



Broadcasting Decision CRTC 2020-158

PDF version

Reference: 2019-358 and 2020-115

Ottawa, 21 May 2020

Groupe V Média inc., on behalf of MusiquePlus inc.
Montréal, Quebec

*Public record for these applications: 2019-0677-8 and 2019-0678-6
Public hearing in Montréal, Quebec
12 February 2020*

MusiquePlus – Change in ownership and licence amendment

The Commission became aware of an error relating to the shareholder structure of MusiquePlus, OBCI, in paragraph 5 and 6 of Broadcasting Decision 2020-115. An error also occurred in paragraph 4(b) of Appendix 2 of the French version of this same decision. These errors do not affect the Commission's findings in Broadcasting Decision 2020-115; nevertheless, it is important to rectify them so as to reflect the information contained in the Commission's record.

*In Broadcasting Decision 2020-115, the Commission **approves** the application by Groupe V Média inc. (V Média), on behalf of MusiquePlus inc. (MusiquePlus), for authority to change the ownership of MusiquePlus.*

*The Commission also **approves** the application by V Média, on behalf of MusiquePlus, to amend certain conditions of licence for the discretionary services ELLE Fictions and MAX in order to reflect the new designated group consisting of those two services.*

However, for exceptional reasons, the rationale underlying the Commission's decision and the resulting approvals have not been published by the Commission in Broadcasting Decision 2020-115.

Subject to the erratum, this decision does not replace, but complements Broadcasting Decision 2020-115. It sets out the rationale underlying this decision and the resulting approvals.

Correction to Musique Plus – Change in ownership and licence amendment, Broadcasting Decision CRTC 2020-115, 3 April 2020

1. The Commission became aware of an error in paragraph 5 and 6 of Broadcasting Decision 2020-115 which indicated that following the transaction, MusiquePlus will be the wholly owned subsidiary of MusiquePlus, on behalf of a corporation to be incorporated (OBCI), which will be held by the Shareholders according to the current shareholder structure of Groupe V Média inc. (V Média). Although this is the wording used in the application filed with the Commission by V Média, on behalf of

MusiquePlus inc. (MusiquePlus), it was found that Appendix 2 to this application indicates a slightly modified distribution of shares. Indeed, under the proposed corporate restructuring, Fiducie Seismikmax will no longer be a shareholder of MusiquePlus, OBCI. This change in the shareholder composition does not, however, modify the effective control of MusiquePlus, OBCI, which will continue to be exercised by Maxime Rémillard. This error does not affect the Commission's findings in Broadcasting Decision 2020-115; nevertheless, it is important to rectify this error so as to reflect the information contained in the Commission's record. Consequently, paragraph 5 et 6 of Decision 2020-115 is set aside and replaced by the following:

5. Prior to the transaction, a new corporation will be created (MusiquePlus, OBCI), which will be held by Remstar (55%), Caisse de dépôt et de placement du Québec (15%), Fonds de solidarité des travailleurs du Québec (F.T.Q.) (15%) and Investissement Québec (15%) (collectively, the Shareholders). The change in ownership consists of the transfer of MusiquePlus shares, currently held by V Média, to MusiquePlus, OBCI.

6. Following the transaction, MusiquePlus will be the wholly owned subsidiary of MusiquePlus, OBCI, which will be held by the Shareholders. Its effective control will still be exercised by Maxime Rémillard, as the unique shareholder of Remstar.

2. The shareholder structure of MusiquePlus, OBCI, in paragraph 8 and 9 below, reflects this correction.
3. The Commission further notes that an error also occurred in Appendix 2 attached to Broadcasting Decision 2020-115, particularly in paragraph 4(b) of the conditions of licence applicable to the discretionary services operated by Groupe MusiquePlus. This error appears only in the French version of the decision. The condition of licence set out in paragraph 4(b) of Appendix 2 to this decision reflects this correction.

Application

4. Groupe V Média inc., on behalf of MusiquePlus inc., filed applications for authority to change the ownership of MusiquePlus and to amend certain conditions of licence of the discretionary services ELLE Fictions and MAX, held by MusiquePlus. The Commission approved these applications in Broadcasting Decision 2020-115, but for exceptional reasons, it did not publish the rationale underlying the decision.
5. MusiquePlus is a wholly owned subsidiary of V Média, which also holds V Interactions inc. (V Interactions), the licensee of the French-language television network called V and of the French-language television stations CFAP-DT Québec, CFJP-DT Montréal, CFRS-DT Saguenay, CFKS-DT Sherbrooke and CFKM-DT Trois-Rivières (the V Stations). The V Stations and the French-language discretionary services ELLE Fictions and MAX form the designated group called Groupe V Média (Groupe V).

6. These applications are non-severable from the application 2019-0648-9 filed by Bell Canada (Bell) for authority to change the ownership and effective control of V Interactions. The Commission has approved that application in Broadcasting Decision 2020-116.
7. V Média is a corporation held by Groupe Remstar inc. (Remstar) (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%) and Investissement Québec (15%) (collectively, the Shareholders). Maxime Rémillard exercises effective control of V Média as the unique shareholder of Remstar and as the trustee of Fiducie Seismikmax.
8. Prior to the transaction, a new corporation will be created (MusiquePlus, OBCI), which will be held by Remstar (55%), Caisse de dépôt et de placement du Québec (15%), Fonds de solidarité des travailleurs du Québec (F.T.Q.) (15%) and Investissement Québec (15%) (collectively, the Shareholders). The change in ownership consists of the transfer of MusiquePlus shares, currently held by V Média, to MusiquePlus, OBCI.
9. Following the transaction, MusiquePlus will be the wholly owned subsidiary of MusiquePlus, OBCI, which will be held by the Shareholders. Its effective control will still be exercised by Maxime Rémillard, as the unique shareholder of Remstar.
10. The Commission received four interventions in support and one in opposition of the application to change the ownership of MusiquePlus (2019-0677-8), as well as eight interventions in comment. It also received three interventions in support and one in opposition of the application to amend the licences for the discretionary services MAX and ELLE Fictions (2019-0678-6), as well as eight interventions in comment.

Commission's analysis and decision

11. After examining the public record for these applications in light of applicable regulations and policies, the Commission considers that the issues it must address are the following:
 - control of the discretionary services ELLE Fictions and MAX;
 - amendments to certain conditions of licence for the discretionary services included in the MusiquePlus Group;
 - Canadian programming expenditures and programs of national interest.

Control of the discretionary services ELLE Fictions and MAX

12. A service management agreement has been reached by Bell Media Inc. (Bell Media) and MusiquePlus regarding the provision of advertising sales representation services and technical support services (the agreement) for the discretionary services ELLE Fictions and MAX.
13. The Commission assessed the impact of the agreement on the effective control of these services since a change in the effective control of these services would trigger considerations relating to the Tangible Benefits Policy, among other things. The

Commission notes that there were no interventions regarding the impact of the agreement on the effective control of ELLE Fictions and MAX.

14. The Commission considers that the appropriate test for assessing control in fact is set out in Decision No. 297-A-1993 of the Canadian Transportation Agency:

There is no one standard definition of control in fact but generally, it can be viewed as the ongoing power or ability, whether exercised or not, to determine or decide the strategic decision-making activities of an enterprise. It can also be viewed as the ability to manage and run the day-to-day operations of an enterprise. Minority shareholders and their designated directors normally have the ability to influence a company as do others such as bankers and employees. The influence, which can be exercised either positively or negatively by way of veto rights, needs to be dominant or determining, however, for it to translate into control in fact.

15. To determine whether the agreement changes the effective control of ELLE Fictions and MAX, the Commission assessed the influence of Bell Media over discretionary services following the implementation of the agreement.
16. According to the agreement, Bell Media will provide MusiquePlus with advertising sales representation services. Bell Media will also provide MusiquePlus with technical support services, including the infrastructure used by MusiquePlus for network programming, the master control room, traffic and Information Technology, as well as credit and collection services.
17. The Commission notes that strategic decisions relating to discretionary services ELLE Fictions and MAX will be taken by MusiquePlus. Specifically, MusiquePlus will control programming, which includes the programming strategy, the acquisition of programming and the programming schedule. Furthermore, even though advertising will be sold by Bell Média, its pricing, the marketing of services and the relationships with broadcasting distribution undertakings will remain the responsibility of MusiquePlus. In light of the above, the Commission considers that Bell will not be in a position to determine the strategic decision-making activities of MusiquePlus.
18. Accordingly, the Commission finds that the effective control of discretionary services ELLE Fictions and MAX will continue to be exercised by Maxime Rémillard, as noted above, notwithstanding the reorganization and the agreement.
19. Pursuant to Broadcasting Regulatory Policy 2014-459, the Commission does not require tangible benefit contributions as the proposed transaction and the agreement will not change the effective control of MusiquePlus and its discretionary services ELLE Fictions and MAX.

Amendments to certain conditions of licence for the discretionary services included in the MusiquePlus Group

20. In its licence renewal application in 2017, V Média requested to avail itself of the group-based approach for the 1 September 2017 to 31 August 2022 licence term. In Broadcasting Decision 2017-146, the Commission found that the designated group for the Groupe V would include the five conventional television stations (the V Stations) and the discretionary services ELLE Fictions and MAX.
21. In Broadcasting Decision 2020-116, the Commission approved the change in ownership and effective control of the V Stations, which, notwithstanding the Commission's approval date for the application or the closing date of the transaction, will be integrated into the French-language Bell Media Group, effective 1 September 2020, the date on which the regulatory requirements and changes to the conditions of licence will come into effect. In light of this integration, the discretionary services ELLE Fictions and MAX will be, as of 1 September 2020, the only services included in Groupe V.
22. V Média proposed that the discretionary services ELLE Fictions and MAX operate under the same conditions of licence as those currently in effect, but as part of a new designated group that will include only the two services. Therefore, it requested to change the composition of the designated group set out in the appendix to Broadcasting Decision 2017-146 to reflect the new designated group for these services. The threshold relating to programs of national interest (PNI) and Canadian programming expenditures (CPE) would remain unchanged.
23. The Commission considers that the changes to the composition of the group proposed by MusiquePlus are appropriate. Accordingly, the Commission **approves** the creation of a new group, MusiquePlus Group, which will include only the discretionary services ELLE Fictions and MAX, as set out in Appendix 1 to Broadcasting Decision 2020-115 and to this decision.

Canadian programming expenditures and programs of national interest

24. To achieve the objectives of the *Broadcasting Act* (the Act), the Commission set out, in Broadcasting Regulatory Policy 2010-167, a group based-approach for the large English-language private ownership groups. Then, in Broadcasting Regulatory Policy 2015-86, the Commission encouraged the French-language services to avail themselves of this approach. Under the group-based approach, the Commission imposed CPE requirements.
25. The Commission used CPE as a tool to support the production of Canadian content. It established a minimum CPE requirement for each designated group based on the services' historical expenditures. To help groups adapt rapidly to a constantly evolving environment, the Commission gave them the flexibility to allocate the CPE between their different licenced services.
26. Under the group-based approach, the Commission also established PNI requirements for the designated groups. The Commission considered that these requirements were necessary to ensure that the services offered a wide range of programs, in particular in the

program categories that are more costly to achieve and more difficult to make profitable. As it is the case for CPE, the Commission established a minimum requirement for PNI expenditures for each designated group based on, among other things, the services' historical expenditures. The Commission also allowed designated groups to allocate their PNI between their different in order for them to adapt rapidly to the consumers and market's needs.

27. Remstar requested to avail itself of the group-based approach for its conventional television stations and ELLE Fictions and MAX services in the last licence renewal process for its services. The designated group created took the name of Groupe V. Given the fact that Groupe V was the only independent group in the French-language market and that it did not have resources comparable to those of its competitors, the Commission granted it increased flexibility when it established its minimum CPE and PNI thresholds. Therefore, in Broadcasting Decision 2017-146, the Commission imposed on Groupe V a CPE threshold of 35% and a PNI threshold of 10% of the group's gross revenue for the previous broadcast year.

V Média's position

28. V Média proposes to maintain the CPE threshold at 35% and the PNI expenditures threshold at 10% of the previous broadcast year's gross revenues for the new designated group consisting of the services ELLE Fictions and MAX. In addition, V Média proposes to maintain the requirement that 75% of the group's PNI expenditures be allocated to programming produced by independent production companies and that 75% of CPE be allocated to original French-language programming.

Interventions

29. The Association québécoise de la production médiatique (AQPM) submits that the programming of the two discretionary services would be entirely made up of fiction and film series. In its view, the new use of these services should compel them to invest heavily in drama. The AQPM indicates that it expects the Commission to impose higher thresholds than the current thresholds of Groupe V, given the history of the group's service expenditures. The AQPM also submits that at least 75% of expenditures should be assigned to independent production companies. The Alliance des producteurs francophones du Canada, the Association québécoise de l'industrie du disque, du spectacle et de la vidéo and On Screen Manitoba support the AQPM's proposal.

V Média's reply

30. In response to the interventions, the applicant notes that the Commission imposed the CPE and PNI expenditure requirements of Groupe V taking into account the particular situation of the group and its competitive position in the French-language market. It also notes that the recently acquired services were going through a restructuring process when they renewed their licences. In this respect, the applicant indicates that the programming of service ELLE Fictions was thoroughly reviewed over the past year. Moreover, it submits that MusiquePlus could have ceased to operate its two

discretionary services within a group and asked the Commission to be excluded from any form of PNI requirement.

31. The applicant also indicates that the imposition of more rigorous PNI expenditure requirements would not be warranted as Groupe MusiquePlus must have the necessary flexibility to react quickly to the competition.

Commission's analysis and determinations

32. Section 3(1)(s) of the Act states that private networks and programming undertakings should, to an extent consistent with the financial and other resources available to them, contribute significantly to the creation and presentation of Canadian programming, and be responsive to the evolving demands of the public.
33. While the Commission's general approach is that the designated groups' expenditure history be used to establish the CPE and PNI expenditure requirements, the Commission also takes into account the overall picture of the services within each group in its analysis.
34. The discretionary services ELLE Fictions and MAX appear to be in a good financial position. However, the Commission does not have data on the performance of these services operated within a group that would no longer include conventional television stations. It is possible that the loss of certain synergies on which services ELLE Fictions and MAX could rely on will have a negative impact on the financial performance of the new group. The Commission further notes that as a result of the strategy of Groupe V to focus on CPE and PNI expenditures in order to meet the requirements of Stations V, the CPE and PNI expenditures of services ELLE Fictions and MAX are currently under the 35% and 10% thresholds.
35. Finally, the Commission notes that the two services continue to be operated by an independent player in the French-language market. As a result, the challenges raised in the last renewal decision to justify greater expenditure flexibility for Groupe V remain valid, including the fact that these services cannot benefit from synergies in the same way as large vertically integrated companies.
36. The Commission therefore considers that it is appropriate to maintain the CPE threshold at 35% of the previous broadcast year's gross revenues for the new Groupe MusiquePlus. It also considers it appropriate to maintain the threshold of PNI expenditures at 10% of the previous broadcast year's gross revenue for the two services comprising it.
37. Some interveners noted that a minimum of 75% of the CPE should be devoted to original French-language programming. However, conditions of licence to that effect have already been in place for all the French-language groups since the reconsideration of the group-based licence renewals decisions by the Commission. The Commission notes that the applicant indicated that it committed to this requirement.

38. Further, in Broadcasting Decision 2017-143 (the introductory decision for the renewal of licences of large French-language ownership groups), to ensure that French-language groups continue to make significant use of Canadian independent producers and to meet the objectives of the Act relating to the independent production sector, the Commission indicated that a minimum of 75% of the designated groups' expenditures for the production of PNI should be devoted to programs produced by independent production companies.
39. The Commission notes that it will assess the requirements imposed on Groupe MusiquePlus and that it will be able to modify them as necessary as part of the next renewal of the group's licences, which will expire on 31 August 2022.
40. Moreover, according to the annual reports submitted by Groupe V for the 2017-2018 and 2018-2019 broadcast years, the services of Groupe V accumulated CPE surpluses. Although the exact amount of the surpluses are not yet known, Bell and V Média confirmed at the public hearing that a portion of the surplus could be used by Groupe MusiquePlus to meet its CPE requirements.
41. The Commission notes that MusiquePlus could use a portion of the CPE and PNI expenditure surpluses accumulated by Groupe V to meet its regulatory requirements by the end of the current licence period, which will expire on 31 August 2022. As set out in Broadcast Decision 2020-116, a portion of these surpluses will be allocated to MusiquePlus as part of the sale of Stations V to Bell.
42. In light of CPE and PNI expenditure surpluses accumulated by Groupe V and the distribution of certain of its surpluses to the discretionary services operated by MusiquePlus, the Commission **directs** MusiquePlus 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 expenditure surpluses accumulated by Groupe V as of 31 August 2020;
 - the exact amount in CPE surpluses and PNI expenditure 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 of CPE surpluses and PNI expenditure surpluses that will be available as of 1 September 2020 for the MusiquePlus Group and for the New French-language Bell Media Group.

Tangible benefits

43. In Broadcasting Decision 2014-465, the Commission imposed conditions of approval relating to the transaction involving the services MusiquePlus and MusiMax.¹ The

¹ These services are now known as ELLE Fictions and MAX.

Commission imposed tangible benefits amounting to \$2,287,200. Pursuant to the Tangible Benefits Policy, V Média indicated that these amounts would be allocated to the Canada Media Fund (CMF) and the Remstar Fund, in accordance with the provisions of Broadcasting Decision 2014-465, in equal payments over a period of seven years.

Interventions

44. The Fédération nationale des communications (FNC-CSN) stated that it wanted V Média and its shareholders to remain liable for the outstanding balance of tangible benefits stemming from the acquisition of MusiquePlus and MusiMax in 2014 and that the amount be paid into a certified fund until 2021.

Reply

45. In its reply, the applicant did not address the concerns of FNC-CSN. At the public hearing, MusiquePlus committed to pay the amounts required to the CMF and the Remstar Fund.

Commission's analysis and determinations

46. As stated earlier, the Commission imposed tangible benefits amounting to \$2,287,200 in Decision 2014-465.
47. To date, the contributions of MusiquePlus in tangible benefits total \$1,633,714.30. Accordingly, \$653,485.70 remains to be paid in accordance with the terms set out in Broadcasting Decision 2014-465.
48. The Commission reminds MusiquePlus that it remains responsible for the outstanding tangible benefits to be paid.

Conclusion

49. The Commission **approves** the application by Groupe V Média inc., on behalf of MusiquePlus inc., for authority to change the ownership of MusiquePlus inc.
50. The Commission also **approves** the application by Groupe V Média inc., on behalf of MusiquePlus inc., to amend the conditions of licence of the discretionary services ELLE Fictions and MAX, in order to reflect the new group for the French-language discretionary services ELLE Fictions and MAX as of 1^{er} September 2020. The other regulatory requirements and **conditions of licence** to which these service were subject will remain in place until 31 August 2020.
51. This change in ownership does not change MusiquePlus requirement to pay, until 2021, the remaining tangible benefits to the FCM and the Remstar Fund, as required in Broadcasting Decision 2014-465.

Secretary General

Related documents

- *V Interactions inc. – Change in ownership and effective control*, Broadcasting Decision CRTC 2020-116, 3 April 2020
- *MusiquePlus – Change in ownership and licence amendment*, Broadcasting Decision CRTC 2020-115, 3 April 2020
- *Groupe V Média inc. – Licence renewals for French-language network, television stations and services*, Broadcasting Decision CRTC 2017-146, 15 May 2017
- *Renewal of licences for the television services of large French-language ownership groups – Introductory decision*, Broadcasting Decision CRTC 2017-143, 15 May 2017
- *Let's Talk TV - The way forward - Creating compelling and diverse Canadian programming*, Broadcasting Regulatory Policy CRTC 2015-86, 12 March 2015
- *MusiquePlus and MusiMax - Change in effective control and licence amendments*, Broadcasting Decision CRTC 2014-465, 11 September 2014
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010

This decision is to be appended to each licence.

Appendix 1 to Broadcasting Decision 2020-115 and 2020-158

Discretionary services that are included in the MusiquePlus Group

Licensee	Name of service
MusiquePlus inc.	ELLE Fictions
	MAX

Appendix 2 to Broadcasting Decision 2020-115 and 2020-158

Terms, conditions of licence, expectations and encouragements applicable to the French-language discretionary services included in the MusiquePlus Group

Terms

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

Conditions of licence

1. The licensee shall adhere to the standard conditions of licence for discretionary services as 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.
2. In each broadcast year, the licensee shall devote at least 35% of the broadcast day to the broadcast 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 35% 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 outlined in condition of licence 3 in the second year of the licence term (2018-2019 broadcast year);
 - b) at least 75% of the expenditures outlined in condition of licence 3 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 undertakings of the MusiquePlus 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.

7. 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 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 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 the MusiquePlus 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 10% 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 of the MusiquePlus 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 programs of national interest expenditure requirement.
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 of the MusiquePlus Group in regard to:
- a) programs of national interest;
 - b) the use of Indigenous and official language minority community producers, specifying notably for each:
 - o 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
- c) 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 MusiquePlus Group collectively devote
- a) 35% of the previous year's gross revenues of the undertakings from the MusiquePlus Group to the acquisition of or investment in Canadian programming; and
 - b) 10% of the previous year's gross revenues of the undertakings from the MusiquePlus Group to the acquisition of or investment in programs of national interest.
14. In each broadcast year of the licence term, excluding the final year,
- a) the licensee, in concert with the other undertakings that form the MusiquePlus 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 the MusiquePlus 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 the MusiquePlus 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 the MusiquePlus 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 the MusiquePlus 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 MusiquePlus 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 expenditures on Canadian programming, including programs of national interest, made the licensee and by the MusiquePlus Group for that term.
16. The licensee is 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.

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 encouragement applicable to this licensee is 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

As an exception to the definition of “broadcast day” 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 term “broadcast day” refers to the 24-hour period beginning each day at 6 a.m. or any other period approved by the Commission.

“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.

“MusiquePlus Group” means the group of undertakings set out in Appendix 1 to *MusiquePlus – Change in ownership and licence amendment*, Broadcasting Decision CRTC 2020-115, 3 April 2020.

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

- i. if operating in the province of Quebec, produces original English-language programming, or
- ii. 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.