



## **Broadcasting Notice of Consultation CRTC 2016-225-3**

PDF version

References: 2016-225, 2016-225-1 and 2016-225-2

Ottawa, 2 November 2016

### **Notice of hearing**

**22 to 24 November 2016**

**Laval, Quebec**

**28 November to 2 December 2016**

**Gatineau, Quebec**

### **Renewal of television licences held by large English- and French-language ownership groups – Working document for discussion**

1. When the Commission announced the public hearing for the renewal of the television licences held by the large English- and French-language ownership groups (see Broadcasting Notice of Consultation 2016-225), it stated that it might publish additional documents before the hearing to help direct the discussion and debate during the appearing phase of the hearing by stating the topics to explore based on the comments received.
2. After reviewing the submissions made on the record of this proceeding, the Commission is providing the following working document. The inclusion of specific proposals in the working document should not be seen as an indication that the Commission has made up its mind on any issue or that it prefers one option over another. The document is intended only to provide parties with possible approaches and to highlight some areas that require further precision to complete the record.

### **Imposition of standard conditions of licence**

3. The Commission intends to discuss the imposition of the standard conditions of licence, expectations and encouragements for television stations, discretionary services (i.e., pay television and specialty services), and on-demand services (i.e., pay-per-view and video-on-demand services), which were published today by the Commission in Broadcasting Regulatory Policy 2016-436, as well as any exceptions to these conditions sought by the various ownership groups.

### **Main issues for discussion at the public hearing**

4. While the Commission expects that the various groups will come to the hearing prepared to discuss every aspect of their operations and licence renewal applications—particularly those related to their designated groups—it anticipates that the main issues to be discussed with applicants and interveners at the hearing will be the following:

- the composition of the various ownership groups;
  - the evaluation of group-specific proposals and the implementation of requirements relating to Canadian programming expenditures (CPE) and programs of national interest (PNI) in the English- and French-language markets—including possible adjustments to reflect the realities of these markets—as well as flexibility provisions for CPE requirements;
  - the exploration of matters related to the tracking of CPE and PNI expenditures, ensuring that requirements regarding these expenditures are fully met in the licence term, the measurement and evaluation of these expenditures, as well as the appropriate redress mechanisms in the case of non-compliance;
  - programming diversity, including but not limited to original and original first-run production in both the English- and French-language markets;
  - production-related issues in the English- and French-language markets, including but not limited to independent production requirements, promotion, discoverability, the impact of affiliated production companies when considering independent production issues and regional production including official language minority community (OLMC) reflection;
  - the implementation of the Commission’s local and community framework, which includes exhibition requirements relating to the broadcast of locally reflective news program segments, expenditure requirements concerning the production and broadcast of locally reflective news, the flexibility granted to broadcasting distribution undertakings (BDUs) to provide financial support for locally reflective news, as well as locally relevant programming requirements;
  - accessibility-related issues including closed captioning and described video quality and availability, particularly in the French-language market;
  - the application of the Wholesale Code (the Code) and issues related to the practices contemplated by the Code; and
  - the evaluation of the 12-minute per clock hour limit on advertising for discretionary services.
5. In addition, with respect to certain conditions of licence specific to each ownership group, the Commission intends to examine, but not necessarily limit its discussion on, the following issues at the hearing:
- Rogers: OMNI broad service and news requirements, the application of the Commission’s local programming framework as outlined in Broadcasting Regulatory Policy 2016-224, as well as Rogers’ application for the mandatory distribution of a new ethnic discretionary service as part of the basic service;

- Bell: its proposal to shut down 40 rebroadcasting transmitters across the country;
- Corus: exceptions sought regarding local programming requirements for certain of its services; and
- Groupe TVA and Groupe V: specific local programming requirements in various regions of the province of Quebec, OLMC reflection and the method of calculating CPE requirements.

### **Resubmission of financial information by Corus**

6. Commission staff identified discrepancies in the programming expenses reported by Corus in its annual returns for the 2014-2015 broadcast year and in the financial information provided in its applications to renew the broadcasting licences for its discretionary services. The discrepancies were due to an incorrect allocation of non-telecast Canadian programming expenses. As such, Commission staff requested that Corus refile, for that broadcast year, its annual returns with revised programming expenses for each of its discretionary services, as well as revised aggregate and PNI reports. Commission staff also requested that Corus refile Appendices 1, 2, 3 and 4 to both its English- and French-language licence renewal applications to take into account the revised allocation principles relating to non-telecast Canadian programming expenses. In light of this new information, the Commission encourages interested persons and parties to consult the revised financial information submitted by Corus, available on the Commission's website. The Commission will accept and consider any comments or revised documents submitted by interveners pertaining to Corus' revised financial information during the appearing phase of this hearing.

### **Repurposing of the 600 MHz spectrum band**

7. The Commission also intends to discuss measures to streamline the approval of technical amendments relating to the decision on repurposing spectrum in the 600 MHz band made by Innovation, Science and Economic Development Canada (the Department).
8. The licences held by the large English- and French-language ownership groups include licences for over-the-air television (OTA TV) stations, most of which use the 600 MHz spectrum band. However, the use of this band is now subject to a joint effort by Canada and the U.S. to repurpose some amount of spectrum currently used to support broadcasting for mobile services (e.g., mobile phones).
9. The 600 MHz repack will result in a new digital television (DTV) allotment plan for both countries, which could impact the majority of Canadian OTA TV broadcasters. The new DTV allotment plan could require many OTA transmitters to change channel (i.e., their frequency of operation) or convert to digital to repack transmitters more tightly in lower frequencies, while making the upper portion available for mobile use.
10. As explained above, changes to technical parameters will likely be necessary to follow the new DTV allotment plan. As a result, licensees would ordinarily need to apply to the Commission for approval of any changes to the contours and technical parameters of their

OTA TV stations (and transmitters). Further, the Commission anticipates that many OTA TV licensees could be affected by the 600 MHz repack.

11. In light of the potential for a high volume of technical change applications, and given that the transition schedule (which has not yet been announced by the Department) could involve tight timelines, the Commission proposes to establish, in the context of this proceeding, an efficient and streamlined approach for the approval of changes to contours and technical parameters necessitated by the 600 MHz repack.
12. The Commission proposes to introduce a condition of licence, set out in the appendix to this document, that would permit the large ownership groups' stations (and transmitters) to operate at revised technical parameters approved by the Department without requiring further Commission approval. However, broadcasters would still be required to receive approvals from the Department. This condition of licence would eliminate the need for licensees to file individual applications requesting Commission approval of technical changes resulting from the 600 MHz repack, thereby creating efficiencies for both the industry and the Commission. Licensees must still have satisfied the requirements of the *Radiocommunication Act* and be (or have been) issued a broadcasting certificate from the Department in respect of their new technical parameters. Under this approach, there would be no change to the carriage of OTA TV stations by BDUs since the stations would be deemed to be operating under their current parameters.
13. The Commission considers that this proposed condition of licence should also apply to OTA TV stations operated by independent ownership groups (including community television stations) and the CBC/SRC, which may also be affected by the repurposing of the 600 MHz band. Should the proposed approach be adopted for the ownership groups, the licensees of these stations would be invited to apply for the condition of licence, and their applications would be processed using the administrative approach.<sup>1</sup>
14. The Commission therefore intends to discuss at the hearing its proposed approach to efficiently implement the eventual technical changes resulting from the 600 MHz repack, as well as the wording of the proposed condition of licence set out in the appendix to this document.

Secretary General

### **Related documents**

- *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016
- *Renewal of television licences held by large English- and French-language ownership groups*, Broadcasting Notice of Consultation CRTC 2016-225, 15 June 2016

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<sup>1</sup> as described in Broadcasting Information Bulletin 2010-960

- *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016
- *Broadcasting applications that do not require a public process*, Broadcasting Information Bulletin CRTC 2010-960, 23 December 2010

# Appendix to Broadcasting Notice of Consultation CRTC 2016-225-3

## Proposed condition of licence for over-the-air television stations

### Condition of licence

1. (a) The licensee is authorized to operate the undertaking according to contours and technical parameters that differ from those approved in its most recent application and/or listed on its licence, to the extent that these new contours and technical parameters have been approved by the Department of Industry (the Department) as a result of the Department's repurposing initiative of the 600 MHz band as described in its August 2015 decision entitled *Decision on Repurposing the 600 MHz Band*, resulting from the consultation process undertaken in SLPB-004-15.
- (b) For the purpose of the *Broadcasting Distribution Regulations*, the licensee is deemed to be operating the undertaking under the contours and technical parameters approved by the Commission and in effect on **[date of the decision resulting from the present proceeding]**.
- (c) The above authorization is valid only if the Commission receives confirmation from the Minister of Industry that the revised contours and technical parameters resulting from the Department's repurposing initiative of the 600 MHz band satisfy the requirements of the *Radiocommunication Act* and the regulations made thereunder, and that a broadcasting certificate has been or will be issued to the licensee in respect of the revised parameters.