



## Broadcasting Decision CRTC 2012-285

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Route reference: Part 1 application posted on 15 December 2011

Ottawa, 10 May 2012

**The Miracle Channel Association**  
Across Canada

*Application 2011-1553-5*

### **Eligibility of CJIL-TV Lethbridge to the Small Market Local Production Fund**

*The Commission **approves** an application to recognize CJIL-TV Lethbridge as a small-market, independently owned television station eligible for support from the Small Market Local Production Fund.*

#### **The application**

1. The Commission received an application by The Miracle Channel Association (MCA) requesting that CJIL-TV Lethbridge, Alberta be recognized as a small-market, independently owned television station eligible for support from the Small Market Local Production Fund (the Fund) established pursuant to Broadcasting Public Notices 2003-37 and 2003-38.<sup>1</sup>
2. The applicant stated that CJIL-TV met the following eligibility criteria identified in the above notices:
  - the station must be independently owned (i.e. not owned by one of the larger ownership groups identified in Broadcasting Public Notice 2003-37);
  - the station must be available over the air;
  - the station must serve a market with a population of fewer than 300,000; and
  - the station must provide local programming.
3. In support of its application, MCA also noted that the Lethbridge market is comparable to that of Medicine Hat, which has a 42% penetration rate of direct-to-home (DTH) broadcasting distribution undertakings, as detailed by the Canadian Association of Broadcasters in its submission in response to Broadcasting Notice of Consultation 2009-411. MCA further noted that religious stations such as

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<sup>1</sup> This fund is also known as the Small Market Local Programming Fund or the DTH Fund.

CJIL-TV provide an important service to their community and that CJIL-TV is required by condition of licence to provide a “balanced” service reflecting differing viewpoints and the community it serves. MCA added that no other religious over-the-air station serves a small market and that the Fund’s annual growth exceeds the impact of adding one station. Finally, MCA cited its financial need, including costs to pay for its own DTH distribution amounting to \$480,000 annually.

4. The applicant stated that if its application were successful, it would direct the additional funds to the following initiatives:
  - documentaries and series licensed and produced with independent producers;
  - coverage of more local events;
  - more viewpoints presented in current programs; and
  - increases to equipment and crew to produce more “streeters” for increased variety of opinion.

### **Interventions and applicant’s reply**

5. The Commission received interventions in support of the application by members of the local community. The Commission also received an opposing intervention from the Coalition of Small Market Independent Television Stations (the SMITS Coalition). The complete record for this application is available on the Commission’s website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under “Public Proceedings.”
6. The opposing intervenor submitted that MCA’s circumstances did not correspond to the underlying rationale for the Fund’s creation. Specifically, the SMITS Coalition noted that CJIL-TV is a religious station, not a network affiliate, and therefore is not subject to the same type of impact from viewing to DTH services, i.e. audience erosion attributable to distant stations duplicating network programming aired by a local station. Additionally, it noted that CJIL-TV does not broadcast advertising and therefore has suffered no loss of advertising revenues attributable to DTH services. Finally, it noted that CJIL-TV has no local programming obligations and that the station-produced programming it provides does not constitute local programming in the sense of local news and information about and of relevance to the community at large.
7. In reply, MCA noted that the impact of DTH services was so severe that it had considered it necessary to obtain DTH carriage at its own cost to survive this impact and the erosion of its market. MCA also noted that these DTH services distribute services such as Vision TV, One : The Body, Mind & Spirit Channel, CITS-DT Hamilton and CHNU-TV Fraser Valley, all of which benefit from advertising revenues, whereas CJIL-TV is prohibited from broadcasting advertising material other than material that promotes religious goods and services. MCA further submitted that CJIL-TV represented an important voice and brought diversity to the broadcasting system, noting the supporting interventions that highlighted its coverage

of community issues and events. Finally, MCA noted that it was required by condition of licence to broadcast no less than 14 hours of programming that presents differing views on religion and matters of general concern, including four hours of such programming between 6 p.m. and midnight. MCA submitted that it was committed to providing such balance programming through local production.

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

8. The Commission notes that CJIL-TV provides a significant amount of local programming (i.e. 30 hours per week logged on average). The Commission further notes that the Religious Broadcasting Policy set out in Public Notice 1993-78 does not generally draw distinctions between a religious and a conventional programming undertaking. Finally, the Commission notes that CJIL-TV is an independently owned, over-the-air station unaffiliated with any of the larger ownership groups identified in Broadcasting Public Notice 2003-37 and that this station serves a market with a total population of fewer than 300,000. The Commission therefore considers that CJIL-TV meets the eligibility requirements identified in Broadcasting Public Notice 2003-37.
9. With respect to the issue of material DTH impact raised by the opposing intervenor, the Commission notes that although CJIL-TV is limited to advertising religious products and services, it faces competition from other religious programming services for advertising dollars and audiences as a result of DTH distribution. Further, CJIL-TV must pay for DTH uplink to reach its audience at significant cost to its operations. The Commission further notes that the Fund has grown considerably since its creation (by approximately 60%) and as such is of the view that CJIL-TV can be recognized as eligible for funding without a material impact on other Fund recipients.
10. In light of all of the above, the Commission **approves** the application by The Miracle Channel Association to recognize CJIL-TV Lethbridge as a small-market, independently owned television station eligible for support from the Small Market Local Production Fund.

Secretary General

### **Related documents**

- *Policy proceeding on a group-based approach to the licensing of television services and on certain issues relating to conventional television*, Broadcasting Notice of Consultation CRTC 2009-411, 6 July 2009
- *Contributions to Canadian programming by broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2003-38, 16 July 2003
- *Direct-to-home (DTH) broadcasting distribution undertakings – simultaneous and non-simultaneous program deletion and the carriage of local television signals in smaller markets*, Broadcasting Public Notice CRTC 2003-37, 16 July 2003
- *Religious broadcasting policy*, Public Notice CRTC 1993-78, 3 June 1993