



Broadcasting Decision CRTC 2020-116

PDF version

References: 2019-358 and 2019-358-1

Ottawa, 3 April 2020

Bell Canada, on behalf of V Interactions inc.

Montréal, Québec, Trois-Rivières, Saguenay and Sherbrooke, Quebec

Public record for this application: 2019-0648-9

Public hearing in Montréal, Quebec

12 February 2020

V Interactions inc. – Change in ownership and effective control

The Commission approves, subject to modifications set out in this decision, an application by Bell Canada, on behalf of V Interactions inc., for authority to change the ownership and effective control of V Interactions inc. and to integrate, effective 1 September 2020, the V Stations into the French-language Bell Media Group.

The rationale underlying this decision and the resulting approvals will be published at a later date.

Application

1. Bell Canada (Bell), on behalf of V Interactions inc. (V Interactions) filed an application for authority to change the ownership and effective control of V Interactions.
2. V Interactions is wholly-held by Groupe V Média inc. (V Média), which also holds MusiquePlus inc. (MusiquePlus). V Interactions is the licensee of the French-language television network called V and of five French-language television stations, namely, CFAP-DT Québec, CFJP-DT Montréal, CFRS-DT Saguenay, CFKS-DT Sherbrooke and CFKM-DT Trois-Rivières (the V Stations). MusiquePlus, for its part, is the licensee of the French-language discretionary services ELLE Fictions and MAX. V Média is a corporation held by several shareholders: Groupe Remstar inc. (45.14%), Fiducie Seismikmax (9.86%), Caisse de dépôt et de placement du Québec (15%), Fonds de solidarité des travailleurs du Québec (F.T.Q) (15%) et Investissement Québec (15%) (collectively, the Shareholders). Maxime Rémillard exercises effective control of V Média as the unique shareholder of Groupe Remstar inc. and as the trustee of Fiducie Seismikmax.
3. V Média filed applications on behalf of MusiquePlus (see Broadcasting Decision 2020-115 that are non-severable from this application and conditional upon approval of this application, to change the ownership of MusiquePlus and to amend certain conditions of licence for the discretionary services ELLE Fictions and MAX. The corporate reorganization of MusiquePlus will allow Bell to acquire V Média and to exclude MusiquePlus from the transaction.

4. Following this corporate reorganization, V Média will amalgamate with its subsidiary V Interactions to form a corporation, the name of which is to be determined (VFusion). All of the issued and outstanding shares of VFusion will then be acquired by Bell, which would transfer them to Bell Media Inc. (Bell Media). Bell Media is wholly owned subsidiary of Bell, which is effectively controlled by BCE Inc., a widely held public corporation controlled by its board of directors.

Public interest and creation of the New French-language Bell Media Group

5. The Commission finds that the transaction serves the public interest. Accordingly, the Commission **approves** the application to change the ownership and effective control of V Interactions, with the changes set out below.
6. This decision is based on an examination of the proposed transaction in accordance with the regulatory framework, which will be further described as part of the publication of the rationale underlying this decision. As such, during the review of this application, the Commission analyzed in particular the possible impact of the transaction on the V Stations and on the Canadian broadcasting system, specifically in regard to the French-language market, as well as the proposed benefits stemming from the transaction in regard to the Canadian broadcasting system.
7. During the public hearing, Bell stated that should the Commission approve the transaction, the headquarters for the V Stations and the discretionary services of the French-language Bell Media Group would remain in Montréal. Accordingly, the Commission notes Bell's commitment to maintain a business place for the management team in Montréal.
8. The Commission also **approves** the integration of the V Stations into the French-language Bell Media Group, effective 1 September 2020, to create the New French-language Bell Media Group. The composition of the New French-language Bell Media Group, effective 1 September 2020, is set out in Appendix 1 to this decision.

Local programming and local news

9. The Commission finds that it is appropriate to adopt an incremental approach for the imposition of conditions of licence relating to local programming for the V Stations. In this regard, the Commission imposes the following conditions of licence for CFAP-DT Québec and CFJP-DT Montréal:
 - For the 2020-2021 broadcast year: 5 hours of local programming per broadcast week, including 2 hours and 30 minutes of locally reflective programming for the Montréal and Québec markets;
 - For the 2021-2022 broadcast year: 8 hours and 30 minutes of local programming per broadcast week, including 4 hours and 15 minutes of locally reflective programming for the Montréal and Québec markets.

10. The Commission notes that for the 2020-2021 broadcast year, Bell committed to broadcast 8 hours and 30 minutes of local programming per broadcast week, including 4 hours and 15 minutes of locally reflective programming for the Montréal and Québec markets.
11. For the stations in Trois-Rivières, Saguenay and Sherbrooke, the Commission imposes, for the 2020-2021 and 2021-2022 broadcast years, a requirement to broadcast 5 hours of local programming, including 2 hours and 30 minutes of locally reflective programming for each market. The Commission notes that Bell committed to broadcast 6 hours of local programming for these markets, including 3 hours of locally reflective programming.

Canadian programming expenditures and expenditures on programs of national interests

12. The Commission imposes on the New French-language Bell Media Group, effective 1 September 2020, a Canadian programming expenditures (CPE) threshold of 40% of the previous broadcast year's gross revenues.
13. The Commission also imposed on New French-language Bell Media Group, an expenditure threshold for programs of national interest (PNI) of 18% of the previous broadcast year's gross revenues.
14. Pursuant to the equity purchase agreement signed on 19 July 2019, Bell will be able to use a part of CPE and PNI expenditures surpluses accumulated by the V Stations to meet its requirements by the end of the current licence term, which ends 31 August 2022.
15. In light of CPE and PNI expenditures surpluses accumulated by the V Stations while they were operated within Groupe V (Groupe V) and in light of the allotment of certain of its surpluses to the discretionary services operated by Musique Plus, the Commission **orders** Bell to file, by no later than 30 November 2020, as a condition of approval, a document relating to the distribution of surpluses between V Média and MusiquePlus. This document shall indicate:
 - the exact amount in CPE surpluses and PNI expenditures surpluses accumulated by Groupe V as of 31 August 2020;
 - the exact amount in CPE surpluses and PNI expenditures surpluses used by the V Stations and the discretionary services ELLE Fictions and MAX, if applicable, during the broadcast year ending 31 August 2020; and
 - the exact amount in CPE surpluses and PNI expenditures surpluses that will be available as of 1 September 2020 for MusiquePlus and for the New French-language Bell Media Group.

Value of the transaction and tangible benefits

16. The Commission determines that the value of the transaction is \$31,338,635, as set out in the table below:

Item	Value determined by the Commission
Price paid for the shares	\$20,000,000
Working capital adjustment	\$2,266,870
Negotiated mutual adjustment	(\$500,000)
Adjustment for surplus CPE	\$3,000,000
Value of assumed leases	\$4,571,765
Discount on management fees	\$2,000,000
Value of the transaction	\$31,338,635

17. The Commission **directs** Bell to pay tangible benefits amounting to \$3,133,863, corresponding to 10% of the revised value of the transaction, to be paid in equal payments over seven consecutive broadcast years and allocated between the Canada Media Fund (CMF) (60%) and the Bell Fund (40%).
18. The Commission **directs** Bell to file, by no later than **30 June 2020**, an agreement between the CMF and the Bell Fund attesting that the tangible benefits stemming from the present transaction will exclusively serve French-language initiatives.

Licence amendments for the French-language television services of the Bell Media Group

19. The Commission **orders** Bell to submit, by no later than **30 June 2020**:
- an application to amend Appendix 1 to Broadcasting Decision 2017-144 to add the V Stations to the list of services that are included in the French-language Bell Media Group;
 - an application for an amendment to the conditions of licence that will apply to the network and the V Stations once they are integrated into the New French-language Bell Media Group in order to reflect the regulatory requirements imposed in this decision effective 1 September 2020, as indicated in Appendix 2 to this decision; and
 - an application to amend the conditions of licence that will be applicable to Bell Media's discretionary services in order to reflect the regulatory requirements imposed in this decision effective 1 September 2020 and to reflect the necessary amendments for the discretionary services following the inclusion of the V Stations in the New French-language Bell Media Group, as indicated in Appendix 3 to this decision.

Transitional provisions and conclusion

20. The Commission **approves** the integration of the V Stations into the French-language Bell Media Group, effective 1 September 2020. As of that date, the regulatory requirements and amendments to the **conditions of licence** noted in Appendices 2 and 3 to this decision will take effect and will apply to the New French-language Bell Media Group, with the exceptions of conditions of licence for which a later effective date is indicated.
21. Accordingly, the regulatory requirements and conditions of licence imposed on the V Stations as part of Groupe V will remain in effect until **31 August 2020**.
22. In light of all the above, the Commission **approves** the application for a change in ownership and effective control of V Interactions inc., with the changes set out above.
23. The Commission will publish at a later date the rationale underlying the present decision.

Secretary General

Related documents

- *MusiquePlus – Change in ownership and licence amendment*, Broadcasting Decision CRTC 2020-115, day April 2020
- *Bell Media Inc. – Licence renewals for French-language television services*, Broadcasting Decision CRTC 2017-144, 15 May 2017

This decision is to be appended to each licence.

Appendix 1 to Broadcasting Decision CRTC 2020-116

Services that are included in the French-language Bell Media Group

Network

Licensee	Name of service
V Interactions inc.	V Montréal

Television stations

Licensee	Call sign and locality
V Interactions inc.	CFAP-DT Québec
	CFJP-DT Montréal
	CFKM-DT Trois-Rivières
	CFKS-DT Sherbrooke
	CFRS-DT Saguenay

Discretionary services

Licensee	Name of service
Bell Media Inc.	Canal D
	Canal Vie
	Cinépop
	Investigation
	Super Écran
	VRAK
	Z
Le Réseau des sports (RDS) inc.	RDS Info

Appendix 2 to Broadcasting Decision CRTC 2020-116

Terms, conditions of licence, expectations and encouragements for the network and the conventional television stations of the French-language Bell Media Group

Terms

The licences will take effect 1 September 2020 and expire 31 August 2022.

Conditions of licence for the network and conventional television stations of the French-language Bell Media Group

1. The licensee shall adhere to the standard conditions of licences 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, with the exception of condition of licence 14, which is replaced by the following:

The licensee shall 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).

Canadian programming expenditures

2. 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 40% of the previous year's gross revenues of the undertaking.
3. The licensee may count expenditures made for the acquisition of or investment in Canadian programming by one or more television stations from the Bell Media Group in the same broadcast year towards fulfilling the requirement set out in condition 2 as long as these expenditures are not used by those undertakings towards fulfilling their own Canadian programming expenditure requirement.
4. The licensee may count expenditures made for the acquisition of or investment in Canadian programming by one or more undertakings from the Bell Media Group in the same broadcast year towards fulfilling the requirement set out in condition 2 as long as these expenditures are not used by those undertakings towards fulfilling their own Canadian programming expenditure requirement.
5. The licensee shall devote to original French-language programming:
 - a) at least 50% of the expenditures in condition 2 in the second year of the licence term (2018-2019 broadcast year); and
 - b) at least 75% of the expenditures in condition 2 in the remaining years of the licence term (2019-2020 through 2021-2022 broadcast years).

6. 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.
7. Subject to condition 8, 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.
8. The licensee may claim the credits calculated in accordance with condition 7 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 Bell's French-language Group.

Programs of national interest

9. The licensee shall in each broadcast year devote to the acquisition of or investment in programs of national interest at least 18% of the previous year's gross revenues of the undertaking.
10. The licensee may count expenditures made for the acquisition of or investment in programs of national interest by one or more undertakings from Bell's French-language Group in the same broadcast year towards fulfilling the requirement set out in condition 9 as long as these expenditures are not used by those undertakings towards fulfilling their own expenditure requirement regarding programs of national interest.
11. At least 75% of the expenditures in condition 9 must be made to an independent production company.
12. 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 Bell's French-language 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

13. Subject to condition 14, the licensee shall, for each broadcast year, make sufficient expenditures such that the undertakings that form the Bell Media Group collectively devote:

- a) 40% of the previous year's gross revenues of the undertakings from the Bell Media Group to the acquisition of or investment in Canadian programming; and
- b) 18% of the previous year's gross revenues of the undertakings from the Bell Media Group to the acquisition of or investment in programs of national interest.

14. During each broadcast year of the licence term, excluding the final year,

- a) the licensee, in concert with the other undertakings that form Bell's French-language 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 13a) and 13b), respectively; in such case, the licensee shall ensure that the undertakings that form Bell's French-language 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 Bell's French-language 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 13a) and 13b), respectively, the licensee or another undertaking from Bell's French-language 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 14a) and 14b), during the licence term, the licensee shall ensure that the undertakings that form Bell's French-language 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 13a) and 13b).

Licensee's obligations with respect to the Bell Media Group

15. In the two years following the end of the previous licence term, the licensee shall report and respond to any enquiries by the Commission relating to the expenditures on Canadian programming, including programs of national interest, made by the licensee and by Bell's French-language Group for that term.
16. The licensee shall be responsible for any failure to comply with the requirements relating to expenditures on Canadian programming, including programs of national interest, that occurred during the previous licence term.
17. In regard to the operation of the undertakings that form Bell's French-language Group:
 - a) Subject to conditions 17b) and 17c), the licensee shall operate the television station and that station shall remain part of Bell's French-language Group for the duration of the licence term.
 - b) Should the licensee wish to operate the television station outside Bell's French-language Group or cease operations, the licensee shall apply to the Commission for that station to be removed from Bell's French-language Group no later than 120 days prior to operating outside the station Bell's French-language Group or ceasing operations.
 - c) The licensee shall ensure that the list of undertakings that form Bell's French-language Group is accurate at all times.
18. In accordance with paragraph 90 of *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016, the television station is hereby designated a "designated local television station." The station shall maintain this designation for the licence term so long as all the television stations from Bell's French-language Group remain in operation.

Repurposing the 600 MHz frequency band

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

The licensee is authorized to operate its 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 set out 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*.

- a) For the purposes of the *Broadcasting Distribution Regulations*, the licensee is deemed to be operating its television station and transmitters under the contours and technical parameters approved by the Commission and in effect on **15 May 2017**.
- b) 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.

Locally reflective news

- 20. In accordance with *Renewal of licences for the television services of large French-language ownership groups – Introductory decision*, Broadcasting Decision CRTC 2017-143, 15 May 2017, and consistent with the definition of "locally reflective news" set out in paragraphs 56 to 58 of *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016, the licensee shall in each broadcast year devote to the acquisition of or investment in locally reflective news at least 5% of the previous year's gross revenues of the undertaking.
- 21. The licensee may count expenditures made for the acquisition of or investment in locally reflective news by one or more television stations from Bell's French-language Group in the same broadcast year towards fulfilling the requirement set out in condition 20 as long as these expenditures are not used by those television stations towards fulfilling their own locally reflective news expenditure requirement.
- 22. Subject to condition 23, the licensee shall, for each broadcast year, make sufficient expenditures such that the television stations from Bell's French-language Group collectively devote to the acquisition of or investment in locally reflective news at least 5% of the previous year's gross revenues.
- 23. In each broadcast year of the licence term, excluding the final year,
 - a) the licensee, in concert with the other television stations from Bell's French-language Group, may expend an amount on locally reflective news that is up to 5% less than the minimum required expenditure for that year calculated in accordance with condition 22; in such case, the licensee shall ensure that the television stations from Bell's French-language 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 television stations from Bell's French-language Group, expends an amount for that year on locally reflective news that is greater than the minimum required expenditure calculated in accordance with condition 22, the licensee may deduct that amount from the minimum required expenditure in one or more of the remaining years of the licence term.

- c) Notwithstanding conditions 23(a) and 23(b), during the licence term, the licensee shall ensure that the television stations from Bell's French-language Group expend on locally reflective news the total of the minimum required expenditures calculated in accordance with condition 22.

Conditions of licence specific to CFJP-DT Montréal and CFAP-DT Québec

24. Consistent with *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016, for the 2020-2021 broadcast year, the licensee shall, for each market:

- a) broadcast at least 5 hours of local programming in each broadcast week;
- b) broadcast at least 2 hours and 30 minutes of locally reflective news in each broadcast week.

For the 2021-2022 broadcast year :

- a) The licensee shall, for each market, broadcast at least 8 hours and 30 minutes of local programming in each broadcast week.
- b) The licensee shall, for each market, broadcast at least 4 hours and 15 minutes of locally reflective news in each broadcast week.

Conditions of licence specific to CFKM-DT Trois-Rivières, CFKS-DT Sherbrooke and CFRS-DT Saguenay

25. Consistent with the definition of "locally reflective news" set out in paragraphs 56 to 58 of *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016, the licensee shall, for each market:

- a) broadcast at least 5 hours of local programming in each broadcast week.
- b) broadcast at least 2 hours and 30 minutes of locally reflective news in each broadcast week

Competitive safeguards

- 26. The licensee shall not include or enforce any provision in or in connection with an affiliation agreement that is designed to prevent or create incentives that would effectively prevent another programming undertaking or broadcasting distribution undertaking from launching or distributing another licensed programming service.
- 27. 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.

28. The licensee shall not:

- a. require an unreasonable rate (e.g., not based on fair market value);
- b. require a party with which it is contracting to accept terms or conditions for the distribution of programming on a traditional or ancillary platform that are commercially unreasonable;
- c. require an excessive activation fee or minimum subscription guarantee;
- d. impose, on an independent party, a most favoured nation (MFN) clause or any other condition that imposes obligations on that independent party by virtue of a vertically integrated entity or an affiliate thereof entering into an agreement with any vertically integrated entity or any affiliate thereof, including its own.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

29. When negotiating a wholesale rate for a programming service based on fair market value, the licensee shall take into consideration the following factors:

- a) historical rates;
- b) penetration levels and volume discounts;
- c) the packaging of the service;
- d) rates paid by unaffiliated broadcasting distributors for a programming service;
- e) rates paid for programming services of similar value to consumers;
- f) the number of subscribers that subscribe to a package in part or in whole due to the inclusion of the programming service in that package;
- g) the retail rate charged for the service on a stand-alone basis;
- h) the retail rate for any packages in which the service is included.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

30. If the licensee has not renewed an affiliation agreement that it signed with a licensed or exempted Canadian television programming undertaking or a broadcasting distribution undertaking within 120 days preceding the expiry of the agreement and if the other party has confirmed its intention to renew the agreement, the licensee shall submit the matter to the Commission for dispute resolution pursuant to sections 12 to 15 of the Broadcasting Distribution Regulations.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

31. The licensee shall not:

- a) require minimum penetration or revenue levels that force distribution of a service on the basic tier or in a package that is inconsistent with the service's theme or price point;
- b) refuse to make programming services available on a stand-alone basis (i.e., requiring the acquisition of a program or service in order to obtain another program or service);
- c) impose terms that prevent an unrelated distributor from providing a differentiated offer to consumers.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

32. The licensee shall not refuse to make available or condition the availability of or carriage terms for any of its licensed programming services to any broadcasting distribution undertaking (BDU) on whether that BDU agrees to carry any other separately licensed programming service, provided that this condition does not prevent or limit the right or ability of the licensee to offer BDUs multiservice or other discounts, promotions, rebates or similar programs.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

33. The licensee shall negotiate with broadcasting distribution undertakings (BDUs) for non-linear multiplatform rights to the content broadcast on the licensee's programming service at the same time as linear rights for its programming service and provide those rights to BDUs on a timely basis and on commercially reasonable terms.

For certainty, nothing in this condition of licence shall prevent or otherwise restrict the licensee from requesting compensation in exchange for making such non-linear rights available to BDUs.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

34. The licensee shall file with the Commission all affiliation agreements to which it is a party with a television programming undertaking or broadcasting distribution undertaking within five days following the execution of the agreement by the parties.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

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.

The Commission expects Bell to retain a business place and a decision centre in Quebec.

The Commission expects the licensee to ensure that the programs broadcast by the services adequately reflect all regions of Quebec, including those outside Montréal, as well as all regions of Canada. The Commission also expects the licensee to provide producers working in these regions with an opportunity to produce programs intended for these services.

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

“Bell Media Group” means the group of undertakings set out in Appendix 1 to this decision.

“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.

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

“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..

“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.

“Programs of national interest” means Canadian programs drawn from categories 2(b) Long-form documentary, 7 Drama and Comedy and all related subcategories, 8(a) Music and dance other than music video programs or clips, 8(b) Music video clips, 8(c) Music video programs and 9 Variety.

Appendix 3 to Broadcasting Decision CRTC 2020-116

Terms, conditions of licence, expectations and encouragements applicable to the discretionary services that form part of the Bell Media Group

Terms

The licences will take effect 1 September 2020 and expire 31 August 2022.

Conditions of licence applicable to all discretionary services that form part of the Bell Media French-language Group

1. With the exception of the services identified for conditions of licence 27 and 28 below, the licensee shall adhere to the standard conditions of licence set out in Appendix 2 to the *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 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 40% of the previous year's gross revenues of the undertaking.
4. The licensee shall devote to original French-language programs:
 - a. at least 50% of the expenditures in condition 2 in the second year of the licence term (2018-2019 broadcast year); and
 - b. at least 75% of the expenditures in condition 2 in the remaining years of the licence term (2019-2020 through 2021-2022 broadcast years).
5. 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.

6. The licensee may count expenditures made for the acquisition of or investment in Canadian programming by one or more television stations from Bell Media 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 television stations towards fulfilling their own Canadian programming expenditure requirement.
7. Subject to condition 8, 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:
 1. the programming is produced in the province of Quebec and the original language of production is English; or
 2. the programming is produced outside the province of Quebec and the original language of production is French.
8. The licensee may claim the credits calculated in accordance with condition 7 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 Bell's French-language Group.

Programs of national interest

9. The licensee shall in each broadcast year devote to the acquisition of or investment in programs of national interest at least 18% of the previous year's gross revenues of the undertaking.
10. The licensee may count expenditures made for the acquisition of or investment in programs of national interest by one or more undertakings from Bell's French-language Group in the same broadcast year towards fulfilling the requirement set out in condition 9 as long as these expenditures are not used by those undertakings towards fulfilling their own expenditure requirement regarding programs of national interest.
11. At least 75% of the expenditures in condition 9 must be made to an independent production company.

12. 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 Bell's French-language 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

13. Subject to condition 14, the licensee shall, for each broadcast year, make sufficient expenditures such that the undertakings that form Bell's French-language Group collectively devote:

- a) 40% of the previous year's gross revenues of the undertakings from Bell's French-language Group to the acquisition of or investment in Canadian programming; and
- b) 18% of the previous year's gross revenues of the undertakings from Bell's French-language Group to the acquisition of or investment in programs of national interest.

14. During each broadcast year of the licence term, excluding the final year,

- a) the licensee, in concert with the other undertakings that form Bell's French-language 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 13(a) and 13(b), respectively; in such case, the licensee shall ensure that the undertakings that form Bell's French-language 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 Bell's French-language 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 13(a) and 13(b),

respectively, the licensee or another undertaking from Bell's French-language 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 14(a) and 14(b), during the licence term, the licensee shall ensure that the undertakings that form Bell's French-language 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 13(a) and 13(b).

Licensee's obligations with respect to Bell's French-language Group

15. In the two years following the end of the previous licence term, the licensee shall report and respond to any enquiries by the Commission relating to the expenditures on Canadian programming, including programs of national interest, made by the licensee and by Bell's French-language Group for that term.
16. The licensee shall be responsible for any failure to comply with the requirements relating to expenditures on Canadian programming, including programs of national interest, that occurred during the previous licence term.
 - a) Subject to conditions 16b) and 16c), the licensee shall operate the television station and that station shall remain part of Bell's French-language Group for the duration of the licence term.
 - b) Should the licensee wish to operate the television station outside Bell's French-language Group or cease operations, the licensee shall apply to the Commission for that station to be removed from Bell's French-language Group no later than 120 days prior to operating outside the station Bell's French-language Group or ceasing operations.
 - c) The licensee shall ensure that the list of undertakings that form Bell's French-language Group is accurate at all times.

Competitive safeguards

18. The licensee shall not include or enforce any provision in or in connection with an affiliation agreement that is designed to prevent or create incentives that would effectively prevent another programming undertaking or broadcasting distribution undertaking from launching or distributing another licensed programming service.
19. 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.

20. The licensee shall not:

- a. require an unreasonable rate (e.g., not based on fair market value);
- b. require a party with which it is contracting to accept terms or conditions for the distribution of programming on a traditional or ancillary platform that are commercially unreasonable;
- c. require an excessive activation fee or minimum subscription guarantee;
- d. impose, on an independent party, a most favoured nation (MFN) clause or any other condition that imposes obligations on that independent party by virtue of a vertically integrated entity or an affiliate thereof entering into an agreement with any vertically integrated entity or any affiliate thereof, including its own.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to The Wholesale Code, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

21. When negotiating a wholesale rate for a programming service based on fair market value, the licensee shall take into consideration the following factors:

- a. historical rates;
- b. penetration levels and volume discounts;
- c. the packaging of the service;
- d. rates paid by unaffiliated broadcasting distributors for a programming service;
- e. rates paid for programming services of similar value to consumers;
- f. the number of subscribers that subscribe to a package in part or in whole due to the inclusion of the programming service in that package;
- g. the retail rate charged for the service on a stand-alone basis;
- h. the retail rate for any packages in which the service is included.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

22. If the licensee has not renewed an affiliation agreement that it signed with a licensed or exempted Canadian television programming undertaking or a broadcasting distribution undertaking within 120 days preceding the expiry of the agreement and if the other party has confirmed its intention to renew the agreement, the licensee shall submit the matter to the Commission for dispute resolution pursuant to sections 12 to 15 of the Broadcasting Distribution Regulations.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

23. The licensee shall not:

- a. require minimum penetration or revenue levels that force distribution of a service on the basic tier or in a package that is inconsistent with the service's theme or price point;
- b. refuse to make programming services available on a stand-alone basis (i.e., requiring the acquisition of a program or service in order to obtain another program or service);
- c. impose terms that prevent an unrelated distributor from providing a differentiated offer to consumers.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

24. The licensee shall not refuse to make available or condition the availability of or carriage terms for any of its licensed programming services to any broadcasting distribution undertaking (BDU) on whether that BDU agrees to carry any other separately licensed programming service, provided that this condition does not prevent or limit the right or ability of the licensee to offer BDUs multiservice or other discounts, promotions, rebates or similar programs.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

25. The licensee shall negotiate with broadcasting distribution undertakings (BDUs) for non-linear multiplatform rights to the content broadcast on the licensee's programming service at the same time as linear rights for its programming service and provide those rights to BDUs on a timely basis and on commercially reasonable terms.

For certainty, nothing in this condition of licence shall prevent or otherwise restrict the licensee from requesting compensation in exchange for making such non-linear rights available to BDUs.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

26. The licensee shall file with the Commission all affiliation agreements to which it is a party with a television programming undertaking or broadcasting distribution undertaking within five days following the execution of the agreement by the parties.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

Additional condition of licence for Super Écran

27. The service is authorized to offer the number of multiplexed channels it operated as of 2 November 2016. With respect to each multiplexed channel, the licensee shall adhere to the Canadian programming requirements set out in its conditions of licence. The licensee may not offer new multiplex channels.

Additional condition of licence for VRAK

28. As an exception to condition of licence 19 of the standard conditions of licence for discretionary services set out in Appendix 2 to the *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016, with respect to the broadcast of advertising material:
- a) Except as provided in paragraphs b) and c), the licensee shall not broadcast more than 12 minutes of advertising material during each clock hour.
 - b) Where a program occupies time in two or more consecutive clock hours, the licensee may exceed the maximum number of minutes of advertising material allowed in those clock hours if the average number of minutes of advertising material in the clock hours occupied by the program does not exceed the maximum number of minutes that would otherwise be allowed per clock hour.
 - c) In addition to the 12 minutes of advertising material referred to in paragraph a), the licensee may broadcast partisan political advertising during an election period.
 - d) The licensee shall not distribute any paid advertising material other than national paid advertising.
 - e) The licensee shall not distribute any advertisement during a program whose audience mainly consists of children 0 to 5 years of age.

Expectations

The standard expectations applicable to this licensee are 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.

The Commission expects the licensee to ensure that the programs broadcast by the services adequately reflect all regions of Quebec, including those outside Montréal, as well as all regions of Canada. The Commission also expects the licensee to provide producers working in these regions with an opportunity to produce programs intended for these services.

Encouragements

The standard encouragements applicable to this licensee are 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.

Definitions

““Bell’s French-language Group ” means the group of undertakings set out in Appendix 1 to this decision.

“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.

“Programs of national interest” means Canadian programs drawn from categories 2(b) Long-form documentary, 7 Drama and Comedy and all related subcategories, 8(a) Music and dance other than music video programs or clips, 8(b) Music video clips, 8(c) Music video programs and 9 Variety.