



Broadcasting Decision CRTC 2017-143

PDF version

Reference: 2016-225

Ottawa, 15 May 2017

Various licensees

Across Canada

Public hearing in Laval, Quebec

22 November 2016

Renewal of licences for the television services of large French-language ownership groups – Introductory decision

As part of this licence renewal process for the television licences held by large French-language television ownership groups, the Commission implements its determinations in the Let's Talk TV proceeding and its Local Television Policy with a view to ensuring that Canadians have access to a world-class communication system. These objectives will be achieved through continued support for compelling, diverse Canadian programming and local news that reflects Canadian attitudes, opinions, ideas, values and artistic creativity. This includes the support of the production of dramas, long-form documentaries and music and variety shows, as well as local news and local programming.

In this decision, the Commission implements its group-based licensing policy to large private French-language ownership groups, which was developed to better adapt regulations to the new reality of large broadcast ownership groups. Under this licensing policy and in light of its determinations in the Let's Talk TV proceeding, the Commission focuses less on the broadcast of Canadian programming and more on ensuring stable funding for Canadian productions through a range of programming requirements, especially for programming underrepresented in Canada's broadcasting system.

The broadcasting licences held by the French-language ownership groups Bell Media Inc., Corus Entertainment Inc., Groupe V Média inc. and Quebecor Media Inc. are being renewed for a new, five-year licence term starting on 1 September 2017. In this decision, the Commission addresses the role these groups will play in serving Canadians and contributing to the achievement of the objectives of the Broadcasting Act over that licence term.

The key issues addressed in this decision are the following:

- *implementation of various determinations made in Broadcasting Regulatory Policy 2015-86 following the Let's Talk TV proceeding;*
- *applying the group-based approach to the French-language groups;*

- *financing of Canadian programming:*
 - *group requirements for Canadian programming expenditures (CPE);*
 - *group expenditure requirements for programs of national interest (PNI);*
 - *a minimum of 75% of PNI expenditures to be devoted to independently produced programming;*
 - *closer monitoring of original French-language program offering;*
- *implementation of the new Local Television Policy:*
 - *minimum required hours of locally relevant programming and locally reflective news and information, to be imposed on a case-by-case basis;*
 - *a new locally reflective news expenditure requirement of at least 5% of the previous year's revenues will apply to each of the groups' local television stations;*
- *measures to provide for a public process in the event of a closure of a local television station;*
- *maintaining of the current expectation set out for all discretionary services that the programs broadcast adequately reflect all regions of Quebec, as well as all official language minority communities (OLMCs) in Canada;*
- *access for underrepresented groups in the broadcasting system:*
 - *to encourage reflection of Indigenous peoples, the groups will receive a 50% credit against their CPE requirements for expenditures on Canadian programming produced by Indigenous producers;*
 - *to encourage reflection of OLMCs, the groups will receive a 25% credit against their CPE requirements for expenditures on Canadian programming produced by OLMC producers;*
 - *the Commission will host an event on women in production, with particular emphasis on increasing women's access to key positions within the creative and production sectors.*

The Commission also sets out a streamlined approach for the approval of changes to the contours and technical parameters of local television stations and transmitters as a result of the repurposing of the 600 MHz frequency band in Canada.

The determinations set out in this decision, along with other determinations specific to each of the ownership groups, are implemented in the individual licence renewal decisions for the groups, also issued today.

Introduction

1. The broadcasting policy set out in the *Broadcasting Act* (the Act) states that the Canadian broadcasting system should:

through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of aboriginal peoples within that society (section 3(1)(d)(iii))
2. Section 3(1)(s) of the Act further states that private networks and programming undertakings should, to an extent consistent with the financial and other resources available to them, contribute significantly to the creation and presentation of Canadian programming, while remaining responsive to the evolving demands of the public.
3. Sections 3(1)(e), 3(1)(f) and 3(1)(d)(iv) of the Act state that each element of the broadcasting system shall contribute to the creation and presentation of quality Canadian programming by making predominant use of Canadian creative resources, all while being readily adaptable to technological change.
4. Finally, section 3(1)(c) of the Act states that English- and French-language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements.
5. To ensure continued financial support for the creation of compelling and diverse Canadian programming in the context of increasing consolidation within the Canadian broadcasting system, the Commission established the group-based licensing approach for private television services. As set out in Broadcasting Regulatory Policy 2010-167 (the Group-Based Policy), this approach focuses on expenditures on Canadian programming rather than on the broadcast of such programming. Specifically, the Commission has imposed requirements for Canadian programming expenditures (CPE), as well as for expenditures on programs of national interest (PNI). The Commission has also introduced increased flexibility in the allocation and reporting of CPE, allowing the groups to focus on the quality of content provided.¹
6. In the French-language market, PNI include drama (category 7), long-form documentaries (category 2(b)) and music and variety programs (categories 8 and 9). In the Group-Based Policy, the Commission determined that since they are more costly to produce and represent the main vehicles for showcasing Canadians' values and stories, these programs are of national interest and therefore require regulatory support.

¹ For example, in Broadcasting Regulatory Policy 2012-596, the Commission increased the flexibility of the group-based approach by removing the 5% limit on the carry-over of CPE over-expenditures and the obligation to use them in the subsequent broadcast year.

7. While the group-based approach already exists in the English-language market, it has been only partly implemented in the French-language market in 2012. At that time, only Astral Media Inc. (Astral) had asked that its television service licences be renewed under the group-based approach. Astral was then considered a designated bilingual group.
8. In Broadcasting Decision 2013-310, the Commission approved the acquisition of Astral's services by Bell Media Inc. (Bell). As a condition of this acquisition, Bell was required to divest itself of certain discretionary services that were subsequently acquired by Corus Entertainment Inc. (Corus), Groupe V Média inc. (Groupe V) and DHX Media Inc. These acquisitions and divestitures have changed the composition of ownership groups in the French-language market.
9. Following the divestitures, Corus, which had previously been active only in the English-language market, became the owner of three French-language discretionary services,² while Groupe V added two discretionary services³ to its ownership portfolio, which had only included television stations prior to the transaction.
10. In Broadcasting Regulatory Policy 2015-86, the Commission announced measures to encourage the creation of compelling and diverse Canadian programming, while facilitating the transition to an increasingly on-demand environment and allowing broadcasters to play a key role in that environment. In particular, the Commission sought to provide broadcasters with the necessary means to develop creative programming strategies to make their programming more readily discoverable and accessible on multiple platforms and better respond to consumer needs. It also sought to encourage broadcasters and the production sector to reinforce their partnerships so as to offer programming that can compete internationally.
11. Some of the decisions set out in Broadcasting Regulatory Policy 2015-86, such as the elimination of genre protection, came into effect when it was published. However, the Commission stated that other decisions would come into force at licence renewal.
12. Further, in Broadcasting Regulatory Policy 2016-224 (the Local TV Policy), the Commission announced regulatory measures to ensure that Canadians continue to have access to local programming that reflects their needs and interests.
13. As stated in Broadcasting Notice of Consultation 2016-225, the group-based approach has permitted the large English- and French-language ownership groups that have used it to benefit from flexibility in allocating the resources while also ensuring support for Canadian programming.

² See Broadcasting Decisions 2013-737 and 2013-738.

³ See Broadcasting Decision 2014-465.

14. Consequently, in that notice, the Commission announced that it would hold a public hearing from 22 to 24 November 2016 to:

- process applications for the renewal of the licences for French-language services held by large ownership groups;
- consider how to apply the group-based approach to all French-language groups over the next licence term; and
- implement some of the policy determinations set out in Broadcasting Regulatory Policy 2015-86 and the Local TV Policy.

15. The Commission received numerous interventions both in support and in opposition to various aspects of the groups' applications as well as general comments. The public record for this proceeding can be found on the Commission's website at www.crtc.gc.ca.

16. In this decision, the Commission sets out its determinations on the key issues relating to the implementation of the group-based approach with respect to French-language services held by Bell, Corus, Groupe V and Quebecor Media Inc. (Groupe TVA). The requirements imposed by the Commission as part of these licence renewals confer both obligations and related benefits on the individual licensees and their groups so that they have the flexibility they require to create compelling and diverse programming within an increasingly dynamic broadcasting system. Individual requirements cannot be viewed in isolation, but rather must be viewed as part of a whole, as the Commission might have come to a different set of determinations had a particular requirement been changed or removed. These requirements also operate within a larger set of regulatory obligations and related policies that, collectively, constitute a cohesive set of regulatory mechanisms meant to balance several objectives of the Act.

17. After examining the renewal applications in light of applicable regulations and policies and taking into account the interventions received and the licensees' replies, the Commission considers that it must address the following issues:

- implementation of the group-based approach in the French-language market;
- implementation of various determinations made in Broadcasting Regulatory Policy 2015-86;
- implementation of the Local TV Policy;
- access for underrepresented groups in the broadcasting system;
- application of existing competitive safeguards in light of the Wholesale Code;⁴ and

⁴ Set out in Broadcasting Regulatory Policy 2015-438, the Wholesale Code governs aspects of the commercial arrangements between broadcasting distribution undertakings, programming undertakings and exempt digital media undertakings.

- repurposing of the 600 MHz frequency band in Canada.

18. The Commission sets out its determinations regarding the application of the group-based approach to the large English-language television ownership groups in Broadcasting Decision 2017-148, also issued today.

Implementation of the group-based approach in the French-language market

19. In their applications, the four large French-language ownership groups stated their intention to each form a designated group and specified the services they wished to include in their respective groups. The composition of the respective groups is set out in the decision for each group, also issued today.⁵

20. Parties to this proceeding agreed that the group-based approach should be applied to all the large groups in the French-language market. Some groups stated that they preferred not to be subject to all aspects of the approach implemented in the English-language market.

21. Accordingly, the Commission considers it appropriate to apply the group-based approach in the French-language market. However, it is necessary to determine if all elements of this approach must be applied and, where appropriate, the contribution levels.

22. In Broadcasting Regulatory Policy 2015-86, the Commission said it would establish Canadian programming funding levels for services that wish to be recognized as designated groups on a case-by-case basis at licence renewal. Consequently, in their applications, the French-language groups proposed different CPE and PNI requirements based on their respective situations. The Commission considers that expenditure levels for the groups should be determined on a case-by-case basis rather than by applying a standard level for all groups. While they share the same economic and technological context and must face the same digital challenges, the French-language groups differ greatly in terms of their financial situation, market share, composition and current regulatory requirements.

23. While Groupe TVA and Groupe V are comprised of both discretionary services and television stations, the Bell and Corus groups are exclusively comprised of discretionary services. Unlike Groupe TVA, Bell and Corus, Groupe V is an independent licensee that is not integrated with any broadcasting distribution undertaking (BDU). Due to its historical performance, it also has a smaller Canada Media Fund (CMF) performance envelope than the other groups.

24. Further, one of the key aspect of the French-language market is the strong presence of the Canadian Broadcasting Corporation (CBC) a public player that differs from the large private ownership groups in its mandate and revenue sources.

⁵ See Broadcasting Decisions 2017-144, 2017-145, 2017-146 and 2017-147.

Implementation of determinations made in Broadcasting Regulatory Policy 2015-86

25. Consistent with its determinations in Broadcasting Regulatory Policy 2015-86, the Commission has set out measures implementing new exhibition requirements, eliminating genre protection and applying the new standard conditions of licence, which are set out in Broadcasting Regulatory Policy 2016-436.
26. In Broadcasting Regulatory Policy 2015-86, the Commission assessed the effectiveness of the group-based approach and determined that it was still relevant, that it would be maintained in the English-language market and that jointly held French-language services would be encouraged to become recognized as groups at licence renewal.
27. The Commission has therefore considered the following issues:
- CPE and PNI expenditure levels and the method for calculating the minimum requirements of the groups;
 - compliance with CPE and PNI requirements;
 - independent production; and
 - support for and monitoring of original French-language programming.

Canadian programming expenditures and programs of national interest

28. The creation of compelling, high-quality productions such as Canadians expect requires, among other things, financial investment. Investment in Canadian content of high quality that is widely available and well-promoted drives viewing and thereby generates revenues. These revenues can then be reinvested in the production of content. CPE requirements help maintain levels of spending by broadcasters on Canadian programming, support the cultural uniqueness of the French-language market and promote original French-language programming.
29. Moreover, such requirements are important tools that contribute to fulfilling the objectives of the Act. In particular, applying CPE requirements to all licensed programming services ensures that these elements of the television broadcasting system contribute in an appropriate manner to the creation and presentation of Canadian programming. Setting such requirements at appropriate levels ensures that maximum and predominant use is made of Canadian resources to originate programming of high standard.

Positions of parties

30. Bell proposed harmonized CPE and PNI levels across its entire designated French-language group. CPE levels would be based on average CPE requirements for all discretionary services in the French-language market. As to PNI levels, Bell proposed that they be the same for all industry services, whether English- or French-

language. It therefore suggested reducing its group's PNI level from 18% to 5% to reflect its new composition.

31. Corus proposed to maintain current CPE levels for Historia and Séries+ or adopting a harmonized level for the group. However, it objected to the imposition of minimum requirements for PNI spending. In the event that the Commission opted to do so, it stated that the requirement should be set at 5%.
32. Groupe TVA proposed a harmonized CPE level for its group based on programming expenditures for the current broadcast year, but suggested no PNI level. It submitted that it was unnecessary to regulate this area as the popularity of PNI meant that the groups would continue to invest in such programming.
33. Groupe V proposed a harmonized CPE level for its group based on programming expenditures for the current broadcast year. In the event that the Commission instead opted for a CPE level based on gross broadcasting revenues from the previous year, Groupe V requested that one level be imposed for its television stations and another for its discretionary services. It also requested that it be given flexibility to allocate spending among its services. Finally, Groupe V opposed the imposition of a PNI requirement. However, at the hearing, it stated that if the Commission deemed such a requirement necessary, a PNI level of 10% would be appropriate.

Interventions

34. Most interveners supporting the application of the group-based approach argued that if applicants wanted to benefit from its flexibility, they must accept to be subject to all its elements, including CPE and PNI expenditure requirements.
35. The Conseil provincial du secteur des communications (CPSC), the Association des réalisateurs et réalisatrices du Québec (ARRQ), the Union des artistes (UDA) and the Société des auteurs de radio, télévision et cinéma (SARTEC) (collectively ARRQ-UDA-SARTEC) opposed adopting the group-based approach because they saw no added value in taking an approach for stabilizing CPE established in the English-language market and applying it to the French-language market. In the CPSC's view, the group-based approach would be ineffective because Groupe TVA and Groupe V already devote a large part of their programming expenses and revenues to Canadian programming and because discretionary services alone cannot offset the decrease in CPE from conventional television.
36. The Association québécoise de la production médiatique (AQPM), the Alliance des producteurs francophones du Canada (APFC), the Fédération nationale des communications (FNC), On Screen Manitoba and the Forum for Research and Policy in Communications (FRPC) recommended that all groups should benefit from the group-based approach's flexibility. However, they suggested that this flexibility should be accompanied by the requirements associated with the approach, namely CPE and PNI expenditure requirements based on a percentage of gross revenues from the previous year, a requirement to allocate 75% of PNI expenditures to independent production and a CPE requirement for all discretionary services with more than 200,000 subscribers.

37. These same interveners added that while Groupe TVA, Groupe V and Corus argued that the characteristics of the French-language market would ensure that the groups maintain their PNI expenditures, analysis of the data provided by the groups in their applications suggests otherwise.
38. They also stated that the French-language groups with a similar composition should be subject to comparable CPE and PNI requirements and that lowering Canadian programming exhibition requirements made sense only if historic CPE and PNI expenditure levels were maintained for the groups.
39. Finally, given the elimination of genre protection, some interveners raised the issue of regulatory parity and the risk of placing certain groups at a competitive disadvantage in the event that requirements were not standardized.

Commission's analysis and decisions

Calculation method

40. In the Group-Based Policy, the Commission determined that CPE levels must be based on the groups' historical revenues, not expenditures for the current year. During the last licence renewals for the large English-language ownership groups and Astral, the Commission used this approach to calculate the services' financial contributions to Canadian programming.
41. In Broadcasting Decision 2012-242, at the licensee's request, the Commission imposed a CPE requirement on Groupe TVA based on a percentage of the group's total programming expenditures for the current year.
42. The Commission is of the view that to allow certain groups to use a calculation method that differs from the others would confer a competitive advantage relative to the other groups, since groups have greater control over their expenditures than their revenues. Moreover, the Commission considers that a CPE requirement based on the previous year's revenues rather than the previous year's expenditures would make Canadian programming expenditures more predictable for the creative industry, and, to a lesser extent, for the groups themselves.
43. With respect to PNI expenditures, the groups and interveners proposed a range of methods to calculate the contribution levels to be imposed on licensees. The Commission considers that the logic applied to CPE is equally valid in the case of PNI expenditures.
44. In light of the above, in the context of this proceeding, the Commission will use a calculation method based on broadcast revenues from the previous year to determine CPE and PNI expenditure requirements.

Canadian programming expenditures

45. In light of the regulatory framework for television established in Broadcasting Regulatory Policy 2015-86, discretionary services no longer benefit from genre protection and mandatory distribution. Consequently, the Commission is of the view

that a group CPE requirement is warranted.⁶ Such an approach would give the groups the ability to adapt in a more competitive marketplace.

46. The imposition of the same contribution requirement on all groups would result in Corus and Groupe V being subject to much higher requirements relative to their historical expenditures, while conversely Bell and Groupe TVA would be subject to much lower requirements relative to their historical expenditures. The imposition of a standardized requirement would thus create an imbalance among the groups.
47. Instead, as a number of interveners argued, the Commission considers that Canadian programming and programs underrepresented in the French-language market would be better supported if CPE requirements were established case-by-case based on the previous year's gross revenues of each group.
48. Consequently, in light of the above, the Commission will assess the minimum CPE requirements individually to determine the appropriate level for each group. The CPE requirements specific to each group, as well as the Commission's analysis and decisions in this regard, are set out in the respective decisions for each group, also published today.

Expenditures on programs of national interest

49. The Commission considers that a PNI expenditure requirement is needed to ensure that services in the French-language market continue to provide a wide range of programming, particularly in program categories that are more costly to produce and difficult to make profitable. The Commission also considers that dramas, long-form documentaries and music and variety programs represent valuable vehicles to convey Canadian attitudes, opinions, ideas, values and artistic creativity in the French-language market.
50. While all groups have made high expenditures in this area, only Bell is subject to a specific expenditure requirement. Consistent with its approach to CPE, the Commission will assess minimum PNI expenditure requirements on a case-by-case basis to determine an appropriate level for each group. Specific PNI requirements, as well as the Commission's analysis and decisions in this regard, are set out in the respective decisions for each group, also published today.

25% limit on CPE transfers

51. As set out in the group-based approach, up to 25% of the television stations' CPE requirements may be met by expenditures transferred from discretionary services within the same group. The applicants stated that they did not want to be subject to this limit in the French-language market.

⁶ The Commission has determined that it would be inappropriate to include national news and mainstream sports services in the group-based approach because the flexibility afforded by this approach would result in designated groups being able to direct significant amounts of spending into news or sports programming, which is already profitable.

52. This limit was established to ensure that the groups continue to invest a significant share of their CPE in their television stations despite the ability to reallocate of the required amount to discretionary services. The Commission considers that these stations, which are available over the air, represent an affordable and widely accessible option for Canadians who want access to their programming, including their local programming, and should therefore give rise to significant CPE. For these reasons, the French-language groups will now be subject to this same limit by condition of licence.

Compliance verification for CPE and PNI requirements

53. As discussed with the parties to the proceeding, given the nature of group-based licensing and the flexibility associated with this approach, compliance can only be fully assessed after the end of a licence term. In particular, expenditure requirements for both CPE and PNI can be allocated among services that are part of the group. The groups themselves are entitled to expend an amount that is up to 5% less than the minimum required expenditure and can carry over this amount to the next year. The licensees are required to make up any shortfall before the end of the term.

54. Given that the licensees that form part of the designated group have until the end of the licence term to meet their overall CPE and PNI expenditure requirements, the Commission is imposing conditions of licence to verify and ensure compliance for up to two years after the end of the previous licence term. The requirements are as follows:

- for two years following the end of the previous licence term, each licensee shall be required to report and respond to any Commission enquiries regarding the CPE and PNI expenditures of the licensee and its group made during the previous licence term; and
- each licensee shall be responsible for any shortfall relative to the CPE and PNI requirements that occurred during the previous licence term.

55. In the Commission's view, such requirements would be appropriate for all services, including those that are not part of one of the groups.

Independent production

56. In the last licence renewals in 2012, the Commission required Astral to allocate at least 75% of its PNI expenditure requirement to independent production. In the case of Groupe TVA, the Commission maintained the existing requirement that the licensee devote at least \$20 million per broadcast year to programs produced by independent producers.

57. For its part, Groupe V is currently subject to a requirement regarding expenditures on independent production, imposed on its television stations in Broadcasting Decision 2008-129. Under this condition of licence, it must allocate at least \$4 million per broadcast year and at least \$40 million over seven consecutive broadcast years to independent production.

Positions of parties

58. Groupe TVA maintained that it had far exceeded its requirement to allocate \$20 million per year to independent production. It stated that, from broadcast years 2012-2013 to 2014-2015, its spending in this area ranged from \$49 million to just over \$58 million a year.
59. Groupe TVA added that it had always worked with independent producers and that they would always be key partners in its mission to provide quality content. It stated that it wished to stay the course over the next licence term but not be subject to any condition of licence in this regard. However, in the event that the Commission decided to impose a requirement, it asked that it continue with its current requirement.
60. Groupe V indicated that between the 2008-2009 and 2014-2015 broadcast years, its television stations allocated nearly \$225 million to programming produced by independent Canadian producers. It added that the business model it has favored since 2008 relies on the systematic use of independent production for all programs broadcast. Consequently, Groupe V requested that it not be subject to a requirement regarding independent production.
61. Bell stated that its group would continue to invest heavily in PNI for high-quality programs produced by independent producers. It therefore proposed to maintain the requirement to devote 75% of the PNI expenditure requirement to independent production companies and broadening it to include services not previously included in its designated group.
62. For its part, Corus stated that it did not want to be subject to a group requirement in this regard.

Interventions

63. AQPM, APFC, AARQ-UDA-SARTEC, the Documentary Organization of Canada (DOC), the Fédération culturelle canadienne-française (FCCF), FNC, FRPC and On Screen Manitoba recommended that the groups be required to devote 75% of their PNI expenditures to independent production.
64. Regardless of the Commission's determination regarding a group requirement, AQPM and DOC requested that it retain the conditions of licence relating to independent production set out in the individual conditions of licence for the services, despite the removal of genre protection and the intent to eliminate related conditions of licence expressed by the Commission in Broadcasting Regulatory Policy 2015-86.

Commission's analysis and decisions

65. The groups in the French-language market already devote a significant share of their spending to independent production. Moreover, the Quebec government provides TV production tax credits only to programs produced by independent producers, which makes drawing on these producers more appealing to broadcasters.

66. To ensure French-language groups continue to make significant use of independent Canadian producers, especially for program categories it deems of national interest, the Commission will nevertheless impose a condition of licence requiring that 75% of the PNI expenditure requirement be allocated to programs produced by independent production companies.

Support for and monitoring of original French-language programs

67. While support for original French-language programs is not a component of the group-based approach, some interveners asked that the Commission impose group requirements in this area.

Positions of parties

68. The groups agreed that original, first-run programs are an integral part of their strategies and allow them to attract a large audience. They stated that they invest most of their CPE in these programs and that consequently no additional requirement was needed to support this type of programming.

Interventions

69. In the context of this proceeding, several interveners, including members of official language minority communities (OLMCs), expressed concern regarding the number of original programs produced in the French-language market. They therefore asked the Commission to impose an expenditure requirement to support these programs.

70. AQPM, with the support of ARRQ-UDA-SARTEC, APFC, the Fédération culturelle canadienne-française (FCCF) and On Screen Manitoba, suggested imposing a specific expenditure requirement for the French-language market to support original French-language programming. AQPM, FCCF and APFC also recommended imposing a condition of licence requiring groups to allocate at least 75% of their CPE to original French-language programming.

71. AQPM noted that due to the decline in overall gross revenues projected by the groups, the amount of original French-language programs may also decrease in favour of less costly dubbed original English-language programs, particularly given the increased time credit for programs dubbed in Canada established in Broadcasting Regulatory Policy 2015-86.

72. ARRQ-UDA-SARTEC argued that a PNI expenditure requirement means little unless it is coupled with a requirement regarding original French-language programs. Specifically, they argued that while most viewers still watch conventional television, the migration of Francophone viewers from conventional television (which airs mostly original productions) to specialized and pay TV (which airs many reruns) fragments the French-language programming offering to the detriment of original productions in costly program categories such as dramas and documentaries.

73. A number of interveners submitted that increasing time credits for broadcasters that dub programs into French in Canada encourages groups with services in both

linguistic markets, i.e. Bell and Corus, to dub the English-language programs they acquire so they can broadcast them on their French-language services and thus meet their exhibition requirements.

74. FNC stated that without original productions, distinctive programming that reflects the reality and needs of Canadians would slowly disappear.

Commission's analysis and decisions

75. As the groups noted, the French-language market is distinguished by its original programming since there is a high demand for such content. As evidenced by the roster of most watched programs in Quebec, where original French-language programs often top the list, francophone and francophile Canadians seek out programs that reflect them and their unique culture.
76. Following the implementation of the determinations set out in Broadcasting Regulatory Policy 2015-96, all services must now be offered on a pick-and-pay basis, which means that to keep attracting consumers they must constantly reinvent themselves and seek to stand out from the competition, including that of digital platforms.
77. The Commission considers that CPE requirements are sufficient to ensure the production and broadcast of a significant number of original French-language programs. Consequently, it will impose no specific requirements regarding the broadcast of such programs.
78. However, over the next licence term, the Commission intends to closely monitor the groups' expenditures on such programs by way of detailed reports. An information bulletin will be published at a later date to provide more details in this regard. The Commission is open to imposing requirements relating to this matter at the next licence renewal if the data collected demonstrate a need for intervention.
79. In Broadcasting Regulatory Policy 2015-86, the Commission increased the additional time credit for Canadian and foreign programs dubbed in Canada to 33%. This increase aimed to ensure that Canadian television services continue to make use of Canadian dubbing companies. Nonetheless, the Commission considers it unlikely that dubbing costs will be sufficient for the groups to meet their requirements. To meet their CPE requirements, the groups will effectively need to invest in new French-language Canadian productions.
80. Consequently, although increased time credits encourages dubbing and may lead to the same program being aired in both markets within the same group, the Commission is convinced that this measure in no way impedes the acquisition or production of original programs in the French-language market.

Local programming

81. Local programming, particularly local news, is of great importance to Canadians and continues to be a primary source of news and information. Moreover, news and analysis produced and distributed through the broadcasting system are essential components of the Canadian democratic system and contribute to the trust that Canadians place in it. The privileges granted to local television stations to have their signal distributed on the basic service, to solicit local advertising and to request simultaneous substitution come with the responsibility to offer local programming, much of which consists of news and analysis.

82. The Commission has considered the following issues relating to local programming:

- exhibition requirements for local programming and locally reflective news and information, as well as monitoring of these regulatory levels;
- expenditure requirements for locally reflective news and information;
- measures to address the possible future closure of local television stations; and
- other proposals made by parties.

Exhibition requirements for local programming and locally reflective news and information

83. In the Local TV Policy, the Commission established the following measures to ensure that local television stations maintain historical exhibition levels for local programming and locally reflective news and information:

- the requirements for French-language commercial stations will continue to be assessed on a case-by-case basis, using a benchmark minimum of 5 hours of local programming per week based on historical levels;
- stations will be required to broadcast a minimum level of locally reflective news and information, with the exhibition level to be determined at licence renewal based on historical levels;
- to better monitor exhibition and expenditure levels for locally relevant and reflective programming, the Commission will require licensees to report on the amount of locally relevant and reflective programming produced or acquired for each program category, as well as the associated revenues and expenses.

Positions of parties

84. The groups stated that it was difficult for them to carve out the broadcast of locally reflective news segments from locally relevant news segments for purposes of these measures, since they had never calculated the amount of hours of local news broadcast in such a way as to distinguish between locally relevant and locally

reflective news segments. They argued that a logging requirement to this effect would create a substantial administrative burden and divert local resources that could otherwise be used for news production. Instead, the groups proposed a hybrid monitoring system that would combine the submission of logs with samples of news segments to prove that the stations are providing the required amount of locally reflective news. However, Groupe V and Groupe TVA both proposed exhibition and expenditure levels for locally reflective news programs.

85. The Syndicat des employé(e)s de CFCM-TV (SECC), CPSC and FNC criticized the withdrawal of broadcasters from local markets outside Montréal. They questioned the application of the Local TV Policy and sought changes to the policy.
86. For its part, FRPC stated that the local programming hours required by the Local TV Policy (benchmark minimum of five hours a week in the French-language market) should only include original programming.
87. SECC and CPSC requested various amendments to the measures announced in the Local TV Policy. A number of these amendments sought to ensure that employees in local stations are better protected. Some interveners, such as FRPC, also requested amendments with a view to clarifying the definitions of local programming and locally reflective news.

Commission's analysis and decisions

88. Consistent with the Local TV Policy, the Commission is maintaining its current approach with respect to French-language television stations. The local programming of these stations will continue to be assessed on a case-by-case basis using a benchmark minimum of five hours per week.
89. Similarly, the Commission considers that exhibition requirements for locally reflective news and information programming should be determined on a case-by-case basis. Consequently, the specific levels for the television stations belonging to Groupe TVA and Groupe V will be set out in the groups' respective decisions.
90. In addition, in light of the comments received as regards monitoring compliance with these new regulatory levels, the Commission finds it appropriate to require licensees to file sample-based reports rather than to require them to provide details on locally reflective news segments in their logs. Accordingly, the Commission will begin in the 2017-2018 broadcast year to randomly select and require licensees to submit reports for certain broadcast weeks providing detailed information on locally reflective news segments. The Commission may request, if necessary, that audiovisual recordings of those programs be submitted to verify the information contained in the reports.

Expenditure requirements for locally reflective news and information

91. In the Local TV Policy, the Commission announced that all licensees would be required to allocate a percentage of their previous year's revenues to locally reflective

news and information, with the expenditure levels to be determined at licence renewal based on historical levels.

Positions of parties

92. Groupe TVA proposed the status quo, namely to maintain current requirements rather than to apply the new requirements set out in the Local TV Policy.
93. Groupe V proposed to devote 5% of the CPE of its stations to locally reflective news and information across all the stations over the licence term.

Interventions

94. CPSC proposed that the amounts to be spent on local news be established solely on the basis of local advertising revenues to shield these expenditures from fluctuations in national advertising revenues.
95. FNC supported the imposition of requirements for French-language stations on a case-by-case basis, but stated that it would have liked to see the establishment of a local news fund for which all stations would have been eligible.

Commission's analysis and decisions

96. Based on the information relating to expenditures provided by the groups, which the Commission deems to be commensurate with their historical spending, the Commission considers it appropriate to set the locally reflective news expenditure (LNE) requirement at 5% of the previous year's revenues of each local television station in the group. Moreover, to allow the groups to create this programming and to ensure that resources are allocated to meet the needs and interests of each location served, the Commission also considers it appropriate to provide stations belonging to the same group with flexibility in meeting their LNE requirements. Specifically, stations within a group will be allowed to share 100% of their LNE, and the same rules will govern LNE as those applicable to CPE in terms of annual overspending and underspending.
97. Additionally, for the purposes of fulfilling LNE requirements, television stations will be allowed to count local expression contributions received from BDUs for the production of local news pursuant to the Local TV Policy, so long as these contributions are allocated to locally reflective news programming and the group maintains the operation of all its television stations. This will provide the groups with a significant level of financial support without imposing additional expenditure requirements.
98. As announced in the Local TV Policy, financial support will be provided to independent television stations (i.e. stations that do not belong to large vertically integrated groups) through the Independent Local News Fund (ILNF), for which Groupe V's five television stations will be eligible.

99. Finally, licensees of television stations will be required to file information on LNE and the broadcast of locally reflective news programs and segments as part of their annual returns so that the Commission and other parties can assess the effectiveness of these measures over the course of the licence term.

Measures to address the possible future closure of television stations

100. At the hearing, the Commission expressed concern over the possibility that certain licensees might consider shutting down their local television stations during the upcoming licence term and the impact of such a decision on Canadians and their access to local news and information. The Commission proposed conditions of licence to address this concern.

Positions of parties

101. FRPC argued that vertically integrated broadcasters that choose to abandon communities they serve by closing television stations should lose the associated benefits they receive from the Commission, including but not limited to those set out in the Group-Based Policy.

Commission's analysis and decisions

102. The Commission has adopted a series of regulatory measures in recognition of the difficult environment in which stations operate. For example, the Commission has provided licensees with the ability to allocate their CPE and PNI expenditures across their respective television stations and discretionary services and is allowing stations to allocate their LNE across stations. As part of the Local TV Policy, the Commission authorized previously affiliated BDUs to redirect funding previously allocated to the operation of community channels to finance local programming. These regulatory measures are meant to provide licensees with the regulatory and financial flexibility to continue providing local and locally reflective programming to Canadians.

103. Along with these beneficial regulatory measures comes the licensee's reciprocal duty to provide the service for which it holds a licence. Consequently, in the Local TV Policy, the Commission stated that ownership groups operating both BDUs and television stations would be required to maintain the operation of all of their stations over their licence term to benefit from the flexibility being granted.

104. Consistent with previous policies, the Commission wishes to ensure that licensees that benefit from various regulatory measures can be held accountable if they opt to no longer provide programming that is valuable to Canadians. It therefore considers it appropriate to ensure that stakeholders and members of the public can voice their concerns through a public process in the event one of the groups wishes to close down a station.

105. Specifically, each licensee of a television station belonging to the groups will be required to:
- operate the station as part of the designated group for the duration of the licence term; and
 - in the event that it wishes to be relieved of the above obligations, file an application with the Commission to remove the station from the group list at least 120 days prior to ceasing operations.
106. Related obligations will be imposed by condition of licence on all other licensees belonging to the same group, requiring them to ensure that the list of services that form part of the group is accurate at all times. This requirement will apply not only when a licensee decides to shut down a station, but also when groups are modified as a result of an ownership transaction.
107. To ensure greater transparency with respect to the services that comprise the groups and to provide Canadians with current information in this regard, the Commission is listing the services that belong to each group in their respective licence renewal decisions.

Other proposals relating to local programming

108. With respect to the other proposals made by parties, including revising the definitions of local programming and locally reflective news, creating a requirement concerning local presence, requiring that a minimum number of employees be employed at each station and requiring that a percentage of local programming be drawn from categories other than the news, the Commission finds that these proposals are out of the scope of this proceeding as its aim is to apply the determinations made in the Local TV Policy, rather than revisit those policy determinations.

Regional and OLMC reflection

109. At the last licence renewal for the services held by the groups, the Commission set out the following expectation regarding regional reflection for all specialty and pay services:

The Commission expects the licensee to ensure that the programs broadcast by the service provide an appropriate reflection of all regions of Quebec, including regions outside Montréal, and all regions of Canada. The Commission further expects the licensee to provide producers located in these regions with the opportunity to produce programs for its service.

Positions of parties

110. Most interveners agreed that the expectation should, at a minimum, be maintained. Some added that it should also apply to Groupe V's services, while others went further and suggested the Commission make it a condition of licence, arguing that only Bell managed to fulfill the expectation in the last licence term. For its part, Groupe V opposed maintaining this expectation for its MusiquePlus and MAX services.

Commission's analysis and decisions

111. The Commission acknowledges the concerns raised by interveners and considers that regional and OLMCs reflection remains an important issue in the French-language market. For this reason, the Commission will maintain the expectation set out for specialty and pay services at the last licence renewal and extend its application to all discretionary services.
112. Given the new expenditure and reporting requirements imposed on the groups pursuant to the Local TV Policy, as well as the CPE credits announced in this decision for OLMC productions, which is addressed later in the decision, the Commission considers that existing measures are sufficient to encourage the groups to better reflect OLMCs and that there is no need to make the current expectation a condition of licence.

Access for underrepresented groups in the broadcasting system

113. Many interveners commented on the need for additional measures to support Indigenous and OLMC production, as well as women's access to key leadership positions in the broadcasting industry.
114. Section 3(1)(o) of the Act states that "programming that reflects the aboriginal cultures of Canada should be provided within the Canadian broadcasting system as resources become available for the purpose."
115. As an outcome of the Truth and Reconciliation Commission of Canada, the Government of Canada has stated that it wants to ensure the protection and promotion of Indigenous culture. The Canadian broadcasting system plays an important role in the reconciliation of Indigenous peoples with Canadian society. In the past, the Commission has raised the immediate need to serve the Indigenous community as a whole since vital questions of importance to Indigenous peoples are not completely covered, or not covered at all, by non-Indigenous media.
116. Further, as a federal institution, the Commission has the duty under section 41 of the *Official Languages Act* to ensure that positive measures are taken to enhance the vitality of the English and French linguistic minority communities in Canada, support and assist their development and foster the full recognition and use of both English and French in Canadian society.
117. Finally, the Commission considers that the Canadian broadcasting system, through its programming and employment opportunities arising out of its operation, should also serve the needs and interests and reflect the circumstances and aspirations of women, consistent with section 3(1)(d)(iii) of the Act.
118. Accordingly, the Commission has considered the following issues:
- reflection of Indigenous peoples;
 - reflection of OLMCs;

- women’s access to key leadership positions; and
- reporting on Canadian productions.

Reflection of Indigenous peoples

Positions of parties

119. FRPC was critical of the fact that none of the applicants clearly discussed their role and the steps taken to achieve the objectives of the Act.
120. On Screen Manitoba stated that Indigenous production companies should have greater access to the public via the groups.
121. Jeremy Torrie, an Indigenous producer, submitted that a clear definition of what constitutes “Aboriginal content” and data about the volume of Aboriginal content broadcast by licensees was needed before discussing solutions.
122. For their part, the groups made no firm commitments regarding Indigenous reflection. However, Corus suggested that CPE or time credits for Indigenous productions are a way to encourage major broadcasters to turn to Indigenous producers for content. It also noted that industry meetings are an excellent opportunity to organize information sessions for Indigenous producers. Corus offered to collaborate with the industry to plan these sessions and proposed the creation of online toolkits.

Commission’s analysis and decisions

123. Currently, programming reflecting the Indigenous peoples of Canada is only offered by a small number of programming services. The Commission considers that the large private broadcasters can play an important role in providing access to such programming.
124. Accordingly, in light of the pressing need to serve the Indigenous community, the Commission considers it appropriate to adopt an incentive to encourage the reflection of Indigenous peoples within the system. Specifically, a designated group will receive a 50% credit towards their CPE requirements for expenditures on Canadian programming produced by Indigenous producers,⁷ up to a maximum (expenses plus credit) of 10% of the group’s overall CPE requirement when combined with the credit discussed in the following section on OLMC reflection. Only programming costs counting towards CPE as defined in Public Notice 1993-93 will be considered eligible

⁷ “Indigenous producer” means an individual who self-identifies as Indigenous, which includes First Nations, Métis or Inuit, and is a Canadian citizen or resides in Canada, or an independent production company in which at least 51% of the controlling interest is held by one or more individuals who self-identify as Indigenous and are Canadian citizens or reside in Canada. In regard to the definition of “independent production company,” “Canadian” includes a person who self-identifies as Indigenous and resides in Canada, whereas “Canadian company” includes a production company in which at least 51% of the controlling interest is held by one or more individuals who self-identify as Indigenous and reside in Canada.

for the credit. Conditions of licence to this effect are set out in the licence renewal decisions for each group, also published today.

125. The Commission intends to monitor and assess the effectiveness these measures by requiring the groups to provide the following information on a yearly basis: the number of Indigenous producers they meet with each year, a list of projects commissioned from Indigenous producers that are in development, in production and completed, their budgets and the total CPE devoted to such projects. This additional data will also allow the Commission and the public to better gauge Indigenous production within the system.

Reflection of official language minority communities

Positions of parties

126. Intervenors representing French-language OLMCs asked that quotas be imposed to support OLMC production. Specifically, they proposed that the groups be required by condition of licence to devote 3% of their PNI expenditures to independent producers from OLMCs.
127. They also asked that the Commission require that the groups' annual returns be submitted in both official languages and that they include each group's plans for programming providing regional and OLMC reflection.
128. Generally speaking, the groups were in favour of maintaining the current incentives with respect to the reflection of OLMCs but were firmly opposed to the imposition of specific and measurable conditions of licence. However, Corus suggested that CPE or time credits for OLMC productions would be a way to encourage major broadcasters to turn to OLMCs for content. It also noted that industry meetings are an excellent opportunity to organize information sessions for OLMC producers. Corus offered to collaborate with the industry to plan these sessions and proposed the creation of online toolkits.

Commission's analysis and decisions

129. Though it is difficult to know the exact percentage of CPE targeting OLMCs or produced by them, it is clear that these groups are underrepresented relative to their demographic weight in Canadian society.
130. The Commission is of the view that intervention is needed to encourage greater onscreen reflection of OLMCs by the groups. Consequently, a designated group will receive a 25% credit against its CPE requirements for expenditures on Canadian programming produced by OLMC producers, up to a maximum (expenses plus credit) of 10% of the group's overall CPE requirement when combined with the credit discussed in the preceding section on Indigenous reflection. Only programming costs counting towards CPE as defined in Public Notice 1993-93 will be considered eligible for the credit. Further, the OLMC producer must be an independent producer as defined by the Commission and (i) if in the province of Quebec, the original language

of the production must be English or (ii) if outside of the province of Quebec, the original language of the production must be French.

131. The Commission intends to monitor and assess the effectiveness of these measures by requiring the designated groups to provide the following information on a yearly basis: the number of OLMC producers they meet with each year, a list of projects commissioned from OLMC producers that are in development, in production and completed, their budgets and the total CPE devoted to such projects. This will allow the Commission to monitor the effect of the new incentive on OLMC producers, as well as allow the groups representing OLMCs to obtain relevant information not currently available and thus more fully participate in Commission proceedings.

Women's access to key leadership positions

132. Although women have access to management positions within the broadcasting system, they still face barriers to entry with respect to key positions within the creative and production sectors. Section 3(1)(d)(iii) of the Act states that the Canadian broadcasting system should, through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights. The Commission considers that women's access to key leadership positions is an important issue and that intervention by the Commission is necessary to further the achievement of this objective of the Act.
133. Accordingly, in order to engage all stakeholders in a wider discussion on this issue, the Commission considers it appropriate to initiate an event on women in production, with particular emphasis on women in leadership positions.
134. In addition, to address the concerns of certain stakeholders regarding the lack of data, the Commission intends to monitor broadcasters' efforts in this area by requiring the groups to provide information on a yearly basis regarding the employment of women in key leadership creative positions in the productions they broadcast. This will allow the Commission and the public to better identify the challenges women face in the television industry prior to the next renewal process.

Reporting on Canadian productions

135. Several interveners submitted that the groups' reporting of expenditures on original, first-run programming is inconsistent and difficult to track. Other interveners argued that the groups should clearly identify their spending on original, first-run programming versus library or acquired programming.
136. To address these concerns while limiting the administrative burden on licensees, the Commission will revise the existing PNI report and annual return forms that licensees must file to identify their spending on original, first-run programming and other content, including that produced by OLMC and Indigenous producers. Questions will also be added to measure broadcasters' efforts to commission programming made by women occupying the roles of producer, director, writer, cinematographer and editor.

137. The revised forms and reports will be implemented in the new licence term and will first be filed with the Commission by 30 November 2018 to reflect the 2017-2018 broadcast year.

138. In addition, the Commission will publish an information bulletin relating to the new forms with a view to eliminating variances in reporting at a later date.

Application of existing competitive safeguards in light of the Wholesale Code

139. In Broadcasting Regulatory Policy 2015-438, the Commission set out the Wholesale Code, which governs certain aspects of the commercial arrangements between BDUs, programming undertakings and exempt digital media undertakings. Under Broadcasting Order 2015-439 issued pursuant to section 9(1)(h) of the Act, licensed BDUs are required to abide by the Wholesale Code and may only distribute a licensed programming undertaking if:

- both parties have entered into an affiliation agreement that complies with the Wholesale Code and includes a clause requiring the licensed programming undertaking to abide by the Wholesale Code; or
- the licensed programming undertaking is subject to a condition of licence requiring adherence to the Wholesale Code.

140. The standard conditions of licence for discretionary services set out in Broadcasting Regulatory Policy 2016-436 include a condition requiring adherence to the Wholesale Code.

141. Prior to the implementation of the Wholesale Code, a number of conditions of licence were imposed on services in ownership transactions or as part of licence renewals as safeguards against anti-competitive behaviour.⁸ For instance, in response to the change in the effective control of the broadcasting undertakings of Astral to Bell, the Commission put in place significant safeguards to ensure a continued dynamic marketplace, thus acknowledging the concerns raised by interveners over the impact of the transaction on competition, ownership concentration, vertical integration and the exercise of market power. In the French-language market, Bell and Corus services are subject to these safeguards.

142. Most of the competitive safeguards imposed on the services overlap with provisions in the Wholesale Code, with the exception of two conditions of licence related to the launch of programming services.

Positions of parties

143. The Canadian Cable Systems Alliance (CCSA) advocated for additional conditions of licence with respect to access to programming and multiplatform rights, arguing that prescriptive rules were needed to alleviate the burden of going through the

⁸ See Broadcasting Decisions 2013-310, 2013-737, 2013-738 and 2014-399.

Commission's dispute resolution process. The CCSA also argued in favour of retaining the existing condition of licence requiring mandatory dispute resolution, stating that there would otherwise be more gamesmanship and delays in mediation processes. Generally, the CCSA argued that the Commission's staff-assisted mediation process needs to be quicker and more efficient.⁹

144. In its final reply, Bell stated that it disagreed with the CCSA's position. Bell maintained that it had framed its licence renewal application for its French-language discretionary services in view of the regulatory framework established as a result of the determinations stemming from the Let's Talk TV proceeding, including the provisions of the Wholesale Code. It further noted that the *Broadcasting Distribution Regulations* already prevent a party from having a veto right with respect to the participation of other parties to the dispute resolution. Bell therefore asked that the Commission reject the CCSA's proposals in this proceeding. Bell further asked that the Commission remove the conditions of licence imposed at the time of its acquisition of the Astral services that overlap certain Wholesale Code provisions.

Commission's analysis and decisions

145. The Commission considers that the record of this proceeding justifies maintaining the existing conditions of licence that overlap with the Wholesale Code while rendering them suspensive. The conditions of licence at issue stem from past decisions in which the Commission sought to address concerns over the exercise of market power and the impact of consolidation within the system. Noting the concerns of interveners in the current licence renewal proceeding, the Commission considers that the underlying issues that these requirements sought to address remain relevant.

146. Accordingly, in the renewal decisions for the groups, also issued today, the Commission retains existing conditions of licence that overlap with the Wholesale Code, while stipulating that their application is suspended as long as the Wholesale Code is in effect. This will provide licensees with the regulatory consistency and simplicity they require in their commercial relationships with BDUs, while retaining the Commission's oversight into the commercial dealings of the licensees at the wholesale level.

147. Further, the following conditions of licence, which do not overlap with the Wholesale Code, will be reimposed:

The licensee shall not include or enforce any provision in or in connection with an affiliation agreement that is designed to prevent, or is designed to create incentives that would effectively prevent, another programming undertaking or broadcasting distribution undertaking from launching or distributing another licensed programming service.

⁹ The CCSA did not intervene at the Laval hearing. However, following a request by the CCSA, the Commission has placed a transcript of its appearance at the Gatineau hearing on the public record of this proceeding.

The licensee shall provide a minimum of 90 days' written notice of the impending launch of a new programming service to all broadcasting distribution undertakings. Such notice shall be accompanied by an offer that sets out the general terms of carriage of the programming service to be launched.

148. With respect to the various requests for additional competitive safeguards and changes to the dispute resolution process, the Commission is of the view that this licence renewal proceeding is not the correct forum to be requesting requirements beyond those recently established in the Wholesale Code, nor to propose changes to the Commission's dispute resolution regime. The Commission also considers that the dispute resolution regime, which contains both informal and formal processes and a number of regulatory protections in addition to those found in the Wholesale Code, is well equipped to ensure that a broad range of commercial issues may be brought before the Commission for resolution.
149. Finally, as set out in Broadcasting and Telecom Information Bulletin 2013-637, Commission staff works with parties to establish timelines within the context of staff-assisted mediation, noting that it is generally in the best interest of the parties to advance in a timely manner towards resolving the dispute. Where retroactive payments may be a concern in a given case, a party at mediation should raise it with Commission staff so that it may inform the setting of timelines.

Repurposing of the 600 MHz frequency band in Canada

150. The licences held by the large English- and French-language ownership groups include licences for over-the-air television stations, many 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 spectrum for mobile services, such as mobile phones. This initiative is being led in Canada by the Department of Industry (the Department).
151. This initiative will result in a new digital television (DTV) allotment plan for both countries that could impact Canadian over-the-air television broadcasters. Specifically, the new DTV allotment plan could require many television transmitters to change channel (i.e. their frequency of operation) and/or convert to digital.
152. Licensees would ordinarily need to apply to the Commission for approval of any changes to the contours and technical parameters of their television stations and transmitters. Given the potentially high volume of technical change applications and tight timelines associated with the repurposing initiative, the Commission proposed, in Broadcasting Notice of Consultation 2016-225-3, a condition of licence that would permit the large ownership groups' stations and transmitters to operate at revised technical parameters approved by the Department without requiring prior Commission approval. Consequently, the condition of licence would eliminate the need for licensees to file individual applications requesting Commission approval of technical changes resulting from the 600 MHz repurposing initiative. Under this approach, there would be no change to the carriage of television stations by BDUs since the stations would be deemed to be operating under their current parameters.

153. In the context of this proceeding, only Groupe V and Groupe TVA are affected by the repurposing initiative since they are the only groups that operate television stations.

Commission's analysis and decisions

154. The technical changes required for the repurposing of the 600 MHz frequency band are unlikely to result in significant changes in coverage for the affected transmitters. Adopting the proposed approach creates efficiencies and allows broadcasters to keep pace with the transition timelines associated with this initiative. It also maintains existing carriage rights by deeming licensees to be operating at their current technical parameters for the purpose of determining eligibility for carriage by BDUs.

155. For new stations or other changes not associated with the repurposing initiative, such as new rebroadcasting transmitters, broadcasters will need to apply for a new licence or a technical amendment.

156. In light of the above, for each group's television stations, the Commission imposes the following condition of licence:

- (a) The licensee is authorized to operate the television station and transmitters 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 frequency band as described in *Decision on Repurposing the 600 MHz Band*, SLPB-004-15, 14 August 2015 and its April 2017 *Digital Television (DTV) Allotment Plan*, *Digital Television (DTV) Transition Schedule* and the *Broadcasting Procedures and Rules* entitled *BPR-11 – Broadcasting Television Application Procedures During the 600 MHz Transition*.
- (b) For the purpose of the *Broadcasting Distribution Regulations*, the licensee is deemed to be operating the television station and transmitters under the contours and technical parameters approved by the Commission and in effect on **15 May 2017**.
- (c) The above authorizations are valid only if the Commission receives confirmation from the Department that the revised contours and technical parameters resulting from the Department's repurposing initiative of the 600 MHz frequency 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.

157. Television stations operated by independent ownership groups (including community television stations) and the CBC may wish to avail themselves of this authorization prior to the renewal of their licences given that they may also be affected by the repurposing initiative. Accordingly, the licensees of these stations are invited to apply to the Commission for the condition of licence. Their applications will be processed

using the administrative approach described in Broadcasting Information Bulletin 2010-960.

Secretary General

Related documents

- *Renewal of licences for the television services of large English-language ownership groups – Introductory decision*, Broadcasting Decision CRTC 2017-148, 15 May 2017
- *Quebecor Media Inc. – Group-based licence renewals for French-language television stations and services*, Broadcasting Decision CRTC 2017-147, 15 May 2017
- *Groupe V Média inc. – Licence renewals for French-language network, television stations and services*, Broadcasting Decision CRTC 2017-146, 15 May 2017
- *Corus Entertainment Inc. – Licence renewals for French-language television services*, Broadcasting Decision CRTC 2017-145, 15 May 2017
- *Bell Media Inc. – Licence renewals for French-language television services*, Broadcasting Decision CRTC 2017-144, 15 May 2017
- *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 – Working document for discussion*, Broadcasting Notice of Consultation CRTC 2016-225-3, 2 November 2016
- *Renewal of television licences held by large English- and French-language ownership groups – Notice of hearing*, Broadcasting Notice of Consultation CRTC 2016-225, 15 June 2016
- *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016
- *Distribution of the programming of licensed programming undertakings by broadcasting distribution undertakings*, Broadcasting Order CRTC 2015-439, 24 September 2015
- *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015
- *Let's Talk TV – A World of Choice – A roadmap to maximize choice for TV viewers and to foster a healthy, dynamic TV market*, Broadcasting Regulatory Policy CRTC 2015-96, 19 March 2015
- *Let's Talk TV – The way forward – Creating compelling and diverse Canadian programming*, Broadcasting Regulatory Policy CRTC 2015-86, 12 March 2015
- *MusiquePlus and MusiMAX – Change in effective control and licence amendments*, Broadcasting Decision CRTC 2014-465, 11 September 2014

- *Rogers Media Inc. – Group-based licence renewals*, Broadcasting Decision CRTC 2014-399, 31 July 2014
- *Historia and Séries+ – Acquisition of assets and change in effective control*, Broadcasting Decision CRTC 2013-738, 20 December 2013
- *TELETOON/TÉLÉTOON, TELETOON Retro, TÉLÉTOON Rétro and Cartoon Network – Change of effective control; TELETOON/TÉLÉTOON, TELETOON Retro and TÉLÉTOON Rétro – Licence renewal and amendment*, Broadcasting Decision CRTC 2013-737, 20 December 2013
- *Practices and procedures for staff-assisted mediation, final offer arbitration and expedited hearings*, Broadcasting and Telecom Information Bulletin CRTC 2013-637, 28 November 2013
- *Astral broadcasting undertakings – Change of effective control*, Broadcasting Decision CRTC 2013-310, 27 June 2013
- *Revised policy for large broadcast groups regarding Canadian programming expenditure over-expenditures for conventional television and specialty services*, Broadcasting Regulatory Policy CRTC 2012-596, 30 October 2012
- *TVA Group Inc. – Licence renewals*, Broadcasting Decision CRTC 2012-242, 26 April 2012
- *Astral Media inc. – Group-based licence renewals*, Broadcasting Decision CRTC 2012-241, 26 April 2012
- *Broadcasting applications that do not require a public process*, Broadcasting Information Bulletin CRTC 2010-960, 23 December 2010
- *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010
- *Change in the effective control of TQS inc. and licence renewals of the television programming undertakings CFJP-TV Montréal, CFJP-DT Montréal, CFAP-TV Québec, CFKM-TV Trois-Rivières, CFKS-TV Sherbrooke, CFRS-TV Saguenay and of the TQS network*, Broadcasting Decision CRTC 2008-129, 26 June 2012
- *The reporting of Canadian programming expenditures*, Public Notice CRTC 1993-93, 22 June 1993

This decision is to be appended to the licence for each of the services for which the licences are being renewed in this proceeding.