



## Broadcasting Decision CRTC 2012-242

PDF version

Route reference: 2011-525

Additional references: 2011-525-1, 2011-525-2 and 2011-525-3

Ottawa, 26 April 2012

### **Quebecor Media Inc., on behalf of TVA Group Inc.**

Across Canada

*The application numbers are set out in the appendices to this decision.*

*Public hearing in Montréal and Québec, Quebec*

*5 December 2011*

### **TVA Group Inc. – Licence renewals**

*The Commission **renews** the broadcasting licences for the national, French-language television network TVA and the conventional television stations associated with that network, as well as the specialty Category A, B and C services affiliated with the Quebecor Media Inc. broadcasting ownership group for a three-year term, from 1 September 2012 to 31 August 2015.*

*The Commission maintains the mandatory distribution order for TVA on the basic service pursuant to section 9(1)(h) of the Broadcasting Act and re-imposes most of the related **conditions of licence** for the new licence term.*

### **Introduction**

1. The Commission received applications from Quebecor Media Inc. (QMI), on behalf of TVA Group Inc. (TVA Group), to renew the broadcasting licences for the network and associated conventional television stations (TVA), as well as the specialty Category A, B and C services set out in Appendix 1 to this decision.
2. The Commission received numerous interventions in connection with the above-mentioned applications. QMI replied to certain interventions. The public record for this proceeding can be found on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), under "Public proceedings."
3. This decision addresses various issues related to TVA Group's services that are the subject of these renewals. In particular, the Commission addresses the following issues:
  - the group-based approach;
  - support for Canadian programming;

- the length of the licence term;
- terms of trade agreements;
- local programming;
- national distribution of the TVA network, the “Montréalization” of the airwaves, and programming from outside Quebec;
- social policies; and
- specialty services.

### **Group-based approach**

4. In Broadcasting Regulatory Policy 2010-167 (the group-based approach), the Commission announced a group-based approach to licensing large English-language private television ownership groups.
5. Section 3(1)(c) of the *Broadcasting Act* (the Act) provides that English- and French-language broadcasters, while sharing common aspects, operate under different conditions and may have different requirements. In Broadcasting Notice of Consultation 2011-525, the Commission noted that the group-based approach applies only to large English-language private television ownership groups, with two exceptions. These exceptions relate to an amendment to the *Television Broadcasting Regulations, 1987* regarding Canadian content and to a change to the Commission’s policy regarding licence-fee top-ups. In the same notice, the Commission announced its intention to review the requirements adapted to the situation of each French-language broadcaster on a case-by-case basis.
6. QMI was of the view that the group-based approach is not appropriate for the renewal of the licences for TVA Group’s services, since it already meets market demand with respect to a large quantity of high-quality Canadian content. QMI noted that the group-based approach was adopted in order to provide financial support to the English-language conventional television sector, which differs from the French-language sector.

### **Interventions**

7. The Conseil provincial du secteur des communications (CPSC) of the Canadian Union of Public Employees (CUPE) opposed any group-based considerations because of the difficulty in determining a percentage of Canadian programming that would be common for all services. The CPSC also submitted that a single calculation for metropolitan and regional stations also appears to be problematic.
8. In a joint intervention the Union des artistes (UDA), the Société des auteurs de radio, télévision et cinéma (SARTEC) and the Association des réalisateurs et réalisatrices du Québec (ARRQ) (jointly, UDA/SARTEC/ARRQ) indicated that the

group-based approach is generally not appropriate for French-language television services, given that its main objective is to address the challenges facing the private English-language television sector. UDA/SARTEC/ARRQ expressed the view that the approach is not suitable for the French-language market and that the Commission should use a case-by-case approach.

9. Bell Media Inc. (Bell Media), for its part, favoured applying the group-based approach to QMI. Bell Media submitted there must be regulatory symmetry between French-language and English-language markets given that the two markets are equally affected by digital technological advances (easy access to content on various platforms) and by consolidation and integration within the industry.

#### **Commission's analysis and decision**

10. The Commission notes that the difficult conditions that forced the private broadcasters in the English-language market and that led to the adoption of the group-based approach in that market are not present in the case of TVA Group. The Commission recognizes the exceptional contribution of TVA Group to the Canadian broadcasting system. As well, the Commission considers that, given the composition of the portfolio of TVA Group services, which is largely dominated by conventional television services, the flexibility accorded in the allocation of resources between television platforms that would result from the application of a group-based approach would have little effect.
11. For these reasons, the Commission considers that the group-based approach is inappropriate for the renewal of the licence for each of TVA Group's services and determined that it will regulate each service individually.

#### **Support for Canadian programming**

12. In its applications, QMI made a commitment to devote an annual minimum of 75% of TVA's programming expenditures in the current year to Canadian programming. QMI stated that an approach based on expenditures is more appropriate and better serves the public interest than an obligation based on an undertaking's revenue since, in its view, such an approach gives the undertaking more flexibility to react to market volatility.
13. QMI indicated that this commitment would replace requirements to broadcast eight hours of priority programming per week as well as the requirement to devote \$20 million per broadcast year to programs produced by independent producers.
14. At the hearing, QMI agreed to a commitment to devote an average of 80% of its programming expenditures in the broadcast year to Canadian programming, but in its final reply of 20 January 2012, reverted to its original proposal.
15. QMI argued that no regulatory measures seemed necessary in regard to financial support for the production of priority programs in order to stimulate the creation

and promotion of Canadian content since the French-language market itself dictates the significant thresholds of priority programs.

#### **Interventions**

16. Several interveners, including the Association des producteurs des films et de télévision du Québec (APFTQ), the Alliance des producteurs francophones du Canada (APFC), UDA/SARTEC/ARRQ and the Documentary Organization of Canada (DOC) opposed the withdrawal of priority program and independent production requirements. Some of these interveners were of the view that an approach based on programs of national interest (PNI) expenditures is necessary to support certain categories of programs, such as dramas, documentaries and children's programs.
17. The Ministère de la Culture, des Communications et de la Condition Féminine du Québec (MCCCF) recommended maintaining current priority program and independent production requirements.
18. The CPSC supported QMI's proposal, put forward at the hearing, to devote 80% of programming expenditures during the broadcast year to Canadian programs.

#### **Applicant's reply**

19. QMI argued that a single commitment to devote 75% of TVA's programming expenses to Canadian content is more than enough to meet the expectations of viewers in the French-language market and to meet the objectives of the Canadian broadcasting policy.
20. According to QMI, the French-language market, by its nature, imposes significant expectations with respect to dramas, comedies, long-form documentaries and Canadian award shows celebrating Canadian creative talent. QMI also stated that the circumstances of the market in which TVA evolves also require the broadcast of independently produced programs. QMI indicated that it cannot meet the needs of TVA with its internal capacity alone.

#### **Commission's analysis and decisions**

21. The Commission recognizes that TVA broadcasts a significant number of original Canadian programs. It also notes that QMI devoted an average of 89% of its programming budget to Canadian programs over the last three years. The Commission further notes that, week after week, the Canadian programs broadcast on TVA largely dominate the most popular programming and, in doing so, contribute to the success of the network.
22. The Commission also recognizes that TVA broadcasts a significant number of dramas and music and variety programs, which are highly valued by Quebec and Canadian audiences. It notes that TVA devotes a significant portion of its

programming budget to these programs and gives these programs time slots that promote them.

23. Finally, the Commission recognizes that TVA uses a significant amount of independent production for a large portion of its programs and that it greatly exceeded its requirements to spend \$20 million per broadcast year on independent producers by devoting, during the last three years, an annual average of \$50.8 million to independent production.
24. The Commission notes QMI's commitment to devote a percentage of TVA's total programming expenditures during the current year to Canadian programming expenditures (CPE). Given that QMI agreed at the hearing to a commitment to devote an average of 80% of its programming expenditures for the current year to CPE and given that this percentage is considerably lower than TVA's average for the last three years, the Commission imposes a **condition of licence** to this effect, as set out in Appendix 2 to this decision.
25. With respect to priority programs, the Commission considers that the popularity of such programs on TVA will ensure that they will continue to be broadcast. For this reason, the Commission does not consider it necessary to impose a condition of licence with respect to either the broadcast of priority programs or to PNI expenditures. However, the Commission expects TVA to continue broadcasting long-form documentaries, dramas, and music and variety programs in peak viewing periods to the same extent as they have been broadcast during the current licence term. The Commission will monitor the broadcast of programs from these categories in TVA's schedule and re-evaluate its decision at the next licence renewal for TVA Group's services.
26. Finally, the Commission maintains the current requirement to spend \$20 million per broadcast year on programs by independent producers. The Commission is of the view that not indexing the amount gives TVA the flexibility needed to manage its programming expenditures, while ensuring a minimum amount of expenditures is devoted to maintaining a significant contribution to independent producers. A **condition of licence** to this effect is set out in Appendix 2 to this decision. Nevertheless, the Commission emphasizes that this amount is a floor and encourages the licensee to maintain its expenditures at current levels.

#### **Programs based on foreign concepts**

27. As indicated in the last renewal of the TVA licences, the Commission has noted, over several years, an increasingly common trend among French-language conventional broadcasters to broadcast programs based on foreign concepts. The programs are usually produced in-house or by independent Canadian producers. The Commission questions the impact that this growing trend could have on Canadian and Quebec creative talent, given that such talent is used less in an adaptation than in the creation of an original Canadian production.

28. In response to this concern, QMI highlighted that the programs based on foreign concepts broadcast on TVA are largely adapted to reflect Canadian or Quebec life. Thus, according to QMI, the use of a foreign concept still calls for Canadian creative input.
29. Although the Commission recognizes the effort to adapt foreign concepts to Canadian and Quebec life, it still expects TVA to use Canadian creative talent to develop its programs as often as possible and to reduce, as much as possible, its use of foreign concepts to the benefit of an additional contribution from original Canadian concepts.

### **Length of licence term**

30. QMI agreed that TVA Group's services should be granted a three-year licence term, noting that such a term would allow the Commission to reassess, at an earlier date, the relevance of the regulatory approach recommended for TVA. Given the considerable regulatory relief accorded to TVA Group, the Commission considers that a shorter three-year licence term is appropriate.

### **Terms of trade agreements**

31. Terms of trade agreements establish the terms and principles agreed upon by independent producers and broadcasters in regard to negotiating broadcasting rights and rights applicable to digital media. The development of mutually acceptable terms of trade agreements has become an increasingly important issue in recent years as producers and broadcasters seek to monetize their respective expenditures and efforts across multiple platforms.
32. In Broadcasting Public Notice 2007-53, and in a number of policies and decisions issued since then, the Commission has stated that the establishment of terms of trade agreements between independent Canadian television programming producers and broadcasters provides stability and clarity for both producers and broadcasters and are in the broadcasting industry's interest as a whole. The Commission noted the importance to the industry of clear terms and principles to enable broadcasters and producers to enter into trade agreements that cover all types of rights, including rights related to new viewing platforms, to ensure the presence of quality Canadian content on the new platforms.
33. QMI stated that TVA Group has an excellent collaborative relationship with producers. QMI considers that none of the interventions submitted to the Commission have shown any problems with the progress of negotiations between TVA Group and independent producers. QMI also argued that it was absolutely necessary to maintain flexibility in the negotiation process for trade agreements, and put forth that the Commission should not intervene except to regulate when necessary. Finally, QMI maintained that negotiating on a case-by-case basis has been working for many years and added that since 2008, TVA Group has concluded approximately 230 original production agreements and paid 180 million dollars in

broadcast rights (a 30% increase per year) to over 45 different independent producers.

### **Interventions**

34. The APFTQ expressed its appreciation for the Commission's determination to ensure that terms of trade agreements between broadcasters and producers are concluded as quickly as possible. However, the APFTQ stated that it was not convinced that the best way to achieve this is for the Commission itself to set the terms of these agreements. The APFTQ suggested that the Commission renew the licences for TVA Group's services for a two-year term under the same conditions.
35. The DOC and Telefilm Canada also supported the negotiation process between the APFTQ and TVA Group.

### **Commission's analysis and decisions**

36. The Commission's involvement in terms of trade agreements between broadcasters and producers has taken various forms in recent years, from encouraging negotiation between parties to imposing conditions of licence on broadcasters that are part of large English-language ownership groups. In Broadcasting Notice of Consultation 2011-525, the Commission announced its intention to address the status of negotiations to develop appropriate frameworks on which to base individual negotiations respecting the ownership and exploitation of digital rights with the television production sectors in the French-language market.
37. The Commission considers that the public record has neither conclusively confirmed nor denied the existence of specific problems in the development of negotiations or in the business relationships between TVA Group and independent producers. In fact, the public record demonstrates two contradictory positions in this regard – that of QMI, which considers that there is no problem to fix, and that of the APFTQ, which is of the contrary view. The Commission also notes that TVA Group called on independent producers to produce programs broadcast by TVA and by specialty services during the current licence term, and that it far exceeded its commitments in terms of expenditures on independent producers.
38. For these reasons, the Commission expects TVA Group and the APFTQ to continue negotiations to reach an agreement that meets the stability and clarity requirements of the broadcaster and of independent producers by the end of the new three-year licence term. In addition, the Commission expects business relationships between TVA Group and independent producers to remain harmonious throughout the term.
39. The Commission considers that close collaboration between independent producers, the associations that represent them, and broadcasters will enable all parties to benefit from the development of programming on all platforms and in international markets.

## **Local programming**

40. In its application, QMI proposed to maintain the current level of five hours per week of local programming broadcast by CHEM-DT Trois-Rivières, CFER-DT Rimouski, CHLT-DT Sherbrooke and CJPM Saguenay, and their respective transmitters.
41. In addition, QMI declared that the licensee intended to maintain the current broadcast level of 18 hours of local programming per week for CFCM-DT Québec, while also requesting increased flexibility to be able to broadcast programs produced locally by CFCM-DT on the network. To that end, QMI proposed the deletion of the requirement that nine hours of local programming broadcast by CFCM-DT focus exclusively on the local Québec market.
42. QMI considers that this flexibility would benefit Québec because it would provide a national showcase on the TVA network. It would thus enable the licensee to make the programming produced in Québec available to viewers throughout Quebec and Canada.

## **Interventions**

43. In its intervention, the APFC noted that TVA is making little effort to decentralize from Montréal, the result of which is that most of its programming is developed and produced by and for Montrealers. UDA/SARTEC/AARQ stated that the regional population should be visible and reflected on television in the various programming categories.
44. The MCCCCF recommended that the quantitative requirements for local and regional programming and information be maintained or even increased for conventional television stations outside of Montréal.
45. The Syndicat des employé(es) de CFCM-TV Québec (SECC) suggested that the Commission deny this application for amendments. The SECC considered that, in order to be broadcast on a larger scale, programs intended for the local public must undergo major changes or even be replaced by programs that are produced locally but that apply to the whole province. The SECC asked that the same conditions of licence imposed by the Commission for the previous licence renewal in 2009 be retained.

## **Applicant's reply**

46. QMI reiterated that the purpose of its application was to increase flexibility for CFCM-DT so that the programs it produces can also be broadcast on the TVA network.
47. At the hearing, QMI proposed adding a minimum threshold of 5 hours and 30 minutes per week for locally produced news, including two newscasts on weekends. In its final reply, QMI added that the introduction of a minimum



threshold for locally produced news was a significant compromise on the licensee's part.

#### **Commission's analysis and decisions**

48. The Commission is confident that, to retain its position in the French-language market, TVA will continue to meet its audience's expectations and reflect the life of each community that it serves.
49. The Commission considers that QMI's proposal to broadcast at least 5 hours and 30 minutes of locally produced news, including two newscasts on weekends, is commendable and will contribute significantly to the reflection of the Québec market.
50. However, in response to the concerns expressed by the interveners from this community regarding the loss of local flavour in CFCM-DT programming and news, the Commission will continue to require that, of the 18 hours of local programming per broadcast week, 9 hours must focus specifically on the Québec region, including the 5 hours and 30 minutes of local newscasts. However, the Commission considers it unnecessary that the remaining 3 hours and 30 minutes be broadcast exclusively in the local Québec market and considers that it may be broadcast on the TVA network. A **condition of licence** to this effect is set out in Appendix 2 to this decision.
51. In addition, if the newscasts are rebroadcast in full, the Commission requires that the licensee not count these rebroadcasts when calculating the number of broadcast hours set out in the conditions of licence for each station.

### **Conditions of licence relating to the national distribution of the TVA Network, the "Montréalization" of the airwaves, and programming from outside Quebec**

#### **Conditions of licence relating to the national distribution of the TVA Network**

##### Background

52. The TVA network is subject to a mandatory distribution order on the basic service pursuant to section 9(1)(h) of the Act. This order was issued in the context of Decision 98-488. That decision set out a series of commitments, imposed as conditions of licence, with respect to French-language communities outside Quebec. TVA must broadcast six special events per year reflecting Francophone life outside Quebec as well as a weekly 30-minute program on Francophone life outside Quebec. The licensee must reinvest in the improvement of programming focusing on Francophones outside Quebec at least 43% of the excess of its revenues over expenses related to the expanded distribution of its service outside Quebec. It must also submit reports concerning these revenues.

53. These conditions of licence were renewed in 2001<sup>1</sup> and 2009<sup>2</sup> at TVA network's licence renewal. In Broadcasting Decision 2009-410, the Commission added an expectation that the licensee consult representatives of official language minority communities (OLMCs) in order to implement a programming strategy that would allow it to reach its OLMC reflection objectives in the programming of the network. The Commission also encouraged the licensee to consider hiring a journalist to cover events in western Canada.
54. In its application, QMI proposed to maintain TVA's mandatory distribution on the basic service offered by broadcasting distribution undertakings in English-language markets and renew all the current conditions of licence, except for the condition requiring the reinvestment of 43% of excess revenue over expenses related to expanded distribution outside Quebec as well as the related reporting requirement.
55. QMI explained that TVA does not have excess revenue related to the operation of its service outside Quebec. As such, TVA cannot reinvest in the improvement of programming outside Quebec. QMI argued that it would be appropriate to delete this condition of licence, as well as the obligation to file reports with the Commission, in order to lighten the licensee's administrative burden.

#### Interventions

56. The organizations representing OLMCs, including the Fédération des communautés francophones et acadienne du Canada (FCFA) and la Fédération culturelle canadienne-française (FCCF) recognized that the distribution of TVA as part of the basic service is valuable addition to the variety of French-language television available to the French-language population outside Quebec. These organizations called for the renewal of all conditions of licence associated with the distribution of TVA outside Quebec. The FCFA, in particular, considered these conditions of licence to be minimum requirements. It emphasized the difficulty that Francophone and Acadian communities have in establishing a dialogue with TVA Group regarding commitments related to TVA's mandatory distribution as part of basic service throughout Canada. Accordingly, the FCFA and the FCCF recommended that the Commission impose a condition of licence that would formalize the creation of a TVA Group consultative committee involving Francophone and Acadian communities.
57. The APFC supported QMI's application to delete the condition of licence requiring it to reinvest 43% of the excess of its revenues over expenses related to expanding distribution outside Quebec. However, the APFC and On Screen Manitoba recommended that the Commission amend the condition of licence requiring the broadcast of a weekly 30-minute program on Francophone life outside Quebec by tripling the number of hours required. This amendment would increase original

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<sup>1</sup> See Decision 2001-385.

<sup>2</sup> See Broadcasting Decision 2009-410.

production from outside Quebec from 26 to 78 hours each year (i.e., 1.2% of TVA's programming). According to the APFC and On Screen Manitoba, the 26 hours (i.e., 0.4%) of annual programming is an under-representation of the 2.5 million Francophones and francophiles living outside Quebec.

#### Licensee's reply

58. QMI expressed the view that OLMCs recognize themselves as much in programs intended for the Canadian population at large as in programs focused on them specifically. Despite the difficulty in making that sector of its activities profitable, QMI reiterated its proposal to renew its current conditions of licence relating to the national distribution of TVA. QMI submitted that any increase in those requirements would be unjustified.
59. QMI considered that the request by the APFC and On Screen Manitoba to triple the number of hours devoted annually to programs on Francophone life outside Quebec does not reflect the actual market availability of Francophone Canadian content from outside Quebec. QMI stated that it is difficult for TVA to find enough promising projects to comply with such a requirement.
60. QMI added that such an increase would inevitably involve a decrease in programming that does not specifically reflect French-language communities outside Quebec. According to QMI, the resulting decrease in revenues would not be offset by revenues from OLMC-related programming because this type of programming is largely unprofitable.
61. As for the consultative committee for French-language minority communities outside Quebec, QMI considered that an annual survey would be more effective than a consultative committee and would better help represent on TVA the interests of Francophones living outside Quebec.

#### Commission's analysis and decisions

62. The Commission notes that TVA does not receive any subscription revenues through its mandatory distribution on the basic service and has difficulty monetizing audiences outside Quebec through national advertisers. The Commission recognizes however that the distribution of TVA outside Quebec is of exceptional importance, as it makes meaningful contributions to the objectives set out in the Act, especially with respect to the reflection of linguistic duality and the improvement of services available to OLMCs.
63. After reviewing the reports submitted by QMI, the Commission notes that the licensee has successfully fulfilled its requirements relating to the mandatory distribution on the basic service in accordance with the criteria set out in Broadcasting Regulatory Policy 2010-629. The Commission further notes that since TVA did not record an excess of revenues over expenses related to expanded distribution outside Quebec, the licensee was unable to reinvest a minimum of 43% of the excess of its revenues over expenses related to the expanded distribution of

its service outside Quebec in the improvement of programming focusing on Francophones outside Quebec. The condition of licence to that effect therefore has no impact on TVA's investment in programming focusing on Francophones living outside of Quebec. For this reason, the Commission deletes that condition of licence as well as the requirement to file an annual report on the reinvestment related to that condition of licence.

64. In light of the above, the Commission maintains the national mandatory distribution of TVA on the basic service. Francophones living outside of Quebec will thus continue to receive a private conventional French-language television service allowing them access to an expanded offering of Canadian programming in their language. Such access to French-language services throughout Canada contributes to the promotion of linguistic duality and Canadian cultural diversity, in accordance with the objectives of the broadcasting policy for Canada, set out in section 3 of the Act.
65. The Commission maintains the conditions of licence requiring the broadcast of a minimum of six special events per year reflecting Francophone life outside Quebec and of a weekly 30-minute program on Francophone life outside Quebec. The purpose of maintaining those conditions of licence is to ensure representation on the airwaves of Francophones living outside Quebec. To this effect, the Commission emphasizes the importance of TVA carrying out these projects in collaboration with independent producers established outside Quebec.
66. To improve dialogue between OLMCs and TVA Group, and to ensure that the concerns and life of Francophones living outside Quebec are taken into account, the Commission **approves** QMI's proposal and expects TVA Group, at a minimum, to conduct an annual survey of the communities.

#### **"Montréalization" of the airwaves**

67. The Commission notes that the programming schedule of conventional French-language services consists predominantly of programs directed and produced for and by Montrealers. There is therefore a need for improvement in the reflection of non-Montrealers, including OLMCs, in the broadcasting system.
68. The Commission considers that it is necessary to ensure that all services, including specialty services, adequately make use of the services of producers operating outside of Montréal and outside Quebec. Accordingly, the Commission has decided to include the following expectation for all of TVA Group's specialty services:

The Commission expects the licensee to ensure that the programs broadcast by its service adequately reflect all regions of Quebec, including those outside of Montréal, as well as all regions of Canada. In addition, the Commission expects the licensee to provide producers working in those regions with the opportunity to produce programs intended for its service.

## **Social policy**

### **Closed captioning**

69. In its applications, QMI indicated that all of the English- and French-language programming broadcast during the broadcast day would be closed captioned.
70. The Commission received an intervention in that regard from CUPE. It indicated that the local programming broadcast by regional stations is rarely closed captioned and that when it is, the closed captioning is sub-standard. In its reply, QMI indicated that, through an investment in closed captioning, all of the local programming, which consists primarily of news programs, would be closed captioned during the next licence term.
71. The Commission notes that all of TVA Group's services will be subject to the standard conditions of licence relating to closed captioning, which include a requirement to caption all programming beginning the first year of the licence term. The Commission adds that the licensee will be required to adhere to quality standards regarding closed captioning developed by television industry working groups, to which the licensee belongs, beginning in the first year of the licence term. Moreover, the Commission notes that the standard conditions of licence require that advertising, sponsorship messages and promos be closed captioned by no later than the fourth year of the licence term. Since TVA Group's licences will be renewed for a three-year term, the Commission expects the licensee to gradually increase the amount of advertising, sponsorship messages and promos offered with closed captioning and will evaluate the licensee's progress in that regard during the next licence renewal.

### **Specialty services**

72. QMI requested the renewal of the broadcasting licences for the following specialty Category A services, specialty Category B services and specialty Category C service:
  - Addik<sup>tv</sup> (Category A)
  - Argent (Category A)
  - Casa (Category B)
  - Prise 2 (Category B)
  - Le Canal Nouvelles (Category C)
73. QMI stated that it would accept all the conditions of licence proposed by the Commission, which are included in the standard conditions of licence set out in Broadcasting Regulatory Policies 2011-443, 2010-786-1 and 2009-562-1 for Category A, Category B and Category C services, respectively. Accordingly, the Commission imposes the appropriate standard conditions of licence on all of TVA Group's specialty services.

74. QMI also requested the deletion of all conditions of licence relating to the wholesale rates for TVA Group's specialty services. The Commission considers that this request is consistent with Broadcasting Public Notice 2006-23, in which the Commission stated that it would discontinue rate regulation in the digital environment except for those services that must be distributed as a result of an order under section 9(1)(h) of the Act.

#### **Amendments to Addik<sup>tv</sup>'s conditions of licence**

75. As part of its application, QMI proposed various amendments to the conditions of licence for Addik<sup>tv</sup> in regard to the following:
- reduction of the minimum CPE threshold;
  - original Canadian productions; and
  - other issues.

#### **Reduction of the minimum Canadian programming expenditures threshold**

76. Under its current conditions of license, Addik<sup>tv</sup> is required to expend on Canadian programming, in each broadcast year, not less than 40% of the previous year's gross advertising, infomercial and subscription revenues.
77. QMI proposed to reduce this percentage to 35% of its gross annual advertising, infomercial and subscription revenues. It stated that a reduction in Addik<sup>tv</sup>'s CPE threshold is justified by the difficulty that these services have in acquiring Canadian content, given the scarcity of Canadian suspense, mystery and horror programming. It maintained that this reduction would allow it to benefit from greater flexibility in the allocation of its programming budget which would help it remain competitive.
78. As an example, QMI stated that the CPE requirement for Séries+ is only 22% (to be taken from its gross revenues from the previous broadcast year), and that Séries+ also has a lower Canadian content threshold than Addik<sup>tv</sup>.
79. QMI stated that, in light of the example of Séries+, the Commission could approve its request for regulatory relief for Addik<sup>tv</sup>, especially since Séries+ is available in both analog and digital formats, while Addik<sup>tv</sup> is available only in digital format.

#### **Interventions**

80. According to the APFTQ, of all of the renewal applications for TVA Group's specialty services, Addik<sup>tv</sup>'s application is the most problematic because it has not met its commitments pertaining to the broadcast of original Canadian programming or its spending commitments with respect to independent production.
81. It conceded that Addik<sup>tv</sup>'s profitability is low, in fact well below the industry average, but submitted that, for this service, QMI predicts 6.5% annual growth in

subscribers and fees and 6% growth in advertising revenue during the next licence term.

82. The APFTQ therefore recommended that the Commission maintain Addik<sup>TV</sup>'s CPE threshold at 40% and that it require, by condition of licence, that a minimum of 25% of the service's CPE be dedicated each year to the acquisition of original, independently produced Canadian programs. This new condition of licence would replace Addik<sup>TV</sup>'s former commitments in that respect.
83. UDA/SARTEC/ARRQ agreed, indicating that Addik<sup>TV</sup> does not currently broadcast any original Canadian programs. They submitted that now that Addik<sup>TV</sup> is on the road to profitability, it can contribute more to the broadcast of original Canadian French-language programs. They also recommended maintaining the CPE percentage at 40%, and proposed that half of Addik<sup>TV</sup>'s CPE, i.e., 20%, be allocated to the broadcast of original, first-run programs and that these programs be counted as PNI.

#### Licensee's reply

84. QMI stated that the requests for relief are justified by constraints in the availability of content and by other financial considerations. It argued that, with eased regulatory restrictions on Addik<sup>TV</sup> concerning investment in Canadian content, this service could enjoy a measure of flexibility that would allow it to broadcast more popular programming and give it greater latitude to reach a wider audience.
85. According to QMI, these requests are measured and reasonable in light of the figures, which seem fairly significant. Addik<sup>TV</sup> has run a deficit for a number of years, to finally realize a positive profit before interest and taxes (PBIT) margin in 2010. QMI indicated that this must be addressed given *Séries+*'s PBIT margin in 2010, which was close to 60%.
86. QMI therefore considered that the recommendations made by the interveners should be analyzed in light of the financial state and background of each service and group in question, especially since QMI is not asking for TVA Group's services to benefit from a group-based approach.

#### Commission's analysis and decision

87. Regarding QMI's argument that a reduced CPE threshold for Addik<sup>TV</sup> would bring it closer to the threshold imposed on *Séries+*, the Commission considers that the two services cannot be compared in that way, given that the services have very different natures of service. Furthermore, *Séries+* is required to broadcast a high percentage of international programming and cannot draw more than 30% of its programming from U.S. sources. These requirements do not apply to Addik<sup>TV</sup>.
88. The Commission recognizes that there is a scarcity of Canadian suspense, mystery, and horror programming. However, when the licences for English-language services were renewed, the CPE requirements for *Mystery*, whose nature is similar

to that of Addik<sup>tv</sup>, were maintained at 41%, while the Canadian content requirements were set at 60%. The requirements imposed on Mystery are therefore higher than the minimum CPE and Canadian content requirements proposed by QMI for Addik<sup>tv</sup>. Maintaining the current CPE requirement for Addik<sup>tv</sup> at 40% therefore seems appropriate.

#### Original Canadian productions

89. QMI proposed the deletion of the commitment relating to the broadcast of a minimum of 78 hours of original Canadian programming in each year of the licence term because it has proven impossible to meet this commitment.
90. QMI indicated that the commitment was made within the context of the launching of the service in a planned collaboration with partners Global Television Network Inc. and Rogers Broadcasting Limited. Effective operation of the service was ultimately undertaken solely by TVA Group, thereby undermining such a commitment.
91. Nevertheless, QMI indicated that Addik<sup>tv</sup> invested \$2.8 million to acquire the broadcast rights for 206 hours of Canadian programs between January and August 2011 and has entered into development agreements for drama programming with two independent producers.

#### Interventions

92. The APFTQ noted that Addik<sup>tv</sup> did not meet its commitments regarding to the broadcast of original Canadian programs, by not broadcasting any such programs in 2009–2010. It added that it is unusual for a specialty Category A service not to broadcast any original Canadian programs. The APFTQ stated that it knows of no other service in this situation in the French-language market.
93. As stated above, the APFTQ recommends a minimum CPE threshold of 25%, to be devoted each year to the acquisition of original, independently produced Canadian programs. UDA/SARTEC/ARRQ recommended that 20% of the CPE be allocated to the broadcast of original, first-run Canadian programs.

#### Commission's analysis and decision

94. The Commission recognizes that the dissolution of the partnership between TVA Group and other broadcasters may have undermined the licensee's commitment to broadcast a minimum of 78 hours of original Canadian programs in each year of its licence term. The Commission also recognizes that the financial health of Addik<sup>tv</sup> was precarious during the last licence term.
95. However, given the evolution of Addik<sup>tv</sup>'s PBIT margin over the past few years and given that the service is no longer running a deficit, the Commission expects the licensee to show, at the next licence renewal, that it has begun to broadcast original Canadian programs.



## **Amendments to the conditions of licence for Prise 2**

96. QMI proposed an amendment to the conditions of licence for Prise 2 in order to delete program category 9 Variety from the list of program categories that must have copyright protection issued at least 10 years prior to the year of broadcast.
97. QMI submitted that this amendment would permit Prise 2 to produce Canadian programs, such as variety programs where young emerging artists would be invited to pay tribute to Quebec artists who have had an impact on the musical, comedy or variety landscape of their time by reinterpreting those artists' popular performances.
98. The Commission is of the view that this amendment does not change Prise 2's nature of service and, accordingly, **approves** QMI's request.

## **Other services**

99. The Commission has considered other requests for licence amendments for Argent, Casa and Le Canal Nouvelles. The Commission's decisions in regard to these requests are reflected in the applicable conditions of licence set out in Appendices 4, 5 and 7, respectively.
100. During the public hearing, QMI agreed that Argent would be subject to the standards of the Canadian Broadcast Standards Council (CBSC) as is Le Canal Nouvelles. The Commission therefore expects Argent to become a member of the CBSC.
101. The Commission notes that the service known as The Cave was withdrawn from the present proceeding because it was the subject of an ownership transaction.

## **Conclusion**

102. In light of all of the above, the Commission **renews**, from 1 September 2012 to 31 August 2015, the broadcasting licences for TVA Group Inc.'s television services, as set out in Appendix 1 to this decision, subject to the applicable **conditions of licence** set out in Appendices 2 to 7, as well as the standard **conditions of licence** set out in Broadcasting Regulatory Policies 2011-443, 2011-442, 2010-786-1 and 2009-562-1, as applicable.

Secretary General

*\*This decision and the appropriate appendices are to be appended to each licence.*

## **Related documents**

- *Development of a regulatory framework for the French-language television market, licence renewals for Astral Media Inc., Quebecor Media Inc. and Serdy Media Inc., and review of certain conditions of licence for V Interactions*

*Inc.*, Broadcasting Notice of Consultation CRTC 2011-525, 24 August 2011, as amended by Broadcasting Notices of Consultation CRTC 2011-525-1, 7 September 2011, 2011-525-2, 28 October 2011, and 2011-525-3, 13 December 2011

- *Standard conditions of licence, expectations and encouragements for specialty and pay television Category A services*, Broadcasting Regulatory Policy CRTC 2011-443, 27 July 2011
- *Standard conditions of licence, expectations and encouragements for conventional television stations*, Broadcasting Regulatory Policy CRTC 2011-442, 27 July 2011
- *Standard conditions of licence, expectations and encouragements for Category B pay and specialty services – Corrected Appendices 1 and 2*, Broadcasting Regulatory Policy CRTC 2010-786-1, 18 July 2011
- *Criteria for assessing applications for mandatory distribution on the digital basic service*, Broadcasting Regulatory Policy CRTC 2010-629, 27 August 2010
- *Conditions of licence for competitive Canadian specialty services operating in the genres of mainstream sports and national news – Implementation of the Accessibility Policy and other matters*, Broadcasting Regulatory Policy CRTC 2009-562-1, 18 June 2010
- *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010
- *Licence renewals*, Broadcasting Decision CRTC 2009-410, 6 July 2009
- *Determinations regarding certain aspects of the regulatory framework for over-the-air television*, Broadcasting Public Notice CRTC 2007-53, 17 May 2007
- *Digital migration framework*, Broadcasting Public Notice CRTC 2006-23, 27 February 2006
- *Licence renewals for the French-language national television network TVA and for the French-language television programming undertaking CFTM-TV Montréal*, Decision CRTC 2001-385, 5 July 2001
- Decision CRTC 98-488, 29 October 1998

## Appendix 1 to Broadcasting Decision CRTC 2012-242

### Services renewed in this decision

#### Network and stations

Service	Licensee	Application
TVA network  CFTM-DT Montréal CFQM-DT Québec CHEM-DT Trois-Rivières CFER-DT Rimouski and its transmitter CFER-TV-2 Sept-Îles CHLT-DT Sherbrooke CJPM-DT Saguenay and its transmitter CJPM-TV-1 Chambord	TVA Group Inc.	2011-0482-7

#### Specialty services

Type of service	Name of service	Licensee	Application
Specialty Category A	Addik <sup>tv</sup>	TVA Group Inc.	2011-0486-9
	Argent	TVA Group Inc.	2011-0490-1
Specialty Category B	Casa	TVA Group Inc.	2011-0487-7
	Prise 2	TVA Group Inc.	2011-0488-5
Specialty Category C	Le Canal Nouvelles	TVA Group Inc.	2011-0491-8

## Appendix 2 to Broadcasting Decision CRTC 2012-242

### Term and conditions of licence for the network and conventional television stations of TVA Group Inc.

#### Term

The licences will expire 31 August 2015.

#### Conditions of licence

1. The licensee shall adhere to the standard conditions of licence for specialty Category A services set out in *Standard conditions of licence, expectations and encouragements for conventional television stations*, Broadcasting Regulatory Policy CRTC 2011-442, 27 July 2011, as amended from time to time, with the exception of conditions 11 and 12 regarding local programming.
2. a) The licensee shall in each broadcast year devote to the acquisition of or investment in Canadian programming at least 80% of the current broadcast year's programming expenditures of the network and all conventional television stations of TVA Group Inc.  
  
b) The licensee may count expenditures made for the acquisition of or investment in Canadian programming by the network or one or more conventional television stations from TVA Group Inc in the same broadcast year towards fulfilling the requirement in paragraph a).
3. The licensee shall devote at least \$20 million per broadcast year to programs acquired from independent production companies.
4. The licensee shall broadcast a minimum of six special events per year reflecting Francophone life outside of Quebec.
5. The licensee shall broadcast a weekly 30-minute program on Francophone life outside of Quebec.
6. The licensee shall limit to no more than 40% the number of persons serving on its board of directors who are now or have been a member of the board of directors of Quebecor inc., Quebecor Media Inc. (QMI), or any corporation or business undertaking controlled directly or indirectly by Quebecor inc. or QMI.
7. The licensee shall adhere to the code of professional conduct it has established, and which the Commission approved in *Transfer of effective control of TVA to Quebecor Média inc.*, Broadcasting Decision CRTC 2001-384, 5 July 2001, to ensure the independence and separation of the newsrooms. Any amendment to the code must be 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.

8. The licensee shall maintain a monitoring committee to review any complaints relating to the independence and separation of the newsrooms. Any amendment to the mandate or operation of this committee must be 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 operations of TVA, Le Canal Nouvelles and Argent shall be independent of the other Quebecor Media Inc. entities.
10. TVA management shall be separate from and independent of the management of Quebecor Media Inc.'s newspapers and shall have the authority to make independent decisions on day-to-day matters.

**Additional conditions of licence for CFQM-DT Québec**

11. The licensee shall broadcast no less than 18 hours of local programming in each broadcast week, of which 5 hours and 30 minutes shall be local news, including two local newscasts on the weekends, and of which 3 hours and 30 minutes shall be other programs that focus specifically on the Québec region that may be broadcast on the TVA network.
12. The licensee is exempted from the requirements relating to program logs set out in section 10(3) of the *Television Broadcasting Regulations, 1987*, where the programming broadcast by these stations is the same as the programming broadcast by CFTM-DT Montréal.
13. For the purpose of validating requirements relating to local programming and closed captioning of local programming, the licensee shall furnish, using the Commission's computerized system, program logs on a quarterly basis for the local programming broadcast by the station. These logs must be submitted to the Commission within 30 days of the end of each quarter.

**Additional conditions of licence for CHEM-DT Trois-Rivières, CHLT-DT Sherbrooke, CFER-DT Rimouski and its transmitter CFER-TV-2 Sept-Îles, and CJPM-DT Saguenay and its transmitter CJPM-TV-1 Chambord**

14. The licensee shall broadcast no less than 5 hours of local programming in each broadcast week.
15. The licensee is exempted from the requirements relating to program logs set out in section 10(3) of the *Television Broadcasting Regulations, 1987*, where the programming broadcast by these stations is the same as the programming broadcast by CFTM-DT Montréal.
16. For the purpose of validating requirements relating to local programming and closed captioning of local programming, the licensee shall furnish, using the Commission's computerized system, program logs on a quarterly basis for the local programming

broadcast by the station. These logs must be submitted to the Commission within 30 days of the end of each quarter.

## **Definitions**

For the purpose of these conditions:

The terms “broadcast day,” “broadcast month,” “broadcast year,” “clock hour” and “evening broadcast period” shall have the same meanings as those set out in the *Television Broadcasting Regulations, 1987*.

An “independent production company” is defined as a Canadian company that is carrying on business in Canada with a Canadian business address, that is owned and controlled by Canadians, whose business is the production of film, videotape or live programs for distribution and in which the licensee and any company related to the licensee owns or controls, directly or indirectly, in aggregate, less than 30% of the equity.

## **Expectations and encouragement for the network and conventional television stations of TVA Group Inc.**

### **Expectations**

The Commission expects that:

- the licensee will continue to broadcast long-form documentaries, dramas and music and variety programs in prime time to the same extent as they have been broadcast in the current licence term;
- the licensee will, as often as possible, use Canadian creative talent to develop its programs, and reduce, as much as possible, its use of foreign concepts to the benefit of an additional contribution from original Canadian concepts;
- the licensee and the Association des producteurs des films et de télévision du Québec will continue negotiations to reach a terms of trade agreement that meets the stability and clarity requirements of the broadcaster and of independent producers by the end of the licence term;
- the business relationships between the licensee and independent production companies will be harmonious;
- the licensee will, at a minimum, conduct an annual survey of the official-language minority communities in order to improve dialogue between the licensee and these communities and to ensure that the concerns and realities of Francophones living outside Quebec are taken into account;
- the licensee will gradually increase the amount of advertising, sponsorship messages and promos offered with closed captioning.

- the licensee will ensure that the programs broadcast by its service adequately reflect all regions of Quebec, including those outside of Montréal, as well as all regions of Canada. In addition, the licensee will provide producers working in those regions with the opportunity to produce programs intended for its service.

### **Encouragement**

The Commission encourages the licensee to maintain its current levels of expenditures towards programs acquired from independent production companies.

## Appendix 3 to Broadcasting Decision CRTC 2012-242

### Term, conditions of licence and expectations for the specialty Category A service Addik<sup>tv</sup>

#### Term

The licence will expire 31 August 2015.

#### Conditions of licence

1. The licensee shall adhere to the standard conditions of licence for specialty Category A services set out in *Standard conditions of licence, expectations and encouragements for specialty and pay television Category A services*, Broadcasting Regulatory Policy CRTC 2011-443, 27 July 2011, as amended from time to time.
2.
  - a) The licensee shall provide a national, French-language specialty Category A service devoted to mystery, fantasy suspense and horror.
  - b) The licensee may draw its programming from all the program categories set out in Item 6 of Schedule I to the *Specialty Services Regulations, 1990*, as amended from time to time.
  - c) The licensee shall not devote more than 10% of all programming broadcast during each broadcast month to programming drawn from program category 6(a) Professional sports.
  - d) The licensee shall not devote more than 10% of all programming broadcast during each broadcast month to programming drawn from program categories 7(b) On-going comedy series (sitcoms), 7(f) Programs of comedy sketches, improvisations, unscripted works, stand-up comedy, and 7(g) Other drama combined.
  - e) The licensee shall not devote more than 10% of all programming broadcast during each broadcast month to programming drawn from program categories 8(b) Music video clips and 8(c) Music video programs combined.
3. In each broadcast year, the licensee shall devote not less than 40% of the broadcast day and not less than 40% of the evening broadcast period to the exhibition of Canadian programs.
4. The licensee shall in each broadcast year devote to the acquisition of or investment in Canadian programs at least 40% of the previous year's gross revenues of the undertaking.
5.
  - a) In each broadcast year excluding the final year of the licence term, the licensee may expend an amount on Canadian programs that is up to 10% less than the minimum required expenditure for that year set out in or calculated in accordance with condition of licence 4; in such case, the licensee shall expend in the next year of



the licence term, in addition to the minimum required expenditure for that year, the full amount of the previous year's underexpenditure;

b) In each broadcast year of the licence term, where the licensee expends an amount on Canadian programs that is greater than the minimum required expenditure for that year set out in or calculated in accordance with condition of licence 4, the licensee may deduct:

(i) from the minimum required expenditure for the next year of the licence term, an amount not exceeding the amount of the previous year's overexpenditure; and

(ii) from the minimum required expenditure for any subsequent year of the licence term, an amount not exceeding the difference between the overexpenditure and any amount deducted under paragraph (i) above.

c) Notwithstanding paragraphs (a) and (b) above, during the licence term, the licensee shall expend on Canadian programs, at a minimum, the total of the minimum required expenditures set out in or calculated in accordance with condition of licence 4.

6. The broadcasting undertaking licensed hereby is designated as a Category A service.

### **Expectations**

The Commission expects that:

- the licensee will be in a position to show, at the next licence renewal, that it has begun to broadcast original Canadian programs;
- the licensee will ensure that the programs broadcast by its service adequately reflect all regions of Quebec, including those outside of Montréal, as well as all regions of Canada. In addition, the licensee will provide producers working in those regions with the opportunity to produce programs intended for its service.

### **Definition**

The term "broadcast day" means the 24-hour period beginning each day at 6:00 a.m., or any other period approved by the Commission.

## Appendix 4 to Broadcasting Decision CRTC 2012-242

### Term conditions of licence, expectations and commitment for the specialty Category A service Argent

#### Term

The licence will expire 31 August 2015.

#### Conditions of licence

1. The licensee shall adhere to the standard conditions of licence for specialty Category A services set out in *Standard conditions of licence, expectations and encouragements for specialty and pay television Category A services*, Broadcasting Regulatory Policy CRTC 2011-443, 27 July 2011, as amended from time to time.
2.
  - a) The licensee shall provide a national, French-language specialty Category A service devoted to business and personal finance.
  - b) The licensee may draw its programming from all the program categories set out in Item 6 of Schedule I to the *Specialty Services Regulations, 1990*, as amended from time to time.
  - c) The licensee shall not devote more than 10% of all programming broadcast during each broadcast month to programming drawn from each of program categories 6(a) Professional sports, 7(d) Theatrical feature films aired on television and 7(e) Animated television programs and films.
  - d) The licensee shall not devote more than 10% of all programming broadcast during each broadcast month to programming drawn from program categories 7(a) On-going dramatic series, 7(b) On-going comedy series (sitcoms), 7(f) Programs of comedy sketches, improvisations, unscripted works, stand-up comedy and 7(g) Other dramas combined.
  - e) The licensee shall broadcast feature films (programming category 7(c)) only on Saturdays and Sundays.
  - f) The licensee shall not devote more than 10% of all program broadcast during each broadcast month to programming drawn from program categories 8(b) Music video clips and 8(c) Music video programs combined.
3. In each broadcast year, the licensee shall devote not less than 85% of the broadcast day and not less than 85% of the evening broadcast period to the exhibition of Canadian programs.
4. The licensee shall in each broadcast year devote to the acquisition of or investment in Canadian programs at least 52% of the previous year's gross revenues of the undertaking.

5. a) In each broadcast year excluding the final year of the licence term, the licensee may expend an amount on Canadian programs that is up to 10% less than the minimum required expenditure for that year set out in or calculated in accordance with condition of licence 4; in such case, the licensee shall expend in the next year of the licence term, in addition to the minimum required expenditure for that year, the full amount of the previous year's underexpenditure;
- b) In each broadcast year of the licence term, where the licensee expends an amount on Canadian programs that is greater than the minimum required expenditure for that year set out in or calculated in accordance with condition of licence 4, the licensee may deduct:
- (i) from the minimum required expenditure for the next year of the licence term, an amount not exceeding the amount of the previous year's overexpenditure; and
  - (ii) from the minimum required expenditure for any subsequent year of the licence term, an amount not exceeding the difference between the overexpenditure and any amount deducted under paragraph (i) above.
- c) Notwithstanding paragraphs (a) and (b) above, during the licence term, the licensee shall expend on Canadian programs, at a minimum, the total of the minimum required expenditures set out in or calculated in accordance with condition of licence 4.
6. The broadcasting undertaking licensed hereby is designated as a Category A service.

## **Expectations**

The Commission expects that:

- the licensee will become a member of the Canadian Broadcast Standards Council.
- the licensee will ensure that the programs broadcast by its service adequately reflect all regions of Quebec, including those outside of Montreal, as well as all regions of Canada. In addition, the licensee will provide producers working in those regions with the opportunity to produce programs intended for its service.

## **Commitment**

The licensee commits to broadcast a minimum of 4,056 hours of original Canadian programs each broadcast year.

## **Definition**

The term "broadcast day" means the 18-hour period beginning each day at 6:00 a.m., or any other period approved by the Commission.

## Appendix 5 to Broadcasting Decision CRTC 2012-242

### Term, conditions of licence and expectation for the specialty Category B service Casa

#### Term

The licence will expire 31 August 2015.

#### Conditions of licence

1. The licence shall adhere to the standard conditions of licence for specialty Category B services set out in *Standard conditions of licence, expectations and encouragements for Category B pay and specialty services – Corrected Appendices 1 and 2*, Broadcasting Regulatory Policy CRTC 2010-786-1, 18 July 2011, as amended from time to time.
2. a) The licensee shall provide a national, French-language specialty Category B service devoted to manual labour such as construction, renovations, repairs, gardening, landscaping, decorating, interior design, mechanics and hobbies.  
  
b) The licensee may draw its programming exclusively from the following program categories set out in Item 6 of Schedule I to the *Specialty Services Regulations, 1990*, as amended from time to time.
  - 2 (a) Analysis and interpretation
  - (b) Long-form documentary
  - 3 Reporting and actualities
  - 5 (b) Informal education/Recreation and leisure
  - 7 (a) Ongoing drama series
  - (b) Ongoing comedy series (sitcoms)
  - (c) Specials, mini-series or made-for-TV feature films
  - (d) Theatrical feature films aired on TV
  - (e) Animated television programs and films
  - 9 Variety
  - 10 Game shows
  - 11(a) General entertainment and human interest
  - (b) Reality television
  - 12 Interstitials
  - 13 Public service announcements
  - 14 Infomercials, promotional and corporate videos
- c) The licensee shall not devote more than 10% of all programming broadcast during each broadcast week to programming drawn from each of program categories 7(a) Ongoing drama series, 7(b) Ongoing comedy series (sitcoms), 7(c) Specials, mini-series or made-for-TV feature films, and 7(d) Theatrical feature films aired on television.

d) The licensee shall not devote more than 10% of all programming broadcast during each broadcast month to programming drawn from program category 7(e) Animated television programs and films.

3. The broadcasting undertaking licensed hereby is designated as a Category B service.

### **Expectation**

The Commission expects that the licensee will ensure that the programs broadcast by its service adequately reflect all regions of Quebec, including those outside of Montréal, as well as all regions of Canada. In addition, the Commission expects the licensee to provide producers working in those regions with the opportunity to produce programs intended for its service.

### **Definitions**

The term “broadcast day” means the 24-hour period beginning each day at 6:00 a.m., or any other period approved by the Commission.

## Appendix 6 to Broadcasting Decision CRTC 2012-242

### Term, conditions of licence and expectation for the specialty Category B service *Prise 2*

#### Term

The licence will expire 31 August 2015.

#### Conditions of licence

1. The licence shall adhere to the standard conditions of licence for specialty Category B services set out in *Standard conditions of licence, expectations and encouragements for Category B pay and specialty services – Corrected Appendices 1 and 2*, Broadcasting Regulatory Policy CRTC 2010-786-1, 18 July 2011, as amended from time to time.
2. a) The licensee shall provide a national, French-language specialty Category B service devoted to television and movie classics.  
  
b) The licensee may draw its programming exclusively from the following program categories set out in Item 6 of Schedule I to the *Specialty Services Regulations, 1990*, as amended from time to time:
  - 2 (b) Long-form documentary
  - 6 (a) Professional sports
  - 7 Drama and comedy
    - (a) Ongoing drama series
    - (b) Ongoing comedy series (sitcoms)
    - (c) Specials, mini-series or made-for-TV feature films
    - (d) Theatrical feature films aired on TV
    - (e) Animated television programs and films
    - (f) Programs of comedy sketches, improvisation, unscripted works, stand-up comedy
    - (g) Other drama
  - 8 (a) Music and dance other than music video programs and clips
    - (b) Music video clips
    - (c) Music video programs
  - 9 Variety
  - 10 Game shows
  - 11(a) General entertainment and human interest
    - (b) Reality television
  - 12 Interstitials
  - 13 Public service announcements
  - 14 Infomercials, promotional and corporate videos

c) All programs drawn from program categories 7 and 8(a), (b) and (c) broadcast by the licensee must have copyright protection issued at least 10 years prior to the year of broadcast.

d) All programs drawn from program category 7(d) must have copyright protection issued at least 15 years prior to the year of broadcast.

e) The licensee shall not devote more than 15% of all programming broadcast each broadcast week to programming drawn from program category 7(e), of which not more than one hour shall be broadcast during the period from 7:00 p.m. to 11:00 p.m.

f) The licensee shall not devote more than 10% of all programming broadcast during each broadcast month to programming drawn from each of program categories 2(b) and 6(a).

3. The broadcasting undertaking licensed hereby is designated as a Category B service.

### **Expectation**

The Commission expects that the licensee will ensure that the programs broadcast by its service adequately reflect all regions of Quebec, including those outside of Montreal, as well as all regions of Canada. In addition, the licensee will provide producers working in those regions with the opportunity to produce programs intended for its service.

### **Definition**

The term “broadcast day” means the 24-hour period beginning each day at midnight, or any other period approved by the Commission.

## **Appendix 7 to Broadcasting Decision CRTC 2012-242**

### **Term, conditions of licence and expectation for the specialty Category C service Le Canal Nouvelles**

#### **Term**

The licence will expire 31 August 2015.

#### **Conditions of licence**

1. The licensee shall adhere to the standard conditions set out in Appendix 2 of *Conditions of licence for competitive Canadian specialty services operating in the genres of mainstream sports and national news – Implementation of the Accessibility Policy and other matters*, Broadcasting Regulatory Policy CRTC 2009-562-1, 18 June 2010, as amended from time to time, with the exception of condition 1(a) which is replaced by the following:

The licensee shall provide a national, French-language specialty Category C service that shall consist of mainstream national news and information programming. The licensee shall provide updated news reports at least every 120 minutes.

2. In order to ensure that the licensee complies at all times with the *Direction to the CRTC (Ineligibility of non-Canadians)*, the licensee shall file for the Commission's review a copy of any programming supply agreement or licence or trademark agreement it has entered into with a non-Canadian party within 30 days of its execution. In addition, the Commission may request any additional document(s) that could affect control of the programming or management of the service.
3. The broadcasting undertaking licensed hereby is designated as a Category C service.

#### **Expectation**

The Commission expects that the licensee will ensure that the programs broadcast by its service adequately reflect all regions of Quebec, including those outside of Montreal, as well as all regions of Canada. In addition, the licensee will provide producers working in those regions with the opportunity to produce programs intended for its service.

#### **Definition**

The term "broadcast day" means the 18-hour period beginning each day at 6:00 a.m., or any other period approved by the Commission.