



## Broadcasting Decision CRTC 2021-389

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Reference: Part 1 application posted on 6 May 2021

Ottawa, 24 November 2021

**Télé Inter-Rives Itée, on behalf of Télévision MBS inc.**  
Rivière-du-Loup, Quebec

*Public record for this application: 2021-0236-7*

### **Télé Inter-Rives Itée – Reallocation of funding from the Independent Local News Fund**

The Commission **approves** an application by Télé Inter-Rives Itée, on behalf of Télévision MBS inc., to reallocate to CFTF-DT Rivière-du-Loup funding for local news from the Independent Local News Fund that was previously granted to CKRT-DT Rivière-du-Loup.

The fund administrator must treat CFTF-DT and CKRT-DT as a single station for the purposes of calculating the contributions to be allocated to CFTF-DT for the 2021-2022, 2022-2023 and 2023-2024 broadcast years.

Further, the Commission amends CFTF-DT's condition of licence 6(b) set out in the appendix to Broadcasting Decision 2018-337 in order for the licensee to broadcast at least 4 hours and 30 minutes of locally reflective news each broadcast week.

The Commission adds an encouragement for the licensee to continue broadcasting locally reflective French-language news to the community of Madawaska.

### **Background**

1. Télé Inter-Rives Itée (Télé Inter-Rives) is the licensee of CIMT-DT Rivière-du-Loup, Quebec, and its transmitters. In addition, it owns Télévision MBS inc., which is the licensee of CFTF-DT Rivière-du-Loup, Quebec, and its transmitters, affiliated with the Noovo network, and CHAU-TV Communications Itée, which is the licensee of CHAU-DT Carleton-sur-Mer, Quebec, and its transmitters, affiliated with the TVA network. It also owns CKRT-TV Itée, which was, until 31 August 2021, the licensee of CKRT-DT Rivière-du-Loup, Quebec, affiliated with the French-language Corporate Broadcasting Corporation (CBC) network.
2. All of the above stations are French-language independent conventional television stations that receive assistance from the Independent Local News Fund (ILNF) for the production of local news.

3. CKRT-DT Itée had an affiliation agreement with the CBC to broadcast CBC programming on CKRT-DT. In 2020, the CBC informed Télé Inter-Rives that its affiliation agreement with CKRT-TV Itée would end on 31 August 2021. Télé Inter-Rives indicated that it was required to shut down CKRT-DT because it does not have an alternative source of programming that would enable it to continue operating the station. Consequently, at the request of CKRT-TV Itée, the Commission revoked the broadcasting licence for CKRT-DT and its transmitters effective 31 August 2021, in Broadcasting Decision 2021-209.

### **Independent Local News Fund**

4. In Broadcasting Regulatory Policy 2016-224 (the Policy), the Commission announced the creation of the ILNF to support the production, by private independent television stations, of news and information that reflects the local reality. All private conventional television stations that offer news and information programs reflecting the local reality and that are not owned by a vertically integrated group are eligible for ILNF funding.<sup>1</sup>
5. The Canadian Association of Broadcasters (CAB) administers the ILNF and distributes the funds according to the following guidelines, set out in the Policy:
  - two thirds will be distributed in proportion to each eligible station's share of total expenditures on locally reflective news and information over the previous three broadcast years;<sup>2</sup> and
  - one third will be distributed in proportion to the total number of hours of locally reflective news and information broadcast by each eligible station over the previous three broadcast years.

### **Application**

6. Télé Inter-Rives filed an application to reallocate, for a period of three years, the local news support funds that were received by CKRT-DT to CFTF-DT, given the closure of CKRT-DT. Both stations serve the Rivière-du-Loup market and surroundings. CFTF-DT also has rebroadcasting transmitters, including one in Edmundston, New Brunswick, where there is an official language minority community (OLMC).
7. In its application, Télé Inter-Rives specified that, as of 1 September 2021, the CKRT-DT newsroom reporters and budgets would be transferred to CFTF-DT. The applicant indicated that, since CFTF-DT would have an increased news crew, the station would

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<sup>1</sup> As set out in Broadcasting Decision 2021-203, since 1 September 2021, no station or group of stations operated by the same licensee in a given market can receive more than 12% of the funding in any given broadcast year (this proportion was previously 10%).

<sup>2</sup> The broadcast year begins on 1 September and ends on the following 31 August.

broadcast 4 hours and 30 minutes of locally reflective news—the combined number of minutes broadcast by the two stations prior to the closure of CKRT-DT.

8. Accordingly, Télé Inter-Rives proposed to amend CFTF-DT condition of licence 6(b) set out in the appendix to Broadcasting Decision 2018-337 to increase the requirement regarding the broadcast of locally reflective news from 2 hours and 30 minutes to **4 hours and 30 minutes** per broadcast week. This two-hour increase corresponds to the number of hours of locally reflective news imposed on CKRT-DT in condition of licence 7 of Broadcasting Decision 2018-337.
9. Télé Inter-Rives alleged that CKRT-DT is still eligible for monthly ILNF payments, even though it has ceased operations, for the following reasons:
  - CKRT-DT was a private conventional television station offering locally reflective news and information and was not part of a vertically integrated group, thus meeting the ILNF eligibility criterion set out in Appendix 1 of the Policy;
  - the ILNF allocation method is based on a multi-year calculation of the last three broadcast years, and CKRT-DT operated until the end of the 2020-2021 broadcast year;
  - since 1 September 2021, CKRT-DT reporters have been employed by CFTF-DT, enabling CFTF-DT to improve and increase locally reflective news coverage, which is one of the goals of the ILNF; and
  - in Broadcasting Decision 2018-490, the Commission approved a similar application by RNC MEDIA Inc. (RNC) to reallocate ILNF funding formerly allocated to CKRN-DT Rouyn-Noranda, which shut down in 2018, to CFVS-DT Val-d'Or.
10. Télé Inter-Rives claimed that if the Commission denied its application, it would be penalized by a third-party decision.

## Interventions

11. The Commission received multiple supporting interventions from elected representatives, regional organizations and individuals for this application. These interveners asserted that the applicant's proposal to maintain the same level of locally reflective news for the region is in the public interest and should be approved. The Commission did not receive any interventions opposing this application.
12. Among the supporting interventions, RNC, which also receives funding from the ILNF, argued that the denial of this application would have a negative impact on all local information offered by Télé Inter-Rives stations in eastern Quebec and northern New Brunswick. RNC noted that, since the distribution formula set out in the Policy is multi-year, access to the fund should balance out over time.

13. In their reply, Télé Inter-Rives stated that the numerous interventions in favour of its application demonstrated the public's support for maintaining the level of local news in the region.

## **Issues**

14. After examining the record for this application in light of applicable regulations and policies, the Commission considers that it must address the following issues:

- the financial impact on the applicant and the other ILNF recipients;
- the impact on the communities served;
- the amendment of a condition of licence; and
- the RNC precedent.

## **Financial impact on the applicant and other ILNF recipients**

15. Until the end of the 2020-2021 broadcast year, Télé Inter-Rives benefited from synergies among the three television stations it operated in the Rivière-du-Loup market to reduce its technical and administrative costs. However, following the unavoidable closure of CKRT-DT, the two remaining Télé Inter-Rives stations bear an additional financial burden. The Commission considers that the additional funding provided by the ILNF would enable the licensee to address this financial burden over a three-year transition period. In addition, since producing locally reflective news is costly, the additional sum transferred to CFTF-DT would enable the licensee to better serve the community.

16. Despite the closure of CKRT-DT on 31 August, the station spent money over the past three years to produce locally reflective news. Both the administrator and the other recipients of the fund had planned for CKRT-DT to receive funding from the ILNF over the next three broadcast years. Therefore, the other stations supported by the ILNF would receive expected amounts of funding. The Commission notes that RNC intervened in support of this application and that no ILNF recipient filed an intervention in opposition. After the transition period, CFTF-DT will receive funding from the ILNF under the same parameters as other ILNF recipient stations.

17. In light of the above, the Commission finds that approval of this application would have a positive impact on locally reflective news in the region served by CFTF-DT.

## **Impact on communities served**

18. In Broadcasting Decision 2018-337 (the licence renewal decision for CKRT-DT), the Commission noted that CKRT-DT, operating in a regional market with few local information sources, plays an important role in providing news and information about the region. Since locally reflective news would remain at the same level as before the closure of CKRT-DT, approval of this application would have a positive impact on

the Rivière-du-Loup community, ensuring that the level of local news provided in this market is maintained.

#### **Official language minority community**

19. The Commission has obligations pursuant to subsection 41(1) of the *Official Languages Act*. These obligations include considering the needs and realities of OLMCs in its decision-making processes in order to enhance “the vitality of the English and French linguistic minority communities in Canada and supporting and assisting their development; and, fostering full recognition and use of English and French in Canadian society”.
20. The area served by CKRT-DT and its transmitters included the Rivière-du-Loup market and its surrounding areas, which included part of the OLMC in Madawaska County, New Brunswick. In addition, although CKRT-DT's programming was not directly targeted at this OLMC, the community did have access to the locally reflective French-language news offered by the station. The Commission is of the view that approving this application would be a positive initiative that would meet the objectives of the *Official Languages Act* by ensuring that this OLMC continues to have access to the same number of hours of local French-language news in the region, despite the closure of CKRT-DT.
21. Given the importance of local French-language news to the Madawaska OLMC, the Commission encourages the licensee to continue to broadcast French-language news that reflects the Madawaska community during the current licence period. An encouragement to that effect is set out at the end of this decision.

#### **Amending a condition of licence**

22. Télé Inter-Rives proposed to amend CFTF-DT's condition of licence 6(b) to increase the number of hours of locally reflective news broadcast to equal the combined number of hours of locally reflective news from both stations (CFTF-DT and CKRT-DT), that is, 4 hours and 30 minutes per broadcast week. However, unlike RNC, it did not propose any additional commitment in relation to the requirement for 5 hours per broadcast week of local programming for CFTF-DT. It indicated that it was not in a position to make any additional local programming commitments, since the Noovo network, of which CFTF-DT is an affiliate, provides recent and evolving programming, and Télé Inter-Rives did not know how much local time the network will make available to its affiliates.
23. The Commission recognizes that, as a Noovo network affiliate, CFTF-DT has limited bargaining power with respect to slots for local programming. The Commission notes that the current minimum requirement of 5 hours of local programming per broadcast week is consistent with the Policy. In addition, the Commission notes that ILNF funding is calculated in part according to hours of locally reflective news broadcast, not hours of local programming broadcast.

24. In light of the above, the Commission finds that the licence amendment proposed by Télé Inter-Rives with respect to the broadcast of locally reflective news on CFTF-DT is sufficient and appropriate. The Commission will have the opportunity to review all of CFTF-DT's regulatory requirements at the next licence renewal.

### **RNC precedent**

25. In Broadcasting Decision 2018-490, the Commission approved an application by RNC to reallocate the ILNF funding previously allocated to CKRN-DT Rouyn-Noranda, a station that had recently ceased operations, to CFVS-DT Val-d'Or for a three-year transitional period. In that decision, the Commission recognized that the Policy did not provide for the situation in which CAB found itself, namely the closure of a station and an application to reallocate financial and human resources to another station operating in the same market under the same licensee.

26. In that decision, the Commission recognized the importance of local news and stated that RNC's proposal was an appropriate transitional measure to ensure the continuation of local programming in the Abitibi-Témiscamingue market, which was not served by any other conventional television operator. The Commission also specified that a denial could result in a significant decrease in local news production.

27. In the current application, Télé Inter-Rives is also seeking to reallocate the local news support funds of a station that has ceased operations to a station operating in the same market.

28. In light of the arguments raised by Télé Inter-Rives in the current application and considering the similarities between this application and that of RNC, the Commission finds it appropriate to approve Télé Inter-Rives's request to reallocate the ILNF funding from CKRT-DT to CFTF-DT.

### **Conclusion**

29. In light of all of the above, the Commission **approves** the application by Télé Inter-Rives ltée, on behalf of Télévision MBS inc., to reallocate to CFTF-DT Rivière-du-Loup, Quebec, funding from the Independent Local News Fund that was previously granted to CKRT-DT Rivière-du-Loup. Consequently, the fund administrator must treat CFTF-DT and CKRT-DT as a single station for the purposes of calculating the contributions to be allocated to CFTF-DT for the 2021-2022 to 2023-2024 broadcast years. Once this transition period has elapsed, the fund administrator should then consider only CFTF-DT expenses and broadcast hours.

30. Further, the Commission amends CFTF-DT's condition of licence 6(b) set out in the appendix to Broadcasting Decision 2018-337 as follows (the changes are in bold):<sup>3</sup>

6 In accordance 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:

- a) the licensee shall broadcast at least five hours of local programming in each broadcast week; and
- b) the licensee shall broadcast at least 4 hours and 30 minutes of locally reflective news in each broadcast week.

### **Encouragement**

31. The Commission encourages CFTF-DT to continue to provide French-language locally reflective news for the Madawaska community.

Secretary General

### **Related documents**

- *CKRT-DT Rivière-du-Loup – Revocation of licence*, Broadcasting Decision CRTC 2021-209, 18 June 2021
- *The Independent Local News Fund – Revision to the allocation method*, Broadcasting Decision CRTC 2021-203, 15 June 2021
- *RNC MEDIA Inc. – Reallocation of funding from the Independent Local News Fund*, Broadcasting Decision CRTC 2018-490, 20 December 2018
- *Various conventional television stations – Licence renewals*, Broadcasting Decision CRTC 2018-337, 31 August 2018
- *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016

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<sup>3</sup> The amendments approved in this decision apply only to CFTF-DT. Accordingly, condition of licence 6(b) as set out in the appendix to Broadcasting Decision 2018-337 remains unchanged for CHAU-DT and CIMT-DT.