



Broadcasting Decision CRTC 2013-263 and Broadcasting Orders CRTC 2013-264 and 2013-265

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Canadian Broadcasting Corporation
Across Canada

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Canadian Broadcasting Corporation – Licence renewals

TABLE OF CONTENTS

SUMMARY	
INTRODUCTION.....	Paragraph 1
CONVENTIONAL TELEVISION.....	Paragraph 29
Balanced programming schedule	Paragraph 31
Canadian programming	Paragraph 38
Programs of national interest	Paragraph 43
Children’s and youth programming	Paragraph 64
Definition of an original program for children’s programming	Paragraph 83
Local programming	Paragraph 93
Reflection of regions and official language minority communities.....	Paragraph 114
Canadian feature films	Paragraph 143
Cover-overs of CBC Vancouver advertising by Pattison stations.....	Paragraph 155
Availability of television service	Paragraph 160
SPECIALTY TELEVISION.....	Paragraph 163
Réseau de l’information and CBC News Network.....	Paragraph 164
ARTV	Paragraph 185
Documentary	Paragraph 196

RADIO	Paragraph 210
Advertising on Espace Musique and Radio 2.....	Paragraph 214
Levels of Canadian music.....	Paragraph 243
French-language vocal music.....	Paragraph 249
Local programming on CBEF Windsor	Paragraph 257
Youth programming on Première Chaîne	Paragraph 268
Availability of radio service	Paragraph 275
NATIONAL PUBLIC ALERTING.....	Paragraph 287
DIGITAL MEDIA	Paragraph 298
OTHER ISSUES	Paragraph 315
CORPORATE ISSUES	Paragraph 320
Terms of trade agreements	Paragraph 320
Ombudsmen.....	Paragraph 337
CONSULTATIONS AND REPORTING REQUIREMENTS	Paragraph 350
LENGTH OF THE LICENCE TERM	Paragraph 368
Appendix 1 – List of programming undertakings	
Appendix 2 – Terms and conditions of licence for all undertakings.....	
Appendix 3 – Conditions of licence for French- and English-language conventional television.....	
Appendix 4 – Conditions of licence for Radio	
Appendix 5 – Conditions of licence for Réseau de l’information	
Appendix 6 – Conditions of licence for ARTV	
Appendix 7 – Conditions of licence for Documentary	
Appendix 8 – Conditions of licence for CBC News Network.....	
Appendix 9 – Distribution order for RDI.....	
Appendix 10 – Distribution order for CBC News Network.....	

SUMMARY

*The Commission **renews** the broadcasting licences for the programming services of the Canadian Broadcasting Corporation (the CBC or the Corporation) for five years from 1 September 2013 to 31 August 2018. The **conditions of licence** are set out in the appropriate appendices to this decision.*

The Commission received and considered more than 8,000 interventions regarding these applications.

The conditions of licence that the Commission has imposed build on the discussions between the CBC and the Commission on plans for the next licence term, including the CBC's five-year strategic plan, Strategy 2015: Everyone, Every way. The conditions also reflect the many thoughtful interventions that the Commission received through this public process. They will ensure that the CBC:

- *strengthens its leadership as a pan-Canadian service that reflects and serves the needs of all Canadians in both official languages regardless of where they live;*
- *continues to be a significant contributor to the cultural life of Canada through the promotion of Canadian music and the creation of Canadian programs; and*
- *plays a greater role in the lives of Canada's youngest citizens through Canadian programming for children.*

To achieve these goals, the CBC's French- and English-language television stations will be required, among other things, to:

- *present a reasonably balanced schedule with programming drawn from diverse categories, as well as programming originating from and reflecting all regions of Canada;*
- *broadcast at least 7 hours per week of programs of national interest during prime time on French-language television and at least 9 hours per week of such programming during prime time on English-language television; and*
- *broadcast at least 15 hours per week of Canadian programming for children under 12.*

The CBC must serve local and regional audiences. The CBC is also required to provide programming to Canadians that is of equivalent quality in English and in French, while reflecting the different needs and circumstances of each official language community. Accordingly the Commission is requiring that:

- *national news and information programs reflect the country's regions and promote respect and understanding between them;*
- *French-language television stations in each market broadcast at least five hours a week of local programming; and*

- *English-language television stations broadcast at least 14 hours a week of local programming in metropolitan markets, and at least seven hours a week in non-metropolitan markets.*

With respect to Canadian feature films, the Commission has noted the consistent support provided by French-language television over the years and requires English-language television to broadcast one Canadian feature film each month.

The Commission is also implementing the following measures to ensure that Canadians living in official language minority communities are well served.

For English- and French-language conventional television, the Commission requires that the CBC:

- *broadcast programs originating from and reflecting official language minority communities as one component of a balanced programming schedule;*
- *ensure that national news and information programming reflects official language minority communities;*
- *broadcast five hours per week of local programming, averaged over the broadcast year and aired seven days a week (excluding holidays), for the French official language minority communities in Vancouver, Edmonton, Regina, Winnipeg, Toronto, Ottawa and Moncton;*
- *increase its levels of local programming to 14 hours per week for the English official language minority community served by the CBC's Montréal station, including one hour devoted to non-news local programming;*
- *devote part of its expenditures to programming from Canadian independent producers in the French official language minority communities in the Atlantic, Ontario, Western Canada and the North and broadcast programming from these regions each week;*
- *allocate part of its expenditures on Canadian independent production and on programming development to English-language production in Quebec.*

For specialty television, the Commission requires that the CBC:

- *receive mandatory distribution on the digital basic service for its news services Le Réseau de l'information (RDI) in Francophone communities in English-language markets and for CBC News Network in Anglophone communities in French-language markets;*
- *reflect the concerns of each of the principal French-language regions of Canada on RDI, with at least one-third of original programs and program segments each year coming from those regions; and*
- *devote part of ARTV's programming budget to acquisitions from independent producers outside Quebec.*

The Commission is also requiring the radio station CBEF Windsor to provide a minimum of 15 hours per week of local programming for the Southwestern Ontario French official language minority community.

*In addition, the Commission **approves in part** the request by the CBC to introduce national advertising on Espace Musique and Radio 2, which was filed as part of their licence renewal applications. The Commission considers that advertising will serve to ensure that the CBC has the resources to continue to provide high-quality diverse programming. However, the Commission is imposing **conditions of licence** that limit advertising to a maximum of four minutes per hour and limit the number of times that programming can be interrupted for advertising to twice per hour. To ensure that Espace Musique and Radio 2 continue to provide diverse programming to Canadians, the Commission is also imposing **conditions of licence** that require Espace Musique to broadcast at least 3,000 distinct musical selections and Radio 2 to broadcast at least 2,800 such selections each broadcast month.*

Approval of advertising on Espace Musique and Radio 2 is for a temporary period of three years. If the CBC wishes to continue to broadcast advertising after that period, it will have to apply to the Commission. At that time, the Commission will expect the CBC to provide evidence that advertising has not had an undue negative effect on the advertising markets, that advertising has not been unduly disruptive to listeners, that periods the CBC's level of investment in radio has been maintained and that the variety and diversity of the service that Espace Musique and Radio 2 provide has not been diminished. This will provide the Commission, the CBC and Canadians with an opportunity to evaluate the impact of advertising on the programming of Espace Musique and Radio 2 and on the Canadian broadcasting system.

This decision further addresses the licence renewal applications for the French-language Première Chaîne and English-language Radio One radio services, the French-language specialty services RDI and ARTV and the English-language specialty services CBC News Network and Documentary. Among other things, the Commission will continue to require the mandatory distribution on the basic service of RDI in English-language markets and CBC News Network in French-language markets at current wholesale rates. This will ensure that these important services reach those living in official language minority communities.

*The Commission also imposes **conditions of licence** concerning the ombudsmen for the French- and English-language services. These ombudsmen respond to viewer and listener complaints relating to news, current affairs and public affairs content on radio, television and digital media.*

This decision further addresses the CBC's plans for emergency alerting and digital media, as well as other issues such as advertising to children and accessibility.

A dissenting opinion from Vice-Chairman Tom Pentefountas is attached.

INTRODUCTION

1. At a public hearing beginning on 19 November 2012, the Commission considered applications by the Canadian Broadcasting Corporation (the CBC or the Corporation) to renew the broadcasting licences for the following CBC services,¹ which expire 31 August 2013:²

Services	Licensee	Applications (all received 18 May 2011)
French-language television (network and stations)	CBC	2011-0276-4
ARTV	Artv inc.	2011-0278-0
Le Réseau de l'information	CBC	2011-0277-2
Première Chaîne (network and stations)	CBC	2011-0285-5
Espace Musique (network and stations)	CBC	2011-0286-3
English-language television (network and stations)	CBC	2011-0276-4
Documentary	The Canadian Documentary Channel Limited Partnership ³	2011-0283-9
CBC News Network	CBC	2011-0281-3
Radio One (network and stations)	CBC	2011-0287-1
Radio 2 (network and stations)	CBC	2011-0288-9

2. The last comprehensive review of the CBC's licences took place in May 1999. This review resulted in licence renewal decisions issued on 6 January 2000.⁴

¹ In Broadcasting Notice of Consultation 2011-379, the Commission also published the Corporation's licence renewal application for the specialty Category A service bold. However, in Broadcasting Decision 2012-630, the Commission approved an application by Blue Ant Media Inc., on behalf of Blue Ant Multimedia Inc. and 8182493 Canada Inc., partners in a general partnership known as Blue Ant Media Partnership, to acquire the assets of bold.

² The Commission administratively renewed the licences of various CBC services from 31 March 2007 to 31 August 2013 in Broadcasting Decisions 2006-308, 2007-228, 2009-264 (as amended by 2009-264-1), 2010-561, 2011-215, 2012-439 and 2013-90.

³ The licence for a broadcasting undertaking operated under a partnership arrangement is issued to all partners carrying on business pursuant to the agreement. In this case, the partners are the Canadian Broadcasting Corporation (the general partner), and CineNova Productions Inc., Entertainment One Television BAP Ltd., Galafilm Inc., the National Film Board of Canada and OmniFilm Entertainment Ltd. (the limited partners), carrying on business as The Canadian Documentary Channel Limited Partnership.

3. The Commission received more than 8,000 interventions on the current applications, including many interventions from individual Canadians from all parts of the country. In addition, the Commission held an online consultation in the summer of 2011 that yielded thousands of comments from participants. The public record for this proceeding can be found on the Commission's website at www.crtc.gc.ca under "Public Proceedings." While the Commission cites only selected interventions in this decision, it has considered all interventions in reaching its determinations.
4. Approximately 5,500 interventions were in support, including two form letter campaigns led by ReImagine CBC and Tous amis de Radio-Canada.
5. Supporting interveners submitted that the CBC plays a central role in showcasing and supporting Canadian culture in all of its forms, most notably by commissioning and broadcasting many hours of Canadian programming. Some considered that the CBC's local and regional programming, which consists primarily of news and public affairs, makes an important contribution to Canada's national identity. Others noted that the CBC adds to the diversity of media voices available to Canadians in an era of increasing media consolidation in the private sector.
6. The Commission also received interventions commenting on the CBC's licence renewal applications and on specific CBC proposals. These interventions addressed a variety of subjects, including:
 - the emphasis that the CBC's services must place on broadcasting Canadian programming, including independent production and programs of national interest (PNI);
 - the need for CBC programming, including news, to reflect all of Canada's regions, as well as official language minority communities (OLMCs) and Aboriginal communities, in order to contribute to a shared national consciousness and identity;
 - the need for the Commission to impose measureable objectives on the CBC's services to ensure that they comply with the policy framework set out in the *Broadcasting Act* (the Act); and
 - the requirement for transparency and accountability in the CBC's operations given that it is publicly funded.
7. In addition, most interveners who commented on the matter opposed the CBC's proposal to introduce advertising on its Radio 2 and Espace Musique radio services.
8. Finally, the Commission received interventions that opposed the renewal of some or all of the CBC's licences. These interveners mainly argued that the CBC is no longer necessary in the current media landscape given that Canadians now have access to a

⁴ See Public Notice 2000-1, Decision 2000-1 (English-language television and radio), Decision 2000-2 (French-language television and radio) and Decision 2000-3 (Newsworld and Le Réseau de l'information).

range of media services. Some considered that the CBC should be privatized if it could not make do on advertising revenues.

9. Pursuant to section 23(1) of the Act, the Commission has consulted with the CBC with respect to the conditions of licence set out in this decision.

Role of the national public broadcaster

The CBC's mandate as set out in the *Broadcasting Act*

10. Section 3(1) of the Act addresses the role of the CBC as follows:

It is hereby declared as the broadcasting policy for Canada that [...]

(l) the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains;

(m) the programming provided by the Corporation should

(i) be predominantly and distinctively Canadian,

(ii) reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions,

(iii) actively contribute to the flow and exchange of cultural expression,

(iv) be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities,

(v) strive to be of equivalent quality in English and in French,

(vi) contribute to shared national consciousness and identity,

(vii) be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose, and

(viii) reflect the multicultural and multiracial nature of Canada.

The CBC's strategy

11. Since the last licence renewal for the CBC's services, the Canadian broadcasting system has changed dramatically. Among other things, most of the broadcasting system has transitioned from analog to digital, direct-to-home (DTH) satellite distribution and other distribution systems have grown substantially and television programming is available on additional screens because of the development of the Internet, smartphones and tablets. During this proceeding, the Commission explored

how the CBC can best fulfil its mandate in this changing audiovisual and broadcasting environment.

12. The CBC set out its overall approach to its participation in the changing broadcasting environment in its five-year strategic plan *Strategy 2015: Everyone, Every way* (Strategy 2015), which it published in February 2011 and filed as an appendix to its licence renewal applications. In Strategy 2015, the CBC set out its plans to remain a meaningful part of Canadian society for the next five years. While acknowledging that it cannot be all things to all people, the CBC submitted that as the national public broadcaster, it can be something for and mean something to every Canadian. Strategy 2015 is organized around three broad themes, which can be summarized as follows:
 - Network programming and national public spaces
 - refurbishing national news services;
 - broadcasting Canadian programming of all categories, especially drama and documentaries that reflect Canadian stories;
 - providing an overwhelmingly Canadian prime-time schedule on all services; and
 - scheduling signature cultural events that bring Canadians together in large numbers.
 - Regional presence and community spaces
 - striving to become leaders in all local markets, including through the use of multimedia initiatives;
 - expanding service (mainly radio) in selected underserved markets to address gaps in coverage; and
 - launching new local websites and services.
 - New platforms and digital spaces
 - creating and nurturing Canadian digital spaces;
 - expanding specialty channel offerings; and
 - doubling investment in digital media.
13. The CBC then set out the ways in which it plans to finance these initiatives, such as pursuing revenue growth initiatives, trimming operating costs and reviewing production methods to be as efficient as possible.
14. Strategy 2015 also announced a series of metrics to help the CBC and the Canadian public evaluate the CBC's success in implementing every aspect of the plan. Since

Strategy 2015 was published, the CBC has issued reports on its services' performance, including audience opinion research.

The Commission's approach

15. The CBC plays an important role in the lives of Canadians across the country whether its programming is viewed on over-the-air television stations or specialty services, listened to on radio or accessed online. As a national public broadcaster, the CBC should be a pan-Canadian service that reflects and serves the needs of all Canadians in both official languages regardless of where they live. Its role is to continue to be a significant contributor to the cultural fabric of Canada through the promotion and creation of a variety of programming that reflects and celebrates Canada and Canadians.
16. In this decision, the Commission builds on Strategy 2015, while seeking to ensure that the objectives of the Act are met and that the CBC has sufficient flexibility to adjust to a constantly changing broadcasting environment and the financial constraints under which it operates.
17. The Commission notes that in the 2011-2012 broadcast year, the CBC's revenues amounted to \$1.8 billion, including \$1.03 billion in parliamentary appropriations for operating expenditures and \$134 million in parliamentary appropriations for capital expenditures. In addition to its parliamentary appropriations, the CBC's revenues included about \$376 million from advertising and nearly \$168 million in subscription revenues from its specialty services.
18. However, the CBC is facing financial pressures in the coming years due to a decrease of \$115 million in its parliamentary appropriations over three years and the gradual phase-out of the Local Programming Improvement Fund (LPIF),⁵ for a total annual revenue reduction of close to \$160 million.
19. Of note, the CBC's appropriation for operating expenditures of \$1.03 billion for the 2011-2012 broadcast year was almost \$190 million higher than its 2002 level of \$840 million. When taking into account the effects of inflation over the last 10 years, the CBC's parliamentary appropriation for operating expenditures is in fact comparable to its 2002 level, when expressed in constant dollars.
20. Furthermore, when factoring in the compound effects of the above-mentioned reductions in parliamentary appropriations, as well as the annual inflation rate (as

⁵ In Broadcasting Public Notice [2008-100](#), the Commission concluded that licensed broadcasting distribution undertakings (BDUs) should be required to contribute a percentage of their gross revenues derived from broadcasting activities in the previous broadcast year to the LPIF. In Broadcasting Regulatory Policies [2009-406](#) and [2009-406-1](#), the Commission re-examined its LPIF policy and made specific determinations as to its implementation. Following a review of the LPIF that was announced in Broadcasting Notice of Consultation [2011-378](#), the Commission determined in Broadcasting Regulatory Policy [2012-385](#) that it would be inappropriate to maintain the LPIF in the long term and that it will phase out the fund over the next two broadcast years.

estimated by the Conference Board of Canada) for each year of the next five years, the CBC's appropriations for operating expenditures for 2018-2019 could amount to \$160 million less than its 2002 level of \$840 million, when expressed in constant dollars of 2002.

21. The CBC proposed to offset revenue reductions through a combination of revenue increases (primarily from advertising), expenditure reductions and efficiency gains, including workforce adjustment. All the while, it must operate in an increasingly competitive broadcasting environment on a variety of platforms.
22. In response to the financial pressures it faces, the CBC has already indicated that in addition to adopting measures to streamline work and production methods, it will review operating expenses, such as its overall payroll and its programming expenses, and the scale of some Strategy 2015 projects.
23. To achieve the objectives set out in the Act, the Commission has in several instances introduced conditions of licence that set out minimum levels of certain types of programming and expenditures. The purpose of these conditions is to ensure minimum levels of programming that must be broadcast even if further adjustments to the CBC's programming priorities and strategies occur.
24. The framework in place provides the CBC with the flexibility it requires to be more nimble in response to future financial pressures that it may face over the course of its licence term. Nonetheless, the Commission encourages the CBC to exceed the minimum levels set out in the conditions of licence, especially where those minimum levels are below the CBC's historical levels of programming and expenditures. The Commission considers that the CBC is well positioned to surpass these minimum levels. Several other factors contribute to the attainment of the CBC's objectives, making detailed programming regulation unnecessary. The CBC is a leader in the production of Canadian programming, in particular PNI. This programming enjoys a large audience, which in turn attracts robust advertising revenues. The CBC's programming strategy also enables it to access a significant amount of funding through the Canada Media Fund (CMF), which recognizes and rewards broadcasters that produce programming that is successful in attracting audiences. In light of this environment, the Commission is confident that the CBC will continue to produce levels of Canadian programming above and beyond the requirements set out by the Commission.
25. The Commission considers that the conditions of licence set out in this decision will ensure that the CBC:
 - strengthens its leadership as a pan-Canadian service that reflects and serves the needs of all Canadians in both official languages regardless of where they live;
 - continues to be a significant contributor to the cultural life of Canada through the promotion of Canadian music and the creation of Canadian programs; and

- plays a greater role in the lives of Canada's youngest citizens through Canadian children's programming.
26. As noted in section 3(1)(c) of the Act, English- and French-language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements. Consistent with the Act, the Commission considered separately the different English- and French-language realities in which the CBC operates its services. Moreover, the Act enjoins the CBC to provide programming to Canadians that is of equivalent quality in English and in French, while reflecting the different needs and circumstances of each official language community. Thus, throughout this decision, the specificity of each official language community has resulted in the Commission taking an approach and imposing conditions of licence that respects this specificity.
 27. In this decision, the Commission has placed special emphasis on service to those living in different regions of the country, including OLMCs. Under the Act, the CBC must reflect and serve Canada's regions, as well as French and English OLMCs across the country. In its approach, the Commission has attempted to recognize the different needs and challenges of the English and French OLMCs. The Commission has set out specific measures related to OLMCs throughout this decision.
 28. In its applications, the CBC noted that it is subject to the *Employment Equity Act* and files an annual report to Human Resources and Skills Development Canada on its adherence to this act, notably on the on-air presence of women, Aboriginal peoples, persons with disabilities and visible minorities. The Commission has not further explored the CBC's plans to reflect the multicultural and multiracial nature of Canada as part of this proceeding. The Commission plans to evaluate its overall policy on cultural diversity at a later date to ensure adequate public consultation. The performance of all licensees, including the CBC, will be considered at that time.

CONVENTIONAL TELEVISION

29. In making its decisions regarding conventional television, the Commission considered the types of programming that the CBC should broadcast to further the Act's objectives, as well as what it means for a national public broadcaster to provide a balanced programming schedule that includes Canadian content in prime time.
30. A key consideration was the Act's objectives that the national public broadcaster strive to be of equivalent quality in French and in English, while also reflecting the different needs and circumstances of each official language community. Discussions of appropriate obligations for PNI, children's and youth programming, independent production, local programming and Canadian feature film reflect this general approach.

Balanced programming schedule

31. Section 3(1)(*l*) of the Act states that the CBC must provide a wide range of programming that informs, enlightens and entertains. Section 3(1)(*m*) sets out eight cultural objectives that the CBC must achieve in its programming. The CBC must therefore balance many different programming objectives.
32. At the public hearing, the Commission discussed imposing a condition of licence requiring French- and English-language conventional television to provide a balanced programming schedule. In its final oral and written replies, the CBC proposed the following conditions:

For French-language television:

The licensee shall present a reasonably balanced schedule, drawing from a variety of programming categories, based on program availability and viewer preferences. A reasonable proportion of all programming produced by CBC/Radio-Canada stations and independent producers shall come from OLMCs.

For English-language television:

The licensee will present a reasonably balanced programming grid drawn from a variety of programming categories, based on the availability of programs and viewer preferences. Of all the programming drawn from independent producers, a reasonable quantity will be drawn from producers in OLMC regions.

Positions of interveners

33. The Canadian Media Production Association (CMPA) and On Screen Manitoba (OSM) both submitted that the condition of licence should specify that at least of 50% of programming should come from independent producers and refer to the region from which the programming originates. Friends of Canadian Broadcasting (Friends) and the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ) stated that the CBC's proposed condition of licence was too flexible in that programming could vary based on elements such as program availability and audience preferences.

Commission's analysis and decisions

34. The Commission considers that a general condition of licence requiring a balanced programming schedule is appropriate given the multiple objectives for the CBC's programming set out in sections 3(1)(*l*) and (*m*) of the Act. It further considers that it is appropriate to include references to original programming exhibited in prime time and regional and independent production since they are components of a balanced program schedule for Canada's national public broadcaster.

35. The Commission addresses independent production at several points later in the decision. In light of these measures, the Commission considers that the 50% requirement proposed by the CMPA and OSM is not necessary.
36. In light of the above, the Commission is imposing the following **condition of licence** relating to a balanced programming schedule on CBC English- and French-language conventional television:

The licensee shall present a reasonably balanced schedule drawn from diverse categories of programming. Programming broadcast during the broadcast day and in prime time (7 p.m. to 11 p.m.) shall consist of original programs, programs from independent producers and programs originating from and reflecting all regions of Canada, including official language minority communities.

37. This condition of licence is set out in Appendix 3 to this decision and will be supplemented with other more specific programming conditions of licence set out later in this decision.

Canadian programming

38. The Act states that the programming provided by the CBC should be predominantly and distinctively Canadian.
39. Currently, both French- and English-language television are expected to devote at least 75% of the broadcast day and 80% of prime time (7 p.m. to 11 p.m.) to Canadian programs. For the next licence term, the CBC stated that it would be willing to change these expectations to conditions of licence.⁶

Positions of interveners

40. The Alliance des producteurs francophones du Canada (APFC), the Canadian Conference of the Arts, Regroupement des conseils centraux de la Confédération des syndicats nationaux (CSN) and OpenMedia.ca were in agreement with the proposed requirement, while the Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) and Shaw Communications Inc. (Shaw) proposed higher levels. ACTRA was of the view that the CBC should devote at least 80% of the broadcast day to Canadian programming, with prime time being entirely Canadian. Shaw submitted that the CBC should strive to be 100% Canadian.

Commission's analysis and decisions

41. The CBC's commitment to devote at least 75% of the broadcast day and 80% of prime time to Canadian programming illustrates a strong commitment to be predominantly and distinctively Canadian, as the Act requires. The Commission commends the CBC on its efforts. The Commission accepts the CBC's proposal to

⁶ A condition of licence, in contrast to a mere expectation, creates a clear regulatory obligation that could only be changed with Commission's approval following a public process

convert expectations to provide a high level of Canadian programming into conditions of licence. The Commission considers that this is appropriate given the CBC's key role in providing Canadian programming. The Commission further considers it appropriate that the CBC adhere to a Canadian content requirement for the prime time viewing period (7 p.m. to 11 p.m.) that is more restrictive than what is required of private television stations. Private television stations are subject to Canadian content requirements for the evening broadcast period (6 p.m. to midnight), as set out in the *Television Broadcasting Regulations, 1987*. The requirement imposed on the CBC will ensure a significant level of Canadian programming in prime time, when viewing is the highest.

42. The **condition of licence** is set out in Appendix 3 to this decision.

Programs of national interest

43. When the Commission last renewed the licences for CBC English- and French-language television, the decision included numerous expectations, encouragements, commitments and conditions of licence for the broadcast of programming in many different categories.
44. In 2011, the Commission began to impose conditions of licence for the broadcast of PNI on private television licensees as a means to simplify and streamline programming requirements. This approach was set out by the Commission in Broadcasting Regulatory Policy 2010-167.
45. In the same vein, during this proceeding, the Commission explored the appropriateness of applying conditions of licence for PNI to replace the various requirements to broadcast programming in certain categories. The responses of the CBC and the concerns of interveners were significantly different for French- and English-language television, so they are addressed separately below.

French-language television

46. The CBC proposed to broadcast seven hours per week of PNI in prime time averaged over the broadcast year. PNI would consist of programs from categories 2(b) Long-form documentary, 7 Drama and comedy, 8(a) Music and dance other than music video programs or clips, 8(b) Music video clips, 8(c) Music video programs and 9 Variety, as well as specified Canadian award shows that celebrate Canadian creative talent. Of these seven hours, 75% would be allocated to Canadian programming produced by independent production companies. The CBC also committed to file an annual report on the broadcast of PNI in prime time and the reflection of OLMCs in those programs.

Positions of interveners

47. Intervenors suggested various changes to the CBC's PNI proposal, including:
- a requirement for minimum levels of programming from categories 8 and 9 or a minimum PNI requirement of nine hours per week – ADISQ;
 - a requirement that at least one third of all Canadian programming expenditures be allocated to PNI each year unless the new requirement maintains the number of hours of PNI currently broadcast – Association des producteurs de films et de télévision du Québec (APFTQ);
 - a requirement lower than 75% for independent production given the CBC's need for budget flexibility – Conseil provincial du secteur des communications/Syndicat canadien de la fonction publique (CPSC/SCFP).

Commission's analysis and decisions

48. The Commission agrees with the CBC's proposal to include specified Canadian award shows in the definition of its PNI. It considers that such programs play an important role in the promotion of Canadian culture. In Broadcasting Regulatory Policy 2010-808, the Commission set out the criteria and mechanisms for determining if a particular award show qualifies as a PNI. Once a program qualifies, the Commission adds it to a list of eligible programs. If the CBC wishes to add award shows to the list, it must apply to the Commission and provide a rationale that demonstrates that the program meets the criteria.
49. The CBC proposed to broadcast seven hours per week of PNI on French-language television. While this is less than the historical level of 10 hours, the Commission notes that the CBC's funding levels have also fallen below historical levels. The Commission also notes the CBC's continued efforts to develop and broadcast engaging and innovative programs from these categories. Accordingly, the Commission is of the view that seven hours of PNI per week is reasonable for French-language television.
50. While it acknowledges the concerns of the CPSC/SCFP, the Commission notes that the CBC's proposal to allocate 75% of PNI to independently produced programs would ensure a significant contribution from the Canadian independent production sector.
51. The Commission is also satisfied that the CBC's mandate under the Act, CMF funding and audience and advertiser expectations for original programming will provide incentive to ensure expenditures on PNI by the CBC.

52. Accordingly, the Commission imposes a **condition of licence**, as set out in Appendix 3 to this decision, that includes the following elements:
- CBC French-language television shall broadcast at least seven hours per week of PNI in prime time (7 p.m. to 11 p.m.), averaged over the broadcast year;
 - PNI shall include programs from category 2(b) Long-form documentary, 7 Drama and comedy, 8(a) Music and dance other than music video programs or clips, 8(b) Music video clips, 8(c) Music video programs and 9 Variety, as well as specified Canadian award shows that celebrate Canadian creative talent; and
 - at least 75% of hours of PNI shall be devoted to Canadian programming produced by independent production companies.

English-language television

53. The CBC originally proposed to broadcast seven hours of PNI on English-language television in prime time. PNI would include programs from categories 2(b) Long-form documentary, 7 Drama and comedy and specified Canadian award shows. Of these hours, 75% would be commissioned from Canadian independent production companies.
54. In its final oral reply, the CBC increased its PNI commitment from seven to nine hours but maintained its initial commitment to Canadian independent production at 75% of 7 hours or 5.25 hours. The CBC explained that due to funding issues it needed the flexibility to use either independent producers or in-house production for the two extra hours of PNI. The CBC further indicated that of the nine hours of PNI, at least two hours would be drawn from each of categories 2(b) Long-form documentary and 7 Drama and comedy.
55. The CBC stated that programming in categories 8 and 9 was also part of its programming strategy in prime time and that it was in the process of rethinking its performing arts programming in consultation with Canadian cultural organizations.

Positions of interveners

56. Intervenors suggested various changes to the CBC's proposal, including the following:
- a minimum level of 10 hours of PNI to reflect historical levels, with at least 75% directed to independent production – CMPA, Directors Guild of Canada (Directors Guild), OSM, Writers Guild of Canada (Writers Guild);
 - a minimum level of 14 hours per week of PNI – ACTRA;
 - inclusion of specific program categories, such as documentaries, drama, music and variety – Documentary Organization of Canada (DOC), Writers Guild, Friends;

- an expenditure requirement on PNI based on historical spending over the last three years – Directors Guild, Writers Guild; and
- minority co-productions⁷ should not be counted as PNI – Writers Guild.

Commission's analysis and decisions

57. The Commission notes that the CBC increased its proposal for a minimum level of PNI to be broadcast each week from seven to nine hours in light of concerns expressed by various parties. While this is less than the historical level, the Commission notes that the CBC's funding has also fallen below historical levels. Accordingly, the Commission considers that the CBC's proposal is reasonable.
58. To help ensure that CBC English-language television provides a balanced schedule in prime time, the CBC proposed that at least two hours per week of PNI consist of long-form documentaries and two hours consist of drama and comedy programs. Although these minimums are below historical levels, the Commission considers that a balanced prime time schedule that includes both drama and documentaries contributes to the Act's objective that the national public broadcaster should incorporate a wide range of programming that informs, enlightens and entertains.
59. A review of program logs demonstrates that the CBC already makes significant use of Canadian independent production without regulatory intervention. Therefore, the Commission considers that the CBC's proposal for independently produced PNI is acceptable and provides the CBC with flexibility concerning how it meets its programming objectives.
60. Similarly, the Commission is satisfied that the CBC's mandate under the Act, CMF funding and audience and advertiser expectations will provide incentive enough to ensure expenditures on PNI by the CBC.
61. The Commission notes the Writers Guild's concerns about counting minority co-productions towards PNI requirements but considers that a different approach would be inconsistent with Canada's international obligations pursuant to treaties signed with foreign states. These treaties provide that all recognized official co-productions are given national treatment, including both majority and minority Canadian co-productions.
62. Accordingly, the Commission imposes a **condition of licence**, as set out in Appendix 3 to this decision, that includes the following elements:
- CBC English-language television shall broadcast a minimum of 9 hours per week of PNI in prime time, averaged over the broadcast year;

⁷ Minority co-productions are international co-productions where Canadians are not leading the creative aspects of the production as a majority partner.

- PNI shall include programs from category 2(b) Long-form documentary, 7 Drama and comedy and specified Canadian award shows that celebrate Canadian creative talent;
 - at least 2 hours of PNI shall be drawn from each of categories 2(b) and 7; and
 - at least 5.25 hours of PNI shall be devoted to Canadian programs produced by independent production companies.
63. As discussed at the hearing, the Commission encourages the CBC in its plans to redefine performing arts programming in cooperation with Canada's cultural organizations and to inform Canadians of progress made in this regard.

Children's and youth programming

64. For French-language television, the CBC proposed to replace both the current expectation that it offer 20 hours per week of programming for children and youth and its current condition of licence requiring four hours of original Canadian programming for children each week with a condition of licence requiring:
- 10 hours per week of programming to children under 12, of which at least 75% would consist of Canadian programs produced by independent production companies; and
 - at least 100 hours per year of original children's and youth programming (to be included as part of the weekly 10 hours).
65. For English-language television, the CBC proposed to replace the current expectation that it provide 15 hours of programming per week directed to children (2-11 years) and 5 hours per week to youth (12-17 years) with a condition of licence requiring:
- at least 15 hours per week of Canadian programming aimed at children under 12, of which at least:
 - 1 hour would consist of original programming; and
 - 75% would consist of Canadian programs produced by independent production companies.
66. The CBC also proposed that interstitial content inserted in lieu of advertising within children's programs be counted when calculating the number of hours of Canadian and original programming.

Positions of interveners

67. Many interveners, including ACTRA, the APFTQ, the Youth Media Alliance (YMA), the CMPA, the Directors Guild and Alliance québécoise des techniciens de l'image et du son/Union des artistes/Société des auteurs de radio, télévision et cinéma/Association des réalisateurs et réalisatrices du Québec (AQTIS/UDA/SARTEC/ARRQ) and the Writers Guild opposed any reduction in the CBC's requirements for children's and youth programming. Intervenors consistently spoke about the value of children's and youth programming and the role that the national public broadcaster should play in providing such programming, given that few conventional broadcasters choose to do so. Interventions from individuals cited particular children's programs that their families enjoyed and considered that the CBC should broadcast more hours of children's programming, not less.
68. Noting the CBC's stated priority of offering programming to pre-school children and its request to eliminate any requirements regarding youth programming, a number of intervenors expressed concern with the level of programming offered to the 9-12 and 12-17 age groups. In this respect, the Directors Guild submitted that over the last three years, CBC English-language television had averaged only 1.1 hours per week of youth programming, despite an expectation for 5 hours. The YMA also filed a study that revealed significant gaps in the variety and availability of Canadian television content targeting children between the ages of 9 and 12. The study also showed that children and youth are using online platforms to complement rather than replace conventional media.
69. Finally, a number of parties made specific proposals, as follows:
 - CBC French-language television should be required to offer at least 2 hours of original programming per week for children under 12 and 1 hour per week for those aged 12 to 17 - APFTQ;
 - CBC English-language television should be required to maintain its historical level of children's programming of approximately 28 hours per week for children under 12 - CMPA and OSM;
 - 10 out of the 15 hours of Canadian programming for children under 12 on CBC English-language television should be original - CMPA;
 - the condition of licence for CBC English-language television should require that 30% of Canadian children's programming be original - Writers Guild;
 - the condition of licence for CBC English-language television should ensure that the CBC not be able to dedicate all 15 hours of programming to pre-school aged children - Directors Guild; and
 - the CBC should be required to report annually on both its pre-school and school-age programming, including the number of original hours of programming that it provides - Writers Guild.

CBC's reply

70. In support of its proposal, the CBC submitted that requirements for children's and youth programming should not be too specific with respect to the age groups to which programming is directed, since this would disrupt the evolution of its approach. The CBC explained that its programming strategy for pre-school children was to provide educational programming, primarily on weekday mornings, while its strategy for school-aged children (6-12 years) was based on specific weekend programming, as well as family programming in prime time and a complementary online offering. The CBC indicated that it continues to develop innovative ways to address its youth audience, relying on family programming during prime time together with youth-focused online content.
71. The CBC submitted that the focus on original programming was misguided since it had always created and commissioned new programs and would continue to do so to the extent possible, given its financial circumstances. Further, to justify its request to decrease the level of original children's programming on French-language television, the CBC argued that since the audience for such programming was constantly being "refreshed," the content remained relevant.

Commission's analysis and decisions

Levels of children's and youth programming and age groups

72. The national public broadcaster has a mandate to serve all Canadians. As such, the Commission considers that the CBC has a responsibility to provide informative, educational and entertaining programming to Canadian children and youth. This obligation is not only part of the CBC's public service mandate, but is also vital to building its future audience across multiple platforms. While provincial educational broadcasters provide children's programming, such programming has largely been abandoned by private conventional broadcasters. As a result, limited children's and youth programming is available over-the-air across the country. Accordingly, the Commission considers that an appropriate commitment by the CBC to children's and youth programming is all the more significant.
73. The Commission is of the view that the proposed elimination of any commitment to youth programming would be inconsistent with the CBC's mandate. While the Commission is not convinced by the CBC's argument that youth are generally abandoning conventional television, it recognizes that the broadcasting environment is in a state of flux, particularly with respect to the youth audience. Accordingly, the Commission considers that it is appropriate to provide the CBC with an expectation for youth programming rather than a condition of licence.
74. With respect to the proposed reduction of French-language children's programming from 20 hours (to children and youth) to 10 hours (to children under 12), the Commission considers that a decrease of this magnitude is particularly problematic considering the relatively few choices available to young French-language and Francophile viewers across the country, especially outside Quebec.

75. Based on the above and as set out in Appendix 3 to this decision, the Commission considers it appropriate to strengthen the CBC's proposed commitments to children's and youth programming on both English- and French-language television by:
- requiring by **condition of licence** at least 15 hours per week of programming aimed at children under 12 years, averaged over the broadcast year; and
 - setting an expectation of 5 hours per week of programming aimed at youth aged 12 to 17.
76. The Commission notes that the above requirements represent a level of youth programming that is consistent with previous expectations and a level of children's programming comparable to the CBC's current commitments. These levels will also harmonize the offering across French- and English-language television.
77. The Commission agrees with those interveners that submitted that programming to children under 12 years of age must include programming to both pre-school and school-aged children. Nonetheless, the Commission considers that the CBC's public service mandate can be met without breaking down the CBC's programming and reporting requirements into age groups. The Commission expects, however, that the hours of programming for children under 12 years of age be reasonably allocated between programs for pre-school and school-aged children.

Original children's and youth programming

78. For French-language television, the CBC's proposal to devote 100 hours each year to original children's programming represents a lower level of original programs than what is currently required. This proposed level approximates what the APFTQ has requested for children under 12. While the CBC's proposed commitment of at least one hour per week of original programming for English-language television is less than what interveners requested, it represents a new commitment as no set level of original programming is currently required for CBC English-language television.
79. The Commission notes the arguments raised by the CBC regarding its proposed reduction in original children's programming on French-language television. It agrees that any additional hours of original programming would result in increased costs and that maintaining historical levels of original children's programming would be difficult given the CBC's financial situation. The Commission also recognizes that it is imposing a higher requirement for hours of original children's programming on French-language television compared to English-language television. The Commission also concurs with the CBC that the audience for children's programming is constantly changing as it moves on to different programming. Further, the needs of the audience for children's programming differ from those of adult audiences, such that a reasonable quantity of repetition is acceptable.

80. Based on the above, the Commission considers that the CBC's proposals to provide at least 100 hours per year of original programming on French-language television and one hour of such programming each week on English-language television are acceptable. Accordingly, the Commission has set out **conditions of licence** to this effect in Appendix 3 to this decision.
81. The Commission notes that the CBC has requested an exception to the way that the number of original or Canadian hours of programming is calculated. This request is discussed further below in the section relating to the definition of an original program.

Independently produced children's programming

82. The Commission considers that the CBC's proposal that at least 75% of its children's programming be independently produced addresses concerns raised at the hearing by parties such as the CMPA and the APFTQ. The Commission also notes that this represents a stronger commitment to the Canadian independent production sector than is currently required of both CBC English- and French-language television for children's programming. The Commission therefore considers that the CBC's proposed requirement is acceptable. Accordingly, the Commission has set out a **condition of licence** to this effect in Appendix 3 to this decision.

Definition of an original program for children's programming

83. CBC French-language television was subject to a condition of licence requiring the broadcast of four hours of original children's programming per week, averaged over the broadcast year, and the CBC has acknowledged non-compliance with this condition for certain years. The CBC argued that it could not comply with the condition of licence because of the restriction imposed on the broadcast of advertising during these programs and the difficulty it had in finding sufficient amounts of Canadian and original interstitial programs to air in the places reserved for advertising.
84. The CBC proposed the following definition of an original program for the purposes of its condition of licence for children's programming on French-language television:

[Translation] For the purposes of this condition, "original" means a Canadian program broadcast for the first time in Canada in French by the licensee and does not preclude the exhibition by another broadcaster of the same program in the same language for the first time in the same year.

For the purposes of calculating the number of hours of these Canadian or original programs, the segments inserted in lieu of advertising will be considered as having the same Canadian or original nature as the program in which the segments are inserted.

Positions of interveners

85. The YMA submitted that when various broadcasters jointly finance the production of a program, they should each be able to consider the program as original. The YMA also stated that given the nature of the youth audience, several repeats of programs could each be considered original. The DOC shared this position.
86. For its part, the CMPA proposed the following definition: “a program that is broadcast on a licensed CBC service and which has never previously been broadcast in Canada on any other licensed service or on any other platform.”
87. Finally, the Writers Guild recommended that the Commission initiate a follow-up proceeding to develop a definition that would work for the CBC and other broadcasters.

Commission’s analysis and decisions

88. The Commission has decided to require original children’s programming on both English- and French-language television, so it must find an approach that is appropriate for both.
89. Given the relatively limited number of programs produced under agreements between several broadcasters and the exceptional nature of the resulting programs, the Commission is of the view that recognizing a program as original for all of the broadcasting partners who contributed to financing its production is fair and removes barriers to the fulfillment of the CBC’s mandate. It further notes that this approach would match that of the CMF.
90. Regarding the CBC’s request to consider interstitial content inserted in lieu of advertising as Canadian or original programs, the Commission notes that all pay services and most specialty services that are directed at children have advertising restrictions. The Commission therefore considers that the CBC is not at a particular disadvantage because of the Commission’s approach to interstitials.
91. The Commission further notes that while CBC French-language television has chosen to fill the missing minutes of programming with interstitials, other broadcasters (including CBC English-language television) include individual children’s shows within a children’s program block with a program host. For English-language television, the children’s programming block is currently known as “Kids’ CBC.” Programming returns to the host of “Kids’ CBC” when the individual program is over. This approach allows broadcasters to fill the minutes otherwise reserved for advertising with original Canadian content.
92. In light of the above, the Commission **approves in part** the CBC’s request to count as original a program that has been previously broadcast by another broadcaster for purposes of the conditions of licence on children’s programming set out in Appendix 3, but only where the CBC and the other broadcaster both contributed to the program’s pre-production financing. However, the Commission **denies** the

CBC's request to be authorized to count the segments inserted in lieu of advertising as having the same Canadian or original nature as the program in which the segments are inserted

Local programming

Context

93. With respect to the levels of local programming, the CBC proposed to adopt new conditions of licence to the following effect:
- for its French-language television stations in all markets:
 - at least 5 hours per week, averaged over the broadcast year; and
 - local news seven days a week, except on holidays.
 - for its English-language television stations in *metropolitan markets*:
 - at least 14 hours of local programming per week, except for a period of up to 16 weeks when special events of national interest such as the Olympics, PanAM games and NHL playoffs are being broadcast or statutory holidays are in effect;
 - an average of at least 14 hours per week of local programming across the entire broadcast year; and
 - of these 14 hours, at least 1 hour of non-news local programming.
 - for its English-language stations in *non-metropolitan markets*:
 - at least 7 hours of local programming per week except for a period up to 16 weeks when special events of national interest such as the Olympics, PanAm games and NHL playoffs are being broadcast or on statutory holidays; and
 - an average of at least 7 hours per week of local programming across the entire broadcast year.
94. These conditions would replace individual expectations, commitments or conditions of licence for each station.
95. The CBC acknowledged the importance of local programming and stated that it remained an essential part of its corporate strategy. The CBC also recognized that the proposed requirements could be interpreted as a decrease in local programming for certain markets, such as Halifax, Regina, Winnipeg and Yellowknife. However, it stated that it had no intention of lowering the level of local programming in markets where it was currently surpassing its targets.

Positions of interveners

96. Several parties expressed concerns about the CBC's ability to continue providing a sufficient level of quality local programming given the phase-out of the LPIF to be completed on 1 September 2014 and the recent reductions in the CBC's parliamentary appropriations. These parties included the Association acadienne des artistes professionnels du Nouveau-Brunswick (AAAPNB), the Association canadienne-française de l'Alberta (ACFA), the Association franco-yukonnaise (AFY), the Assemblée de la francophonie de l'Ontario (AFO), the APFC, the Office of the Commissioner of Official Languages, the Fédération des communautés francophones et acadienne (FCFA), the Syndicat des communications de Radio-Canada (FNC-CSN) [SCRC], the Quebec English-language Production Council (QEPC), the Regroupement des Conseils centraux de la CSN, the Société Nationale de l'Acadie (SNA) and AQTIS/UDA/SARTEC/ARRQ.
97. Other parties, such as the Canadian Association of Community Television Users and Stations (CACTUS) and SNA, advocated for the creation of a new regional fund to support the CBC's local programming, while others, including the AAAPNB, the AFY, AFO and the FCFA, requested the creation of a fund to support local programming directed specifically towards OLMCs. Some considered that the requirements proposed by the CBC were insufficient. For example, noting that CBC English-language television proposed to offer seven hours of local programming per week in non-metropolitan markets, the SRC proposed a requirement of six hours per week of local programming for CBC French-language television, without regard to statutory holidays. The FCFA, with support from the ACFA, submitted that at least 15% of the content of "Téléjournal national" should come from outside Quebec.

Commission's analysis and decisions

Overall local programming levels

98. The Commission defines local programming as programming produced by local stations with local personnel or programming produced by locally based independent producers that reflects the particular needs and interests of the market's residents. The Commission notes that CBC stations include programming of regional interest in their local programming to help fulfill the CBC's objectives under the Act.
99. The Commission notes that the five-hour local programming requirement proposed for CBC French-language stations is also consistent with standards set out in Broadcasting Regulatory Policy 2009-406 for French-language stations in general. The 7 hours of local programming in non-metropolitan markets and requirements for 14 hours in metropolitan markets proposed by the CBC for English-language stations have already been imposed on all large English-language private conventional broadcasters. The Commission has reviewed historical levels of local programming on CBC stations and considers the levels set out above to be appropriate. Imposing these levels will serve to harmonize the amount of local programming provided by all local stations.

100. The CBC's proposal would represent an increase in local programming in all metropolitan markets served by CBC English-language television (Calgary, Edmonton, Montréal, Ottawa, Toronto and Vancouver) and in most markets served by French-language television (Edmonton, Moncton, Montréal, Regina, Saguenay, Sherbrooke, Trois-Rivières, Vancouver and Winnipeg). Conversely, the CBC proposal could potentially result in a decrease in local programming for other markets, notably Halifax, Regina, Winnipeg and Yellowknife. Specifically, the CBC had committed in its previous licence term to broadcast 10.5 hours of local programming per week on CBHT Halifax, CBKT Regina and CBWT Winnipeg and was expected to broadcast 10 hours of regional programming on CFYK Yellowknife. However, the Commission considers that a condition of licence requiring the broadcast of at least seven hours of local programming per week constitutes a better mechanism to measure compliance than the current commitments, since the CBC cannot reduce the level of local programming under seven hours without Commission approval following a public process.
101. With respect to the French-language television stations CBOFT Ottawa and CBVT Québec, the Commission notes that the imposition of a five-hour local programming requirement would seem at first glance to constitute a reduction in local programming given that these stations had previously committed to offer six hours and nine hours of local programming respectively. However, the Commission notes that these commitments included programming specific to the Toronto area (for CBOFT Ottawa) and Eastern Quebec (for CBVT Québec). Since the CBC recently launched local stations in Toronto and Rimouski, the standardized five-hour requirement proposed for the Ottawa and Toronto stations and the Québec and Rimouski/Eastern Quebec stations represents higher local programming requirements than the current commitments for the Ottawa and Québec stations.
102. In light of the above, the Commission accepts the CBC's proposal as it relates to the overall weekly levels of local programming for its French-language television stations (5 hours) and for its English-language television stations (14 hours in metropolitan markets and 7 hours in non-metropolitan markets). **Conditions of licence** reflecting these levels are set out in Appendix 3 to this decision. Consistent with the CBC's statements at the hearing, the Commission expects the CBC to maintain current levels of local/regional programming in markets where the levels imposed by condition of licence are lower than current commitments.

CBC North

103. CBC North broadcasts from CFYK-TV Yellowknife in nine Aboriginal languages (Cree, Inuktitut, Inuvialuktun, Dene, Tlicho, Chipewyan, North Slavey, South Slavey and Gwich'in), as well as in English and French.
104. The CBC indicated that CBC North broadcasts 160 hours of radio programming weekly, of which approximately 83 hours are in Aboriginal languages and 1 hour is in French. The CBC stated that it had a website specific to the North that produces 7 to 10 original local stories each day.

105. CBC North proposed to adhere to a condition of licence requiring it to broadcast seven hours of local programming per week on CFYK-TV. However, the CBC stated that seven hours would be a minimum level and that its plan was to continue to broadcast the current 9.3 hours of local programming.
106. The CBC confirmed that it had just concluded a study to determine media use by Aboriginals. The CBC stated that this research was detailed and that it was developing an Aboriginal strategy based on the research so that its service meets the needs of people in the North.
107. Given that the Commission has in the past recognized CBC North as a unique and vital service to the population of the most northerly reaches of Canada, serving both Native and non-Native members of often isolated communities, the Commission encourages the CBC to continue to provide the current levels of local and regional reflection in the North through CFYK-TV. As indicated above, CFYK-TV will also be required by condition of licence to broadcast at least five hours per week of local programming.

Non-news local programming

108. The Commission notes that the CBC proposed a requirement to broadcast at least one hour of non-news local programming per week for English-language CBC stations operating in metropolitan markets. The non-news local programming would be included in the 14-hour local programming requirement set out above.
109. The Commission is satisfied with the CBC's proposed requirement as it would contribute to the diversity of local programming in larger markets and has included it in the **condition of licence** relating to local programming by English-language CBC stations operating in metropolitan markets set out in Appendix 3.

Calculation of local programming levels

110. With respect to the exception requested for special events and statutory holidays for CBC English-language television, the Commission notes that broadcasters may request an amendment to their conditions of licence to be temporarily relieved from local programming requirements or other requirements for such events. For example, in 2012, the Commission approved amendment applications from Bell Media Inc. and V Interactions Inc. for temporary relief from local programming requirements to accommodate their conventional stations during the London Olympics.
111. The Commission considers that a case-by-case approach such as that used in the past would be more appropriate than the proposed exception. Therefore, the Commission will consider granting the licensee relief from its requirements relating to local programming on a case-by-case basis.
112. Similarly, with respect to the CBC's request to average its weekly local programming requirements over the broadcast year, the Commission notes that the standard conditions of licence for conventional television stations set out in

Broadcasting Regulatory Policy 2011-442 require a minimum amount of Canadian local programming in each broadcast week. Therefore, to calculate this requirement using a weekly average over a broadcast year would constitute a departure from the Commission's current approach. The Commission is of the view that the CBC did not provide sufficient rationale to justify such a departure for most of its local television stations. However, the Commission recognizes the inherent difficulties associated with the broadcast of local programming for French-language stations located in English-language markets, which offer local programming and reflection to OLMCs. Accordingly, the Commission will allow the CBC to calculate its required hours of local programming over a broadcast year for its French-language stations in Edmonton, Moncton, Ottawa, Regina, Toronto, Vancouver and Winnipeg. The Commission, however, reminds the CBC that these stations will still be required to broadcast local news programming seven days a week, except on holidays.

113. In light of the above, in Appendix 3 to this decision, the Commission has set out the **conditions of licence** relating to the required levels of local programming on CBC stations without reference to the requested exception for special events or an annual average, except for French-language stations in English-language markets.

Reflection of regions and official language minority communities

114. The Commission explored how to ensure that the programming schedules of French- and English-language television reflect Canada's regions and OLMCs.
115. Earlier in this decision, the Commission indicated that it was imposing a condition of licence on both television services that requires a balanced programming schedule, including a reasonable quantity of programming drawn from producers in OLMCs.
116. In this section, the Commission explores regional and OLMC reflection in independent production and in news and information programming. It also discusses the phase-out of the LPIF in relation to OLMCs.

French-language television

CBC's proposal

117. The CBC proposed a condition of licence under which it would be required to broadcast an annual average of five hours per week of programming produced in the Atlantic Region, the West and Quebec outside of Montréal on French-language television. It further proposed to devote at least \$1 million per year to Canadian independent productions in these regions.

Positions of interveners

118. Intervenors noted the importance of CBC programming to Francophones outside Quebec, who indicated that they continue to rely on the quality French-language services offered by the CBC.

119. The SRC argued that the CBC's budget cuts come to the detriment of the regions in favour of centralized production. While the CSN and the Regroupement des conseils centraux de la CSN saluted the CBC's plans to support regional production, they argued that it was necessary to enforce such commitments through hours of regional production to ensure both productions in and reflection of the regions. This view was echoed by groups and representatives from OLMCs.
120. The FCFA expressed concern about any definition of regional programming that relied on the wording "outside Montréal" and preferred "outside Quebec." The APFC requested that the Commission impose a requirement for independent production expenditures from outside Quebec by setting a floor at the historical level of the past three years, which represents 5.5% of the total expenditures on Canadian independent production.

Commission's analysis and decisions

121. The Commission notes the concerns of interveners regarding the importance of reflecting the regions and OLMCs in programming. It agrees with the CBC that conditions of licence requiring minimum exhibition and expenditure levels on regional programming are necessary. These conditions would be in addition to the condition of licence requiring a balanced programming schedule.
122. The Commission considers that the CBC's proposal to spend at least \$1 million each year on regional independent production is too low. The Commission is of the view that the CBC should reserve at least 6% of its annual budget for Canadian independent production from the regions. The Commission notes that although this percentage is higher than that proposed by the OLMC groups, it reflects historical expenditures on independent production both in Quebec (outside Montréal) and outside Quebec. As is the case with other conditions of licence, the Commission considers that Canada's North should be included in the regions that must be reflected in programming.
123. Accordingly, the Commission imposes **conditions of licence** set out in Appendix 3 requiring that CBC French-language television devote:
- at least 5 hours per week averaged over the broadcast year to Canadian programming produced in the Atlantic, Ontario, the West, the North and Quebec (excluding Montréal); and
 - at least 6% of the current broadcast year's programming expenditures on Canadian programming from independent production companies from the above-noted regions. The investments and acquisitions shall be reasonably distributed among all the regions during the licence term.
124. The Commission acknowledges the concerns expressed by the FCFA and accordingly expects that each of the regions mentioned above be adequately represented with respect to expenditures and exhibition. The Commission will

monitor these expenditures on regional production using the Activity Report for Independent Productions, as well as through specific reports discussed later in this decision.

English-language television

125. The CBC did not propose any conditions of licence for exhibition or expenditures on regional programming for English-language television.

Positions of interveners

126. Intervenors spoke of the importance of regional reflection as a means for the CBC to foster national consciousness and identity. Most did not propose specific exhibition or expenditure requirements but rather favoured better reporting by the CBC so that Canadians could evaluate the CBC's activities in the regions. However, based on the CBC's assertion at the hearing that regional production currently accounts for 68% of the English-language television schedule, Friends proposed that the CBC be required to ensure that a weekly average of at least 40% of its schedule consist of programming produced outside of Toronto.

127. ELAN and the QEPC addressed the situation of the English OLMCs in Quebec. They were of the view that at least 10% of the CBC's total English-language television production budget should be reserved for English-language production in Quebec to ensure the reflection of these communities.

CBC's response

128. The CBC dismissed the proposal by Friends that a weekly average of at least 40% of its network schedule should consist of programming produced outside of Toronto. The CBC submitted that the proposed percentage was not a meaningful benchmark for a commitment related to regional production. It argued that the 68% that was cited was based on the CBC's Report Card, which includes all local programming, programming originating in Vancouver and all other regionally produced programming or segments originating outside Toronto.

129. In response to intervenors' requests to reserve a percentage of expenditures to support English-language production in Quebec, the CBC argued that it considered that quotas from specific regions would be unworkable and that existing incentives, such as CMF funding and tax credits were effective in supporting regional production. The CBC also noted that it had agreed to draw a reasonable portion of its programming from OLMCs as part of a balanced schedule.

Commission's analysis and decisions

130. The Commission considers that the conditions of licence with respect to a balanced programming schedule and regional reflection set out earlier are sufficient to foster regional reflection on CBC English-language television. The Commission addresses the matter of reporting on the CBC's activities in the regions later in this decision.

131. The Commission notes the concerns expressed by interveners about reflection of the English-language OLMCs in Quebec. The Commission recognizes that CBC English-language television plays an important role in reflecting English-language OLMCs both to themselves and national audiences. To ensure that this continues during the next licence term, the Commission considers it appropriate to impose a condition of licence setting a minimum level of expenditures on English-language production in Quebec.
132. The Commission reviewed the financial information filed by the CBC concerning its historical levels of spending on English-language production in Quebec. The Commission considers that an annual expenditure level of 6% of total expenditures on Canadian programming from independent production companies averaged over the licence term would be appropriate, given the cyclical nature of production in Montréal.
133. The Commission is also of the view that to maximize the number of future programming projects reflecting the English OLMCs in Quebec, it is appropriate to require the CBC to devote at least 10% of its annual programming development expenditures averaged over the licence term to English-language programming from independent production companies in Quebec. The Commission considers that these requirements will ensure that English OLMC producers continue to have the opportunity to produce programming that may be shared with the rest of the country on the network.
134. The Commission has set out **conditions of licence** for the above requirements in Appendix 3 to this decision.

Information programming

135. The CBC proposed a condition of licence under which it would ensure that its national news and information programming reflects Canada's regional and cultural diversity and promotes respect and understanding in the regions.
136. With respect to French-language television, the CBC also stated that it intended to include coverage of national issues through reporting from the regions.

Positions of interveners

137. Several parties were concerned about the lack of reflection of Canadian regions outside Quebec and outside Montréal on French-language television, especially during network news and information programs. The AFO, the ACFA, the AFY and the SNA stated that it was crucial that the CBC provide Canadians with news and information that reflects all regions of Canada. The FCFA, the Alliance nationale de l'industrie musicale (ANIM), the FCCF and the AAAPNB argued that regional reflection implied that news travels not only from the network to local stations but also from local stations to the network for broadcast on national newscasts.

138. In a comprehensive study filed as an intervention to this process, The Honourable Pierre de Bané PC, Senator for De la Vallière, Quebec, argued for a substantive change to the CBC French-language network's approach to national news. In his study, he submitted that national newscasts broadcast by the CBC's French-language television and radio services showed an inordinate bias towards news items originating in the province of Quebec, to the detriment of the reflection of French OLMCs. According to the Senator, this situation clearly undermines the CBC's capacity to fulfill its objective to contribute to a shared national consciousness and identity. He was joined in his conclusion by the Honourable Maria Chaput, Senator for Manitoba, who argued for the inclusion of regional items from outside Quebec in the CBC's French-language national newscast.

Commission's analysis and decisions

139. The Commission notes the interveners' concerns on the lack of regional reflection and especially of OLMC reflection in the CBC's national newscasts. However, it does not consider it appropriate to impose specific levels of regional programming for news as this could represent an undue infringement on the CBC's journalistic independence, contrary to section 2(3) of the Act. Accordingly, the Commission considers that it would be more appropriate to impose a general condition of licence on both CBC English- and French-language television to ensure that their national news and information programming reflects the country's regions and OLMCs and promotes respect and understanding between them. This will ensure that the CBC serves OLMCs and the regions while preserving its journalistic independence. This **condition of licence** is set out in Appendix 3 to this decision. The Commission also considers it appropriate to apply this **condition of licence** to the CBC's radio services, as set out in Appendix 4.

Local programming improvement fund

140. In Broadcasting Regulatory Policy 2012-385, the Commission expressed the view that the LPIF had successfully contributed to maintaining and in certain cases increasing local programming, as well as to sustaining the local stations that provide such programming during and following the economic downturn. LPIF funding has also allowed the industry to transition through a number of structural and technical changes, including the conversion to digital broadcasting and increasing ownership consolidation. The Commission was of the view that reliance on LPIF funding was not sustainable in the long term in the context of the new broadcasting environment. The Commission considered that the broadcast industry as a whole would need to evolve and innovate to continue to provide high-quality local programming, whether through the traditional types of programming offered by local stations or by other means. With respect to the CBC and its ongoing service to OLMCs, the Commission indicated that it would discuss this matter with the CBC at its upcoming licence renewal.

141. The CBC indicated that the resources from the LPIF played a key role in ensuring service to non-metropolitan markets, particularly OLMCs. The Commission has

heard and understands the concerns expressed by the interveners regarding the financial pressures faced by the CBC and whether these pressures will hinder the CBC's ability to properly serve OLMCs. The Commission is confident that it has put in place a series of measures that establish a regulatory framework in order to create and offer local and relevant programming to these communities. These measures will mitigate the impact of the LPIF's phase-out on OLMCs. Moreover, the Commission has imposed specific measures that will ensure the CBC's ongoing commitment to these communities.

142. These specific measures, imposed mostly by condition of licence, include a balanced programming schedule, specific levels of local programming, reflection of OLMCs in information programming, balance in news programming, consultations with OLMCs and more stringent reporting requirements. The Commission is satisfied that these positive measures, taken together, will ensure that the CBC serves OLMCs as envisaged by the Act.

Canadian feature films

143. The Act mandates the national public broadcaster to provide programming that is predominantly and distinctively Canadian and to contribute to the flow and exchange of cultural expression. The broadcast of Canadian feature films is one way that the CBC fulfills these objectives.

144. In the CBC's last licence renewal decision, the Commission noted that the broadcast of Canadian feature films on the CBC had supported Canadian producers, employed Canadian talent and provided Canadian viewers with high-quality entertainment.

145. During the course of the hearing, the CBC agreed to broadcast Canadian feature films on English-language television as a means of showcasing Canadian film-making talent and supporting Canada's feature film industry. Specifically, the CBC committed to broadcast one Canadian feature film each month, provided that it had the flexibility to schedule these films. In this respect, the CBC stated that broadcasting such feature films in prime time would be difficult and that their place in the schedule depended on the content of the film and if it was intended for mature audiences. The CBC indicated that the more likely timeslots would be weekend afternoons or late nights, given the demands of its prime time schedule. The CBC also confirmed that it had created a weekly timeslot for Canadian feature films on Saturday nights during the summer for a period of 10 weeks and would continue to do so. Finally, it agreed not to count these feature films toward its PNI requirement.

146. Consistent with the above, the CBC proposed the following condition of licence:

The licensee shall broadcast monthly one full-length Canadian feature film during one or more established timeslots which respect the time-of-day scheduling requirements for content directed at adult audiences when necessary.

Positions of interveners

147. In general, interveners spoke of the importance of the national public broadcaster's using its national reach to deliver Canadian feature films throughout Canada and its responsibility to do so. Most emphasized that the amount and quality of Canadian feature films is sufficient to ensure that the CBC would have no issues regarding the availability of potential content for broadcast in prime time.
148. Intervenors also made a number of specific suggestions for CBC English-language television, including the following:
- the CBC should license at least 12 new Canadian films each year, or a feature film a month in prime time, over the next five years – CAFDE, ACTRA, the Directors Guild and the OSM;
 - the CBC should broadcast 52 Canadian feature films per year or one each week – an individual;
 - original feature films (documentary and fiction) from all regions of Canada should be broadcast during peak time over the summer on Saturday nights – the OSM; and
 - the CBC should be subject to annual reporting requirements concerning the broadcast of Canadian feature films – the OSM and the Directors Guild.
149. CAFDE also suggested that these feature films be counted towards the CBC's PNI requirements. However, the Writers Guild and the DOC were not in favour of this proposal.

Commission's analysis and decisions

150. The Commission notes that the public record for this proceeding demonstrates that CBC French-language television already provides sufficient support for Canadian feature film. In this respect, the Commission notes that according to CAFDE, the CBC has broadcast 167 Canadian feature films in the last ten years on CBC French-language television, often at key points in its programming schedule. In light of this performance, the Commission considers that no regulatory measures are necessary.
151. The Commission considers that the CBC's proposals to broadcast one Canadian feature film per month with additional weekly broadcasts during the summer months on English-language television address the underlying concerns of intervenors regarding the scheduling of Canadian feature films.
152. Further, in the Commission's view, the CBC's request for flexibility to broadcast these films when it would make the most sense is reasonable in light of how it goes about structuring its schedule and given that the Commission has imposed a PNI requirement in prime time. However, the Commission does not accept the CBC's argument that it is difficult to air Canadian feature films in prime time due to mature content.

153. The Commission concurs with those parties that argued that the broadcast of these films should not count towards any PNI requirement. Moreover, the Commission considers that making a distinction between feature films and feature documentaries as proposed by the DOC is not warranted. The Commission is also of the view that the current requirement to file program logs is sufficient and that consequently an annual reporting requirement regarding the broadcast of Canadian feature films is not necessary.
154. In light of the above, the Commission accepts the CBC's proposal to broadcast one Canadian feature film each month on English-language television. A **condition of licence** to this effect is set out in Appendix 3 to this decision. Further, the Commission encourages the CBC to establish a regular timeslot in prime time for the monthly broadcast of Canadian feature films. It further reminds the CBC of its commitment to maintaining a weekly timeslot for Canadian feature films on Saturday nights during a 10-week period in the summer.

Cover-overs of CBC Vancouver advertising by Pattison stations

155. Jim Pattison Broadcast Group Limited Partnership (Pattison) requested that the Commission impose a condition of licence requiring the CBC's English-language television station CBUT-DT Vancouver to allow the Pattison stations CFJC-TV Kamloops and CKPG-TV Prince George to cover over all non-national commercials on the station with their own local or regional commercials where CBUT-DT is available in these two markets. The requirement proposed by Pattison is in substance the same as the one that allows CFJC-TV and CKPG-TV to cover over the CHAN-DT Vancouver (Global) and CIVT-DT Vancouver (CTV) signals distributed within their markets.
156. The CBC opposed any condition of licence that would allow another broadcaster to earn revenue from its signals and that could limit its own revenues.
157. The Commission notes that the existing cover-over requirements for CHAN-DT and CIVT-DT Vancouver were imposed under circumstances different from those of the CBC. Specifically, CTV and Global agreed to have their non-national commercials covered over by the Pattison stations' local commercials in exchange for the right to have their Vancouver signals distributed in the communities served by these stations.
158. The distribution of CBUT-DT into the markets of Kamloops and Prince George is different. In this case, there is no need for a *quid pro quo* arrangement with the existing local stations as the *Broadcasting Distribution Regulations* ensure the distribution of at least one CBC television station in each of these markets. For this reason, CBUT-DT has been made available in these markets by broadcasting distribution undertakings. The Commission does not consider that it is appropriate to impose a cover-over requirement under these circumstances.
159. In light of the above, the Commission **denies** the request by Pattison to require CBUT-DT Vancouver to allow CFJC-TV Kamloops and CKPG-TV Prince George

to cover over all non-national commercials on the station with their own local or regional commercials.

Availability of television service

160. The CBC ceased to operate 440 analog television transmitters in the summer of 2012 when the transition to digital television occurred. The CBC stated that by shutting down these transmitters it would be able to redirect funds to programming. The CBC further stated that it does not intend to increase digital television over-the-air (OTA) coverage by implementing new digital television transmitters due to its limited financial resources.
161. Certain individuals, as well the Public Interest Advocacy Centre and OpenMedia.ca (PIAC/OpenMedia), CACTUS and SOS CBEF, stated that the CBC should implement new digital transmitters to increase digital (and high definition) OTA television coverage. The SCFA, however, saw no need for additional digital transmitters provided that the CBC explored other options such as multiplexing to provide service to OLMCs.
162. Section 3(1)(m)(vii) of the Act states that the programming provided by the CBC should be made available throughout Canada by the most appropriate and efficient means as resources become available for the purpose. Given that the CBC's resources are limited and declining, the Commission is of the view that it would not be appropriate to impose requirements on the CBC for the establishment of digital television transmitters or the operation of analog television transmitters. In this regard, the Commission notes that Canadians affected by the shutdown of the CBC's transmitters, including those living in OLMCs, are potentially eligible for Shaw Direct's Local Television Satellite Solution assistance program, for which the Commission recently extended the sign-up period until 30 November 2013. The Commission reiterates its statement set out in Broadcasting Regulatory Policy 2010-167 that broadcasters should continue to explore opportunities such as multiplexing to ensure that Canadians have access to free OTA television.

SPECIALTY TELEVISION

Introduction

163. Parties raised relatively few issues in the course of the proceeding regarding the CBC's two news services Le Réseau de l'information (RDI) and CBC News Network. Besides the adoption of standard conditions of licence for these services, the Commission considered maintaining the mandatory distribution of those services in OLMC markets as a means of furthering the Act's objectives for the CBC. The reflection of OLMCs was the main issue in establishing ARTV's conditions for the next licence term. Meanwhile, for both ARTV and Documentary, the Commission heard about the importance of commissioning and acquiring original independently produced programs and the role that the CBC plays in fostering arts and documentary programming in Canada.

Réseau de l'information and CBC News Network

Mandatory distribution on the digital basic service

164. The CBC requested continued mandatory distribution of RDI on the digital basic service in English-language markets and of CBC News Network in French-language markets, pursuant to section 9(1)(h) of the Act. The monthly per subscriber wholesale rates would remain the same (\$0.10 and \$0.15 respectively), with no increase to reflect inflation. The CBC did not seek mandatory distribution of the services in their principal language markets.
165. In Broadcasting Regulatory Policy 2010-629, the Commission stated that mandatory basic carriage could be justified for certain services in a digital environment, thus ensuring that they have access to a reasonably reliable revenue stream and thereby enabling them to meet meaningful programming obligations and contribute to the achievement of the objectives of the Act. Accordingly, the Commission indicated that it would be prepared to consider such applications on an exceptional basis and set out criteria to assess applications for mandatory distribution on the digital basic service, including the reflection of Canada's linguistic duality.
166. The CBC filed evidence to demonstrate that both RDI and CBC News Network meet the established criteria in Broadcasting Regulatory Policy 2010-629.
167. With respect to RDI, the CBC noted that each year 33% of RDI's original hours are devoted to broadcasting regional news programs and topics from the four principal regions (Western Canada, Ontario, Quebec excluding Montréal, and Atlantic Canada). The CBC also indicated that RDI was the only French-language specialty service that deploys resources for gathering news and producing programs in 11 major centres in all of the principal regions of the country. In support of its request, the CBC submitted a Saine Marketing study conducted in February and March 2011. The survey showed that 97% of Francophone viewers considered it important to have access to a French-language all-news service. In addition, 85% of Francophone viewers outside Quebec felt that RDI was essential.
168. With respect to CBC News Network, the CBC argued that its request to maintain its mandatory distribution in Francophone markets would ensure that it could continue to fulfill its mandate to offer high-quality information and news that serves Canada's English OLMCs. The CBC noted that CBC News Network often exceeds its 90% Canadian content requirement. It also stated that CBC News Network directs significant resources to the creation of Canadian news programming, greatly exceeding the expenditure level of any other Canadian news channel. The CBC referenced BBM Canada reports from the 2011-2012 broadcast year. According to these reports, over 66% of Anglophones in Quebec watched CBC News Network over the course of that broadcast year, which illustrates the significant value that Anglophones in Quebec place on the service. The study showed that, among Anglophones in Quebec, CBC News Network is the ninth most watched service and the most valued news service.

Positions of interveners

169. Intervenors generally agreed with the proposed mandatory distribution of RDI and CBC News Network. The Panel des Régions de la SRC noted that RDI plays a vital role in the development of the OLMCs. The Conseil provincial du secteur des communications of the Canadian Union of Public Employees argued that these two services were the only ones to offer programming from all regions of Canada and to have a team of foreign correspondents. They also argued that the loss of 9(1)(h) status would inevitably lead to a reduction in coverage. However, Cogeco inc. (Cogeco) submitted that these services were competitive, and Shaw argued that mandatory carriage for these services would limit the flexibility of BDUs.

Commission's analysis and decisions

170. In Broadcasting Decision 2007-246, the Commission deemed it appropriate to grant the CBC's request for mandatory distribution of RDI in English-language markets and CBC News Network in French-language markets on the digital basic service of all direct-to-home satellite and terrestrial BDUs. In its assessment, the Commission stated that all Anglophones and Francophones in Canada should have access to a Canadian news and information service in their own language and that RDI and CBC News Network were of exceptional importance in fulfilling the objective set out in section 3(1)(d)(iii) relating to linguistic duality.

171. In the same decision, the Commission also noted that the monthly wholesale rates proposed by the applicant were affordable for subscribers. The Commission notes that, as proposed by the CBC, the rates for RDI and CBC News Network will remain the same over the next licence term and therefore will have no impact on the price of the basic package offered to consumers.

172. The Commission notes that RDI is the only French-language specialty news service in Canada with regional offices that offers news coverage from all the principal regions of the country, thus ensuring that all OLMCs in English-language markets are adequately reflected. With respect to CBC News Network, the Commission notes that the programming offered to OLMCs in French-language markets reflects Canada's linguistic duality and ethno-cultural diversity, which are of exceptional importance in fulfilling the Act's objectives.

173. The Commission has carefully examined the evidence that the CBC has filed in light of the new criteria for assessing applications for mandatory distribution on the digital basic service. The Commission is satisfied that the circumstances that warranted the approval of the mandatory distribution as set out in Appendix 4 to Broadcasting Decision 2007-246 are still applicable today. The Commission is further satisfied that the evidence provided for both services clearly demonstrates that they meet the current criteria for assessing applications for mandatory distribution on the digital basic service set out in Broadcasting Regulatory Policy 2010-629.

174. The Commission is of the view that mandatory distribution of RDI and CBC News Network on the digital basic service will continue to assist the services in fulfilling their mandates, notably with respect to offering high-quality information and news services that aim to serve Canada's French and English OLMCs. The purpose of the mandatory orders is to serve OLMCs. The CBC did not request, nor would the Commission have granted, mandatory distribution in the principal language markets of RDI and CBC News Network. The Commission considers that the mandatory distribution of those services in OLMCs will also enable them to continue fostering the vitality of the OLMCs in Canada.
175. Accordingly, the Commission **approves** the CBC's request to continue the mandatory distribution orders for RDI and CBC News Network on the digital basic service in markets serving OLMCs, pursuant to section 9(1)(h) of the Act. Revised distribution orders are set out in Appendices 9 and 10 to this decision.

Separate accounts

176. The CBC requested that the Commission delete condition of licence 9 for RDI and CBC News Network, set out in Part I of the appendix to Decision 2000-3, relating to the requirement to keep separate accounts. The Commission originally put in place the requirement to ensure that these specialty services, which are funded largely by subscriber fees, would not be underwritten by the CBC's parliamentary appropriations. The CBC argued that this requirement is burdensome since it costs \$380,000 annually for each service, not including audit costs.

Positions of interveners

177. AQTIS/UDA/SARTEC/ARRQ submitted that they would be opposed to this request if it hindered the Commission and the public from verifying the compliance of these services with their conditions of licence.

Commission's analysis and decision

178. The Commission is of the view that this condition of licence is no longer required given that the newsrooms of RDI and CBC News Network are fully integrated with those of other CBC television and radio services. Furthermore, this condition is not necessary to verify that these services are in compliance with their conditions of licence. Accordingly, the Commission **deletes** condition of licence 9 for RDI and CBC News Network concerning separate accounts.

Standard and supplementary conditions of licence for Category C services

179. The CBC requested that RDI and CBC News Network adhere to the standard conditions of licence for competitive mainstream national news services set out in Appendix 2 to Broadcasting Regulatory Policy 2009-562-2. With respect to RDI, the CBC also requested that the condition of licence set out in Appendix 3 to that policy be deleted and replaced with the following:

RDI programming shall reflect the concerns of each of the principal Francophone regions in Canada identified by the CBC as the Atlantic, Quebec, Ontario and Western Canada. To this end, the licensee shall ensure that at least one-third of all of the original programs and program segments distributed by RDI each broadcast year are produced in Atlantic Canada, Ontario, Western Canada and Quebec (except Montréal).

RDI will keep a record of the duration and origin of the programs and program segments from these regions and will confirm the level of regional programming attained in its annual report to the CRTC.

180. This amendment would result in RDI being able to count segments of programs, rather than only full programs as was previously required, in order to meet its requirement to provide reflection of the principal Francophone regions in Canada.
181. The FCFA submitted that of the 33% regional content that RDI is required to broadcast on average over the year, half should originate from outside Quebec.
182. Although adherence to the modified condition of licence would no longer be verifiable through the program logs and would therefore need to be included in the reporting requirements, the Commission is of the view that the proposed amendment is minor. However, the Commission shares the FCFA's concerns that RDI could focus on Quebec regions outside Montréal in the fulfilment of this condition, to the detriment of the reflection of Francophone communities outside Quebec. The Commission therefore expects that each of the regions mentioned in the above condition be adequately represented.
183. Accordingly, the Commission imposes standard **conditions of licence** for RDI and CBC News Network. Further, with respect to RDI, the Commission hereby replaces the condition of licence set out in Appendix 3 to Broadcasting Regulatory Policy 2009-562-2 with the following condition of licence :

The programming of RDI shall reflect the concerns of each of the principal French-language regions of Canada: the regions of the Atlantic, Ontario, the West, the North and Quebec (excluding Montréal). To this end, the licensee shall ensure that at least one-third of original programs and program segments broadcast by RDI each year come from the regions of the Atlantic, Ontario, the West, the North and Quebec (excluding Montréal).

RDI shall maintain a record of the running time and geographic origin of these regional programs and program segments, and confirm the level of regional programming achieved in its annual report to the Commission.

184. As a result of the imposition of the standard conditions of licence, RDI and CBC News Network are designated as specialty Category C services. Consequently, the services have no guaranteed distribution in their principal language markets, are open to competition from other news services and have no set subscriber rates.

ARTV

Independent production

185. The CBC is currently subject to a condition of licence requiring it to allocate all ARTV profits to Canadian independent production, devoting at least 25% to productions outside Montréal and at least 25% to productions outside Quebec. The CBC requested that this condition of licence be deleted and replaced with the following:

In each broadcast year, at least 50% of Canadian programming broadcast by the licensee shall come from independent producers.

Positions of interveners

186. APFTQ submitted that the condition of licence imposed on ARTV should specify the minimum percentage of revenue that must be allocated to independent production. AQTIS/UDA/SARTEC/ARRQ were opposed to any amendment to the current condition of licence. For its part, the APFC requested that the CBC make a commitment to maintain its current level of resources that are devoted to independent production outside Quebec.

Commission's analysis and decisions

187. The Commission considers that the proposed condition of licence contributes to the achievement of the objective set out in section 3(1)(i)(v) of the Act, which states that the Canadian broadcasting system should include a significant contribution from the Canadian independent production sector.

188. The Commission notes the interventions of APFTQ, AQTIS/UDA/SARTEC/ARRQ and the APFC. However, the record for this proceeding indicates that ARTV has generated only modest profits in recent years. The Commission therefore considers that the proposed condition of licence, which focuses on exhibition rather than on expenditures, is more favourable to the independent production community. The Commission further notes that the portion of the condition of licence dealing with expenditures on productions outside Montréal and Quebec overlaps with the condition of licence dealing with expenditures discussed below. Accordingly, the Commission **approves** the CBC's proposal to delete the existing condition of licence pertaining to independent production and replaces it with the proposed condition of licence set out in Appendix 6 to this decision. This condition provides that, in each broadcast year, at least 50% of Canadian programming broadcast by the licensee shall come from Canadian independent production companies.

Production outside Quebec

189. The CBC is currently required to comply with a condition of licence pertaining to programs produced outside Quebec, which reads as follows:

Over the first four years of operation of the service, at least 15% of the annual budgets for original Canadian production shall be expended on programs produced outside Quebec. That percentage shall increase to 20% beginning in the fifth year of operation. Of those amounts, an annual guaranteed amount of \$200,000 shall be allocated to the production of original independent Canadian programs outside Quebec.

190. The CBC proposed to replace that condition of licence with the following:

In each broadcast year, at least 10% of the licensee's annual budgets for original Canadian production shall be expended on programs produced outside Quebec. Of these amounts, the licensee shall expend a minimum of \$600,000 on Canadian programs from independent producers outside Quebec.

Positions of interveners

191. AQTIS/UDA/SARTEC/ARRQ, the FCCF, ANIM and the APFC were opposed to the change and proposed that ARTV maintain its current levels of expenditure on independent production outside Quebec. Other organizations, such as the FCFA, proposed that ARTV be required, by condition of licence, to make a minimum level of investment in independent French-language production and conclude an agreement to this effect with the APFC.

Commission's analysis and decisions

192. The Commission notes that the proposed condition of licence could lead to a reduction in expenditures on independent Canadian programs produced outside Quebec. The Commission considers that ARTV's contribution to the reflection of OLMCs and to their cultural expression is of the utmost importance. The Commission is of the view that requiring that 20% of the licensee's annual budgets for original Canadian production be expended on programs produced outside Quebec averaged over the licence term remains an adequate mechanism to ensure that the service continues to reflect the needs and circumstances of French-language communities outside Quebec. The Commission further considers that requiring that 50% of this amount be allocated to independent production outside Quebec would ensure that the objectives of the Act are met while providing significant flexibility to ARTV in a time of financial uncertainty. **Conditions of licence** to this effect are set out in Appendix 6 to this decision.

193. The CBC also applied, on behalf of ARTV, for mandatory distribution to obtain access rights on the digital services of terrestrial BDUs in English-language markets pursuant to section 9(1)(h) of the Act. This proposal was examined during a public hearing in April 2013.⁸

⁸ See Broadcasting Notice of Consultation 2013-19.

Programming from L'Équipe Spectra

194. The CBC proposed to delete the following condition of licence:

The licensee shall not allocate more than 25% of its annual expenditures for the acquisition of broadcast rights for original first-run Canadian programming to programming produced by L'Équipe Spectra and its subsidiaries.

195. Given that L'Équipe Spectra is no longer a shareholder in ARTV, the Commission considers that this condition of licence is no longer necessary. Accordingly, the Commission **deletes** the above-noted condition of licence.

Documentary

Limits on programming from Category 7 Drama and comedy

196. The CBC proposed to replace Documentary's condition of licence that stipulates that no more than 6 hours during each broadcast week shall be devoted to material from category 7 Drama and comedy with the standard conditions of licence, set out in Broadcasting Regulatory Policy 2008-100, that allow Category A services to broadcast from all program categories with a limit of 10% of the broadcast month for certain program categories, including category 7.

197. DOC opposed this request, arguing that the change could serve to dilute the service that Documentary provides.

198. The Commission finds that the CBC's proposal is consistent with the limits placed on other Category A services.

199. In light of the above, the Commission **approves** the proposed adoption of the standard conditions of licence applicable to Category A services. **Conditions of licence** to this effect are set out in Appendix 7 to this decision. The Commission notes, however, the concerns expressed by DOC and reminds the CBC that all programming must remain true to the genre for which Documentary was licensed and be consistent with the service's conditions of licence that establish its nature of service definition.

Original Canadian programming by independent producers

200. At the hearing, the Commission discussed the role that Documentary plays in supporting original independently produced Canadian documentaries.

Positions of interveners

201. The DOC submitted that specialty services should be subject to a condition of licence regarding the exhibition of independently produced original first-run programming that take historical performance into consideration. It added that the Commission requires Category A services to dedicate 75% of all expenditures for first-run original programming to independent Canadian production.

The CBC's reply

202. The CBC responded favourably to the DOC's request by proposing a condition of licence on exhibition.

Commission's analysis and decisions

203. The Commission notes that according to section 3(1)(i)(v) of the Act, the Canadian broadcasting system should include a significant contribution from the Canadian independent production sector. Moreover, at the time of the group-based licence renewals for English-language private television services, the Commission established expectations for certain services to acquire at least 75% of all original first-run Canadian programming from independent production companies.

204. With respect to the DOC's statement that other Category A services should be subject to expenditure requirements on original programming, the Commission notes that of the large private broadcast groups only Shaw's Showcase and Corus's YTV have conditions of licence related to original programming. Other services have expectations, encouragements or commitments similar to the condition proposed by the CBC.

205. In light of the above, the Commission is of the view that the condition of licence proposed by the CBC is consistent with the Commission's approach. A **condition of licence** to this effect is set out in Appendix 7 to this decision.

Canadian programming expenditures

206. The CBC proposed to amend condition of licence 6(a) set out in the appendix to Broadcasting Decision 2007-201 to expand the revenue base used to calculate Canadian programming expenditures (CPE) to include gross advertising and infomercial revenues in addition to subscriber revenues. The CBC also proposed to reduce the minimum amount to be spent on Canadian programs from 47% to 43%.

207. The Commission is satisfied that this request is consistent with Broadcasting Regulatory Policy 2010-167. In that policy, the Commission concluded that it would eliminate the practice of crediting to a broadcaster as AVF eligible CPE monies paid by the CMF. The Commission finds that the requested 4% decrease is appropriate for this service and that the addition of advertising and infomercial revenues will increase the total gross revenues on which the CBC will calculate its CPE contribution.

208. In light of the above, the Commission accepts the CBC's proposal. A **condition of licence** to this effect is set out in Appendix 7 to this decision.

209. As indicated above, Documentary is owned by the Canadian Documentary Association Channel Limited Partnership, the ownership of which is currently under review by the Commission in a separate process.

RADIO

Introduction

210. The CBC provides four radio services that are delivered using over-the-air transmitters. The English-language Radio One and the French-language Première Chaîne provide primarily spoken word programming, while the English-language Radio 2 and French-language Espace Musique focus on music. The interventions demonstrate that a significant number of Canadians consider that the CBC's radio networks play a valuable role in contributing to a shared national consciousness and identity. Their programming provides an alternative both in style and substance to that available from commercial radio stations. As such, they increase the diversity of radio programming available to Canadian listeners.
211. The primary issue for radio in this hearing was the CBC's plan to introduce paid national advertising on Espace Musique and Radio 2. The Commission received more than 900 interventions on this matter.
212. The Commission also explored the introduction of conditions of licence related to a minimum level of Canadian musical selections for concert music and jazz and blues on all four networks, French-language vocal music (FVM), the submission of annual reports on the implementation of conditions of licence for French-language radio and plans for youth programming on Première Chaîne. Interveners raised few concerns on these matters. Only ADISQ intervened to make suggestions regarding requirements relating to Canadian content and FVM levels on the French-language radio services.
213. As well, the Commission explored the reduction in local programming levels on the French-language Première Chaîne radio station CBEF Windsor.

Advertising on Espace Musique and Radio 2

214. Currently the four CBC radio networks may broadcast advertising during programs that are available only on a sponsored basis⁹ or advertising required to fulfill Parliament's requirements concerning elections.
215. The CBC has been operating under this condition of licence since 1975, when advertising was removed from the CBC's radio services following a licence renewal hearing. At the last licence renewal hearing in 1999, the CBC proposed to introduce sponsorship messages on radio, but the Commission denied the proposal because it was concerned, among other things, that the naming of sponsors could add a commercial tone to the public radio sound and place in jeopardy the profound attachment of its listeners.

⁹ For example, for many years, the broadcasts of the Metropolitan Opera were sponsored by Texaco.

216. As part of the current licence renewal applications, the CBC proposed to introduce paid national advertising on Espace Musique and Radio 2. For the purposes of its proposal, the CBC defined paid national advertising as advertising material that is purchased by a company or organization that has a national interest in reaching the Canadian consumer. In its application, the CBC initially estimated that its Espace Musique and Radio 2 services would generate total national advertising revenues of approximately \$16 million in the first year of the licence term, increasing to \$24.3 million in year 3, assuming no limits on the amount of advertising broadcast.
217. The CBC subsequently amended its proposal so that paid national advertising would be added gradually over four years. Advertising would be limited to five minutes per hour in the first year, seven minutes per hour in the second year and nine minutes per hour in the third year. In the fourth and subsequent years, there would be no limits on the number of minutes of advertising that could be broadcast. The CBC indicated that it planned to introduce advertising in a manner that would not be disruptive to the overall sound of the services.
218. The CBC was of the view that introducing paid national advertising would serve to offset revenue losses resulting from decreases in its parliamentary appropriations. The CBC indicated that it had no intention of shutting down Radio 2 and Espace Musique if the proposal to introduce advertising were denied. However, it would be forced to consider cutbacks to the networks' more expensive programming elements, such as the recording of live performances and the use of experts in the programming of various music genres.

Positions of interveners

219. More than 900 interveners, including individuals and commercial and community broadcasters, commented on this issue and most opposed advertising on Radio 2 and Espace Musique. Their concerns included the following:
- National advertising would dilute the distinctive contribution that the CBC services make to the Canadian broadcasting system.
 - CBC programmers and producers would begin to alter their programming to make the networks more attractive to the mass radio audiences that are currently served by commercial stations to increase listenership to Radio 2 and Espace Musique. This strategy would maximize the advertising revenues for the services. JAZZ.FM91 submitted that there was nothing in place that would prevent Radio 2 from altering its format to a more commercial style.
 - Advertising would drive current listeners away.
 - Advertising on Radio 2 and Espace Musique would disrupt the balance between public and commercial broadcasting.
 - The addition of the CBC as a competitor for national advertising dollars would have a negative effect on the revenues of commercial broadcasters and some community broadcasters, especially those in smaller markets.

220. Many individual listeners opposed the introduction of advertising, submitting that the lack of advertising on Espace Musique and Radio 2 was a major reason why they listened to the services.
221. The Canadian Association of Broadcasters expressed concern that the CBC's proposed definition of national advertising was too broad and could permit the broadcast of regional and local advertising in some cases, which would result in an undue financial impact on commercial radio stations.
222. On the other hand, some parties expressed reluctant approval of adding advertising due to reductions to the CBC's funding, but only if necessary to maintain the high standard of programming on Espace Musique and Radio 2. The Canadian Independent Music Association stated that it "reluctantly" supported the proposal, while also stating that it considered that the CBC should be sufficiently supported by the tax base so that advertising would not be necessary. ADISQ submitted that if the Commission approved the introduction of advertising, it must be accompanied by measures to preserve the nature of Espace Musique and Radio 2.
223. Several individuals shared this view, considering that limited advertising would help the CBC maintain the high quality of these services.

CBC's reply

224. In response to concerns related to programming, the CBC submitted that it did not intend to reorient the programming of Radio 2 and Espace Musique. It was of the view that programming changes would be counterproductive because the CBC's distinctive programming would be attractive to advertisers.
225. The CBC indicated that it had agreed to conditions of licence regarding the broadcast of selections by emerging artists on Radio 2 and a minimum number of different musical selections each week (the playlist size) for Espace Musique to ensure that their programming remains different from other types of radio stations. Specifically, the CBC stated that it would accept a condition of licence for Espace Musique that would require the broadcast of at least 3,000 distinct musical selections per month. For Radio 2, the CBC stated that it would accept a condition of licence requiring that at least 40% of Canadian category 2 (Popular Music) music selections each broadcast week be from Canadian emerging artists.
226. The CBC further argued that the introduction of limited advertising would not disrupt the balance in the broadcasting system. It noted that when the public broadcaster first launched in the 1930s, its share of radio revenues was very high. Its share of radio revenues dropped dramatically over the years with the growth of private radio, especially after CBC Radio stopped broadcasting advertising in 1975 and subsequently relied completely on parliamentary appropriations for its funding. In 2011, CBC revenues accounted for only 17.3% of total revenues of all radio services combined and all CBC revenues were from parliamentary appropriations. The CBC concluded that with the roll-out of additional reductions in parliamentary

appropriations resulting from the 2012 budget, the balance between public and private broadcasting would continue to shift in favour of Canada's private radio broadcasters, even with the proposed introduction of advertising on Espace Musique and Radio 2.

227. With respect to potential financial harm on other types of stations, the CBC argued that the amount of national advertising that it would sell would be less than the historical growth rates for national radio advertising. Therefore, the amount of revenues flowing to other stations would not be diminished. The CBC further noted that new financial opportunities were available to campus and community stations through the Community Radio Fund of Canada.

Commission's analysis and decisions

228. Espace Musique and Radio 2 fulfill the CBC's mandate to provide a "wide range of programming that informs, enlightens and entertains" by playing a wide range of music, including classical, jazz, world music and a variety of styles of popular music. The two networks use far larger playlists than commercial stations, as documented by the Commission's own research.¹⁰ They also feature music by artists, including emerging artists, whose music is seldom heard on commercial radio, as well as selections by more popular artists that other stations do not play. By condition of licence, at least half of the popular musical selections that the two networks play are Canadian, thereby fulfilling the CBC's mandate under section 3(1)(m)(i) of the Act to be "predominantly and distinctly Canadian" and section 3(1)(m)(iii) to "actively contribute to the flow and exchange of cultural expression." Espace Musique devotes at least 85% of the vocal musical selections it plays to French-language selections. The music it plays not only originates from recordings, but also concerts that the CBC produces and that are sometimes presented live. During this proceeding the CBC made it clear that the additional revenue from advertising was necessary to maintain high-quality programming on Radio 2 and Espace Musique.

229. However, as noted above, the CBC's proposal to introduce advertising on Espace Musique and Radio 2 met with considerable opposition from listeners and broadcasting industry representatives who intervened in this proceeding.

230. As far as the potential financial impact is concerned, the Commission is of the view that the following factors would serve to limit the effects of approval on the advertising market and on other stations:

- Unlike Radio One and Première Chaîne, Espace Musique and Radio 2 are niche services that target different audiences from those of most other radio stations, which restricts their overall commercial potential in terms of both tuning and revenues.

¹⁰ <http://www.crtc.gc.ca/eng/publications/reports/rp110331a.htm>

- The CBC would only solicit national advertising, which accounts for only about 25% to 30% of total radio revenues nationally. The CBC would not solicit local advertising, which at 70% of total commercial radio revenues represents the largest source of revenues for Canada's radio broadcasters.
- Given that Espace Musique and Radio 2 fill narrow programming niches, their advertising revenues are expected to represent but a small proportion of overall revenues both nationally and within the targeted markets. Furthermore, additional growth in both local and national advertising revenues for all stations would further offset the potential impact.
- The intense local focus and reliance of community and campus stations on revenues from sources other than national advertising (e.g. local advertising, grants and subsidies from sources such as the Community Radio Fund of Canada, student levies and listener donations) would offset any impact of national advertising on Espace Musique and Radio 2 on such stations.

231. There is no doubt that the CBC is facing significant financial pressures. It must therefore find ways to offset funding reductions in parliamentary appropriations through increases in advertising revenues, expenditure reductions and gains in efficiency.

232. During the hearing, the Commission discussed additional ways in which the CBC could grow its revenues, but given that the CBC already sells advertising on its other platforms and that sources of revenue are limited, the Commission has come to the conclusion that the only alternative to advertising would be to reduce the quality of service provided by Espace Musique and Radio 2. The Commission is concerned that a complete denial of the CBC's proposal would mean a reduction in the quality of programming and could jeopardize the long-term sustainability of these networks.

233. The Commission notes that according to the public record, many of the current listeners to the services stated that they would reduce or eliminate their listening to Espace Musique and Radio 2 in reaction to the proposed levels of advertising. Based on statements at the hearing, it would appear that 40% of Espace Musique listeners do not listen to commercial radio, a fact which underlines the attachment of its listeners to this unique service.

234. The Commission is also concerned that the presence of nine minutes or more of national advertising on Espace Musique and Radio 2 during many clock hours would dilute these services' contribution to the fulfillment of the CBC's mandate set out in sections 3(1)(l) and (m) of the Act. The range of music offered by these networks may be narrowed, fewer Canadian musical selections would be broadcast and less time would be devoted to the expert commentaries of on-air hosts. Unlimited advertising could also narrow the clear distinction that exists between commercial radio and the two CBC networks, which now carry no advertising at all.

235. The Commission recognizes the significant concerns raised by parties regarding this difficult issue. On the one hand, the CBC has argued that Espace Musique and

Radio 2 require the additional revenues that national advertising would bring to preserve the distinct nature and high quality of their programming. On the other hand, the Commission has heard the concerns of listeners regarding the overall impact of permitting advertising on the services as proposed by the CBC.

236. After carefully weighing all of the considerations set out above, the Commission has determined that the introduction of a limited amount of national advertising will assist the CBC in maintaining the distinct nature and high quality of the programming on Espace Musique and Radio 2. The Commission fully acknowledges the concerns expressed by many Canadians concerning the potential impact of advertising. Nonetheless, it is of the view that the services can continue to fulfill their respective mandates and objectives while broadcasting a limited amount of national advertising. The Commission is also confident that advertising can be introduced in such a manner as to minimize disruptions to the programming and maintain the services' distinct nature.

237. In light of the above, the Commission considers that it is appropriate to impose **conditions of licence** on Espace Musique and Radio 2 that:

- permit the broadcast of a maximum of four minutes of national paid advertising, as currently defined by the Commission, in any clock hour; and
- limit the number of times that programming can be interrupted for advertising to no more than twice per clock hour.

238. The Commission considers revenues from paid national advertising to be revenues for national advertising, net of any advertising agency commissions and trade discounts. National advertising sales are generally commissionable to the station's national representative. The Commission further notes the CBC's commitment to only solicit and accept national advertising from companies or organizations that have a national interest in reaching the Canadian consumer.

239. As mentioned earlier, the Commission's research demonstrates that a key measurable characteristic that distinguishes the programming of Espace Musique and Radio 2 is that they broadcast a far greater number of distinct musical selections than commercial stations. This practice helps ensure that these services contribute to the diversity of programming available to Canadians. The Commission therefore considers it appropriate to impose **conditions of licence** that require Espace Musique to broadcast a minimum of 3,000 and Radio 2 to broadcast a minimum of 2,800 distinct musical selections during each broadcast month.

240. The Commission is of the view that these conditions, combined with other programming conditions of licence already in place, will serve to mitigate the negative effects of advertising on listeners and its impact on programming. These conditions will also ensure that Espace Musique and Radio 2 continue to fulfill the mandate for the CBC set out in the Act. The Commission is further of the view that a condition of licence requiring a minimum number of distinct musical selections will

be more effective in ensuring that Radio 2 is different in style and substance from commercial radio than its proposed commitment to emerging artists. The Commission is confident that this **condition of licence** regarding the size of the playlist will enable Radio 2 to ensure that the music of emerging artists continues to hold a prominent place in Radio 2's popular music programming.

241. The Commission realizes however that the introduction of advertising will mark a significant change, the effects of which are difficult to anticipate. Accordingly, by **condition of licence**, the Commission is approving the broadcast of paid national advertising for a period of three years only. This authorization will expire on 31 August 2016.
242. If the CBC wishes to continue to broadcast advertising after that period, it will have to apply to the Commission. At that time, the Commission will expect the CBC to provide evidence that advertising has not had an undue negative effect on the advertising markets, that advertising has not been unduly disruptive to listeners, that the CBC's level of investment in radio has been maintained and that the variety and diversity of the service that Espace Musique and Radio 2 provide has not been diminished. This will provide the Commission, the CBC and Canadians with an opportunity to evaluate the impact of advertising on the programming of Espace Musique and Radio 2 and on the Canadian broadcasting system.

Levels of Canadian music

243. The four CBC radio networks currently have conditions of licence requiring that they devote a minimum of 50% of musical selections in content category 2 (Popular music) and 20% of category 3 (Special Interest Music) to Canadian selections.
244. During this proceeding, the Commission explored with the CBC the possibility of introducing additional requirements that at least 25% of musical selections from content subcategory 31 (Concert music) and at least 20% of musical selections from content subcategory 34 (Jazz and blues) must be Canadian selections, in line with the requirements for commercial radio stations. The CBC agreed that these additional requirements would be appropriate, provided that the Commission approved the CBC's proposal to introduce advertising on Espace Musique and Radio 2.

Positions of interveners

245. ADISQ and the UDA/AQTIS/ARRQ/SARTEQ supported the addition of Canadian music requirements for subcategory 31 and 34. In addition, the UDA/AQTIS/ARRQ/SARTEQ submitted that the CBC should be subject to a Canadian content requirement for subcategory 33 (World beat and international). ADISQ further argued that the CBC's requirement for category 3 music should be higher than 20% since it currently exceeds this level.

Commission's analysis and decisions

246. Commercial radio stations are required by the *Radio Regulations, 1986* (the Radio Regulations) to meet minimum requirements for concert music and jazz and blues. The Commission is of the view that the extension of these requirements to the four CBC radio networks is consistent with the CBC's mandate to broadcast programming that is predominantly and distinctly Canadian. It further considers that there is sufficient Canadian music in these categories for the CBC to adopt the requirements that apply to commercial radio. The Commission does not consider that it is necessary to introduce a Canadian content requirement for world beat and international music at this time.
247. With respect to ADISQ's suggestion that the overall Canadian content requirement for category 3 music be increased, the Commission notes that the condition of licence sets a minimum level. It encourages the CBC to continue to exceed this minimum level.
248. The Commission has concluded that the proposed levels of Canadian concert and jazz music are appropriate regardless of whether the broadcast of paid national advertising is approved on Espace Musique and Radio 2. Accordingly, the Commission has imposed **conditions of licence** on the four CBC radio networks, as set out in Appendix 4, requiring that they devote at least 25% of musical selections from content subcategory 31 and a least 20% of musical selections from content subcategory 34 aired during each broadcast week to Canadian selections.

French-language vocal music

249. The French-language radio networks are currently subject to an expectation that they devote at least 85% of their vocal music selections during each broadcast month to FVM. No more than 5% of vocal music selections may be in English and all such selections must be Canadian.
250. For the new licence term, the CBC proposed a condition of licence under which it would continue to devote at least 85% of its category 2 vocal music selections to FVM. The remaining 15% of vocal music selections would be English-language selections, half of which would be Canadian.

Interventions

251. ADISQ objected to the CBC's proposal, submitting that the CBC should devote at least 92.5% of category 2 selections to FVM.
252. ADISQ further proposed that the Commission prohibit the broadcast of non-Canadian English-language hits on Première Chaîne and Espace Musique. In addition, ADISQ asked the Commission to restrict the broadcast of any non-Canadian English-language vocal music to periods outside prime time (7 a.m. to 9 a.m. and 4 p.m. to 6 p.m., Monday to Friday).

Commission's analysis and decisions

253. The Commission considers that the current expectation that all English-language vocal music be Canadian is too restrictive. The Commission also agrees with the CBC's view that the ADISQ proposal to restrict the broadcast of non-Canadian English-language music to certain time periods would be difficult to administer and enforce.
254. Moreover, the Commission notes that Première Chaîne and Espace Musique broadcast a much higher percentage of category 2 FVM (85%) than is required of French-language campus, community or commercial radio stations. It further considers that measuring compliance on a weekly rather than a monthly basis will ensure that the CBC consistently meets its FVM requirement.
255. The Commission is further of the view that the CBC should have some flexibility to broadcast musical selections in Aboriginal languages.
256. In light of the foregoing, the Commission is imposing a **condition of licence**, set out in Appendix 4, requiring that in each broadcast week:
- at least 85% of musical selections from content category 2 be devoted to FVM; and
 - at least 50% of the musical selections from content category 2 broadcast in languages other than French be Canadian.

Local programming on CBEF Windsor

257. CBEF Windsor is part of the CBC's French-language radio network Première Chaîne.
258. In reaction to reductions in parliamentary appropriations in 2009, the CBC significantly reduced CBEF's local programming. Many listeners complained to the Commission. These complaints were in addition to those from SOS CBEF, a coalition of people from the Windsor area established to contest reductions in CBEF's local programming. The Commission informed the complainants that it would address issues related to CBEF's local programming as part of the CBC's licence renewal.
259. In 2010, the Office of the Commissioner of Official Languages filed an action with the Federal Court alleging that the CBC contravened its obligations under the *Official Languages Act*, by failing to hold consultations with the Southwestern Ontario OLMC and by failing to conduct an impact analysis prior to its decision to significantly reduce local programming. The CBC requested that the Court reject the action on a preliminary basis, arguing that its programming services are subject only to the Act, over which the Commission exercises an exclusive jurisdiction. As well, the CBC argued that the Commission is best suited to make decisions on the

negative impact of the reductions in parliamentary appropriations on the local and regional programming of CBEF.

260. In June 2012, the Federal Court issued an interim decision denying the model of exclusive jurisdiction proposed by the CBC and ruled in favour of the concurrent jurisdiction of both the Federal Court and the Commission. The Court, however, stated that the Commission was better placed to decide the issues at hand because of the imminent CBC renewal proceeding. The Court suspended the file pending the completion of the CBC licence renewal proceeding.
261. In its licence renewal application, the CBC proposed to provide five hours of local programming each broadcast week on CBEF. However, at the public hearing, the CBC indicated that it would accept a condition of licence requiring it to provide 10 hours of local programming per broadcast week.

Positions of complainants and interveners

262. Complainants and interveners underlined the unique situation of Windsor, noting that CBEF is the only French-language radio station serving the city. At the hearing, SOS CBEF noted that CBEF had been in operation for 42 years and was important to the Windsor community. It was concerned that all of the cuts made by the CBC in Ontario were at the expense of CBEF. SOS CBEF also noted Windsor's proximity to the U.S. and stated, [TRANSLATION] "We are bombarded by American media. Therefore, just keeping a Canadian culture is difficult, and keeping a Francophone culture in our region is even more difficult."
263. SOS CBEF submitted that Windsor had one of the highest assimilation rates of Francophones among French OLMCs in Canada. It was of the view that CBEF should be required to broadcast 36.5 hours of local programming per broadcast week. The AFO was of the view that 36.5 hours could be difficult to achieve given the CBC's financial situation, but that parties could work toward an increased commitment over time.
264. For his part, the Commissioner of Official Languages, Graham Fraser, noted that according to an inquiry launched by his office, the CBC's decision to reduce local programming in Windsor had a negative impact on the region's already fragile Francophone community since the local programming offered by the station no longer met the needs of that community. Mr. Fraser also argued that the manner in which the CBC had reduced local programming in Windsor was contrary to the principles set out in the Act, which provide that CBC programming must be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities.

Commission's analysis and decisions

265. Section 3(1)(m)(iv) of the Act states that the programming provided by the CBC shall "be in English and in French, reflecting the different needs and circumstances

of each official language community, including the particular needs and circumstances of English and French linguistic minorities.”

266. The Commission has examined the level of local programming that the CBC proposed for stations that operate as part of the Première Chaîne network. Under the CBC’s proposal, no station operating in an OLMC other than CBEF Windsor provides less than 15 hours of local programming each broadcast week. The Commission therefore considers that ten hours of local programming is not sufficient to properly serve the OLMC community in Southwestern Ontario.
267. After examining the record of the proceeding, including the comments of interveners and the CBC, as well as the levels of local programming that the CBC is providing in other French OLMCs, the Commission is of the view that it is appropriate to require by condition of licence that CBEF Windsor provide a minimum of 15 hours of local programming per week. A **condition of licence** to this effect is set out in Appendix 4 to this decision.

Youth programming on Première Chaîne

268. The CBC made no commitment concerning the broadcast of programming for youth on Première Chaîne.

Positions of interveners

269. The Confédération des syndicats nationaux and the Regroupement des conseils centraux de la CSN submitted that the CBC should produce youth programming at the national level and invest in regional production. Senator Maria Chaput stated that if young people heard music that they identify with on the radio, they would listen to the radio more often.

CBC’s reply

270. The CBC stated that the listenership to its children’s and youth programs “275 Allô” and “Ado-radio” and the interest they generated had declined substantially over the years. The CBC nevertheless acknowledged that it had a mandate to be attuned to young people and to ensure that they are not excluded from its programming.
271. In response to an undertaking at the hearing, the CBC outlined its programming strategy to attract young listeners to its various platforms. The CBC explained that Première Chaîne is a general interest radio service and that it is therefore essential not to see young people as a separate audience. The CBC included statistics on listenership by youth aged 12 to 17. The CBC also listed programs that are of more interest to young listeners that it broadcasts on weekends, over the Christmas period and on holidays, as well as a number of other shows that bridge the generation gap.

Commission's analysis and decisions

272. Section 3(1)(i)(i) of the Act states that the programming provided by the Canadian broadcasting system should be “varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and talents.” However, this is only one of the objectives set out in section 3 that the Commission must consider when making its decisions.

273. Even though Première Chaîne no longer offers programming directed specifically to children and youth, the Commission notes that it offers programs that are of general interest, including to listeners under the age of 18.

274. In light of the foregoing, the Commission sets no expectations regarding youth programming on Première Chaîne for the next licence term.

Availability of radio service

Long-range radio plan

275. The CBC's long-range radio plan (LRRP) was developed by the Commission in collaboration with the CBC to identify those FM frequencies that would likely be required to deliver the CBC's radio services to the maximum number of Canadians. The CBC is currently not subject to any conditions or expectations concerning its LRRP.

276. The CBC noted that Première Chaîne and Radio One were currently available to about 99% of the Canadian population. The CBC stated that it plans to maintain its current radio service but has no plans to grow the coverage area. It described the LRRP as a planning vehicle and indicated that it would no longer use it.

277. Given reductions in public funding to the CBC and given that Première Chaîne and Radio One are currently available to the vast majority of Canadians, the Commission considers that the CBC's plan to maintain current coverage and discontinue the LRRP is reasonable. Accordingly, the Commission accepts the CBC's proposal to discontinue the LRRP.

Availability of Espace Musique

278. In Broadcasting Decision 2000-2, the Commission set out an expectation that La chaîne culturelle (now Espace Musique) extend its service coverage by the end of its licence term to:

- at least 50% of the French-speaking population of each province;
- at least 75% of the French-speaking population of New Brunswick and Ontario; and
- all provincial capitals.

279. Since 2000, the CBC has met the above expectation, except in Saskatchewan, Ontario and Newfoundland and Labrador where coverage reaches 45%, 66% and 32% of the Francophone population respectively, based on 2006 Census data. The Commission asked the CBC whether it would be realistic and achievable for the Commission to impose new expectations concerning the extension of Espace Musique coverage in Ontario, Saskatchewan and Newfoundland and Labrador.

280. The CBC responded that it did not intend to continue its coverage extension plan for Espace Musique and pointed out that despite substantial financial constraints, it had extended its radio services considerably during the licence term. It further explained that financial resources which had been allocated to the extension of Espace Musique were now used to maintain or enhance the quality of existing services, such as the recent addition of a nested FM rebroadcasting transmitter¹¹ for CBEF Windsor, part of Première Chaîne.

281. The Commission did not receive any interventions on this matter.

Commission's analysis and decisions

282. The Commission agrees that funds for further extension of Espace Musique could be devoted to other priorities, such as the expansion of local programming on CBEF, as addressed earlier in this decision. The Commission does not consider it appropriate to impose new expectations for the future expansion of Espace Musique's coverage.

Conversion of transmitters in Quebec to rebroadcasters of Première Chaîne

283. In Decision 2000-2, the Commission set out an expectation and a specific timetable for the CBC to replace Première Chaîne affiliates located in Ville-Marie, Témiscamingue (transmitter for the Ville-Marie affiliate), La Tuque and Rouyn-Noranda, Quebec. Although the CBC did not complete the replacement of affiliated stations by the prescribed deadline, the Commission notes that the conversion did take place in 2004 and that the replacement of the Première Chaîne affiliates has been completed.

AM to FM conversions

284. The Commission questioned the CBC regarding whether it was pursuing a corporate strategy to convert its AM stations to the FM band given that Canadians had suggested in past proceedings that such conversions could result in service loss, particularly in rural and remote areas.

285. The CBC stated that it did not have a strategy to convert all of its AM stations to the FM band, but that it generally applied to the Commission for AM to FM conversion when attempting to improve coverage or when an AM service could not be

¹¹ A nested rebroadcasting transmitter is a transmitter located within the coverage contours of the original station to supplement coverage to an area experiencing reduced signal strength.

continued due to economic obstacles, such as the expiry of a land lease or significant costs to maintain and continue to operate an AM transmitter.

286. The Commission encourages the CBC to strive to ensure that Canadians do not lose service when AM to FM conversions are contemplated.

NATIONAL PUBLIC ALERTING

287. Section 3(1)(d)(i) of the Act states that “the Canadian broadcasting system should serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada.” In Broadcasting Order 2009-340, the Commission approved a proposal by Pelmorex Communications Inc. (Pelmorex) to act as the national aggregator and distributor of emergency alert messages. Pelmorex launched its National Alert Aggregation and Dissemination (NAAD) System in June 2010.

288. In Broadcasting Decision 2011-438, the Commission took steps to ensure that federal, provincial and territorial authorities are authorized to issue emergency alert messages through Pelmorex’s system¹² and to ensure that the system responds to the needs of broadcasters and BDUs. It also indicated that holding a broadcasting licence is a privilege, and that broadcasters and BDUs have, as part of the operation of their undertakings, a duty to inform the public of imminent perils. Accordingly, the Commission reiterated an expectation that all radio and television broadcasters, and BDUs voluntarily participate in the system.

The CBC’s proposal

289. The CBC indicated that it intends to make an estimated investment of \$1.35 million to ensure the provision of emergency alerts to 99% of Canadians through its Radio One, Radio 2, Première Chaîne and Espace Musique radio networks by fall 2014. The CBC indicated that its proposal would complement the distribution of alerts to television viewers by BDUs. It further stated that it is planning to distribute alerts at the programming stream level rather than by individual transmitter. Accordingly, any given alert will be broadcast on all transmitters of the stations that serve the area targeted by the alerting authority. The CBC further indicated that a more localized system that could selectively target individual transmitters would cost \$8.25 million, and that it could not agree to implement such a system. The CBC stated that it would consider implementing an alerting solution for over-the-air television in the future.

290. In light of the above, the CBC proposed the following condition of licence relating to alerting:

The licensee shall implement a public alerting system on all CBC radio stations in order to provide alerts to the public via the relevant CBC originating stations and

¹² By July 2012, all provincial and territorial alerting authorities, as well as Environment Canada, were authorized to issue alerts through Pelmorex’s system.

associated repeaters. The public alerting system shall be implemented no later than 31 December 2014.

Positions of interveners

291. Shaw submitted that the CBC should also distribute alerts on its television platform in order to ensure that all possible means are used to communicate timely warnings to Canadians.

Commission's analysis and decisions

292. The Commission notes that the CBC's radio programming is available over-the-air to 99% of Canadians and therefore considers that the CBC has a key role to play in the delivery of emergency alerts to the public. The Commission considers that the CBC's proposal will ensure that Canadians receive timely warnings of imminent perils and that its proposal is consistent with the Commission's expectation that all radio broadcasters participate in the National Public Alerting System (NPAS).

293. In regard to the design of the CBC's radio alerting system, the Commission raised concerns that alerts will be distributed too broadly, and more specifically, to Canadians that are not the intended audience of an alert message and therefore not in danger. The CBC responded that the use of approximately 150 distinct radio broadcast streams, combined with the geographic description in the alert message itself, will ensure that the alert message is received by those Canadians to whom it is intended and that no confusion will be created. To ensure public trust in the NPAS, the Commission encourages the CBC to review the design of its system in consultation with alerting authorities to minimize over-alerting.

294. In the Commission's view, the CBC should only be required to distribute urgent and credible alerts to the public. In this regard, the Commission notes that Pelmorex's NAAD System only distributes alerts that it receives from authorized authorities, and that the NAAD System alert feed also identifies those alerts designated for immediate broadcast intrusion. Accordingly, the Commission considers that the CBC should only be required to distribute alerts that are disseminated by the NAAD System for immediate broadcast.

295. The Commission also notes that alert messages may be issued in either official language, or in both official languages, and that these messages may or may not contain audio content that is required for distribution to the public. Based on the record of this proceeding, the Commission considers that it would be inappropriate to require the CBC to broadcast an alert that was issued in a language different from that of the station on which it would be broadcast. However, the Commission encourages the CBC to distribute alerts in both official languages and to implement text-to-speech functionality to ensure that alerts are always broadcast in audio format.

296. In light of the above, the Commission accepts the CBC's proposed radio alerting system, and imposes on the CBC the following **condition of licence**, which incorporates certain amendments to that proposed by the CBC:

The licensee shall, by no later than **31 December 2014**, implement a public alerting system on all of the licensee's radio stations, which will immediately broadcast any emergency alert received from the National Alert Aggregation and Dissemination System on all of the licensee's originating stations and associated repeaters that serve the area targeted by the alert, provided that the alert is designated for immediate broadcast by the issuing authority, is received in the language of the originating station, and contains audio content.

297. The Commission also encourages the CBC to implement an alerting solution for its 27 over-the-air television transmitters to ensure that all Canadians receive timely warnings of imminent perils during the new licence term.

DIGITAL MEDIA

Expenditures

298. The CBC stated that digital media is one of the three pillars of its Strategy 2015, and that digital media platforms help it reach audiences wherever these audiences are located. It indicated that it will be doubling its investment in digital media to 5% of revenues by 2015 and noted that digital media complement traditional broadcasting. The CBC acknowledged that the money for digital platforms and traditional media all come from the same budget, but stated that it had gained new efficiencies in its evolution to an integrated multi-platform broadcaster.

Positions of interveners

299. In general, parties agreed that the CBC should be innovative and broadcast on digital media platforms. However, Cogeco, Corus Entertainment Inc., CKUA Radio Network, SOS CBEF and Stingray Digital Group Inc. (Stingray) expressed the concern that the CBC's spending on digital media was at the expense of traditional broadcasting services.

300. Other parties, including ACTRA, the CPSC/SCFP and the Syndicat des techniciens et artisans du réseau français de Radio-Canada expressed the view that more information regarding the CBC's digital media strategy and spending was needed before they could evaluate and comment on the CBC's activities.

301. PIAC/OpenMedia.ca considered that the CBC's plan to spend 5% of its budget on digital media was reasonable.

Commission's analysis and decisions

302. The Government of Canada, in its 2010 public consultation paper on the digital economy entitled *Improving Canada's Digital Advantage*, stated that it expected the

CBC to maximize its presence on all digital platforms and play a leadership role in access for Canadians to leading edge digital content.

303. The Commission notes that the CBC's digital media broadcasting undertakings (DMBUs) are exempt from licensing requirements as per Broadcasting Order 2012-409 and that it does not impose any conditions relating to expenditures on such undertakings. The CBC's DMBUs are generally extensions of its licensed broadcasting undertakings and the content on these sites is available free of charge to anyone in Canada with a broadband or mobile data subscription. These sites do not charge Canadians fees to access content that was financed through parliamentary appropriations.

Reporting on digital media

304. The CBC noted that it prepares quarterly and annual reports that are published on its website. Although some data is kept confidential, these reports allow Canadians to monitor its spending. The CBC did not submit a proposal regarding digital media reporting.

Positions of interveners

305. Various parties including guilds (ACTRA, the Directors Guild and the Writers Guild), unions (CPSC/CSFP and Le Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada) and broadcasters (CKUA, Corus and Stingray) submitted that the CBC should provide more information to the public on its digital activities. They argued that they needed more information to monitor the CBC's expenditures on and migration to digital platforms. ACTRA also stated that a balance must be struck between the need to keep some information confidential for competitive reasons and keeping Canadians informed.

Commission's analysis and decision

306. The CBC does not set out its digital media finances as distinct line items in its public annual reporting. Instead, digital media expenses are aggregated with television and radio expenses (broken down by English- and French-language services). Digital media revenues are included in advertising revenues, which are broken down by English- and French-language services. The Commission notes that this method of reporting is similar to that used by private broadcasters in their annual reports. Some of the CBC's annual reporting requirements are laid out in section 71 of the Act and do not require detailed reporting of activities in digital media.

307. Since the 2009-2010 broadcast year, the Commission has been collecting information on digital media revenues and expenditures from licensees affiliated with DMBUs, including both the CBC and private broadcasters.

308. In Broadcasting Regulatory Policy 2010-582, the Commission noted that detailed public reporting on individual DMBUs' initiatives may cause undue harm as the business models were still evolving. The Commission determined that it would

publicly report information collected from DMBUs on an industry-wide aggregated level.

309. In light of the above, the Commission does not consider it appropriate to impose specific requirements for reporting on digital media at this time.

Accessibility of digital media

310. The CBC stated that it is currently applying the *Web Content Accessibility Guidelines* (WCAG) in developing closed-captioning on digital platforms. It noted that when content is not closed captioned, it is generally because of technological issues. The CBC stated that it intends to increase the amount of closed-captioned programming on digital media

Positions of interveners

311. Media Access Canada noted that the CBC is a leader in providing closed captioning for its online English-language programming, but also acknowledged the technological issues cited by the public broadcaster. It added that most Canadian broadcasters, excluding the CBC, do not provide closed captioning for programming on their websites, and stated that something must be done to ensure accessibility on BDUs' and broadcasters' online platforms. Although interveners focussed primarily on the CBC's English-language services, they noted that captions were not available on the French-language service Tou.TV.

Commission's analysis and decisions

312. Currently, there are no regulatory requirements relating to accessibility for programming broadcast in digital media. Rather, as set out in Broadcasting and Telecom Regulatory Policy 2009-430, the Commission currently encourages broadcasters to pass through closed captioning and described video when programming is broadcast in digital media. The Commission further notes that all DMBUs are exempt from licensing, which precludes the imposition of a condition of licence. For a condition of licence concerning accessibility to be imposed, it would be necessary to initiate a new public process to examine accessibility in digital media.

313. The Commission notes that, while the CBC provides some closed captioning for digital media, the levels are not the same for English- and French-language services.

314. In light of the above, the Commission encourages the CBC to provide the same levels of accessibility on both its English- and French-language DMBUs.

OTHER ISSUES

Advertising to children

315. The CBC agreed to maintain the current conditions of licence relating to advertising to children but failed to provide a reference to its internal policy on commercial messages broadcast between children's programs. The CBC proposed to adhere to the following conditions of licence:

The licensee shall not distribute commercial messages during any program that has as its main target audience children under the age of 12.

The licensee shall adhere to the standards set out in *Revised Broadcast Code for Advertising to Children*, Public Notice CRTC 1993-99, 30 June 1993, as amended from time to time and approved by the Commission.

316. The Commission considers that the record clearly reflects the CBC's willingness to maintain its current condition of licence relating to advertising to children and that the lack of reference to its internal policy was an oversight. This condition, which is set out in Appendices 3, 5 and 8, provides that the CBC:

(a) shall adhere to the standards for children's advertising set out in the Corporation's *Policy 1.3.8: Advertising Directed to Children Under 12 Years of Age*. As a minimum, the licensee shall adhere to the standards set out in the Canadian Association of Broadcasters' *Broadcast Code on Advertising to Children*, as amended from time to time and approved by the Commission.

(b) shall not broadcast any commercial message during any child-directed programming, nor broadcast any child-directed commercial message between programs directed to children of pre-school age. For the purpose of this condition, programs directed to children and scheduled before 12:00 noon during school-day morning hours will be deemed to be programs directed to children of pre-school age.

Closed captioning, described video, audio description, and equitable portrayal and violence in programming

317. The CBC agreed to accept the standard conditions of licence relating to closed captioning, described video, audio description, and equitable portrayal and violence in programming for the CBC's French-language television, ARTV, RDI, the CBC's English-language television, CBC News Network, and Documentary, with the exception of the condition for closed captioning as it relates to French-language television. The CBC proposed the following condition of licence for French-language television:

The licensee will ensure that all advertising, sponsorship messages and promos in the French language are captioned by the date on which the same obligation will

come into effect for the network of French-language conventional television stations owned by TVA Group Inc.

318. The Commission notes, however, that the standard conditions of licence relating to closed captioning were applied to TVA Group Inc.'s services in its recent licence renewal decision (Broadcasting Decision 2012-242). It therefore considers that it is not necessary to apply a condition of licence to the CBC's French-language television that is different from that applicable to the other services.
319. Accordingly, the Commission is applying standard conditions of licence for closed captioning, described video, audio description, and equitable portrayal and violence in programming to the CBC's French- and English-language television. These **conditions of licence** are set out in Appendix 3. They also apply to the CBC's specialty services through the standard conditions of licence for Category A services (ARTV and Documentary) and for Category C services (RDI and CBC News Network).

CORPORATE ISSUES

Terms of trade agreements

320. Terms of trade agreements relate to the establishment of terms and guidelines between broadcasters and independent producers for the negotiation of broadcast rights and rights for digital media. In Broadcasting Public Notice 2007-53 and in a number of policies and decisions issued since that notice, the Commission has stated that the establishment of terms of trade agreements would provide stability and clarity and would be in the interest of the broadcasting industry as a whole. Accordingly, the Commission noted the importance to the industry of having clear terms and guidelines to enable broadcasters and producers to enter into terms of trade agreements that cover all types of rights, including those related to emerging viewing platforms, in order to ensure the presence of quality Canadian content on those platforms.
321. A number of broadcasters have concluded terms of trade agreements with either the CMPA or the APFTQ, but the CBC has not. The CBC argued that the lack of terms of trade agreements does not constitute an impediment to its ability to do business with independent producers. It added that the terms of trade agreement between the CMPA and private broadcasters includes a Most Favoured Nation (MFN) clause, which has been a contentious issue in negotiations for a terms of trade agreement between the CBC and the CMPA. As for the APFTQ, the CBC indicated that negotiations are on-going and that it expects to arrive at an agreement soon.
322. The CBC submitted a legal opinion arguing that the Commission does not have the authority to enact a condition of licence relating to contracts or contractual relationships between a broadcasting company and Canadian independent producers.

Positions of interveners

323. The CMPA argued that the Commission should require the CBC to adhere to the terms of trade agreement that the CMPA has negotiated with private broadcasters if the CMPA and the CBC have not concluded an agreement by the time of the licence renewal decision. The CMPA submitted legal opinions arguing that the Commission has the authority to impose a terms of trade agreement on a broadcaster by condition of licence.
324. The APFTQ stated that if it is unable to conclude an agreement within the next six months, the Commission should impose one, or at least pronounce on substantive issues left to settle at the time.

Commission's analysis and decisions

325. The Commission considers that the regulation of the relationship between independent producers and broadcasters is within the scope of the Commission's mandate as regards the regulation and supervision of the broadcasting system. Independent producers are part of the broadcasting system and, therefore, are subject to the Commission's jurisdiction. The funding of their programs for delivery to the Canadian broadcasting system is embedded in various frameworks, including Federal tax credits and the CMF. The role of independent producers is to create many of the programs that are broadcast by the broadcasting undertakings and, as such, they are an integral part of the system – a fact that is recognized in section 3(1)(i)(v) of the Act, which provides that the broadcasting system should include a significant contribution from independent producers. Accordingly, the Commission has imposed numerous conditions on broadcasters that, by extension, have a direct impact on independent production. The Commission is also engaged directly with producers in a number of ways, such as through the certification of Canadian programming. The Commission considers that the conclusion of terms of trade agreements will assist the CBC in fulfilling its conditions of licence relating to the exhibition of and expenditures on Canadian programming.
326. In addition, the language in section 5(1) of the Act requires the Commission to “regulate and supervise all aspects of the Canadian broadcasting system with a view to implementing the broadcasting policy set out in subsection 3(1)” and with “regard to the regulatory policy set out in subsection (2).”
327. With respect to the CBC, section 3(1) provides as follows:
- (l) the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and **television services incorporating a wide range of programming** that informs, enlightens and entertains;
 - (m) the programming provided by the Corporation should
 - (i) be **predominantly and distinctively Canadian**,

(ii) **reflect Canada and its regions** to national and regional audiences, while serving the special needs of those regions,

(iii) **actively contribute to the flow and exchange of cultural expression,**

(viii) **reflect the multicultural and multiracial nature of Canada;**

[emphasis added]

328. Section 5(2) also has a paragraph focusing on the provision of Canadian programs to Canadians, which states:

(2) The Canadian broadcasting system should be regulated and supervised in a flexible manner that:

(e) **facilitates the provision of Canadian programs to Canadians.**

[emphasis added]

329. In the Commission's view, these provisions make clear that the Commission can determine the appropriate conditions of licence to be imposed on broadcasters generally, including the CBC. These provisions address the requirement to provide and even impose the terms on which broadcasters are required to broadcast the programs of independent Canadian producers in order to ensure their inclusion in the system and to facilitate the provision of these Canadian programs to Canadians.

330. The Commission may also impose conditions of licence that it deems to be consistent with the objectives of ensuring that the CBC incorporates a wide range of programming that is predominantly and distinctively Canadian, reflects Canada and its regions, actively contributes to the flow and exchange of cultural expression, and reflects the multicultural and multiracial nature of Canada.

331. The Commission recognizes that the CBC's situation is different from that of private broadcasters, particularly those that are part of vertically integrated entities, which have both broadcasting and distribution arms. This structure gives them considerably more market power, and therefore more leverage in negotiations than that of the CBC. Moreover, the CBC spent \$191 million on independent production in the 2011-2012 broadcast year, even in the absence of any conditions of licence relating to the exhibition of or expenditures on independent production. Because of its higher requirements with respect to Canadian content, the CBC relies more than any other Canadian broadcaster on the creative output of Canadian independent producers. For the next licence term, the CBC proposed conditions of licence for independent production related to PNI, children's programming, and regional and OLMC programming.

332. The Commission is of the view that it would be in the interests of the Canadian broadcasting system for the CBC to enter into terms of trade agreements with English- and French-language independent producers. The Commission recognizes

that any such agreements must reflect the CBC's unique circumstances as Canada's national public broadcaster. Due to its status as a Crown Corporation, its limited number of programming platforms and its heavy concentration on Canadian programming, the CBC's reliance on and relationships with independent producers are significantly different from those of private broadcasters.

333. With respect to the ongoing negotiations between the CBC and the CMPA, the Commission notes that the public record clearly reveals that the main hurdle preventing the parties from reaching a satisfactory agreement on terms of trade is the existence of an MFN clause that is contained in the terms of trade agreement between private broadcasters and the CMPA. This has been stated by both parties at different stages of the proceeding and by the CBC in its monthly updates on its ongoing negotiations with the CMPA.
334. The Commission notes that the CBC was not a party to the negotiations that led to a terms of trade agreement between private broadcasters and the CMPA. The Commission is concerned about the effect of the MFN clause on the ongoing negotiations between the parties, which does not appear to take into consideration the distinctiveness of the CBC in comparison to private broadcasters, as described above.
335. The Commission is imposing a **condition of licence**, set out in Appendices 3, 5, 6, 7 and 8 of this decision, requiring that the CBC have terms of trade agreements in place with the CMPA and the APFTQ as soon as possible, and in any event, no later than one year from the date of this decision. Until the terms of trade agreements are in place, the CBC must continue to file with the Commission monthly detailed progress reports on the negotiations. The Commission encourages the parties to seek mediation, either from the Commission or a third party.
336. The Commission reminds the parties involved that failure to comply with this condition of licence by the imposed deadline could result in a show cause hearing or final offer arbitration. If the CBC cannot come to an agreement because the MFN clause is being unfairly applied to it notwithstanding its distinctiveness, the CBC could seek an amendment to this condition of licence.

Ombudsmen

337. The CBC has two ombudsmen, one for its English-language services and one for its French-language services. The ombudsmen respond to viewer complaints relating to news, current affairs and public affairs content on radio, television and digital media that fall within the scope of its *Journalistic Standards and Practices*.
338. At the hearing, the Commission explored with the CBC the possibility of codifying the existence, functions and appointment process for the ombudsmen as conditions of licence in order to reflect the importance of the ombudsmen's function and to ensure transparency and certainty.

339. The CBC was generally agreeable to a condition of licence relating to the ombudsmen and assured the Commission that the ombudsmen work independently despite the fact that they report directly to the President and, through the President, to the Board of Directors. The CBC also confirmed that the annual reports of the ombudsmen are accessible to the public.

Positions of interveners

340. Intervenors, such as the CPSC/SCFP, generally supported the existence of the ombudsmen and the codification of their functions and procedures for their appointment. Several intervenors underscored that the ombudsmen must act independently to be effective. Mr. Gilles Néron preferred that the Commission itself review journalistic complaints, but considered that codification of the Office of the Ombudsman would be an improvement to the current situation.

341. Mr. Jeff Dvorkin, former Ombudsman for National Public Radio in the United States, submitted that an ombudsman should focus strictly on news reporting, journalism, and public affairs programming. Mr. Dvorkin stated that, in his experience, an ombudsman should be hired by senior management with the advice and consent of the board. He also argued that an ombudsman needs to retain a level of independence, and being responsible to a regulator would introduce a layer of governmental involvement that may be intimidating. Accordingly, Mr. Dvorkin was of the view that an ombudsman should be able to report to, but not be accountable to, a regulator.

CBC's reply

342. In its final reply, the CBC submitted conditions of licence relating to the ombudsmen.

Commission's analysis and decisions

343. The Commission finds the conditions of licence proposed by the CBC to be generally acceptable, but considers that certain changes are appropriate.

344. First, the Commission considers that the ombudsmen's reporting responsibilities to the Board of Directors should be clarified. Specifically, the Commission considers that it is appropriate for the ombudsmen to report bi-annually and concurrently to the President and to the Board of Directors, and for the Board of Directors, in a timely manner, to publicly respond to the recommendations presented by each ombudsman in his/her annual report.

345. Second, the Commission considers that the CBC's proposal should be clarified with respect to who would qualify as a public member for the nominating committee. In the Commission's view, people currently employed by the CBC or employed by the CBC within the previous three years should be excluded from nomination as public members.

346. Finally, the Commission considers that the proposal should be clarified concerning what constitutes grounds for the termination of an ombudsman's contract. Specifically, the Commission considers that the CBC's proposal should be amended to clarify that ombudsmen's contracts cannot be terminated except for reasons such as gross misconduct or in instances where the ombudsman's actions have been deemed to be inconsistent with the Corporate Code of Conduct Policy 2.2.21.
347. The Commission also considers that it is appropriate to require the CBC to provide the Commission, by 30 November each year, with a copy of the most recent public annual reports submitted by the ombudsmen to the Board of Directors.
348. The **conditions of licence** with respect to the ombudsmen, including the above amendments, are set out in Appendix 2. The conditions of licence apply to all CBC services except Documentary and ARTV (which do not broadcast news and information programming).
349. Anyone who is dissatisfied with the rulings of a CBC ombudsman on a news-related complaint or with the CBC's reply in relation to other types of complaints may approach the Commission directly, as is the case with any other Canadian broadcaster. The Commission reminds the CBC that its ombudsmen must respond to complaints in a timely manner, in accordance with the guidelines that the CBC has established.

CONSULTATIONS AND REPORTING REQUIREMENTS

Consultations with OLMCs

350. To help ensure that the needs of OLMCs are reflected in the programming of CBC French-language television, the CBC currently consults members of OLMCs in various ways. These include the CBC's Panel des Régions, a citizens committee set up by the CBC. The panel includes individuals from all regions of Canada with whom the CBC holds discussions regarding regional and OLMC reflection. As well, the CBC makes regular contact with associations representing OLMCs and holds meetings where CBC executives travel to meet citizens from OLMCs. It also undertakes special consultations when important changes are about to be made with regard to the level of service offered in certain OLMCs.
351. In addition to its current modes of consultations, the CBC made a commitment to hold consultations every two years in OLMCs in Atlantic Canada, Ontario, and Western Canada in order to ensure that the CBC's French-language television programming takes their needs into account. The consultations would take the form of public meetings where CBC regional and network management as well as the senior vice-president for French-language services would meet with the general public to report on accomplishments and gather information for planning purposes. The CBC did not consider, however, that decisions regarding programming should be subject to prior approval by OLMCs.

352. The CBC did not make a commitment to consult with English OLMCs.

Positions of interveners

353. Intervenors emphasized that consultations must be taken into account in the CBC's decision-making process. Parties such as the CLO, SOS CBEF and organizations representing OLMCs considered that the CBC should consult before making decisions, not after. They were of the view that consultations should not be limited to transfers of information but should consist of structured meetings in each region based on the priorities of OLMCs.

Commission's analysis and decisions

354. The Commission considers that it is essential for the CBC to consult representatives of OLMCs so that the programming of all of its services responds to the particular needs and circumstances of OLMCs, as set out in section 3(1)(m)(iv) of the Act. While the CBC made commitments in this regard for its French-language television, the Commission considers that consultations should be required by condition of licence for all CBC services. Accordingly, the Commission has set out **conditions of licence** in Appendix 1 that require both the French- and English-language services of the CBC to:

- hold formal consultations at least once every two years with OLMCs in each of the regions of Atlantic Canada, Ontario, Western Canada, the North and Quebec to discuss issues that affect their development and vitality. For the French-language services, the relevant regions are Atlantic Canada, Ontario, Western Canada and the North. For the English-language services the relevant region is Quebec. Consultations shall include independent producers from OLMCs.
- report annually on consultations that took place that year and demonstrate how feedback from the consultations was taken into consideration in the CBC's decision making process.

355. The Commission reminds the CBC that OLMCs are dispersed all over the country and that it will expect the CBC to include communities located in the North to be considered when the CBC holds its consultations in each of the regions. An example of issues that the Commission will expect the CBC to discuss and ultimately resolve through its consultation process with OLMCs is that raised by ACFA concerning the inability of visitors to Jasper National Park in Alberta to receive the signal of Première Chaîne over the air. The Commission further encourages the CBC to consult with OLMCs on important matters that might affect their development and vitality before decisions are taken.

Reporting requirements

356. The Commission currently requires the CBC to submit a detailed annual report. The CBC argued that much of the information that it files with the Commission is

redundant to reports that it already prepares for other government agencies and information already filed in program logs. Preparation of the detailed annual report therefore results in duplicated effort and unnecessary administrative burden.

357. For the new licence term, the CBC proposed to provide reports on PNI and OLMCs and to provide the Commission with all other reports that it provides to other public agencies to which it is accountable.
358. Most parties were pleased that the CBC had agreed to provide reports on PNIs and OLMCs, provided they were sufficiently detailed.
359. Earlier in this decision, the Commission imposed a condition of licence on the CBC's French-language television requiring it to devote at least five hours per week averaged over the broadcast year to Canadian programming produced in the regions of the Atlantic, Ontario, the West, the North and Quebec (excluding Montréal). Accordingly, the Commission also considers it appropriate to require the CBC, by condition of licence, to submit reports on regional productions broadcast during those five hours, as well as on programs (other than PNIs) aired in prime time that reflect OLMCs.
360. The Commission considers that the information that the CBC proposed to provide on OLMCs and PNI is sufficient and notes that the information on PNI will be more detailed than that required of private broadcasters.
361. The Commission further considers that it is not necessary for the CBC to provide copies of reports that it prepares for other government agencies since those reports are already available to the public online. The Commission considers that this approach reflects section 5(2)(g) of the Act, which states that the Canadian broadcasting system should be regulated and supervised in a manner that is sensitive to the administrative burden imposed on persons carrying on broadcasting undertakings.
362. In line with the CBC's commitments at the public hearing, the Commission is imposing **conditions of licence** requiring the CBC to file, in a format acceptable to the Commission, annual reports on:
- PNI broadcast in prime time, specifying the program category, language, origin, region and whether the production comes from an OLMC;
 - programs broadcast on the network other than PNI, produced in OLMCs and/or offering reflection of those communities;
 - information on local programming that provides reflection of OLMCs; and
 - the results of surveys on the perception of OLMCs on how the CBC's television and radio services reflect the OLMCs.
363. The above-noted **conditions of licence** are set out in Appendices 3 and 4 to this decision. The Commission further requires the CBC to provide a link for the

Commission's website to that part of the CBC's website that sets out all of the CBC's reports to public agencies to which it is accountable. The Commission also reminds the CBC that, earlier in this decision, it has required the CBC to provide reports regarding:

- ombudsmen;
- consultations with OLMCs; and
- programming that reflects the regions, including OLMCs, on RDI.

364. The Commission further notes that the CBC files the following reports to the Minister of Canadian Heritage and Official Languages that relate in part to OLMCs:

- the CBC Corporate Plan Summary and Annual Report; and
- the Report on Official Languages and the Action Plan on the Implementation of CBC Responsibilities under the *Official Languages Act*.

Annual reports – French-language radio

365. In accordance with Decision 2000-2, the Commission currently requires the CBC to submit, by 30 November of each year, an annual report on its compliance with its commitments and conditions of licence for French-language radio pertaining to levels of FVM, the broadcast of Canadian content, the extension of the coverage of its French-language radio networks, the replacement of affiliated stations, and the prohibition on the broadcast of commercial messages.

366. The Commission notes that some self-assessments are no longer necessary because the expectations or conditions of licence have been met (e.g., the replacement of affiliated stations) or because the CBC is proposing amendments. Furthermore, an analysis of the performance of CBC radio services shows that there are no compliance issues.

367. In light of the foregoing, the Commission eliminates the requirement for the CBC to file annual reports on its compliance with its commitments and conditions of licence pertaining to its English- and French-language radio networks.

LENGTH OF THE LICENCE TERM

368. The Act permits the renewal of broadcasting licences for a term of up to seven years. The CBC requested a five-year licence term for its services, considering that a term of this length was appropriate in light of the pace of change in the broadcasting industry. The Commission agrees with the CBC that a five-year term is appropriate.

369. Accordingly, the Commission **renews** the broadcasting licences for the Canadian Broadcasting Corporation's programming services set out above from

1 September 2013 to 31 August 2018. The licences will be subject to the terms and **conditions** set out in the appropriate appendices to this decision.

370. As noted above, the Commission has approved the broadcast of advertising by Espace Musique and Radio 2 for a three-year trial period from 1 September 2013 until 31 August 2016.

Program logs

371. Section 10(3) of the *Television Broadcasting Regulations, 1987*, section 7(2) of the *Speciality Service Regulations, 1990* and section 4(2) of the *Pay Television Regulations, 1990* state that, except as otherwise provided under a condition of its licence, a licensee shall furnish to the Commission, within 30 days after the end of each month, the program log or machine-readable record of its programming for the month.

372. The Commission reminds the CBC that, according to these regulations, the logs shall at all times be kept in an acceptable form, which means that they must be accurate, exact and precise.

373. The Commission will provide an annual assessment of the licensee's compliance with its regulatory requirements. This evaluation will be sent to the licensee before the end of the broadcast year following the year being evaluated. This will allow the licensee to verify that it is in compliance with its requirements for the year being evaluated.

374. The Commission will not accept revisions to program logs submitted following receipt of the assessment by the licensee. It is therefore important that the CBC ensure that its program logs are in compliance throughout the year.

Secretary General

Related documents

- *Administrative renewals*, Broadcasting Decision CRTC 2013-90, 22 February 2013
- *bold – Acquisition of assets*, Broadcasting Decision CRTC 2012-630, 16 November 2012
- *Various television services – Administrative renewals*, Broadcasting Decision CRTC 2012-439, 9 August 2012
- *Amendments to the Exemption order for new media broadcasting undertakings (now known as the Exemption order for digital media broadcasting undertakings)*, Broadcasting Order CRTC 2012-409, 26 July 2012
- *Review of the Local Programming Improvement Fund*, Broadcasting Regulatory Policy CRTC 2012-385, 18 July 2012

- *Administrative renewals*, Broadcasting Decision CRTC 2012-341, 22 June 2012
- *TVA Group Inc. – Licence renewals*, Broadcasting Decision CRTC 2012-242, 26 April 2012
- *Standard conditions of licence, expectations and encouragements for conventional television stations*, Broadcasting Regulatory Policy CRTC 2011-442, 27 July 2011
- *The Weather Network/Météomédia – Licence renewal and extension of the mandatory distribution of the service*, Broadcasting Decision CRTC 2011-438, 22 July 2011
- *Notice of hearing*, Broadcasting Notice of Consultation CRTC 2011-379, 17 June 2011, as amended by Broadcasting Notices of Consultation CRTC 2011-379-1, 11 July 2011; 2011-379-2, 1 February 2012; 2011-379-3, 5 September 2012; 2011-379-4, 28 September 2012; 2011-379-5, 17 October 2012 and 2011-379-6, 30 November 2012
- *Administrative renewals*, Broadcasting Decision CRTC 2011-215, 29 March 2011
- *Definitions of television program categories*, Broadcasting Regulatory Policy CRTC 2010-808, 1 November 2010
- *Criteria for assessing applications for mandatory distribution on the digital basic service*, Broadcasting Regulatory Policy CRTC 2010-629, 27 August 2012
- *Reporting requirements for new media broadcasting undertakings*, Broadcasting Regulatory Policy CRTC 2010-582, 13 August 2010
- *Administrative renewals*, Broadcasting Decision CRTC 2010-561, 9 August 2010
- *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010
- *Conditions of licence for competitive Canadian specialty services operating in the genres of mainstream sports and national news – Definition of “broadcast day” for mainstream sports services*, Broadcasting Regulatory Policy CRTC 2009-562-2, 25 May 2012
- *Accessibility of telecommunications and broadcasting services*, Broadcasting and Telecom Regulatory Policy CRTC 2009-430, 21 July 2009, as amended by Broadcasting and Telecom Regulatory Policy CRTC 2009-430-1, 17 December 2009
- *Policy determinations resulting from the 27 April 2009 public hearing*, Broadcasting Regulatory Policy CRTC 2009-406, 6 July 2009
- *Mandatory distribution order for The Weather Network and Météomédia*, Broadcasting Order CRTC 2009-340, 11 June 2009
- *Administrative renewals*, Broadcasting Decision CRTC 2009-264, 12 May 2009
- *Administrative renewals*, Broadcasting Decision CRTC 2008-59, 5 March 2008

	<p> CBMZ-FM Trois-Rivières CBSE-FM Sept-Îles CBVA-FM Escuminac CBVB-FM Chandler CBVC-FM Chibougamau CBVF-FM Port-Daniel (Est) CBVG-FM Gaspé CBVM-FM Îles-de-la-Madeleine CBVN-FM New Carlisle CBVP-FM Percé CBVR-FM New Richmond CBVS-FM Mistissini (Baie-du-Poste) CBVW-FM Waswanipi CBMD Chapais CBMJ Murdochville CBMK Lebel-sur-Quévillon CBML Val d'Or CBMM Senneterre CBMN Malartic CBVE-1 La Tuque </p>
New Brunswick	<p> CBZF-FM Fredericton and its transmitters CBAN-FM Edmundston CBZB-FM Boiestown CBZC-FM Bon Accord CBZD-FM Doaktown CBZW-FM Woodstock CBAX McAdam CBD-FM Saint John and its transmitters CBZA-FM Grand Manan CBAO St. Stephen CBAM-FM Moncton and its transmitters CBAA-FM Allardville CBAE-FM Campbellton CBAM-FM-1 Sackville </p>
Nova Scotia	<p> CBHA-FM Halifax and its transmitters CBAP-FM Shelburne CBAZ-FM Sheet Harbour CBHB-FM Mulgrave CBHC-FM Truro CBHL-FM Liverpool CBHM-FM Middleton CBHN-FM New Glasgow </p>

	<p>CBHY-FM Yarmouth</p> <p>CBI Sydney and its transmitters</p> <p>CBHF-FM Northeast Margaree</p> <p>CBHI-FM Inverness</p> <p>CBIB-FM Bay St. Lawrence</p> <p>CBIC-FM Cheticamp</p>
Prince Edward Island	<p>CBCT-FM Charlottetown and its transmitters</p> <p>CBCT-FM-1 St. Edward</p> <p>CBCT-FM-2 Elmira</p>
Newfoundland and Labrador	<p>CBDQ-FM Labrador City</p> <p>CFGB-FM Goose Bay and its transmitters</p> <p>CBGF-FM Fox Harbour</p> <p>CBND-FM Postville</p> <p>CBNI-FM Makkovik</p> <p>CBNN-FM Hopedale</p> <p>CBNP-FM Port Hope Simpson</p> <p>CBQA-FM Churchill Falls</p> <p>CBNK Cartwright</p> <p>CBNZ Nain</p> <p>CKZN-SW St. John's</p> <p>CBY Corner Brook and its transmitters</p> <p>CBDT-FM Deer Lake</p> <p>CBNC-FM Stephenville</p> <p>CBNE-FM Port-aux-Basques</p> <p>CBNF-FM Bonne Bay</p> <p>CBNH-FM St. Andrew's</p> <p>CBNJ-FM Port Saunders</p> <p>CBYM-FM Mount St. Margaret</p> <p>CBYP-FM Portland Creek</p> <p>CBNA St. Anthony</p> <p>CBT Grand Falls and its transmitters</p> <p>CBTB-FM Baie Verte</p> <p>CBTJ-FM Hampden</p> <p>CBTL-FM Millertown</p> <p>CBTR-FM Roddickton</p> <p>CBG Gander and its transmitters</p> <p>CBGC-FM Carmanville</p> <p>CBNG-FM Glovertown</p> <p>CBGY Bonavista Bay</p> <p>CBN St. John's and its transmitters</p>

	<p> CBNL-FM Clarenville CBNM-FM Marystown CBNO-FM Swift Current CBNQ-FM Trepassey CBNR-FM Ramea CBNS-FM St. Alban's CBNU-FM Fermeuse CBNV-FM Placentia CBNX-FM St. Vincent's </p>
Yukon Territory	<p> CFWH Whitehorse and its transmitters </p> <p> CBDF-FM Haines Junction CBDL-FM Destruction Bay CBQK-FM Faro CBUA-FM Atlin, British Columbia CBDB Watson Lake CBDC Mayo CBDD Elsa CBDK Teslin CBDM Beaver Creek CBDN Dawson City CBDX Swift River CBQF Carmacks CBQJ Ross River </p>
Northwest Territories	<p> CHAK Inuvik and its transmitters </p> <p> CBIN-FM Cambridge Bay, Nunavut CBQE-FM Fort Good Hope CBIO-FM Kugluktuk (Coppermine), Nunavut CBAC Tuktoyaktuk CBAK Aklavik CBDW Norman Wells CBQI Tulita CBQM Fort McPherson CBQO Deline (Fort Franklin) </p> <p> CFYK Yellowknife and its transmitters </p> <p> CBDJ-FM Hay River CBQB-FM Rae-Edzo CBQD-FM Fort Resolution CBQO-FM Deline (Fort Franklin) CBDI Fort Smith CBDO Fort Simpson CBKE Fort Chipewyan, Alberta CBQC Fort Providence CBQG Wrigley </p>

Nunavut	<p>CBQR-FM Rankin Inlet and its transmitters</p> <p> CBIG-FM Arviat (Eskimo Point) CBIQ-FM Taloyoak (Spence Bay) CBIA Gjoa Haven</p> <p>CFFB Iqaluit and its transmitters</p> <p> CBIH-FM Cape Dorset CBII-FM Igloolik CBIJ-FM Pangnirtung CBIK-FM Pond Inlet CBIL-FM Resolute Bay CFFB-1-FM Cambridge Bay CFFB-2-FM Kugluktuk (Coppermine) CFFB-3-FM Iqaluit CFFB-FM-4 Kuujjuarapik, Quebec CFFB-FM-5 Kuujuaq (Fort Chimo), Quebec CFFB-FM-6 Inukjuak, Quebec CFFB-FM-7 Salluit, Quebec CFFB-FM-8 Puvirnituq, Quebec</p>
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Radio 2

Province	Call sign / Location
British Columbia	<p>CBU-FM Vancouver and its transmitters</p> <p> CBDN-FM Dawson City, Yukon Territory CBU-FM-1 Victoria CBU-FM-2 Metchosin/Sooke CBU-FM-3 Kelowna CBU-FM-4 Kamloops CBU-FM-5 Prince George CBU-FM-6 Quesnel CBU-FM-7 Chilliwack CBU-FM-8 Whitehorse, Yukon Territory CFYK-FM Yellowknife, Northwest Territories</p>
Alberta	<p>CBR-FM Calgary and its transmitters</p> <p> CBBC-FM Lethbridge CBR-FM-1 Red Deer</p> <p>CBX-FM Edmonton</p>
Saskatchewan	<p>CBK-FM Regina and its transmitters</p> <p> CBK-FM-1 Prince Albert CBK-FM-2 Warmley CBK-FM-3 Yorkton CBK-FM-4 Swift Current</p>

	<p>CBK-FM-5 North Battleford CBKS-FM Saskatoon</p>
Manitoba	<p>CBW-FM Winnipeg and its transmitter CBWS-FM Brandon</p>
Ontario	<p>CBQ-FM Thunder Bay CBE-FM Windsor CBBS-FM Sudbury CBL-FM Toronto and its transmitters CBBK-FM Kingston CBBL-FM London CBBP-FM Peterborough CBL-FM-1 Huntsville CBL-FM-2 Paris CBL-FM-3 Orillia CBL-FM-4 Owen Sound CBOQ-FM Ottawa</p>
Quebec	<p>CBM-FM Montréal and its transmitters CBM-FM-1 Sherbrooke CBM-FM-2 Québec CBM-FM-3 Iqaluit, Nunavut</p>
Nova Scotia	<p>CBH-FM Halifax and its transmitters CBA-FM Moncton, New Brunswick CBCH-FM Charlottetown, Prince Edward Island CBH-FM-1 Middleton CBH-FM-2 Mulgrave CBZ-FM Fredericton, New Brunswick CBI-FM Sydney</p>
Newfoundland and Labrador	<p>CBN-FM St. John's and its transmitters CBN-FM-1 Grand Falls CBN-FM-2 Corner Brook CBN-FM-3 Deer Lake CBN-FM-4 Stephenville CBN-FM-5 Marystown CBN-FM-6 Baie Verte</p>

Appendix 2 to Broadcasting Decision CRTC 2013-263

Term, condition of licence and expectation applicable to all undertakings listed in Appendix 1

Term

The licences will expire 31 August 2018.

Condition of licence

1. The licensee shall hold a formal consultation at least once every two years with official language minority communities (OLMCs) located in each of the regions of Atlantic Canada, Ontario, Western Canada, the North and Quebec to discuss issues that affect their development and vitality. For the French-language services, the relevant regions are Atlantic Canada, Ontario, Western Canada and the North. For the English-language services, the relevant region is Quebec. Consultations shall include independent producers from OLMCs. The licensee shall report annually on consultations that took place that year and demonstrate how feedback from the consultations was taken into consideration in the Corporation's decision making process.

Expectation

The Commission expects the Corporation to exceed the minimum levels set out in conditions of licence, especially where those minimum levels are below the Corporation's historical levels of programming and expenditures.

Additional conditions of licence applicable to all undertakings listed in Appendix 1, with the exception of ARTV and Documentary

2. The licensee shall maintain two Offices of the Ombudsman: one for all of the Canadian Broadcasting Corporation's (the Corporation's) French-language services and one for all of the Corporation's English-language services for complaints related to the Corporation's Journalistic Standards and Practices. The ombudsmen shall report directly to the President of the Corporation and, through the President, to the Corporation's Board of Directors.

The ombudsmen shall report bi-annually and concurrently to the President and the Board of Directors, including at least once in their annual report.

3. The licensee's Board of Directors shall, in a timely manner, publicly respond to the recommendations presented in the ombudsmen's annual report.
4. The licensee shall follow these steps when selecting an ombudsman:
 - a) when filling the ombudsman's position, the licensee will openly seek candidates from outside as well as inside the Corporation;

- b) after appropriate consultation, the President and CEO of the Corporation shall establish a selection committee of four members;
 - c) two members, including the committee chair, will be from the public. People currently employed by the Corporation or employed by the Corporation within the previous three years will be excluded from nomination as public members;
 - d) the other committee members will consist of one representative of the Corporation's management and one representative of the Corporation's working journalists;
 - e) committee members representing the Corporation and its working journalists jointly select the committee chair from among the two public members;
 - f) the selection committee shall examine applications for the position of ombudsman and select a candidate to be recommended for appointment by the President and CEO; and
 - g) the ombudsman's appointment is for a term of five years. This term may be extended once for no more than five additional years. The ombudsman's contract cannot be terminated except for gross misconduct or in instances where the ombudsman's actions have been deemed to be inconsistent with the Corporation's Code of Conduct Policy 2.2.21.
5. The licensee shall provide the Commission, by 30 November of each year, with a copy of the most recent public annual report submitted by each ombudsman to the licensee's board of directors.

Appendix 3 to Broadcasting Decision CRTC 2013-263

Conditions of licence and expectations for French-language conventional television (network and stations) and English-language conventional television (network and stations)

1. The licensee shall present a reasonably balanced schedule drawn from diverse categories of programming. Programming broadcast during the broadcast day and in prime time (7 p.m. to 11 p.m.) shall consist of original programs, programs from independent producers, and programs originating from and reflecting all regions of Canada, including official language minority communities.
2. In each broadcast year, the licensee shall devote a minimum of 75% of the broadcast day and a minimum of 80% of prime time (7 p.m. to 11 p.m.) to the broadcast of Canadian programs.
3. The licensee's national news and information programming shall reflect the country's regions and official language minority communities, and promote respect and understanding between them.
4. The licensee shall caption 100% of the English- and French-language programs broadcast over the broadcast day, consistent with the approach set out in *A new policy with respect to closed captioning*, Broadcasting Public Notice CRTC 2007-54, 17 May 2007.
5. Consistent with *Accessibility of telecommunications and broadcasting services*, Broadcasting and Telecom Regulatory Policy CRTC 2009-430, 21 July 2009, as amended from time to time and approved by the Commission, the licensee shall:
 - ensure that advertising, sponsorship messages and promos in the English and French languages are closed captioned by no later than the fourth year of the licence term;
 - adhere to the quality standards on closed captioning developed by television industry working groups, as amended from time to time and approved by the Commission; and
 - implement a monitoring system to ensure that, for any signal that is closed captioned, the correct signal is captioned, the captioning is included in its broadcast signal and this captioning reaches the distributor of that signal in its original form. "Original form" means, at a minimum, that the captioning provided by the licensee reaches the distributor unaltered, whether it is passed through in analog or in digital, including in high definition.
6. The licensee shall provide audio description for all the key elements of Canadian information programs, including news programming. For the purposes of this condition of licence, "audio description" refers to announcers reading aloud the key

textual and graphic information that is displayed on the screen during information programs.

7. The licensee shall provide described video for a minimum of four hours per broadcast week, of which two hours must be broadcast in described video for the first time on the service. The minimum four hours of described video programming broadcast during each broadcast week may be drawn from the following program categories, set out in item 6 of Schedule I to the *Television Broadcasting Regulations, 1987*: 2(b) Long-form documentary; 7 Drama and comedy; 9 Variety; 11(a) General entertainment and human interest; and 11(b) Reality television, and/or may be programming targeting children.
8. The licensee:
 - (a) shall adhere to the standards for children's advertising set out in the Corporation's *Policy 1.3.8: Advertising Directed to Children Under 12 Years of Age*. As a minimum, the licensee shall adhere to the standards set out in the Canadian Association of Broadcasters' *Code on Broadcast Advertising to Children*, as amended from time to time and approved by the Commission.
 - (b) shall not broadcast any commercial message during any child-directed programming, nor broadcast any child-directed commercial message between programs directed to children of pre-school age. For the purpose of this condition, programs directed to children and scheduled before 12:00 noon during school-day morning hours will be deemed to be programs directed to children of pre-school age.
9. The licensee shall adhere to the *Equitable Portrayal Code*, as amended from time to time and approved by the Commission. However, the application of the foregoing condition of licence will be suspended if the licensee becomes and remains a member in good standing of the Canadian Broadcast Standards Council.
10. The licensee shall adhere to the *Violence Code*, as amended from time to time and approved by the Commission. However, the application of the foregoing condition of licence will be suspended if the licensee becomes and remains a member in good standing of the Canadian Broadcast Standards Council.
11. The undertaking shall be operated on the basis of the contours and particulars approved by the Commission.

Expectations

The Commission expects the licensee to broadcast a minimum of 5 hours per week, averaged over the broadcast year, of Canadian programming aimed at youth aged 12 to 17 years.

The Commission expects the hours of programming for children under 12 years of age to be reasonably allocated between programs for preschool and school-age children.

Additional conditions of licence and expectation for French-language conventional television (network and stations)

12. The licensee shall broadcast a minimum of seven hours per week, averaged over the broadcast year, in prime time (7 p.m. to 11 p.m.) of programs of national interest, which consist of programs drawn from categories 2(b) Long-form documentary, 7 Drama and comedy, 8(a) Music and dance other than music video programs or clips, 8(b) Music video clips, 8(c) Music video programs and 9 Variety, as well as specified Canadian award shows that celebrate Canadian creative talent.

At least 75% of these hours shall be devoted to Canadian programs produced by independent production companies.

13. The licensee shall broadcast:

(a) a minimum of 15 hours per week, averaged over the broadcast year, of Canadian programming aimed at children under 12 years of age.

(b) a minimum of 100 hours per broadcast year of original Canadian programming aimed at children under 12 years of age.

For the purposes of this condition, “original Canadian programming” means:

(i) a Canadian program that, at the time of its broadcast by the licensee, has not been previously broadcast by the licensee or by any other licensee; or

(ii) if the licensee contributed to the program’s pre-production financing, a Canadian program that has only been previously broadcast by another licensee that also contributed to its pre-production financing.

At least 75% of the hours set out in (a) and (b) shall be devoted to programs produced by independent production companies.

14. The licensee shall broadcast at least five hours of Canadian local programming per week. For the purposes of this condition of licence, “local programming” means programming produced by local stations with local personnel or programming produced by locally based independent producers that reflects the particular needs and interests of residents in the market.

For the Vancouver, Edmonton, Regina, Winnipeg, Ottawa, Toronto and Moncton stations, the five hours of Canadian local programming that must be broadcast over the broadcast week may be averaged over the entire broadcast year.

Each station shall broadcast local news seven days a week each week, except holidays, as defined in the *Interpretation Act*, excluding Sundays as a holiday.

15. The licensee shall broadcast on the network a minimum of five hours per week averaged over the broadcast year of Canadian programming produced in the regions of the Atlantic, Ontario, the West, the North, and Quebec (excluding Montréal).
16. The licensee shall in each broadcast year devote to the acquisition of or investment in Canadian programming by independent production companies from the regions of the Atlantic, Ontario, the West, the North, and Quebec (excluding Montréal) at least 6 % of the current broadcast year's programming expenditures on Canadian programming from independent production companies. The investments and acquisitions shall be reasonably distributed amongst all the regions during the licence term.
17. The licensee shall enter into a terms of trade agreement with the Association des producteurs de films et de télévision du Québec as soon as possible and, in any event, not later than **28 May 2014**.

Until such time as a terms of trade agreement with the Association des producteurs de films et de télévision du Québec is in place, the licensee shall file monthly reports with the Commission on the progress of the negotiations.

18. By 30 November of each year, the licensee shall provide a report, in a form acceptable to the Commission, containing:
 - a) information on programs of national interest broadcast in prime time, specifying the program category, language, origin, region and whether the production comes from an official language minority community (OLMC).
 - b) information on programs broadcast on the network other than programs of national interest produced in French OLMCs, and/or offering reflection of these communities.
 - c) information on local programming broadcast by each television station outside the Province of Quebec that provides reflection of French OLMCs.
 - d) results of a French OLMCs audience perception survey on how well the Corporation's French-language radio and television services are reflecting the OLMCs.

For the purposes of these conditions, an independent production company is defined as a Canadian company carrying on business in Canada, with a Canadian business address, 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.

Expectation

The Commission expects each of the regions mentioned in conditions of licence 14 and 15 to be adequately represented, both with respect to expenditures on and exhibition of Canadian programming.

Additional conditions of licence and expectation for English-language conventional television (network and stations)

19. The licensee shall broadcast a minimum of 9 hours per week, averaged over the broadcast year, in prime time (7 p.m. to 11 p.m.) of programs of national interest, which consist of programs drawn from category 2(b) Long-form documentary, and 7 Drama and comedy, and specified Canadian award shows that celebrate Canadian talent.

Of these 9 hours a minimum of:

a) 2 hours shall be devoted to each of category 2(b) Long-form documentary and 7 Drama and comedy.

b) 5.25 hours shall be Canadian programs produced by independent production companies.

20. The licensee shall broadcast a minimum of 15 hours per week, averaged over the broadcast year, of Canadian programming aimed at children under 12 years of age.

Of these 15 hours, a minimum of one hour, averaged over the broadcast year, shall be devoted to original Canadian programming. For the purposes of this condition, “original Canadian programming” means:

(i) a Canadian program that, at the time of its broadcast by the licensee, has not been previously broadcast by the licensee or by any other licensee; or

(ii) if the licensee contributed to the program’s pre-production financing, a Canadian program that has only been previously broadcast by another licensee that also contributed to its pre-production financing.

At least 75% of these hours must be devoted to programs produced by independent production companies.

21. If the licensee operates in a:

a) metropolitan market as defined in *Regulatory frameworks for broadcasting distribution undertakings and discretionary programming services* – Regulatory Policy, Broadcasting Public Notice CRTC 2008-100, 30 October 2008 (Broadcasting Public Notice 2008-100), the licensee shall broadcast at least fourteen hours of Canadian local programming per week. Of these 14 hours, at least 1 hour per week shall consist of non-news local programming.

b) non-metropolitan market as defined in Broadcasting Public Notice 2008-100, the licensee shall broadcast at least seven hours of Canadian local programming per week.

For the purpose of this condition of licence, “local programming” means programming produced by local stations with local personnel or programming produced by locally based independent producers that reflects the particular needs and interests of the market’s residents.

22. During each broadcast month, the licensee shall broadcast a minimum of one Canadian feature film drawn from category 7(d) Theatrical feature films aired on TV.

23. The licensee shall:

a) devote to the acquisition of or investment in Canadian programming by independent production companies from the Province of Quebec at least 6% of the current broadcast year’s programming expenditures on Canadian programming from independent production companies, averaged over the licence term;

b) devote at least 10% of its annual programming development expenditures to English-language programming from independent production companies in Quebec, averaged over the licence term.

24. The licensee shall enter into a terms of trade agreement with the Canadian Media Production Association as soon as possible and, in any event, no later than **28 May 2014**.

Until such time as a terms of trade agreement with the Canadian Media Production Association is in place, the licensee shall file monthly reports with the Commission on the progress of the negotiations.

25. By 30 November of each year, the licensee shall provide a report, in a form acceptable to the Commission, containing:

a) information on programs of national interest broadcast in prime time, specifying the program category, language, origin, region and whether the production comes from an official language minority community (OLMC).

b) information on programs broadcast on the network other than programs of national interest, produced in English OLMCs and/or offering reflection of these communities.

c) information on local programming broadcast by the Montréal television station that provides reflection of English OLMCs.

d) results of an English-language OLMC audience perception survey on how well the Corporation’s English-language television and radio services are reflecting the regions.

For the purposes of these conditions, an independent production company is defined as a Canadian company carrying on business in Canada, with a Canadian business address, 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.

Expectation

The Commission expects the licensee to maintain the current level of local/regional programming in markets where the imposed condition of licence is lower than the current commitment.

Appendix 4 to Broadcasting Decision CRTC 2013-263

Conditions of licence for the French-language radio services Première Chaîne (network and stations) and Espace Musique (network and stations) and for the English-language radio services Radio One (network and stations) and Radio 2 (network and stations)

1. The licensee shall, in each broadcast week, devote at least 50% of its musical selections from content category 2 to Canadian selections.
2. The licensee shall, in each broadcast week, devote at least 20% of its musical selections from content category 3 to Canadian selections.
3. The licensee shall, in each broadcast week, devote at least 25% of its musical selections from content subcategory 31 to Canadian selections.
4. The licensee shall, in each broadcast week, devote at least 20% of its musical selections from content subcategory 34 to Canadian selections.
5. The licensee shall, by no later than **31 December 2014**, implement a public alerting system on all the licensee's radio stations which will immediately broadcast any emergency alert received from the NAAD System on all the licensee's originating stations and associated repeaters that serve the area targeted by the alert, provided that the alert is designated for immediate broadcast by the issuing authority, is received in the language of the originating station and contains audio content.
6. The licensee's national news and information programming shall reflect the country's regions and Official Language Minority Communities, and promote respect and understanding between them.
7. The licensee shall adhere to the *Equitable Portrayal Code*, as amended from time to time and approved by the Commission. However, the application of the foregoing condition of licence will be suspended if the licensee becomes and remains a member in good standing of the Canadian Broadcast Standards Council.

Additional conditions of licence for the French-language radio services Première Chaîne (network and stations) and Espace Musique (network and stations)

8. During each broadcast week, the licensee shall devote at least of 85% its musical selections from content category 2 to French-language vocal music. At least 50% of the content category 2 selections broadcast in languages other than French must be Canadian.
9. By November 30 of each year, the licensee shall provide a report, in a form acceptable to the Commission, containing results of a French-language official language minority communities (OLMCs) audience perception survey on how well

the Corporation's French-language radio and television services are reflecting the OLMCs.

Additional condition of licence for the English-language radio services Radio One (network and stations) and Radio 2 (network and stations)

10. By November 30 of each year, the licensee will provide a report, in a form acceptable to the Commission, containing results of an English-language official language minority communities (OLMCs) audience perception survey on how well the Corporation's English-language television and radio services are reflecting the OLMCs.

Additional condition of licence for the English-language radio service Radio 2 (network and stations) and the French-language radio service Espace Musique (network and stations)

11. The licensee shall not broadcast any advertising (category 5) except:

- a) paid national advertising; or
- b) as required to fulfill the requirements of the legislation of the Parliament of Canada pertaining to elections.

For the purposes of this condition, the licensee may not broadcast more than four minutes of paid national advertising in any clock hour.

Programming may not be interrupted more than twice during any clock hour for paid national advertising.

12. In each broadcast month, the licensee shall broadcast no less than 3,000 distinct musical selections on Espace Musique and no less than 2,800 distinct musical selections on Radio 2.

For the purposes of this condition, "broadcast month" means the total number of hours devoted by the licensee to broadcasting during the aggregate of the broadcast days in a month.

In order to facilitate the verification of compliance with this condition, the licensee must provide the music lists requested by the Commission pursuant to section 9(3) of the *Radio Regulations, 1986*, in a popular spreadsheet format.

13. Conditions of licence 11 and and 12 expire on **31 August 2016**.

Additional condition of licence for the English-language radio service Radio One (network and stations) and the French-language radio service Première Chaîne (network and stations)

14. The licensee shall not broadcast any advertising (category 5) except:

- a) during programs available to the network only on a sponsored basis; or
- b) as required to fulfill the requirements of the legislation of the Parliament of Canada pertaining to elections.

Additional condition of licence for CBEF Windsor

15. During each broadcast week, the licensee shall broadcast a minimum of 15 hours of local programming.

Appendix 5 to Broadcasting Decision CRTC 2013-263

Conditions of licence and expectation for the French-language specialty Category C service Réseau de l'information (RDI)

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 – Definition of “broadcast day” for mainstream sports services*, Broadcasting Regulatory Policy CRTC 2009-562-2, 25 May 2012, as amended from time to time.
2. The programming of RDI shall reflect the concerns of each of the principal French-language regions in Canada: the regions of the Atlantic, Ontario, the West, the North, and Quebec (excluding Montréal). To this end, the licensee shall ensure that at least one-third of original programs and program segments broadcast by RDI each year come from the regions of the Atlantic, Ontario, the West, the North, and Quebec (excluding Montréal).

RDI shall maintain a record of the running time and geographical origin of these regional programs and program segments, and confirm the level of regional programming achieved in its annual report to the Commission.

3. The licensee shall charge distributors of this service in English-language markets a maximum monthly wholesale rate per subscriber of \$0.10 when it is distributed as part of the digital basic service.
4. The licensee shall enter into a terms of trade agreement with the Association des producteurs de films et de télévision du Québec as soon as possible and, in any event, no later than **28 May 2014**.

Until such time as a terms of trade agreement with the Association des producteurs de film et de télévision du Québec is in place, the licensee shall file monthly reports with the Commission on the progress of the negotiations.

5. 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.
6. The licensee:
 - (a) shall adhere to the standards for children's advertising set out in the Corporation's *Policy 1.3.8: Advertising Directed to Children Under 12 Years of Age*. As a minimum, the licensee shall adhere to the standards set out in the

Canadian Association of Broadcasters' *Code on Broadcast Advertising to Children*, as amended from time to time and approved by the Commission.

(b) shall not broadcast any commercial message during any child-directed programming, nor broadcast any child-directed commercial message between programs directed to children of pre-school age. For the purpose of this condition, programs directed to children and scheduled before 12:00 noon during school-day morning hours will be deemed to be programs directed to children of pre-school age.

7. This broadcasting undertaking is designated as a Category C service.

Expectation

The Commission expects each of the regions mentioned in condition of licence 2 to be adequately represented, both with respect to expenditures on and exhibition of Canadian programming.

Appendix 6 to Broadcasting Decision CRTC 2013-263

Conditions of licence for the French-language specialty Category A service ARTV

1. The licensee shall adhere to the conditions 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. The licensee:
 - a) shall provide a national, French-language arts specialty television service that reflects the unique character of Quebec culture and the needs and circumstances of French-language communities in other parts of Canada.
 - b) 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) shall not devote more than 10% of all programming broadcast during the broadcast month to programs drawn from categories 6(a), 7(b) and 8(c).
3. In each broadcast year, the licensee shall devote to the broadcast of Canadian programs:
 - a) not less than 60% of each broadcast day; and
 - b) not less than 60% of the evening broadcast period.
4. Expenditures on Canadian programs shall be as follows:
 - a) In each broadcast year of the licence term, the licensee shall expend on Canadian programs a minimum of 50% of the previous broadcast year's gross revenues derived from the operation of the service.
 - b) In each broadcast year of the licence term, excluding the final year, the licensee may expend an amount on Canadian programming that is up to five percent (5%) less than the minimum required expenditure for that year calculated in accordance with this condition; in such case, the licensee shall expend in the following year of the licence term, in addition to the minimum required expenditure for that year, the full amount of the previous year's underspending.
 - c) 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 this condition, the licensee may deduct:

- i) from the minimum required expenditure for the next broadcast year of the licence term, an amount not exceeding the amount of the previous broadcast year's overspending; and
 - ii) from the minimum required expenditure for any subsequent broadcast year of the licence term, an amount not exceeding the difference between the overexpenditure and any amount deducted under paragraph i) above.
- d) Notwithstanding paragraphs b) and c) 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 the licensee's conditions of licence.
5. In each broadcast year, at least 50% of Canadian programs broadcast by the licensee shall come from independent production companies.
 6. The licensee shall devote at least 20%, averaged over the licence term, of the annual budgets for original Canadian production to programs produced outside Quebec. At least 50% of these amounts shall be devoted to Canadian programs from independent production companies outside Quebec.
 7. 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.
 8. The licensee shall enter into a terms of trade agreement with the Association des producteurs de films et de télévision du Québec as soon as possible and, in any event, not later than **28 May 2014**.

Until such time as a terms of trade agreement with the Association des producteurs de films et de télévision du Québec is in place, the licensee shall file monthly reports with the Commission on the progress of the negotiations.

9. This broadcasting undertaking is designated as a Category A service.

Definitions

For the purposes of these conditions of licence:

“broadcast day” means a period of up to 24 consecutive hours, as selected by the licensee, or any other period approved by the Commission.

“evening broadcast period” means the total time devoted to the broadcast of programs between six o'clock in the afternoon and midnight during the broadcast day.

“independent production company” is defined as a Canadian company carrying on business in Canada, with a Canadian business address, 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.

Appendix 7 to Broadcasting Decision CRTC 2013-263

Conditions of licence for the English-language Specialty Category A service Documentary

1. The licensee shall adhere to the conditions set out in Appendix 1 to *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. The licensee:
 - a) shall provide a national, English-language specialty Category A programming undertaking to broadcast documentary programs on a 24-hour per day basis. Programming shall cover the full range of documentary experience.
 - b) 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) shall not provide any live coverage of news or sports programming.
 - d) shall devote no more than 10% of all programming broadcast during the broadcast month to programs drawn from categories 6(a), 7(a), (b), (c), (d), (e), (f) and (g).
 - e) shall devote no more than 10% of all programming broadcast during the broadcast month to programs drawn from categories 8(b) and (c) combined.
3. In each broadcast year or portion thereof, the licensee shall devote at least 75% of the broadcast day and at least 75% of the evening broadcast period to Canadian programs.
4. The licensee shall license from independent production companies no less than 75% of its original, first-run Canadian content hours.
5. In each broadcast year, no less than 25% of all Canadian programs broadcast by the licensee, other than news, sports, and current affairs programming (categories 1, 2(a), 6(a) and 6(b)), shall be produced by independent production companies.
6. Expenditures on Canadian programs shall be as follows:
 - a) In each broadcast year of the licence term, the licensee shall expend on Canadian programs a minimum of 43% of the previous broadcast year's revenues from subscription, advertising and informercials.
 - b) In each broadcast year of the licence term, excluding the final year, the licensee may expend an amount on Canadian programs that is up to ten

percent (10%) less than the minimum required expenditure for that year calculated in accordance with this condition; in such case, the licensee shall expend in the next broadcast year of the licence term, in addition to the minimum required expenditure for that year, the full amount of the previous year's underexpenditure.

- c) 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 calculated in accordance with this condition, the licensee may deduct:
 - (i) from the minimum required expenditure for the following year of the licence term, an amount not exceeding the amount of the previous year's over-expenditure; and
 - (ii) from the minimum required expenditure for any subsequent broadcast year of the licence term, an amount not exceeding the difference between the over-expenditure and any amount deducted under (i) above.
 - d) Notwithstanding paragraphs (b) and (c) above, during the licence term, the licensee shall expend on Canadian programs, at a minimum, the total of the minimum required expenditures calculated in accordance with this condition of licence.
7. The licensee shall enter into a terms of trade agreement with the Canadian Media Production Association as soon as possible and, in any event, no later than **28 May 2014**.

Until such time as a terms of trade agreement with the Canadian Media Production Association is in place, the licensee shall file monthly reports with the Commission on the progress of the negotiations.

8. This broadcasting undertaking is designated as a Category A service.

Definitions

For the purposes of these conditions of licence:

The terms "broadcast day" and "clock hour" shall have the same meaning as that set out in the *Television Broadcasting Regulations, 1987*.

"independent production company" is defined as a Canadian company carrying on business in Canada, with a Canadian business address, 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.

Appendix 8 to Broadcasting Decision CRTC 2013-263

Conditions of licence for the English-language Specialty Category C service CBC News Network

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 – Definition of “broadcast day” for mainstream sports services*, Broadcasting Regulatory Policy CRTC 2009-562-2, 25 May 2012, as amended from time to time.
2. The licensee shall charge distributors of this service in French-language markets a maximum monthly wholesale rate per subscriber of \$0.15 when it is distributed as part of the digital basic service.
3. The licensee shall enter into a Terms of Trade agreement with the Canadian Media Production Association as soon as possible and, in any event, no later than **28 May 2014**.

Until such time as a terms of trade agreement with the Canadian Media Production Association is in place, the licensee shall file monthly reports with the Commission on the progress of the negotiations.

4. The licensee:
 - (a) shall adhere to the standards for children’s advertising set out in the Corporation’s *Policy 1.3.8: Advertising Directed to Children Under 12 Years of Age*. As a minimum, the licensee shall adhere to the standards set out in the Canadian Association of Broadcasters’ *Code on Broadcast Advertising to Children*, as amended from time to time and approved by the Commission.
 - (b) shall not broadcast any commercial message during any child-directed programming, nor broadcast any child-directed commercial message between programs directed to children of pre-school age. For the purpose of this condition, programs directed to children and scheduled before 12:00 noon during school-day morning hours will be deemed to be programs directed to children of pre-school age.
5. This broadcasting undertaking is designated as a Category C service.

Musique and Radio 2 will trigger the disappearance of the distinct and complementary character of those services.

As a consequence, a distinct service that is highly appreciated by the public will be completely altered and lost forever. This crazy pursuit—and I emphasize the term—will destroy the very exemplary trademark character that these services enjoy among Canadians. Can we in good conscience destroy a brand that is so valued, built on decades as a radio listening experience that is truly different from that of private radio, with a distinctive sound that is the key to its success with audiences?

All this to say that I fear that the adverse effects of this decision will be very difficult to reverse.