



## Broadcasting Decision CRTC 2018-336

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Reference: Part 1 licence renewal applications posted on 27 November 2017

Ottawa, 30 August 2018

### **RNC MÉDIA inc.**

Gatineau, Rouyn-Noranda and Val-d'Or, Quebec

*Public record for these applications: 2017-0817-4, 2017-0813-2, 2017-0816-6 and 2017-0814-0*

### **Various conventional television stations – Licence renewals**

*The Commission **renews** the broadcasting licences for the French-language conventional television stations CHOT-DT Gatineau, CFGS-DT Gatineau, CFEM-DT Rouyn-Noranda and CFVS-DT Val-d'Or, Quebec and their respective transmitters from 1 September 2018 to 31 August 2023.*

### **Background**

1. On 1 June 2017, the Commission issued Broadcasting Notice of Consultation 2017-183 (the Call), which listed the television services and stations for which licences needed to be renewed in order to continue operations. Those services were not related to any of the large ownership groups and consequently were not renewed during the group licence renewals.

### **Applications**

2. In response to the Call, the Commission received applications from RNC MÉDIA Inc. (RNC) under Part 1 of the *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* to renew the broadcasting licences for the television stations operated by RNC listed below, which expire on 31 August 2018.<sup>1</sup> In addition to their own programming, these stations are all affiliated with one of the following networks: TVA or V.

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<sup>1</sup> The licensee also submitted an application to renew the licence for CKRN-DT, but it was withdrawn because the station closed.

<b>Station and location</b>	<b>Application</b>	<b>Affiliation</b>
CFVS-DT Val d'Or, Quebec and its transmitter	2017-0817-4	V
CFEM-DT Rouyn-Noranda, Quebec and its transmitter	2017-0813-2	TVA
CFGS-DT Gatineau, Quebec	2017-0816-6	V
CHOT-DT Gatineau, Quebec	2017-0814-0	TVA

### **Interventions**

3. The Commission received two supporting interventions, one intervention in opposition and one general comment with respect to the RNC applications. The licensee replied to the interventions.
4. Le Conseil provincial du secteur des communications and the Canadian Union of Public Employees (CPSC-CUPE) et le Syndicat des employés de RNC MÉDIA (the Union) supported the licence renewal of the RNC stations. The CPSC-CUPE noted that the stations had exceeded the Commission's local programming requirements but nonetheless raised concerns regarding the level of local programming that the stations offer.
5. The CPSC-SCFP stated that while RNC had exceeded the Commission's local programming requirements, those requirements are not very high. It added that since the RNC has a monopoly in Abitibi in terms of the level of televised information, it must at least respect the Commission's policy, which requires the broadcast of five hours of original local programming per week for the two stations in the region. The CPSC-SCFP therefore requested that a condition of licence be imposed requiring a minimum of five hours of original local programming each week, including at least two hours and 30 minutes of locally reflective news for each station.
6. The CPSC-SCFP noted that since RNC had made no suggestion in its licence renewal application as to the percentage of its revenues that should be devoted to locally reflective news programming and that the financial information submitted by the applicant was designated as confidential, it was not able to provide comments on this issue. It requested that the Commission ensure that the condition of licence on local news expenditures imposed on RNC require expenditures equal to or exceeding the amounts previously spent by the broadcaster on local programming, since historically this programming has consisted solely of local news.
7. The CPSC-SCFP further submitted that RNC should have a condition of licence relating to described video that is specific to its stations rather than the standard condition of licence and that the stations could improve their closed captioning of newscasts and audio description.

8. For its part, the Union requested the imposition of a condition of licence on each station requiring five hours of original local programming comprised entirely of locally reflective news. The Union, which also supported the renewal applications, requested that the requirement for local news expenditures be equal to or greater than historical expenditures on locally reflective news.
9. An individual opposed the licence renewal of the RNC services. He submitted that the licensee holds the monopoly on regional television in Abitibi and broadcasts television infomercials and promotions for its other media on television.
10. The Shaw Rocket Fund filed a comment that does not apply to this application.

### **Reply**

11. RNC replied to the interventions stating that the CPSC-CUPE and the Union, in revising upward the local programming requirement proposals, did not consider the particular situations of the television stations. Indeed, the abridged financial projections provided show that those stations are financially vulnerable.

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

12. After reviewing the public record for these applications in light of applicable regulations and policies, the Commission considers that it must address the following issues:
  - local programming and level of locally reflective news;
  - expenditures for locally reflective news;
  - requests for licence amendments;
  - instances of non-compliance.

### **Local programming and level of locally reflective news**

13. For CFGS-DT, CFEM-DT and CFVS-DT, RNC proposed two hours and 30 minutes of local programming per broadcast week and two hours and 30 minutes hours of locally reflective news. In the case of CHOT-DT, however, it proposed five hours of local programming and two hours and 30 minutes of locally reflective news.
14. For CHOT-DT, RNC proposed to broadcast the same number of hours as the stations operated by TVA in Saguenay, Rimouski, Trois-Rivières and Sherbrooke. It indicated that although Broadcasting Regulatory Policy 2016-224 established five hours of local programming as a benchmark for French-language television stations, the Commission also stated that this requirement would be considered on a case-by-case basis.

15. RNC stated that its other stations operating in small markets were in a precarious financial situations and that this warranted the Commission's leniency with respect to their regulatory obligations. More specifically, the licensee proposed to double the number of hours of local programming for CFGS-DT and CFVS-DT and to maintain the status quo for CFEM-DT.

#### **Commission's analysis**

16. The policy framework for local and community television set out in Broadcasting Regulatory Policy 2016-224 set out a benchmark of 5 hours of local programming each week but also stated that the Commission would impose requirements for the broadcast of local programming and locally reflective news based on each station's historical levels and on a case-by-case basis.
17. Therefore, the proposal of five hours of local programming per week for CHOT-DT is consistent with Broadcasting Regulatory Policy 2016-224.
18. With respect to the other RNC stations, while the licensee's proposals are for levels lower than five hours, the Commission considers that they are nevertheless justified. In fact, at paragraph 32 of Broadcasting Regulatory Policy 2016-224, the Commission stated that it would determine the merits of each proposal on a case-by-case basis.
19. CFGS-DT and CFVS-DT both operated at a loss during the 2012-2013 to 2016-2017 broadcast years, while CFEM-DT is in a precarious position.
20. The Commission notes that local stations act as an important source of local news and are appreciated by the customers they serve. Nonetheless, the situation of conventional affiliated stations is increasingly difficult as the market share of conventional stations decreases.
21. The Commission notes that the proposed number of hours of local programming represents a significant increase for each station, with the exception of CFEM-DT, whose hours would remain the same. The Commission is further of the view that the proposed requirement two hours and 30 minutes of locally reflective news for each station will ensure adequate reflection of the communities served.
22. In light of the above, the Commission is of the view that RNC's proposals regarding the number of hours of local programming and locally reflective news are appropriate. Consequently, the Commission **approves** RNC's proposals. **Conditions of licence** to this effect are set out in the appendix to this decision.

#### **Expenditures on locally reflective news programming**

23. In its application, RNC did not propose a minimum level of expenditures on locally reflective news programming.

### **Commission's analysis**

24. In Broadcasting Regulatory Policy 2016-224, the Commission determined that the level of expenditures should be established based on historical expenditures. However, the policy does not specify that the Commission should harmonize the spending of stations of a given licensee or provide a mechanism for stations to share the requirements if they are not part of a designated group. Further, according to the data submitted for this proceeding, RNC stations have significant disparities in expenditures for locally reflective news.
25. The Commission is therefore of the view that imposing a different requirement for each station, taking into account its historical expenditures as well as the minimum spending during the licence term, will strike a balance between the amount of programming provided to the communities served and the flexibility provided to the stations. Consequently, the Commission imposes the following spending requirements regarding locally reflective news on RNC stations:
- CFEM-DT – 13% of the previous year's gross revenues;
  - CHOT-DT – 9% of the previous year's gross revenues;
  - CFGS-DT – 21% of the previous year's gross revenues; and
  - CFVS-DT – 44% of the previous year's gross revenues

A **condition of licence** to that effect is set out in the appendix to this decision.

### **Requests for exemption**

#### **Exemption related to a report on closed captioning**

26. RNC requested that its stations be exempt from standard condition of licence 12 set out in Appendix 1 to Broadcasting Regulatory Policy 2016-46, which relates to the submission of an annual report on closed captioned programs offered on the non-linear online platforms operated provided by the licensee. It submitted that the compilation of data and drafting of reports require considerable resources for the existing staff and represents a financial burden for the stations. RNC added that the website must also offer the same technical opportunities as the major national websites. As a company with limited financial means, RNC submitted that it cannot currently contemplate closed captioning its news reports online.
27. The Commission considers that the licensee has not provided sufficient evidence to justify the requested exemption from the standard condition of licence. The standard condition of licence does not require the licensee to offer closed captioning of online content. The Commission considers that requiring RNC to file a short report indicating whether its programming on non-traditional platforms is closed captioned would not constitute an administrative burden.

28. Accordingly, the Commission **denies** this request and imposes the standard requirements set out in Broadcasting and Regulatory Policy 2016-436.

**Exemption related to the amount of described video to be provided**

29. RNC also requested that its stations be exempt from standard condition of licence 14 set out in Broadcasting Regulatory Policy 2016-436, which addresses the amount of programming offered with video description. It indicated that each of its stations is affiliated with one of the networks operated by the large French-language television groups. RNC therefore considered that a condition of licence requiring described video for all its primetime programming was not relevant.

30. The licensee expressed concern that it would be found in non-compliance with condition of licence 14 should a network with which its stations were affiliated not provide sufficient content with described video.

31. The standard requirements for described video applicable to television services are set out in Appendix 1 of Broadcasting Regulatory Policy 2016-436 and read as follows:

- a) if the licensee broadcasts four hours or more per broadcast week of English- or French-language programming drawn from any of the program categories listed below, it shall, by the beginning of the fourth year of the first licence term during which this condition of licence applies, provide a minimum of four hours of described video per broadcast week for that programming;
- b) if the licensee broadcasts less than four hours per broadcast week of English- or French-language programming drawn from any of the program categories listed below, it shall, by the beginning of the fourth year of the first licence term during which this condition of licence applies, provide described video for all of that programming.

These requirements apply to programming from the following program categories set out in Item 6 of Schedule I of the *Television Broadcasting Regulations*, as amended from time to time: 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 programming targeting preschool children (0-5 years of age) and children (6-12 years of age).

32. Each broadcaster is responsible for the programming it broadcasts. However, as the licensee's stations are affiliated with Groupe TVA and Groupe V and given that these groups operate under network licences, the Commission recognizes that the licensee would not be responsible for the number of hours of described video broadcast during periods when the stations broadcast programming originating from the networks. Further, given the wording of the standard condition of licence, if the licensee does not broadcast programming originating from its own stations that is drawn from the program categories targeted by the condition of licence, it will not be required to provide additional described video. However, if the licensee

broadcasts such programming, the Commission is of the view that it would be in the public interest for it to be offered with described video.

33. In light of the above, the Commission finds that it would not be appropriate to approve RNC's request for an exemption. Accordingly, the Commission **denies** that request. The licensee will remain subject to the standard requirements relating to the provision of described video set out in Appendix 1 to Broadcasting Regulatory Policy 2016-436.

#### **Current exemption relating to the filing of program logs**

34. RNC is currently exempt from the requirement relating to the provision of program logs set out in section 10(3) of the *Television Broadcasting Regulations, 1987* (the Regulations). This exemption applies when the programming of a given station is the same as that broadcast by the network with which it is affiliated. The licensee requested that the exemption be maintained for each of the stations.
35. Given that RNC's stations are all affiliate stations, the Commission finds that the request is in line with its practices relating to the provision of program logs for such stations. Accordingly, the Commission **approves** this request and maintains the current exemption. A **condition of licence** to that effect is set out in the appendix to this decision.

#### **Non-compliance relating to closed captioning**

36. According to data filed with the Commission, the licensee is in apparent non-compliance with respect to closed captioning for its four stations.

#### **CFVS-DT and CFGS-DT**

37. In the case of CFVS-DT and CFGS-DT, RNC explained that local programming on those stations is always closed captioned and closely monitored and controlled. However, the licensee notes that the stations are affiliated with V and that they are unable to control closed captioning for programs from the V network prior to broadcast.
38. The Commission's assessment confirms that during the previous licence term CFVS-DT and CFGS-DT produced programs consisting solely of local newscasts and that they were fully closed captioned. Thus the Commission finds that RNC should not be held responsible for non-compliance relating to closed captioning of programming from V's parent station, CFJP-DT Montréal, whose programming is rebroadcast by CFVS-DT and CFGS-DT.
39. In this case, the Commission is of the view that the local programming of CFVS-DT and CFGS-DT is consistent with their conditions of licence and that these stations are not in a situation of non-compliance.

## **CHOT-DT and CFEM-DT**

40. In the case of CHOT-DT and CFEM-DT, both were in apparent non-compliance for the 2015-2016 broadcast year regarding their condition of licence 2, which addresses closed captioning of programming.
41. Following their broadcast, the licensee noticed that a few infomercials and commercial messages had been aired without first being closed captioned for the hearing impaired. It agreed that this situation should not have occurred and was a result of technical errors. RNC stated that it had tightened its pre-broadcast criteria to ensure that this situation does not recur in the next licence term.
42. The Commission is of the view that the extent of non-compliance is minimal and notes the efforts made by the licensee to prevent such a situation from recurring in the next licence term. Consequently, the Commission will not impose any additional measures on RNC with respect to these two instances of non-compliance.

## **Conclusion**

43. In light of the preceding, the Commission **renews** the broadcasting licences for the conventional French-language television programming undertakings CFGS-DT Gatineau, CHOT-DT Gatineau, CFEM-DT Rouyn-Noranda and CFVS-DT Val-d'Or and their transmitters from 1 September 2018 to 31 August 2023. The terms and **conditions of licence** are set out in the appendix to this decision.

## **Reminders**

44. Section 10(3) of the Regulations requires that except as otherwise provided under a condition of its licence, a licensee shall provide to the Commission, within 30 days after the last day of each month, the program log or record of its programming for the month. The Commission reminds RNC that the program logs must be accurate and must be kept in a form acceptable to the Commission.

Secretary General

## **Related documents**

- *Call for licence renewal applications*, Broadcasting Notice of Consultation CRTC 2017-183, 1 June 2017
- *Standard requirements for television stations, discretionary services and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016
- *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, June 15, 2016

*This decision is to be appended to each licence.*



## **Appendix to Broadcasting Decision CRTC 2018-336**

### **Terms, conditions of licence, expectations and encouragements for the conventional French-language television programming undertakings CFEM-DT Rouyn-Noranda, CFGS-DT Gatineau, CFVS-DT Val-d'Or and CHOT-DT Gatineau and their transmitters**

#### **Terms**

The licences will come into effect 1 September 2018 and expire 31 August 2023.

#### **Conditions of licence**

1. The licensee shall adhere to the conditions set out in Appendix 1 to the *Standard requirements for television stations, discretionary services and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016, as well as to the conditions set out in the broadcasting licence for the undertaking.
2. In accordance with paragraph 90 of the *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016, the television station is declared to be a “designated local television station.” The station shall maintain this designation for the licence term so long as it remains in operation.
3. The licensee is exempted from the requirement related to program logs set out in section 10(3) of the *Television Broadcasting Regulations, 1987* where the station’s programming is the same as the programming broadcast by the network with which it is affiliated.
4. For the purpose of evaluating the requirements relating to local programming and closed captioning of local programming, the licensee shall submit quarterly program logs for the local programming broadcast by its stations and their respective transmitters using the Commission’s computerized system. Such logs shall be submitted to the Commission within 30 days following the end of each quarter.

#### **Locally reflective news programming**

5. In accordance with the *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016, the licensee shall expend on locally reflective news programming or on its acquisition during each broadcast year:
  - a. For CFEM-DT, at least 13% of the previous year’s gross revenues of the station;
  - b. For CFGS-DT, at least 21% of the previous year’s gross revenues of the station;
  - c. For CFVS-DT, at least 44% of the previous year’s gross revenues of the station;

- d. For CHOT-DT at least than 9% of the previous year's gross revenues of the station.
6. In each broadcast year of the licence term, excluding the final year,
    - a. the licensee may expend an amount on locally reflective news programming that is up to 5% less than the minimum required expenditure for that year;
    - b. where the licensee expends an amount for that year on locally reflective news programming that is greater than the minimum required expenditure for the year, the licensee may deduct that amount from the minimum required expenditure in one or more of the remaining years of the licence term; and
    - c. the licensee shall ensure that each station expends, during the licence term, the total of the minimum required expenditures calculated in accordance with condition 5.

**Condition of licence specific to CFEM-DT, CFGS-DT and CFVS-DT**

7. In accordance with the definition of “locally reflective news programming” provided in paragraphs 56 to 58 of the *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016:
  - a. the licensee shall broadcast at least 2 hours and 30 minutes of local programming per broadcast week.
  - b. the licensee shall broadcast at least 2 hours and 30 minutes of locally reflective news programming per broadcast week.

**Condition of licence specific to CHOT-DT**

8. In accordance with the definition of “locally reflective news programming” provided at paragraphs 56 to 58 of the *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, June 15, 2016:
  - a. the licensee shall broadcast at least 5 hours of local programming per broadcast week.
  - b. the licensee shall broadcast at least 2 hours and 30 minutes of locally reflective news per broadcast week.

**Repurposing the 600 MHz frequency band**

9. With respect to repurposing the 600 MHz frequency band in Canada:

- a. The licensee is authorized to operate the television station and its transmitters according to contours and technical parameters that differ from those approved in its most recent application 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 decision on the repurposing of the 600 MHz frequency band, as described in its *Decision on Repurposing the 600 MHz Band*, SLPB-004-015, 14 August 2015, and its *Digital Television (DTV) Allotment Plan*, its *Digital Television (DTV) Transition Schedule* and the Broadcasting Procedures and Rules titled *BPR-11 – Broadcasting Television Application Procedures During the 600 MHz Transition*, April 2017.
- b. For the purpose of the *Broadcasting Distribution Regulations*, the licensee is deemed to be operating the station and its 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 for 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.

### **Expectations**

The standard expectations applicable to this licensee are set out in Appendix 1 to *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.

### **Encouragements**

The standard encouragements applicable to this licensee are set out in Appendix 1 to *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.

### **Definitions**

“Locally reflective news programming” means programming that meets the criteria set out in paragraphs 56 to 58 of the *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, June 15, 2016.

“Local programming” has the same meaning as in Appendix 1 of the *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, November 2 2016.