



Broadcasting Decision CRTC 2008-71

Ottawa, 31 March 2008

Christian Channel Inc.

Fraser Valley, British Columbia and Winnipeg, Manitoba

Application 2007-1622-7, received 19 November 2007

Public Hearing in Vancouver, British Columbia

25 February 2008

Acquisition of assets

*The Commission **approves** the application by Christian Channel Inc. (CCI) to acquire, from Rogers Broadcasting Limited, the assets of the television programming undertakings CHNU-TV Fraser Valley and CIIT-TV Winnipeg.*

*The Commission also **approves** CCI's request to be relieved of certain conditions imposed by the Commission on the broadcasting licences for the two stations.*

Introduction

1. The Commission received an application by Christian Channel Inc.¹ (CCI) to acquire, from Rogers Broadcasting Limited (Rogers), the assets of the television programming undertakings CHNU-TV Fraser Valley and CIIT-TV Winnipeg.
2. CCI also requested new broadcasting licences to operate the undertakings, and, with the exception of certain conditions of licence for which it requested relief, agreed to operate the undertakings under the terms and conditions of licence for the two undertakings set out in Broadcasting Decision 2005-207.
3. This application follows Broadcasting Decision 2007-360, in which the Commission approved Rogers' acquisition of the five former CHUM Citytv stations, including CKVU-TV Fraser Valley and CHMI-TV Winnipeg. In that decision, the Commission required Rogers, within twelve months of the date of that decision, to divest itself of CHNU-TV Fraser Valley and CIIT-TV Winnipeg so as to respect the Commission's Common Ownership Policy.
4. The Commission received several interventions in support of this application, several interventions commenting on the application, and an intervention in opposition from Crossroads Television System Inc. CCI replied collectively to the comments and the intervention in opposition; in its reply, CCI also clarified certain details of its application. The interventions and the reply to the interventions can be found on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

¹ As noted in Broadcasting Notice of Public Hearing 2007-18-3, the name Faith & Spirit Media Inc., which appeared in Broadcasting Notice of Public Hearing 2007-18, has been replaced by the name Christian Channel Inc.

Commission's analysis and determinations

5. The Commission has carefully examined the application, the interventions and the reply to the interventions, and has identified the following three issues to be addressed in its determinations:
 - Is the proposed value of the transaction appropriate?
 - Should the Commission require CCI to provide a tangible benefits package equal to 10% of the value of the transaction?
 - Should CCI be relieved of certain conditions of licence currently imposed on CKNU-TV Fraser Valley and CIIT-TV Winnipeg?

Is the proposed value of the transaction appropriate?

6. Because the Commission does not solicit competing applications for authority to transfer the ownership or control of radio, television and other programming undertakings, the onus is on the applicant to demonstrate that the proposed value of the transaction is appropriate and that the tangible benefits proposed by the applicant are adequate.
7. The applicant submitted that the value of the transaction is \$6 million. Consistent with its practices for the purpose of calculating the tangible benefits package, the Commission added the assumed operating lease commitments. As a result, the Commission determines that the value of the transaction amounts to \$6,247,908, and considers this amount to be appropriate.

Should the Commission require CCI to provide a tangible benefits package equal to 10% of the value of the transaction?

8. Citing its difficult financial situation, CCI requested that it be required to provide a tangible benefits package equal to 10% of the value of the transaction only if the Commission felt it appropriate to impose this requirement. Based on the value of the transaction, the new tangible benefits package would have a value of \$624,791.
9. In Public Notice 1999-97, the Commission stated 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.”
10. In Broadcasting Public Notice 2007-53, in order to address the issue of adapting the benefits policy to take into account the financial capabilities of applicants, the Commission stated the following:

The Commission remains of the view that, in the absence of a competitive process for ownership transactions, the contribution of benefits in the amount of 10% of the value of an ownership transaction is still an appropriate mechanism for ensuring that the public interest is served. However, the Commission is conscious of the economic challenges faced by independent small market broadcasters. Accordingly, the Commission hereby revises its policy to exempt those television stations earning less than \$10 million in annual revenues and who are, or could be, eligible to receive support from the Small Market Programming Fund from the application of the benefits test.

11. In the present case, the Commission recognizes that CCI is a small religious broadcaster and notes the poor financial performance of the two television programming undertakings subject to the present transaction. Further, CCI indicated that it would assume all of the remaining outstanding tangible benefits owing by Rogers, including the \$1.5 million tangible benefits package related to the purchase of CHNU-TV Fraser Valley and CIIT-TV Winnipeg in 2005, and the \$350,000 of benefits related to the addition of a transmitter in Victoria, approved in Broadcasting Decision 2005-207. These payments would be directed to the same recipients as proposed by Rogers and on the timelines previously deemed appropriate by the Commission.
12. In addition, the Commission considers that relieving CCI from its obligation to provide a tangible benefits package equal to 10% of the value of the transaction is consistent with its exemption from the benefits policy for small market stations, as set out in Broadcasting Public Notice 2007-53.
13. Accordingly, the Commission considers it appropriate to not require CCI to provide a tangible benefits package in regard to the present transaction.

Should CCI be relieved of certain conditions of licence currently imposed on CKNU-TV Fraser Valley and CIIT-TV Winnipeg?

14. In its application, CCI requested relief from certain conditions imposed by the Commission on the broadcasting licences for CHNU-TV Fraser Valley and CIIT-TV Winnipeg, which are set out in Broadcasting Decision 2005-207. Specifically, CCI requested that the Commission delete, from the broadcasting licences for both stations, the following conditions:
 5. During each broadcast week, the licensee shall not broadcast more than 12 hours of ethnic programming.
 6. No more than six hours of the 12 hours per week of ethnic programming shall be broadcast in languages other than English or French.
 8. The licensee shall not simulcast foreign programs during peak time (7:00 p.m. to 11:00 p.m.).

15. In addition, CCI requested relief from the following condition of licence for CHNU-TV Fraser Valley in regard to the broadcast of balance programming:
3. b) At least 7.5 hours of the 18 hours of balance programming referred to above shall be faith-specific programming produced by individual non-Christian groups. These programs will include presentations from the Buddhist, Hindu, Jewish, Muslim and Sikh perspectives and be broadcast on weekdays between 9:30 p.m. and 10:00 pm., and on Saturdays from 8:30 a.m. to 1:30 p.m

Specifically, CCI requested that the weekday period during which balance programming must be broadcast be broadened from between 9:30 p.m. and 10:00 p.m. to between 7:00 p.m. and 11:00 p.m.

16. CCI submitted that the conditions of licence in question were tailored for the specific circumstances related to Rogers' ownership of the Fraser Valley and Winnipeg stations, and that a more flexible approach that is more attuned to smaller independent religious broadcasters would be more appropriate for the two undertakings.
17. The Commission notes that the conditions relating to the broadcast of ethnic programming, third-language programming and foreign programming were imposed on the broadcasting licences for CHNU-TV Fraser Valley and CIIT-TV Winnipeg due to Rogers' common ownership of OMNI stations, which are ethnic television programming undertakings. The Commission considers that the rationale for imposing these conditions on Rogers would no longer apply to CCI as the new licensee of these two stations.
18. In regard to the condition of licence relating to balance programming for CHNU-TV Fraser Valley, the Commission considers that approval of the amendment proposed by CCI would not detract from the quality of service provided to viewers of the service. Further, a broadening of the weekday time period for the broadcast of balance programming would provide this smaller, independent religious broadcaster with a certain level of programming flexibility while retaining the requirement that this type of programming be broadcast during peak time (weekdays from 7:00 p.m. to 11:00 p.m.).

Conclusion

19. In light of all of the above, the Commission **approves** the application by Christian Channel Inc. to acquire from Rogers Broadcasting Limited, the assets of the television programming undertakings CHNU-TV Fraser Valley and CIIT-TV Winnipeg.
20. The Commission also **approves** CCI's request for relief, as described above, from the above-noted conditions of licences for CHNU-TV Fraser Valley and CIIT-TV Winnipeg.
21. The terms and **conditions of licence** for CHNU-TV Fraser Valley are set out in Appendix 1 to this decision. The terms and **conditions of licence** for CIIT-TV Winnipeg are set out in Appendix 2 to this decision.

Secretary General

Related documents

- *Transfer of effective control of 1708487 Ontario Inc., 1738700 Ontario Inc. and CHUM Television Vancouver Inc. to Rogers Media Inc.*, Broadcasting Decision CRTC 2007-360, 28 September 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 2007-18, 19 December 2007, as amended by Broadcasting Notices of Public Hearing CRTC 2007-18-1, 10 January 2008; 2007-18-2, 15 January 2008; 2007-18-3, 18 January 2008; 2007-18-4, 18 January 2008; and 2007-18-5, 21 February 2008
- *CHNU-TV Fraser Valley, CIIT-TV Winnipeg – Acquisition of assets, new transmitter in Victoria, and new licences*, Broadcasting Decision CRTC 2005-207, 20 May 2005
- *Building on success – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999
- *Religious broadcasting policy*, Public Notice CRTC 1993-78, 3 June 1993

This decision and the appropriate appendix must be attached to each licence. This document 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 2008-71

Terms, conditions of licence and encouragement for CHNU-TV Fraser Valley

Terms

The licence will expire 31 August 2011.

Conditions of licence

1. Not less than 75% of all programming broadcast by the licensee during the broadcast day and not less than 50% of the programming broadcast during peak time hours (7:00 p.m. to 11:00 p.m.) shall be devoted to programs drawn from Category 4 – Religion, as set out in Schedule I to the *Television Broadcasting Regulations, 1987*.
2. The remainder of the programming broadcast by the licensee may be:
 - a) programming that reflects broadly accepted religious, spiritual, ethical or moral values; and/or
 - b) other programming, provided it is contextualized, and each contextual segment is:
 - appropriately drawn from Category 4 – Religion;
 - clearly linked and integral to the subject matter of the content being contextualized; and
 - at least equal in duration to the content being contextualized.
3. The licensee shall broadcast a minimum of 18 hours per week of balance programming, of which 12 hours shall be Canadian programs broadcast between 6:00 p.m. and 11:00 p.m. At least 15.5 hours of weekly balance programming shall be original first-run programming.
 - a) For the purpose of this condition of licence, “balance programming” is defined as programming devoted to providing differing views on issues and events presented during the station’s primary programming, which address matters from a Christian perspective, and includes the presentation of different religions.

b) At least 7.5 hours of the 18 hours of balance programming referred to above shall be faith-specific programming produced by individual non-Christian groups. This programming will include presentations from the Buddhist, Hindu, Jewish, Muslim and Sikh perspectives and be broadcast on weekdays between 7:00 p.m. and 11:00 pm., and on Saturdays from 8:30 a.m. to 1:30 p.m.

4. The licensee shall not broadcast more than six hours per week of Canadian programs produced by CFMT-TV and/or CJMT-TV.
5. Not less than 50% of all programming broadcast during peak time (7:00 p.m. to 11:00 p.m.) shall be Canadian programs.
6. The licensee shall not broadcast more than 12 minutes of advertising material per hour, including solicitation. For clarification purposes, this condition applies to all regular programming as well as all brokered or “paid to air” programming.
7. The licensee shall provide closed captioning for not less than 90% of all programs broadcast during the broadcast year.
8. The licensee shall broadcast, at a minimum, between 7:00 p.m. and 11:00 p.m., the following amounts of described video programming:
 - a) in years 1 and 2 of the licence term, an average of two hours per week;
 - b) in years 3 and 4 of the licence term, an average of three hours per week; and
 - c) in year 5, and for the remainder of the licence term, an average of four hours per week.

In fulfilling this condition, all of the described video programming must be Canadian, and a minimum of 50% of the required hours must be original broadcasts. Further, in calculating the required hours for the purpose of fulfilling this condition, the licensee may include up to one hour per week of children’s described video programming at an appropriate children’s viewing time (which may be prior to or after 7:00 p.m.).

9. The licensee shall adhere to the guidelines on ethics set out in the Commission’s *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993, as amended from time to time.

10. The licensee shall adhere to the guidelines on the depiction of violence in television programming set out in the Canadian Association of Broadcasters' (CAB's) *Voluntary code regarding violence in television programming*, as amended from time to time and approved by the Commission. The application of the foregoing condition of licence will be suspended as long as the licensee remains a member in good standing of the Canadian Broadcast Standards Council (CBSC).
11. The licensee shall adhere to the provisions of the Canadian Association of Broadcasters' (CAB's) *Broadcast code for advertising to children*, as amended from time to time and approved by the Commission.
12. The licensee shall adhere to the guidelines on gender portrayal set out in the Canadian Association of Broadcasters' (CAB's) *Equitable Portrayal Code*, as amended from time to time and approved by the Commission. The application of the foregoing condition of licence will be suspended as long as the licensee remains a member in good standing of the Canadian Broadcast Standards Council (CBSC).

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.

Appendix 2 to Broadcasting Decision CRTC 2008-71

Terms, conditions of licence and encouragement for CIIT-TV Winnipeg

Terms

The licence will expire 31 August 2011.

Conditions of licence

1. Not less than 75% of all programming broadcast by the licensee during the broadcast day and not less than 50% of the programming broadcast during peak time hours (7:00 p.m. to 11:00 p.m.) shall be devoted to programs drawn from Category 4 – Religion, as set out in Schedule I to the *Television Broadcasting Regulations, 1987*.
2. The remainder of the programming broadcast by the licensee may be:
 - a) programming that reflects broadly accepted religious, spiritual, ethical or moral values; and/or
 - b) other programming, provided it is contextualized and each contextual segment is:
 - appropriately drawn from Category 4 – Religion;
 - clearly linked and integral to the subject matter of the content being contextualized; and
 - at least equal in duration to the content being contextualized.
3. The licensee shall broadcast a minimum of 18 hours per week of balance programming, of which 12 hours shall be original Canadian programs. At least 2.5 hours of weekly balance programming shall be original locally-produced Canadian programs from a faith-specific non-Christian perspective.
 - a) For the purpose of this condition of licence, “balance programming” is defined as programming devoted to providing differing views on issues and events presented during the station’s primary programming, and includes the presentation of different religions.
 - b) At least 7.5 hours of the 18 hours of balance programming referred to above shall be broadcast between 6:00 p.m. and 11:00 p.m. and shall be original Canadian programs.

- c) The licensee shall submit, within 60 days of the end of each broadcast year, a report for each week in the broadcast year that includes the title, the broadcast date, broadcast time and duration of its balance programs, along with a brief description of each balance program that describes how the program served to fulfil the terms of this condition.
4. The licensee shall not broadcast more than six hours per week of Canadian programs produced by CFMT-TV and/or CJMT-TV.
 5. Not less than 50% of all programming broadcast during peak time (7:00 p.m. to 11:00 p.m.) shall be Canadian programs.
 6. The licensee shall not broadcast more than 12 minutes of advertising material per hour, including solicitation. For clarification purposes, this condition applies to all regular programming as well as all brokered or “paid to air” programming.
 7. The licensee shall provide closed captioning for not less than 90% of all programs broadcast during the broadcast year.
 8. The licensee shall broadcast, at a minimum, between 7:00 p.m. and 11:00 p.m., the following amounts of described video programming:
 - a) in years 1 and 2 of the licence term, an average of two hours per week;
 - b) in years 3 and 4 of the licence term, an average of three hours per week; and
 - c) in year 5, and for the remainder of the licence term, an average of four hours per week.

In fulfilling this condition, all of the described video programming must be Canadian, and a minimum of 50% of the required hours must be original broadcasts. Further, in calculating the required hours for the purpose of fulfilling this condition, the licensee may include up to one hour per week of children’s described video programming at an appropriate children’s viewing time (which may be prior to or after 7:00 p.m.).

9. The licensee shall adhere to the guidelines on ethics set out in the Commission’s *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993, as amended from time to time.

10. The licensee shall adhere to the guidelines on the depiction of violence in television programming set out in the Canadian Association of Broadcasters' (CAB's) *Voluntary code regarding violence in television programming*, as amended from time to time and approved by the Commission. The application of the foregoing condition of licence will be suspended as long as the licensee remains a member in good standing of the Canadian Broadcast Standards Council (CBSC).
11. The licensee shall adhere to the provisions of the Canadian Association of Broadcasters' (CAB's) *Broadcast code for advertising to children*, as amended from time to time and approved by the Commission.
12. The licensee shall adhere to the guidelines on gender portrayal set out in the Canadian Association of Broadcasters' (CAB's) *Equitable Portrayal Code*, as amended from time to time and approved by the Commission. The application of the foregoing condition of licence will be suspended as long as the licensee remains a member in good standing of the Canadian Broadcast Standards Council (CBSC).

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