



Broadcasting Decision CRTC 2006-430

Ottawa, 31 August 2006

CF Cable TV Inc.

Gatineau (Buckingham), Quebec and surrounding areas

Application 2005-1316-0

Broadcasting Public Notice CRTC 2006-64

23 May 2006

Cable distribution undertaking in Gatineau (Buckingham) and surrounding areas – Licence renewal

*The Commission **approves** the application by CF Cable TV Inc. (CF Cable) to renew the broadcasting licence of the Class 1 cable broadcasting distribution undertaking serving Gatineau (Buckingham sector), Quebec and surrounding areas from 1 September 2006 to 31 August 2013.*

*The Commission also **approves** CF Cable's application for authorization to redefine the undertaking's licensed service area.*

The application

1. The Commission received an application by CF Cable TV Inc. (CF Cable) to renew the broadcasting licence of the Class 1 cable broadcasting distribution undertaking serving Gatineau (Buckingham sector), Quebec and surrounding areas from 1 September 2006 to 31 August 2013.
2. CF Cable also requested authorization to redefine the undertaking's licensed service area.

Interventions

3. The Commission received interventions in support of the licence renewal from the Fédération des télévisions communautaires autonomes du Québec (FTCAQ) and Télévision communautaire Buckingham, Masson-Angers inc. (TVC B.M.-A.). However, these interveners raised some concerns about the community channel, specifically, the distribution of the community channel on the digital cable service.
4. The FTCAQ and TVC B.M.-A. noted that digital cable subscribers in the Gatineau area (Buckingham sector) do not have access to their local community channel, but instead receive the signal from the community channel in the neighbouring area, that is, the Gatineau community channel (Aylmer, Gatineau, Hull sectors). TVC B.M.-A. further noted that the licensee had promised two years ago to broadcast its programming on the digital cable service and has still not kept that promise.

5. The FTCAQ noted that some independent community television undertakings (CTUs), including the Gatineau CTU (Buckingham sector), have no way of ensuring that the percentage of gross revenues from subscriptions reinvested by the licensee in their area closely reflects reality. The intervener added that the licensee should demonstrate greater financial transparency in its dealings with the CTUs, and provide them with clear information on how it allocates its contribution to local expression in various budget items.

Licensee's reply

6. In its reply to the interventions, CF Cable stated that it is aware of the problems that are limiting digital cable subscribers' access to the programming offered by their local community channel, and noted that it has been working with its digital equipment suppliers for two years to come up with a permanent and effective solution. CF Cable explained that the local community channel is being deployed gradually over the summer on the digital cable service, and according to its engineering teams' current schedule, everything should be completed before the end of September 2006, which will resolve the problem once and for all.
7. The licensee added that it is of the view that the mechanisms set out by the Commission are sufficient to ensure compliance with the regulatory framework in terms of expenditures and contributions to the community channel. The licensee also submitted that its contributions are very transparent, and noted that additional amounts were generated both by the increase in television distribution revenues and by even tighter management of expenditures on programming produced by the licensee itself.

Commission's analysis and determinations

8. The Commission has carefully considered the licence renewal application, the interventions filed by the FTCAQ and TVC B.M.-A. in this proceeding and the licensee's reply to the interveners' concerns. The Commission emphasizes that it has noted the comments and concerns expressed by the FTCAQ and TVC B.M.-A. regarding the community channel, and is satisfied with the licensee's response to those concerns.
9. Accordingly, the Commission **renews** the broadcasting licence of the Class 1 cable broadcasting distribution undertaking serving Gatineau (Buckingham sector), Quebec and surrounding areas from 1 September 2006 to 31 August 2013.
10. The operation of this undertaking is regulated pursuant to the *Broadcasting Distribution Regulations*. The licence will be subject to the **conditions** specified therein as well as to the **conditions** set out in the appendix to this decision.
11. The Commission also **approves** CF Cable's application for authorization to redefine the undertaking's licensed service area.

12. The Commission further expects the licensee to honour the principles and commitments it undertook in response to the interveners' concerns, specifically the proposed schedule for distribution of the local community channel on the digital cable service.

Employment equity

13. Because this licensee is subject to the *Employment Equity Act* and files reports concerning employment equity with Human Resources and Skills Development Canada, its employment equity practices are not examined by the Commission.

Secretary General

This decision is to be appended to the 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 2006-430

Conditions of licence

1. The licensee is authorized to distribute, at its option, the programming services of the distant Canadian stations CFCF-TV (CTV), CFTM-TV (TVA), CBMT (CBC) and CBFT (SRC) Montréal, and CKWS-TV (CBC) Kingston.
2. The licensee is authorized to distribute, on a digital discretionary basis, the programming service of the distant Canadian station CKXT-TV (SunTV) Toronto.
3. The licensee is relieved of the requirement of section 17 of the *Broadcasting Distribution Regulations* to distribute CJMT-TV-2 (OMNI.2) Ottawa as part of the basic service beginning with the basic band (channels 2 to 13). The licensee will distribute this service on channel 41 as part of the high-penetration tier in analog mode and on channel 15 as part of the digital basic service.
4. The licensee is authorized to originate a video games service as a special programming service, offered on a discretionary basis, subject to the conditions listed in *Licence amendments concerning the distribution of a video games service*, Decision CRTC 95-591, 24 August 1995.
5. The licensee is relieved of the requirement of section 7 of the *Broadcasting Distribution Regulations* that, except as provided by a condition of licence, it not alter or delete the programming services The Weather Network and Viewers Choice 2, in the course of their distribution. This condition of licence will permit the licensee to alter or curtail these services for the purpose of sharing a channel, in accordance with the licensee's agreements with the operators of these programming services. The other provisions of section 7 of the *Broadcasting Distribution Regulations* shall continue to apply.
6. The licensee is authorized to distribute the signals of the transitional digital television undertakings CFTO-DT Toronto and CIII-DT-41 Toronto, as part of its HD digital service, until Montréal digital television undertakings that provide CTV and Global programming in HD begin broadcasting. Specifically, the authorization to distribute CFTO-DT Toronto will lapse once a Montréal digital television undertaking that provides CTV programming in HD begins broadcasting, and the authorization to distribute CIII-DT-41 Toronto will lapse once a Montréal digital television undertaking that provides Global programming in HD begins broadcasting.

The Commission reminds the licensee that the simultaneous substitution requirements set out in section 30 of the *Broadcasting Distribution Regulations* (the Regulations) and in paragraph 99 of *The Regulatory framework for the distribution of digital television signals*, Broadcasting Public Notice CRTC 2003-61, 11 November 2003, apply to transitional digital television undertakings.

7. The licensee is authorized to distribute, on a discretionary basis, any of the Canadian television signals set out in the *List of Part 3 eligible satellite services* contained in *Revised lists of eligible satellite services*, as amended from time to time.
8. The licensee is authorized to distribute, at its option, WHEC-TV (NBC), WOKR (ABC), WROC-TV (CBS) Rochester, WNPE-TV (PBS) Watertown and WUTV (FOX) Buffalo, New York, as part of the basic service.
9. The licensee is authorized to distribute, at its option, WFFF-TV (FOX) Burlington, Vermont, on a discretionary tier.
10. Consistent with Decision CRTC 93-54, 15 February 1993 (Decision 93-54), the licensee is authorized to substitute the signals WNED-TV (PBS), WGRZ-TV (NBC), WIVB-TV (CBS) and WKBW-TV (ABC) Buffalo, New York for the Rochester signals authorized in Decision 93-54 and for WNPE-TV (PBS) Watertown, New York. As noted in Decision 93-54, the substitution of those signals will only take place when all of the following three criteria are met:
 - the Rochester or Watertown signals are of poor quality;
 - the program carried on both the Buffalo and Rochester/Watertown stations is the same (episode for episode); and
 - the program distributed by the licensee is not subject to a program substitution request by a local or regional Canadian broadcaster.
11. The licensee is authorized to distribute the following signals on a digital discretionary basis:
 - any of the distant Canadian television signals set out in the *List of Part 3 eligible satellite services*; and
 - a second set of signals that provides the programming of the four U.S. commercial networks (CBS, NBC, ABC, FOX) and the non-commercial PBS network (hereafter referred to as the U.S. 4+1 signals).

The distribution on a discretionary basis on the licensee's digital service of a second set of U.S. 4+1 signals and distant Canadian signals is subject to the provision that, with respect to such signals, the licensee adhere to the

requirements regarding non-simultaneous program deletion set out in section 43 of the *Broadcasting Distribution Regulations*. The Commission may suspend the application of this provision, with respect to the signals to be distributed, upon its approval of an executed agreement between the licensee and broadcasters. Such an agreement must deal with issues related to the protection of program rights arising in connection with the discretionary carriage of a second set of U.S. 4+1 signals and distant Canadian signals solely on the licensee's digital service.

The Commission reminds the licensee that the requirements set out in section 30 of the *Broadcasting Distribution Regulations* regarding simultaneous substitution apply also in the case of U.S. 4+1 signals and distant Canadian signals.

12. The licensee is authorized to distribute the following signals on a digital discretionary basis:

- any of the distant Canadian television signals set out in the *List of Part 3 eligible satellite services*; and
- a third set of signals that provides the programming of the four U.S. commercial networks (CBS, NBC, ABC, FOX) (hereafter referred to as the U.S. commercial network signals).

The distribution on a discretionary basis on the licensee's digital service of a third set of U.S. commercial network signals and distant Canadian signals is subject to the provision that, with respect to such signals, the licensee adhere to the requirements regarding non-simultaneous program deletion set out in section 43 of the *Broadcasting Distribution Regulations*. The Commission may suspend the application of this provision, with respect to the signals to be distributed, upon its approval of an executed agreement between the licensee and broadcasters. Such an agreement must deal with issues related to the protection of program rights arising in connection with the discretionary carriage of a third set of U.S. commercial network signals and distant Canadian signals solely on the licensee's digital service.

The Commission reminds the licensee that the requirements set out in section 30 of the *Broadcasting Distribution Regulations* regarding simultaneous substitution apply also in the case of U.S. commercial network signals and distant Canadian signals.

13. The licensee shall not distribute to any subscriber more than two sets of U.S. commercial network signals.

14. The licensee may, at its option, insert certain promotional material as a substitute for the "local availabilities" (i.e., non-Canadian advertising material) of non-Canadian satellite services. At least 75% of these local availabilities must be made available for use by licensed Canadian programming services for the

promotion of their respective services, for the promotion of the community channel and for unpaid Canadian public service announcements. A maximum of 25% of the local availabilities may be used to provide subscribers with information regarding customer service and channel realignments, and for the promotion of discretionary programming services and packages, cable FM service, additional cable outlets and non-programming services, including Internet and telephone services.