



## Broadcasting Decision CRTC 2019-126

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References: 2019-6, and Part 1 applications posted on 8 February 2019

Ottawa, 2 May 2019

**Quebecor Media Inc., on behalf of 9261-1813 Québec inc.**  
Montréal, Quebec

*Public records for these applications: 2019-0067-1 and 2019-0068-9*

### **Zeste and Évasion – Change in ownership and effective control – Receipt of documents and licence amendments**

1. In Broadcasting Decision 2019-6, the Commission conditionally approved an application by Quebecor Media Inc. (Quebecor), on behalf of 9261-1813 Québec inc., for authority to effect a change in the effective control of Canal Évasion inc. and Zeste Diffusion inc., the respective licensees of the French-language discretionary services Évasion and Zeste.
2. At that time, the Commission required Quebecor, as a condition of approval, to file the following by no later than 13 February 2019:
  - an application to amend Appendix 1 to Broadcasting Decision 2017-147 to add the discretionary services Zeste and Évasion to the list of services that are included in the TVA Group designated group;
  - an application to amend Zeste's conditions of licence to reflect those applicable to TVA Group's other discretionary services;
  - an application to amend Évasion's conditions of licence to reflect those applicable to TVA Group's other discretionary services, and to amend that service's licence term so that it ends on 31 August 2022; and
  - an agreement with the Canadian Media Fund (CMF), Telefilm Canada and the Quebecor Fund confirming that the tangible benefit funds will be used for the scripting and development of French-language concepts.
3. The Commission hereby confirms that the documents in question for Zeste (2019-0068-9) and Évasion (2019-0067-1) were filed on 25 January 2019. Therefore, all of the requirements set out in Broadcasting Decision 2019-6 in regard to the filing of these documents have been fulfilled.
4. Consequently, the Commission **approves** the application to amend the list of services that are included in TVA Group. The revised list is set out in Appendix 1 to this decision. The Commission also **approves** the applications to amend the broadcasting licences for

the discretionary services Zeste and Évasion. The terms and **conditions of licence** for these services are set out in Appendix 2 to this decision.

5. Further, the Commission confirms that the agreements between Quebecor and the CMF, Telefilm Canada and the Quebecor Fund comply with the conditions imposed by the Commission.

Secretary General

### **Related documents**

- *Zeste and Évasion – Change in ownership and effective control*, Broadcasting Decision CRTC 2019-6, 14 January 2019
- *Quebecor Media Inc. – Group-based licence renewals for French-language television stations and services*, Broadcasting Decision CRTC 2017-147, 15 May 2017

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

# Appendix 1 to Broadcasting Decision CRTC 2019-126

## Services included in TVA Group

Licensee: TVA Group Inc.

Type of service	Name
Network	TVA network
Television stations	CFCM-DT Québec
	CFER-DT Rimouski and its transmitter CFER-TV-2 Sept-Îles
	CFTM-DT Montréal
	CHEM-DT Trois-Rivières
	CHLT-DT Sherbrooke
	CJPM-DT Saguenay and its transmitter CJPM-TV-1 Chambord
Discretionary services	Addik TV
	Casa
	Évasion
	Moi&Cie
	Prise 2
	Yoopla
	Zeste

## Appendix 2 to Broadcasting Decision CRTC 2019-126

### Terms, conditions of licence, expectations and encouragements for the discretionary services Zeste and Évasion

#### Terms

The licences will expire 31 August 2022.

#### Conditions of licence

1. The licensee shall adhere to the standard conditions of licence, expectations and encouragements for discretionary services set out in Appendix 2 to *Standard requirements for television stations, discretionary services and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016, with the exception of condition 17, which is replaced by the following:

The licensee shall, by 1 September 2019, provide described video for all English- and French-language programming that is broadcast during prime time (i.e., from 7 p.m. to 11 p.m.), and that is drawn from program categories 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 is programming targeting preschool children (0-5 years of age) and children (6-12 years of age).

2. In each broadcast year, the licensee shall devote at least 35% of the broadcast day to the exhibition of Canadian programs.

#### Canadian programming expenditures

3. In accordance with *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010, the licensee shall in each broadcast year devote to the acquisition of or investment in Canadian programming at least 45% of the previous year's gross revenues of the undertaking.
4. The licensee may count expenditures made for the acquisition of or investment in Canadian programming by one or more undertakings from TVA Group in the same broadcast year towards fulfilling the requirement set out in condition 3 as long as these expenditures are not used by those undertakings towards fulfilling their own Canadian programming expenditure requirement.
5. Subject to condition 6, the licensee may claim, in addition to its expenditures on Canadian programming:
  - a) a 50% credit against its Canadian programming expenditure requirements for expenditures made on Canadian programming produced by an Indigenous producer and claimed as Canadian programming expenditures during that broadcast year;

- b) a 25% credit against its Canadian programming expenditure requirements for expenditures made on Canadian programming produced by an official language minority community producer and claimed as Canadian programming expenditures during that broadcast year. The licensee may claim the credit if:
- i. the programming is produced in the province of Quebec and the original language of production is English; or
  - ii. the programming is produced outside the province of Quebec and the original language of production is French.
6. The licensee may claim the credits calculated in accordance with condition 5 until the expenditures made on Canadian programming produced by Indigenous producers and by official language minority community producers, including credits, reach a combined maximum of 10% of the Canadian programming expenditure requirement for TVA Group.

#### **Programs of national interest**

7. The licensee shall in each broadcast year devote to the acquisition of or investment in programs of national interest at least 15% of the previous year's gross revenues of the undertaking.
8. The licensee may count expenditures made for the acquisition of or investment in programs of national interest by one or more undertaking from TVA Group in the same broadcast year towards fulfilling the requirement set out in condition 7 as long as these expenditures are not used by those undertakings towards fulfilling their own expenditure requirement regarding programs of national interest.
9. At least 75% of the expenditures in condition 7 must be made to an independent production company.
10. The licensee shall, by 30 November of each year, provide for the previous broadcast year a report in a form acceptable to the Commission that contains information on the programs that were broadcast by all undertakings from TVA Group in regard to:
- programs of national interest;
  - the use of Indigenous and official language minority community producers, specifying notably for each: the number of producers they meet with each year; the projects commissioned, including projects in development, in production and completed; the budgets and the total Canadian programming expenditures devoted to such projects; and any other information the Commission requires to this effect; and
  - access that women have to key leadership positions, by providing information regarding the employment of women in key creative leadership positions in the

productions broadcast, as well as any other information the Commission requires to this effect.

### **Over- and under-expenditures**

11. Subject to condition 12, the licensee shall, for each broadcast year, make sufficient expenditures such that the undertakings that form TVA Group collectively devote:
  - a) 45% of the previous year's gross revenues of the undertakings that form TVA Group to the acquisition of or investment in Canadian programming; and
  - b) 15% of the previous year's gross revenues of the undertakings that form TVA Group to the acquisition of or investment in programs of national interest.
12. In each broadcast year of the licence term, excluding the final year,
  - a) the licensee, in concert with the other undertakings that form TVA Group, may expend an amount on Canadian programming and/or on programs of national interest that is up to 5% less than the minimum required expenditure for that year calculated in accordance with conditions 11(a) and 11(b) respectively; in such case, the licensee shall ensure that the undertakings that form TVA Group expend in the next broadcast year of the licence term, in addition to the minimum required expenditure for that year, the full amount of the previous year's under-expenditure;
  - b) where the licensee, in concert with the other undertakings that form TVA Group, expends an amount for that year on Canadian programming or programs of national interest that is greater than the minimum required expenditure calculated in accordance with conditions 11(a) and 11(b) respectively, the licensee or another undertaking from TVA Group may deduct that amount from the total minimum required expenditure in one or more of the remaining years of the licence term.
  - c) Notwithstanding conditions 12(a) and 12(b), during the licence term, the licensee shall ensure that the undertakings that form TVA Group expend on Canadian programming and programs of national interest, at a minimum, the total of the minimum required expenditures calculated in accordance with conditions 11(a) and 11(b).

### **Original French-language programs**

13. The licensee shall devote to original French-language programs:
  - a) at least 50% of the expenditures in condition 3 in the second year of the licence term (2018-2019 broadcast year); and
  - b) at least 75% of the expenditures in condition 3 in the remaining years of the licence term (2019-2020 through 2021-2022 broadcast years).

## **Contributions to MUSICACTION**

14. For the 2018-2019 broadcast year and until the end of the licence term, the licensee shall allocate in each broadcast year 0.17% of the previous broadcast year's gross revenues of the undertaking to MUSICACTION. These expenditures can be counted by the licensee for the purpose of fulfilling its Canadian programming expenditure requirement, which includes expenditures on programs of national interest.

## **Licensee's obligations with respect to TVA Group**

15. In the two years following the end of the previous licence term, the licensee shall report and respond to any Commission enquiries relating to the reported expenditures on Canadian programming and on programs of national interest by the licensee and by TVA Group for that term.

16. The licensee shall be responsible for any failure to comply with the requirements regarding Canadian programming expenditures and expenditures on programs of national interest that occurred during the previous licence term.

17. In regard to the operation of the undertakings that form TVA Group:

- a) Subject to condition 17(b), the undertaking shall remain part of TVA Group for the duration of the licence term.
- b) Should the licensee wish to operate the undertaking outside TVA Group, the licensee shall apply to the Commission for the undertaking to be removed from TVA Group no later than 120 days prior to operating the service outside TVA Group.
- c) The licensee shall ensure that the list of undertakings that form TVA Group is accurate at all times.

## **Expectation for reflection of regions and official language minority communities**

The Commission expects the licensee to ensure that the programs broadcast by the services 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 services.

## **Definitions**

“TVA Group” means the group of undertakings set out in Appendix 1 to *Quebecor Media Inc. – Group-based licence renewals for French-language television stations and services*, Broadcasting Decision CRTC 2017-147, 15 May 2017, as amended in Appendix 1 to *Zeste and Évasion – Receipt of documents and licence amendments*, Broadcasting Decision CRTC 2019-126, 2 May 2019.

“Original French-language program” means a Canadian program produced in French and broadcast for the first time in the French-language market, which excludes dubbed Canadian programs.

“Independent production company” means a Canadian company (i.e., a company carrying on business in Canada, with a Canadian business address, owned and controlled by Canadians) whose business is the production of film, videotape or live programs for distribution and in which the licensee and any company related to the licensee owns or controls, directly or indirectly, in aggregate, less than 30% of the equity.

“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.

“Official language minority community producer” means a company that meets the definition of “independent production company” and that:

- a) if operating in the province of Quebec, produces original English-language programming, or
- b) if operating outside of the province of Quebec, produces original French-language programming.