Broadcasting Decision CRTC 2008-130

Ottawa, 26 June 2008

Canadian Broadcasting Corporation
Sherbrooke, Trois-Rivières, Saguenay and Saint-Fulgence, Quebec

Application 2008-0516-1, received 7 April 2008
Public Hearing in Montréal, Quebec
2 June 2008

Canadian Broadcasting Corporation – Acquisition of assets

The Commission approves the application by the Canadian Broadcasting Corporation to acquire the assets of the French-language television programming undertakings CKSH-TV Sherbrooke, CKTM-TV Trois-Rivières and CKTV-TV Saguenay and its transmitter CKTV-TV-1 Saint-Fulgence, Quebec, from TQS inc, and for new broadcasting licences to continue the operation of the undertakings under the same terms and conditions as those in effect under the current licences.

The application

1. The Commission received an application by the Canadian Broadcasting Corporation (the CBC) to acquire the assets of the French-language television programming undertakings CKSH-TV Sherbrooke, CKTM-TV Trois-Rivières and CKTV-TV Saguenay and its transmitter CKTV-TV-1 Saint-Fulgence, Quebec, from TQS inc. (TQS). The applicant also requested new broadcasting licences to continue the operation of the undertakings under the same terms and conditions as those in effect under the current licences.

2. The Commission received comments on the application from the Syndicat des communications de Radio-Canada (SCRC). The public record for this proceeding is available on the Commission’s website at www.crtc.gc.ca under “Public Proceedings.”

Commission’s analysis

3. In its intervention, the SCRC raised the following four points and asked the Commission for clarification on them:

   • the length of the newscast;
   • the human and financial resources earmarked for regional non-news programming;
   • the work methods of newsroom staff;
   • the television/radio/Internet integration strategy.
4. The SCRC also reserved the right to intervene again on these issues at the CBC licence renewals in 2009, and on any directions that the CBC may propose at the time of those renewals.

5. In response to the intervention, the applicant stated its view that several of the points raised by the SCRC are first and foremost collective bargaining issues. As for the points concerning conditions of licence, the applicant stated its view that these would be more appropriately addressed at the CBC licence renewals rather than during this proceeding.

6. The CBC reiterated its intent, as set out in its application, to maintain regional news produced by CBC employees even after 1 September 2008, the effective date of the acquisition of assets. The applicant stated that it also intends to broadcast regional non-news programming in accordance with the commitments noted in the licence currently in effect for these three stations.\(^1\)

7. Lastly, the CBC assured SCRC members that the implementation of the changes will respect people and collective agreements, and reiterated that the sole purpose of this strategy was to achieve a better concentration of work and greater consistency across all CBC services and thus enhance the quality of its services to the public.

**Tangible benefits package**

8. In Public Notice 1999-97, the Commission amended its previous policy concerning the obligation of applicants with respect to the provision of tangible benefits in the event of any change in ownership or control of television broadcasting undertakings.\(^2\) In Public Notice 1999-97, the Commission indicated that it would generally expect applicants to make commitments to clear and unequivocal tangible benefits representing a financial contribution of 10% of the value of the transaction, as accepted by the Commission.

9. In this instance, the CBC’s purchase of a portion of the assets held by TQS does not constitute a change in ownership or control of a broadcasting undertaking. Rather, it is a straightforward acquisition of certain disparate portions of TQS’ assets. According to the offer to purchase certain components of the assets and other considerations dated 13 March 2008, the total price payable to the seller is $9,945,000.

10. Accordingly, the Commission considers that the policy on tangible benefits does not apply to the public broadcaster in the case of a public over the air television station and, consequently, the CBC is not required to comply with the tangible benefits requirement with respect to the purchase of TQS assets. The Commission notes, however, that the tangible benefits policy applies in transactions relating to specialty services held and operated by the CBC, in that these services are not financed by parliamentary appropriations. The Commission also notes the CBC’s commitment to make investments

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\(^1\) See Broadcasting Decision CRTC 2004-533.

\(^2\) The Commission’s previous policy on the payment of tangible benefits was set out in Application of the Benefits Test at the Time of Transfers of Ownership or Control of Broadcasting Undertakings, Public Notice CRTC 1993-68.
to improve the transmission system and to convert its transmitters to digital. The Commission shares the CBC’s view that these investments represent a substantial benefit and are essential to enable the public in the Sherbrooke, Trois-Rivières and Saguenay regions to receive digital signals by 31 August 2011 – the date on which the Commission has scheduled analog broadcasting to cease.

Programming

11. In response to a question from the intervener concerning the possibility of lengthening the 6:00 p.m. regional newscast to one hour for the three stations, the CBC pointed out that one of the objectives of its regional strategy is indeed to increase the length of the regional Téléjournal broadcast by these three stations. It also mentioned that this issue will no doubt be the subject of discussion next year at the licence renewals. The CBC could not provide a specific time frame for changing the length of the Téléjournal, but indicated that it wanted to implement this plan as soon as regulatory and financial conditions permit.

Conclusion

12. In light of the foregoing, the Commission approves the application by the Canadian Broadcasting Corporation to acquire the assets of the French-language television programming undertakings CKSH-TV Sherbrooke, CKTM-TV Trois-Rivières and CKTV-TV Saguenay and its transmitter CKTV-TV-1 Saint-Fulgence, Quebec, from TQS inc. and for new broadcasting licences to continue the operation of the undertakings under the same terms and conditions as those in effect under the current licences.

13. The Commission will issue new licences to the CBC upon surrender of the current licences issued to TQS The new licences will expire 31 August 2009, the expiry date of the current licences, and will be subject to the terms and conditions set out in the appendices to this decision.

Secretary General

Related documents

- CKTM-TV Trois-Rivières, CKSH-TV Sherbrooke, CKTV-TV Saguenay and its transmitter CKTV-TV-1 Saint-Fulgence – Licence renewals, Broadcasting Decision CRTC 2004-533, 3 December 2004

- Building on Success – A Policy Framework for Canadian Television, Public Notice CRTC 1999-97, 11 June 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 1 to Broadcasting Decision CRTC 2008-130

Terms, conditions of licence and expectations for CKTM-TV Trois-Rivières

Terms

The licence will be in effect from 1 September 2008 to 31 August 2009.

Conditions of licence

1. 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.

2. The licensee shall adhere to the guidelines on gender portrayal set out in the Canadian Association of Broadcasters’ Equitable Portrayal Code, 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.

3. 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.

4. The licensee is authorized to broadcast infomercials. The definition of infomercials and the criteria for broadcasting them are set out, respectively, in Amendment to the Television Broadcasting Regulations, 1987 to permit, by condition of licence, the airing of “infomercials” during the broadcast day, Public Notice CRTC 1994-139, 7 November 1994 and Clarification of Certain Matters Relating to the Airing of "Infomercials" During the Broadcast Day, Public Notice CRTC 1995-93, 13 June 1995, as they may be amended from time to time.
Appendix 2 to Broadcasting Decision CRTC 2008-130

Terms, conditions of licence and expectations for CKSH-TV Sherbrooke

Terms

The licence will be in effect from 1 September 2008 to 31 August 2009.

Conditions of licence

1. 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.

2. The licensee shall adhere to the guidelines on gender portrayal set out in the Canadian Association of Broadcasters’ Equitable Portrayal Code, 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.

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Appendix 3 to Broadcasting Decision CRTC 2008-130

Terms, conditions of licence and expectations for CKTV-TV Saguenay and its transmitter CKTV-TV-1 Saint-Fulgence

Terms

The licence will be in effect from 1 September 2008 to 31 August 2009.

Conditions of licence

1. 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.

2. The licensee shall adhere to the guidelines on gender portrayal set out in the Canadian Association of Broadcasters’ *Equitable Portrayal Code*, 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.

3. 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.

4. The licensee is authorized to broadcast infomercials. The definition of infomercials and the criteria for broadcasting them are set out, respectively, in *Amendment to the Television Broadcasting Regulations, 1987 to permit, by condition of licence, the airing of "infomercials" during the broadcast day*, Public Notice CRTC 1994-139, 7 November 1994 and *Clarification of Certain Matters Relating to the Airing of "Infomercials" During the Broadcast Day*, Public Notice CRTC 1995-93, 13 June 1995, as they may be amended from time to time.