



Broadcasting Decision CRTC 2012-152

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Ottawa, 15 March 2012

TELUS Communications Inc., and 1219823 Alberta ULC and Emergis Inc. in partnership with TELUS Communications Inc. in TELE-MOBILE Company, partners in a general partnership carrying on business as TELUS Communications Company

Various locations in British Columbia

Application 2011-1308-4

Regional broadcasting licence for terrestrial broadcasting distribution undertakings serving communities in British Columbia – Licence amendment

*The Commission **approves** the application by TELUS Communications Inc., and 1219823 Alberta ULC and Emergis Inc. in partnership with TELUS Communications Inc. in TELE-MOBILE Company, partners in a general partnership carrying on business as TELUS Communications Company, to amend the regional broadcasting licence for its terrestrial broadcasting distribution undertakings serving communities in British Columbia in order to be granted authorization to extend the distribution of KVO5-TV (IND) Bellingham and KSTW (IND) Tacoma/Seattle, Washington, to subscribers in Kamloops and Prince George.*

Introduction

1. The Commission received an application by TELUS Communications Inc., and 1219823 Alberta ULC and Emergis Inc. in partnership with TELUS Communications Inc. in TELE-MOBILE Company, partners in a general partnership carrying on business as TELUS Communications Company (TELUS) to amend the regional broadcasting licence for its terrestrial broadcasting distribution undertakings (BDUs) serving communities in British Columbia. Specifically, the licensee requested authorization to distribute various distant Canadian signals.
2. TELUS further requested an amendment to its condition of licence relating to the distribution of KVO5-TV (IND) Bellingham and KSTW (IND) Tacoma/Seattle, Washington, which is set out in Appendix 1 to *Class 1 regional broadcasting licences for terrestrial broadcasting distribution undertakings serving communities in British Columbia and Alberta – Licence renewals and licence amendments*, Broadcasting Decision CRTC 2009-679, 30 October 2009 (Broadcasting Decision 2009-679), and currently reads as follows:

10. The licensee is authorized to distribute, at its option, KVOS-TV (IND) Bellingham and KSTW (IND) Tacoma/Seattle, Washington, as part of its basic service in Vancouver, Victoria, Vernon and Kelowna.
3. Specifically, the licensee proposed to add Kamloops and Prince George, British Columbia, to the list of communities in which these two U.S. services would be distributed as part of the basic service.
 4. TELUS submitted that the proposed licence amendments would provide the affected areas with greater diversity in terms of television programming, as well as with a more competitive basic service offering.
 5. The Commission received an intervention in opposition from Jim Pattison Broadcast Group Ltd. (the general partner) and Jim Pattison Industries Ltd. (the limited partner), carrying on business as Jim Pattison Broadcast Group Limited Partnership (Pattison), to which the licensee replied. The public record for this application can be found on the Commission's website at www.crtc.gc.ca under "Public Proceedings."
 6. In its intervention, Pattison submitted that its local market stations in Kamloops and Prince George (i.e., CKPG (IND) Prince George and CFJC (IND) Kamloops) would likely shut down should the Commission approve TELUS's requests. It argued that the net effect of extending the distribution of the distant Canadian signals and of KVOS-TV and KSTW in Prince George and Kamloops, as requested by TELUS, would be to add out-of-market stations to the detriment of its local market stations. Pattison further argued that its local market stations invest in the local community and provide locally originated programming, unlike the out-of-market stations.
 7. In reply, TELUS submitted that Pattison was overstating the effect of the requests on its local stations and argued that these stations would continue to benefit from the fact that they are the only local stations in their respective markets. TELUS further submitted that these signals are, and will continue to be sufficiently protected as Pattison sells advertising on its local stations and benefits from the sale of local advertising on the CTV and Global stations, which are imported into the Kamloops and Prince George markets. TELUS added that Pattison also benefits from the Local Programming Improvement Fund (LPIF) and from simultaneous substitution requirements in its local markets.
 8. TELUS also argued that the Canadian broadcasting system can no longer afford to protect television stations by seeking to shut out choice for consumers. It added that the signals for which it seeks authorization to distribute do not offer the same programming as Pattison's above-noted stations, and that they will therefore add diversity to the service offerings in Kamloops and Prince George. Finally, TELUS explained that authorization to distribute those services is required to ensure its competitiveness with satellite services and over-the-top services.

Commission's analysis and decision

9. After examining the public record for this application in light of applicable regulations and policies, the Commission considers that it must address the following issues:
 - the distribution of distant Canadian television signals; and
 - the distribution of KVOS-TV and KSTW in Kamloops and Prince George.

Distribution of distant Canadian television signals

10. The Commission notes that since the amended *Broadcasting Distribution Regulations* (the Regulations) address, among other things, the distribution of distant Canadian television signals, the requested conditions of licence authorizing TELUS to distribute, in certain of its licensed service areas, distant Canadian signals as part of the basic service are no longer required. The Commission is of the view that the distant Canadian signals requested as part of TELUS's application should therefore be distributed in accordance with the regime established in the amended Regulations.

Distribution of KVOS-TV (IND) Bellingham and KSTW (IND) Tacoma/Seattle in Kamloops and Prince George

11. The Commission notes that the amendment requested by TELUS authorizing it to distribute, as part of the basic service, KVOS-TV and KSTW has already been granted for other licensed areas under its regional licence. In addition, the authorization to distribute a U.S. independent signal on the basic service has also already been granted to another licensed BDU in Kamloops. The Commission is of the view that there are sufficient regulatory measures in place, such as prohibitions on local advertising by the U.S. stations, simultaneous substitution, and other support mechanisms such as the LPIF to mitigate the impact of these U.S. stations on the local Canadian stations in question.

Conclusion

12. In light of the above, the Commission **approves** the application by TELUS Communications Inc., and 1219823 Alberta ULC and Emergis Inc. in partnership with TELUS Communications Inc. in TELE-MOBILE Company, partners in a general partnership carrying on business as TELUS Communications Company, to amend the regional broadcasting licence for the terrestrial BDUs serving communities in British Columbia in order to add Kamloops and Prince George, British Columbia to the list of communities in which KVOS-TV (IND) Bellingham and KSTW (IND) Tacoma/Seattle, Washington, may be distributed as part of the basic service. Accordingly, **condition of licence 10** set out in Appendix 1 to Broadcasting Decision 2009-679 shall now read as follows:

10. The licensee is authorized to distribute, at its option, KVOS-TV (IND) Bellingham and KSTW (IND) Tacoma/Seattle, Washington as part of its basic service in Vancouver, Victoria, Prince George, Kamloops, Vernon and Kelowna.

Secretary General