberta

MVBC Holdings Limited
Calgary and Edmonton, Alberta

*Applications 2006-1034-6, 2006-1035-4, 2006-1037-0 and 2006-1039-6,
received 18 August 2006
Public Hearing at Calgary, Alberta
12 February 2007*

Ethnic television stations in Calgary and Edmonton

*The Commission **approves** applications by Rogers Broadcasting Limited for broadcasting licences to operate multilingual ethnic television stations in Calgary and Edmonton. The Commission also **denies** applications by MVBC Holdings Limited for broadcasting licences to operate multilingual ethnic television stations in Calgary and Edmonton.*

Introduction

Background

1. In Broadcasting Public Notice 2006-3, the Commission announced that it had received applications for broadcasting licences to carry on television programming undertakings to serve Calgary and Edmonton and called for applications from other parties wishing to obtain such licences for Calgary and/or Edmonton. The Commission also set out the matters that applicants should address, including, but not limited to, the contribution of the proposed services to the objectives of the *Broadcasting Act* (the Act) and, in particular, to the production of local and regional programming; the expected audience of the proposed services; the expenditures and the means by which the applicants would promote the development of Canadian talent, including local and regional talent; the applicants' business plans; and market considerations.
2. In Broadcasting Notice of Public Hearing 2006-13, the Commission announced that a public hearing would be held in Calgary commencing on 12 February 2007 to consider a number of applications proposing television programming services to Calgary and Edmonton, some of which were mutually exclusive from a technical standpoint. All of the applicants submitted applications to serve both the Calgary and Edmonton markets. The Commission stated that it would treat these applications as competitive for their

respective markets. As part of the process that followed, the Commission received and considered interventions with respect to each of the applications. The public record for this proceeding, as well as details regarding the applications, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Applications

3. Among the applications received were applications from Rogers Broadcasting Limited (Rogers) and MVBC Holdings Limited (MVBC) for broadcasting licences to operate multilingual ethnic over-the-air television programming undertakings to serve Calgary and Edmonton. Rogers is a wholly-owned subsidiary of Rogers Media Inc., which in turn is a wholly-owned subsidiary of Rogers Communications Inc., a corporation ultimately controlled by Edward S. Rogers. It is the licensee of the multilingual ethnic television stations CFTM-TV Toronto (OMNI.1) and CJMT-TV (OMNI.2), as well as of the religious television stations CHNU-TV Fraser Valley (OMNI BC) and CIIT-TV Winnipeg (OMNI Manitoba). MVBC is the licensee of the multilingual ethnic television station CHNM-TV Vancouver (Channel M).
4. Both applicants requested that the Commission license only one applicant in an ethnic format for both the Calgary and Edmonton markets so as to place the licensee in a stronger position to build on synergies and consequently allow it to fulfil its commitments to programming and independent production.

Market impact

5. Based on its analysis both of growth projections for advertising revenues for the Alberta market as a whole and of the record of the Calgary hearing, which includes data submitted by the applicants, the Commission has determined that the Calgary and Edmonton television broadcasting markets can each support, without undue negative impact, the licensing of additional television services. Accordingly, in Broadcasting Decision 2007-167, also issued today, the Commission has awarded new licences to Crossroads Television System to operate English-language religious television programming undertakings to serve Calgary and Edmonton. In Broadcasting Decision 2007-168, the Commission has also approved an application by CanWest MediaWorks Inc. (CanWest) to add a transmitter to rebroadcast its existing conventional service CHCA-TV Red Deer in Edmonton and has approved in part CanWest's application to do the same in Calgary, subject to the Commission's approval of a new application by CanWest proposing alternative technical parameters.
6. The Commission considers that the licensing in each city of a new ethnic television programming undertaking and a new religious television programming undertaking, as well as the addition of transmitters to rebroadcast CHCA-TV Red Deer, will enhance programming diversity in the Calgary and Edmonton television broadcasting markets. Accordingly, in the following section the Commission assesses the applications by Rogers and MVBC in light of the issues identified in Public Notice 2006-3 and more

particularly, given the nature of the proposed services and their expected audience, in light of the Commission's *Ethnic broadcasting policy*, as set out in Public Notice 1999-117 (the Ethnic Policy).

Assessment of the applications

Unmet need for ethnic services

7. According to the Statistics Canada 2001 Census, 77.1% of the persons residing within the Calgary Census Metropolitan Area (CMA) and 77.7% of the persons residing within the Edmonton CMA reported their mother tongue as being English. Since 1996, Calgary has been the destination for over 50% of all permanent resident immigrants to the province of Alberta. Immigrants from the Asia/Pacific region have accounted for the majority of new immigrants to Alberta and represent the fastest growing populations in both Calgary and Edmonton.
8. With the exception of the provincial education service known as ACCESS Alberta, which provides some third-language programming each week, there is currently no local source of multilingual programming available on over-the-air television in Calgary and Edmonton. The record of the Calgary public hearing, including data submitted by the applicants, demonstrates that there is an unmet need for ethnic television programming stations to serve the increasingly diverse population of Calgary and Edmonton. In particular, as expressed by numerous interveners at hearing, including the Committee on Race Relations and Cross Cultural Understanding, there is a need for programming that will provide essential information to new immigrants whose language of comfort is neither English nor French, such that third-language, spoken word communication is the most effective means to do so.

The Ethnic Policy and target audiences of the proposed services

9. In addition to emphasizing that large and small ethnic groups should benefit from a basic level of service, the Ethnic Policy also seeks to ensure a place for programming that assists in their full participation in Canadian society, reflects their culture, and promotes cross-cultural understanding. Thus, while it is clear that ethnic programming can and does accomplish a range of goals, such as language and culture preservation, a key component of the Ethnic Policy is the integrative role that ethnic programming plays in connecting newcomers to their new surroundings, socially, culturally, politically and economically.
10. In the present case, Rogers' regional prime time newscasts on its proposed OMNI Alberta service would target Chinese and South Asian audiences in both markets, while MVBC's local newscasts would target both established and newer third-language groups, namely German, Mandarin and Punjabi audiences in Calgary and Ukrainian, Cantonese and Hindi audiences in Edmonton. Thus whereas MVBC's applications proposed proportionally more programming targeting the oldest and biggest ethnic communities in both cities, namely Germans and Ukrainians, Rogers' proposal was for a service that emphasized

programming for the Asian and South Asian communities in both cities.¹ Rogers' third-language programming plans notably included a significant amount of programming in Cantonese, the fastest growing third-language group in the Calgary market. Moreover, although MVBC proposed more overall ethnic and more third-language programming than Rogers,² Rogers proposed to serve more ethnic groups in more languages (20 groups and languages) than MVBC (17 groups and languages).

Local and regional programming and independent production

11. Both applicants proposed to offer virtually the same amount of original local ethnic programming, namely 29 and 30 hours per broadcast week for Rogers and MVBC respectively, and to include similar amounts of ethnic content from their existing services. Both applicants also committed to the minimum Canadian content requirements for each broadcast day (60%) and for evenings 6 p.m. to midnight (50%) applicable to ethnic stations. However, Rogers proposed to provide one regional programming service for both markets, whereas MVBC proposed distinct program schedules for Calgary and Edmonton, as well as 15 hours per week of unique newscasts for each city.
12. Rogers proposed to commit \$9.5 million to independent production over its licence term, to be allocated as follows upon commencement of operations:
 - \$4 million to the production of third-language dramas and documentaries, a minimum of 10% of which would be Aboriginal programming initiatives;
 - \$4 million to cross-cultural programming initiatives, a minimum of 10% of which would be Aboriginal programming initiatives;
 - \$1 million to an official languages media educational initiative; and
 - \$500,000 to local program pilots for under-served groups.
13. For its part, MVBC proposed to commit \$4.36 million to independent production in Alberta over its licence term, to be allocated as follows upon commencement of operations:
 - \$3.71 million to independent production; and
 - \$650,000 to script and concept development of Canadian ethnic programming.

¹ Specifically, Rogers proposed to devote 17.8% of the overall programming of its proposed Calgary and Edmonton services to programming in Chinese, of which 11.5% would be in Cantonese and 6.3% in Mandarin. By contrast, MVBC stated that its proposed Calgary service would devote 10.3% of its overall programming to programming in German and 7.1% thereof to programming in Chinese, of which 0.8% would be in Cantonese and 6.3% in Mandarin. Finally, in the case of its Edmonton service, MVBC indicated that it would devote 10.3% of its overall programming to programming in Ukrainian and 7.1% thereof to programming in Chinese, of which 6.3% would be in Cantonese and 0.8% in Mandarin.

² MVBC's commitment was to devote 68% of its overall programming to ethnic programming and 57% thereof to third-language programming each broadcast week, whereas Rogers' commitment was to devote a minimum of 60% of its overall programming to ethnic programming and 50% thereof to third-language programming in every broadcast week.

Commission's determinations

14. The Act sets out a number of objectives for the regulation of broadcasting in Canada, including the stipulation that the Canadian broadcasting system should serve the needs and interests and reflect the circumstances and aspirations of all Canadians as well as the multicultural and multiracial nature of Canadian society.
15. In the present case, the Commission notes that while the German and Ukrainian communities combined account for just over 17,000 persons in Calgary and Edmonton according to the 2001 Census, these communities also report relatively small percentages of use of their respective languages in the home. In the Commission's view, it is a better use of an over-the-air channel to provide programming and access to news and essential information to emerging ethno-cultural communities than to established ethno-cultural communities. Therefore, notwithstanding the relative strength of MVBC's proposal, in particular with respect to local programming, the Commission considers that Rogers' proposal more closely meets the needs of the Calgary and Edmonton markets and the objectives of the Ethnic Policy, by providing for programming of a more integrative nature. The service proposed by Rogers will be relevant to both markets by virtue of its regional focus. Further, Rogers' approach will ensure that more small and large ethnic groups are served in each market, thus meeting to the fullest extent possible the broad service requirement set out in the Ethnic Policy.
16. The Commission also notes Rogers' specific plans for independent production initiatives, as well as two additional funding initiatives:
 - \$250,000 for the development of Ethnic New Media projects; and
 - \$250,000 for the creation of a New Media Micro-site.

Rogers accepted to report annually to the Commission with respect to the money being disbursed to meet these commitments.

17. The Commission considers that the above-noted funding initiatives will serve to promote cross-cultural understanding and the development of Canadian talent, including local and regional talent.
18. The Commission is further satisfied that Rogers' acceptance of a condition of licence limiting to no more than 18% of its programming the broadcasting of programs in the Cantonese language and to no more than 18% of its programming the broadcasting of programs in the Mandarin language is sufficient to ensure that its new undertakings will complement the programming provided by Fairchild Television and Talentvision, two national, ethnic specialty television services licensed to Fairchild Television Ltd. that offer services targeted to Cantonese- and Mandarin-language audiences respectively.

19. Accordingly, the Commission **approves** the applications by Rogers Broadcasting Limited for broadcasting licences to operate multilingual ethnic television programming undertakings to serve Edmonton and Calgary. The terms and **conditions of licence** for the new undertakings, including a **condition of licence** limiting programming in the Cantonese and Mandarin languages, are set out in the appendix to this decision.
20. With respect to the applicants' business plans, although the Commission is of the view that both applicants have relevant experience, it concludes that Rogers' applications for Calgary and Edmonton are superior than MVBC's based on the relative strength of Rogers' programming strategy, and in particular, its choice of primary target audiences. The Commission has also taken note of the applicants' request that it license only one applicant in an ethnic format for both the Calgary and Edmonton markets in order to place the resulting licensee in a position to build on synergies and consequently allow it to fulfil its commitments to programming and independent production. Accordingly, in light of all of the above, the Commission **denies** the applications by MVBC Holdings Limited for broadcasting licenses to operate multilingual ethnic television programming undertakings to serve Calgary and Edmonton.

Other matters

21. Subsequent to the public process relative to these applications, the Commission issued Broadcasting Public Notice 2007-53, in which it announced that television licensees will be authorized to broadcast only digital over-the-air signals after 31 August 2011. Accordingly, the new licences issued to Rogers will expire on that date. This will allow the licensee to commence making arrangements for transition to transmitting digital over-the-air signals after that date and will allow the Commission to examine the licensee's plans in that regard.

Employment equity

22. Because Rogers is subject to the *Employment Equity Act* and files reports concerning employment equity with the Department of Human Resources and Skills Development, its employment equity practices are not examined by the Commission.

Secretary General

Related documents

- *CHCA-TV Red Deer – New transmitters in Calgary and Edmonton*, Broadcasting Decision CRTC 2007-168, 8 June 2007
- *Religious television stations in Calgary and Edmonton*, Broadcasting Decision CRTC 2007-167, 8 June 2007

- *Determinations regarding certain aspects of the regulatory framework for over-the-air television*, Broadcasting Public Notice CRTC 2007-53, 17 May 2007
- Broadcasting Notice of Public Hearing CRTC 2006-13, 14 December 2006
- *Call for applications for broadcasting licences to carry on television programming undertakings to serve Edmonton and / or Calgary, Alberta*, Broadcasting Public Notice CRTC 2006-3, 12 January 2006
- *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999

This decision is to be appended to each licence. It is available in alternative format upon request and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>

Appendix to Broadcasting Decision CRTC 2007-166

Rogers Broadcasting Limited

Applications 2006-1034-6 and 2006-1034-5, received 18 August 2006

Terms and conditions of licence for the multilingual ethnic over-the-air television programming undertakings in Calgary and Edmonton

Terms

Issuance of the broadcasting licences

The licences will expire 31 August 2011.

The station in Calgary will operate on channel 38 with an average effective radiated power of 310,000 watts.

The station in Edmonton will operate on channel 56 with an average effective radiated power of 340,000 watts.

The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department of Industry notifies the Commission that its technical requirements have been met and that broadcasting certificate will be issued.

Furthermore, the licences for these undertakings will be issued once the applicant has informed the Commission in writing that it is prepared to commence operations. The undertakings must be operational at the earliest possible date and in any event no later than 24 months from the date of this decision, unless a request for an extension of time is approved by the Commission before 8 June 2009. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

Conditions of licence

1. The licensee shall devote a minimum of 60% of its programming each broadcast month to the broadcasting of ethnic programming.
2. The licensee shall devote a minimum of 80% of its programming between 8 p.m. and 10 p.m. each broadcast day to the broadcasting of Canadian programs.
3. The licensee shall devote a minimum of 50% of its programming each broadcast day to third-language programming.

4. The licensee shall, in each broadcast week, direct programming to a minimum of 20 ethnic groups in a minimum of 20 different languages.
5. The licensee shall ensure that, in each year of the licence term, all news and a minimum of 90% of all English-language programming aired during the broadcast day is closed-captioned.
6. The licensee shall broadcast the following amounts of described video programming:
 - a) in years 1 and 2 of the licence term, a minimum of two hours each month; and
 - b) in years 3 and 4, a minimum of three hours each month.

In fulfilling this condition, a minimum of 50% of the required hours must be original broadcasts.

7. The licensee shall devote no more than 18% of its programming to programs in the Cantonese language and no more than 18% of its programming to programs in the Mandarin language.
8. The licensee shall adhere to the guidelines on gender portrayal set out in the Canadian Association of Broadcasters' *Sex-role portrayal code for television and radio programming*, as amended from time to time and approved by the Commission. However, the application of the foregoing condition of licence will be suspended if the licensee is a member in good standing of the Canadian Broadcast Standards Council.
9. The licensee shall adhere to the provisions of the Canadian Association of Broadcasters' *Broadcast code for advertising to children*, as amended from time to time and approved by the Commission.
10. The licensee shall adhere to the guidelines on the depiction of violence in television programming set out in the Canadian Association of Broadcasters' *Voluntary code regarding violence in television programming*, as amended from time to time and approved by the Commission. However, the application of the foregoing condition of licence will be suspended if the licensee is a member in good standing of the Canadian Broadcast Standards Council.

For the purposes of the above conditions, the terms "ethnic programming" and "third-language programming" shall have the same meaning as that set out in *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999, and the terms "Canadian program," "evening broadcast period," "broadcast month" and "broadcast day" shall have the same meaning as that set out in the *Television Broadcasting Regulations*, 1987.