



## Broadcasting Decision CRTC 2006-613

Ottawa, 31 October 2006

### **Videotron Ltd.**

Montréal, Quebec

### **CF Cable TV Inc.**

Montréal and Terrebonne, Quebec

*Applications 2005-1314-4, 2005-1332-6 and 2005-1329-3*

*Broadcasting Public Notice CRTC 2006-64*

*23 May 2006*

### **Cable distribution undertakings in Montréal and Terrebonne – Licence renewals**

*The Commission renews the broadcasting licences for the Class 1 cable broadcasting distribution undertakings held by Videotron Ltd. and its subsidiary CF Cable TV Inc. serving Montréal, Quebec, and Montréal and Terrebonne, Quebec, respectively, from 1 January 2007 to 31 August 2013.*

### **The applications**

1. The Commission received applications from Videotron Ltd. and its subsidiary CF Cable TV Inc. (collectively referred to as “Videotron,” or “the licensee”) to renew the broadcasting licences of the Class 1 cable broadcasting distribution undertakings (BDUs) serving Montréal, Quebec, and Montréal and Terrebonne, Quebec, respectively.
2. In its applications for renewal, the licensee requested relief from the condition of licence requiring it to submit an audited annual report listing expenditures associated with the operation of the community channel imposed at the time of the last licence renewal in 2003 for the broadcast years ending 31 August 2004 and 2005.
3. Videotron was of the view that the requirement to submit this report is too onerous and that its submission should no longer be necessary. It contended that the Commission is able to verify compliance with its condition of licence through the annual reports submitted by its BDUs without the above-mentioned special report. It added that no other BDU is required to submit this type of special report and that the Commission had requested these reports in order to determine whether the licensee had made certain adjustments to its expenditures. Videotron concluded that the report no longer has a purpose since it has made the necessary adjustments.
4. Videotron further requested that its commitment regarding the percentage of expenditures on service programs, that is, programs produced by the licensee itself, be amended.

5. At the time of the last licence renewals for Videotron, the Commission accepted the licensee's commitment to limit expenditures on service programs to 30% of its total direct expenditure budget for programming produced by not-for-profit community television corporations (TV corporations) present and future in the greater Montréal area. Videotron requested that the Commission accept a commitment by the licensee to reduce expenditures on service programs to 25%. According to Videotron, the greater emphasis that it has placed on programming from TV corporations and the increase in the number of access projects it has developed with people in the Montréal community have enabled it to limit to approximately 20% the proportion of its expenditures on service programs. Videotron explained that the 5% difference between the level that it had proposed and the level that it had achieved would provide it with some leeway.
6. The licensee also requested a redefinition of its authorized service areas.

### **Interventions**

7. The Commission received interventions in support of the renewal of these licences, although interveners expressed concerns about the community channel. The three organizations that made comments regarding the community channel in their interventions were the Fédération des télévisions communautaires autonomes du Québec (FTCAQ), the Corporation de Télédiffusion du Grand Châteauguay inc. (CTGC) and Télévision Rive-Sud & Télévision communautaire de la Vallée-du-Richelieu (TVRS & TVR9). The CTGC and TVRS & TVR9 are local TV corporations. The intervention from TVRS & TVR9 pertained only to the application for renewal of Videotron Ltd.'s licence for Montréal.
8. Generally, the comments pertained to the seven service zones in greater Montréal served by the licensee, promotion of the community channel, access to the community channel by independent TV corporations, service programs, the scheduling of access programs, the audited annual reports on contributions and expenses associated with operation of the community channel, financial support for community programming, and digital cable distribution of the community channel.
9. The FTCAQ submitted that the seven service zones must be maintained, including the six separate local zones coordinated by independent TV corporations, as established in *Licence renewal of cable distribution undertakings serving part of Montréal and Terrebonne*, Broadcasting Decision CRTC 2003-523, 24 October 2003 (Decision 2003-523). According to the FTCAQ, the creation of these zones has contributed to a resurgence of TV corporations and the distribution of their local access programming in greater Montréal.

10. The FTCAQ also stated that Videotron must ensure that its efforts to promote the community channel mesh more completely with the promotional campaigns already being undertaken by the TV corporations, given that a lack of coordination could be counterproductive and problematic. It added that, in greater Montréal, the licensee must continue to increase its efforts to schedule access programming produced by independent TV corporations during prime time in those zones. On the subject of service programs, the FTCAQ submitted that the licensee could maintain its proportion of such programs at 20% in terms of air time and allocated resources, contrary to what Videotron proposed in its application, that is, to reduce direct expenditures associated with this type of programming from 30% to 25%.
11. The FTCAQ also expected Videotron to make a more tangible commitment to local community programming and to TV corporations. It submitted that the licensee must continue to strive for a balance between the amount allocated to TV corporations and the amount available for programming produced by Videotron studios. It added that Videotron should provide TV corporations with clearer information on the way it allocates its contribution to local expression in the various budget items and that funds should be allocated among the various production studios in a given service zone using an egalitarian approach. The FTCAQ added that it is counting on the Commission to determine whether Videotron is actually allocating its expenses as it claims. It requested that the condition of licence requiring the licensee to submit an audited annual report on the operating expenses of the community channel be retained, if it is the best way for the Commission to make that determination.
12. Lastly, the FTCAQ asked that the licensee make a formal commitment to broadcast the community channel in all service zones and all separate local zones in greater Montréal on digital cable beginning in September 2006.
13. The intervention from the CTGC expressed the same concerns raised by the FTCAQ. Among other things, the CTGC broached the subjects of service zones, financial assistance, access programming and its place in schedules, promotion and advertising of TV corporations and their programming, and digital cable distribution of the community channel.
14. The CTGC expected that Videotron meet the funding targets it set out in its application and hoped to see its cooperation with the licensee broadened so that its programming is better positioned in the schedule during peak viewing hours and during its community's "target" hours. The CTGC also called for better advertising of TV corporations and their programming and requested that the licensee inform the Commission and TV corporations in service zones in greater Montréal of its strategy regarding distribution of the community channel on the digital cable service.

15. TVRS & TVR9 supported the renewal of Videotron's licences in Montréal, but proposed that the percentage allocated to service programs be reduced to 20% in order to foster access programming. They added that they objected to the eventual creation of an English-language community channel in Montréal as proposed by the licensee in its response to the Commission's supplementary questions of 27 February 2006. TVRS & TVR9 would rather keep the development of programming aimed at Anglophones and other minorities on the current community channel in order to preserve access to their nearby community media.

**Licensee's response**

16. Videotron responded to all of the interventions submitted regarding its licence renewal applications, and in particular to the questions related to the community channel. However, it did not submit any comments on the intervention from TVRS & TVR9, which expressed concern about the possible future development of an English-language community channel.
17. Regarding the interveners' concern about the seven service zones in greater Montréal, the licensee undertook to maintain the current separate zones and stated that the infrastructure now in place would remain and be upgraded. Regarding digital distribution of the community channel, Videotron stated that the service would be phased in over the summer of 2006 and would be completed before the end of September 2006, which would resolve the problem completely.
18. Regarding the concerns about the promotion and advertising of and access to the community channel, Videotron agreed to tie its promotional activities in with those of the TV corporations, but added that, as long as it is responsible for the community channel, it intends to handle promotion of the community channel and of its objectives.
19. Regarding financial assistance for TV corporations, the licensee stated that it had exceeded its commitments in this area in recent years and that its commitment to production support, as described in its application, is firm. Regarding the disclosure of information on expenses allocated to the community channel, Videotron submitted that the mechanisms prescribed by the Commission are sufficient to reassure all interveners as to its compliance with the regulatory framework. Moreover, Videotron stated that, despite the fact it had been able to limit its expenditures for service programs to 20% of total expenditures in the past, it would prefer to limit its expenditures to 25% for the next licence term in order to afford itself some leeway.
20. Regarding the positioning of access programming in the prime-time schedule, Videotron reported that almost 40% of prime-time hours would be accessible to participating TV corporations by the fall of 2006, which would constitute a substantial increase over previous seasons.

21. Regarding the requirement to submit an audited annual report on operating expenses associated with the community channel, Videotron pointed out that it has made the adjustments prescribed at the time of the last licence renewal and was of the view that these reports no longer serve a purpose.

### **Commission's analysis and determinations**

22. In its review of these applications, the Commission has carefully noted the comments and concerns submitted by the FTCAQ, the CTGC and TVRS & TVR9 regarding the community channel. The Commission notes that the interveners support the renewal of Videotron's licences but are of the view that certain conditions and expectations related to the community channel should be maintained or amended. In Decision 2003-523, the Commission noted that the licensee had agreed that the conditions of licence and other provisions relating to the community channel contained in the decision should ultimately apply to the main Videotron licence for the greater Montréal area, when the licence is renewed. The Commission had examined the applicant's plans and commitments in detail in the light of the following aspects of the community media policy set out in *Policy framework for community-based media*, Public Notice CRTC 2002-61, 10 October 2002 (Public Notice 2002-61):

- reflection and representation of different community groups;
- financial support for TV corporations;
- local community television programming;
- other sources of community channel programming;
- access to the community channel programming schedule;
- advertising and sponsorship;
- promotion of access and training for, and of participation by, volunteers;
- reflection of the ethnic and Aboriginal composition of the community, as well as of both official language groups; and
- services for persons with a visual or hearing impairment.

23. In the current licence renewal applications, the Commission notes that the licensee has addressed all aspects related to the community channel. Based on its review, the Commission finds that Videotron has met the conditions and expectations related to the community channel during the current licence term.

### **Reflection and representation of different community groups**

24. In Decision 2003-523, the Commission decided to accept, by means of a condition of licence, the service zone arrangement proposed by the applicant, provided that a seventh zone was created consisting of the Laval Island. In accordance with that condition of the licence, the applicant created seven service zones that are now in operation. The Commission requires, as a **condition of licence**, that Videotron maintain the seven service zones in greater Montréal. This condition of licence is set out in the appendix to this decision.

### **Financial support for TV corporations**

25. At the time of the last renewal of Videotron's licence, the Commission expected the licensee to achieve a better balance between the funding allocated to TV corporations for access programming and the funding allocated to programming produced by the applicant and broadcast on Canal Vox. As observed by the licensee in its renewal application, there was an imbalance in 2003 between the time allocated to TV corporations in the Montréal area to broadcast their programs and the amounts that they were paid. Videotron stated that, during the next licence term, it would continue its efforts to attain a better balance between the time and money allocated to the TV corporations and the time and money allocated to the programming it produces.
26. In Decision 2003-523, the Commission required, as a condition of licence, that the licensee file an audited annual report for the broadcast years ending 31 August 2004 and 31 August 2005 on contributions and expenditures associated with the operation of the community channel because of the existing imbalance between TV corporations and Canal Vox in terms of the time and cost of community channel programming and in order to monitor the applicant's performance with respect to local expression more closely on an annual basis. This report provides a level of detail not provided by the regular annual report required from BDUs.
27. Regarding the interveners' request to maintain the condition of licence requiring the licensee to submit audited annual reports on the operating expenses of the community channel for the next licence term, the Commission acknowledges that the preparation of these reports places an administrative burden on the licensee and is of the view that the changes made by the licensee reflect a change in the situation. The Commission therefore considers that the submission of such reports is no longer necessary.
28. The Commission, however, remains sensitive to the concerns raised by the interveners and therefore expects the licensee to make a commitment to continue to strive for a balance between the funding allocated to TV corporations for access programming and the funding allocated to programming produced by the licensee, as presented in previous reports and proposed in the current applications for licence renewal. The Commission reminds interested parties that they can report a problem to the Commission at any time.

### **Local community television programming**

29. In its licence renewal applications, Videotron stated that it devoted at least 60% of the programming broadcast on the community channel in each broadcast week to local programming, as required by subsection 27.1(1) of the *Broadcasting Distribution Regulations* (the Regulations). The Commission considers that the licensee has met the requirements of the Regulations and notes its intention to continue to comply with the Regulations in this regard during the next licence term.

## **Service programs**

30. During the last licence term, Videotron was required to limit its expenditures associated with service programs to 30% of direct expenditures in the total programming budget for all TV corporations. The licensee has demonstrated that it has met that commitment, having indicated that the expenditures, in fact, represented less than 20% of direct expenditures for 2003-2004. Further, the licensee made a commitment, set out in its renewal applications, to comply with a limit of 25% for the next licence term.
31. As stated earlier, in its response to the interventions, Videotron proposed to the Commission that the limit be decreased from 30% to 25% in order to give the licensee some leeway in the years ahead. It added that it would prefer to limit such expenditures to 25% for the next licence term because it is dependent on the quality of the access projects submitted to it and the amount of programming that each TV corporation could produce.
32. In light of the interveners' comments and Videotron's response, the Commission accepts the licensee's commitment to limit expenditures associated with service programs to 25% of direct expenditures in the total programming budget for all TV corporations, present and future, in greater Montréal. The Commission encourages the licensee to reduce those expenditures to less than 25% in order to maximize the number of access programs broadcast on the community channel.

## **Access to the community channel programming schedule**

33. At the time of Videotron's last licence renewal, the Commission indicated that it planned to pay special attention to the equitable treatment of access programming produced by TV corporations at the next licence renewal. To that end, the Commission imposed a condition of licence regarding access to the community channel programming schedule for independent TV corporations. The condition read:

Through its programming, the licensee shall reflect the greater Montréal community in its entirety. Moreover, it shall be responsible for all programming distributed on the community channel, including programming produced by the TV corporations for distribution in the individual service zones during breakaway segments.

34. Moreover, based on the licensee's commitment at the time of the last licence renewal to comply with the community policy regarding access to community programming, the Commission made the following points:
  - the technical quality of the applicant's access programming must conform to minimum broadcast standards. The Commission expects these minimum technical standards to be objective and clearly understood by the TV corporations and the individuals or groups producing access programming;

- the applicant had made a commitment to include an equitable place for access programming produced by the TV corporations on the community channel (Canal Vox, in the greater Montréal area), with respect to the placement of such programming in the schedule, as well as the number of hours of original and repeat programming that is distributed.

35. In connection with the current renewal applications, some interveners criticized the fact that access programming produced by independent TV corporations did not always get the best possible position in Canal Vox's schedule. According to Public Notice 2002-61, access programming should be scheduled in a reasonable manner throughout the broadcast day, including the peak viewing period (7:00 p.m. to 11:00 p.m.), and the ratio of original to repeat programs should generally be the same for access programs as it is for the rest of the community programming.
36. The Commission has noted the commitments made by Videotron in its renewal applications regarding the scheduling of access programs. The Commission further notes that the licensee has also indicated in its applications that it is committed to continue to comply with the condition of licence and the other commitments referred to above regarding this type of programming.
37. The Commission therefore maintains the **condition of licence** regarding access to the programming schedule set out in the appendix to this decision. The Commission encourages the licensee to continue to increase its efforts to enable more programs produced by independent TV corporations to be broadcast not only during peak viewing hours, but also during the "target" hours of the community being served.

#### **Advertising and sponsorship**

38. As stated in the community policy set out in Public Notice 2002-61, the Commission considers that the public service orientation of the community channel can be best achieved through stable funding provided by cable licensees, with limited reliance on advertising revenues. As stated in the Regulations, community channels continue to be limited to sponsorships and contra advertising.
39. With regard to advertising the community channel, the Commission is satisfied with Videotron's activities but encourages the licensee to do more to publicize and identify programs produced by independent TV corporations by adding more information about productions in its inserts and programming schedule, such as contact information for the TV corporation that produced the program.

#### **Promotion of access and training for, and of participation by, volunteers**

40. As indicated in the licensee's brief and its answers to the Commission's supplementary questions, initiatives related to promotion of access and training for and participation by Videotron volunteers will continue during the next licence term. The Commission has noted the licensee's efforts and is satisfied with the measures taken in this regard.



### **Reflection of the ethnic and Aboriginal composition of the community, as well as both official language groups**

41. The Commission considers that Videotron is meeting the objectives of the community policy regarding official languages and the multi-ethnic character of greater Montréal. However, the Commission expects the licensee to be sensitive to the Aboriginal population in the vast region it serves, particularly the urban Aboriginal population, and encourages Videotron to continue its efforts to attract proposals from Aboriginal communities.

### **Services for persons with a visual or hearing impairment**

42. The Commission stated in the community policy that licensees that elect to distribute community programming should endeavour to meet the needs of persons with a visual or hearing impairment. The licensee made a commitment to continue its captioning projects as described in Decision 2003-523 and its narrative brief, that is, to provide closed captioning for at least 10% of its programming beginning in 2002-2003 and gradually increase that percentage to 50% of original programs by the 2012-2013 broadcast year. The Commission expects the licensee to meet those commitments and encourages it to increase the percentage of captioned programs.
43. With regard to video description, Videotron indicated that the programming broadcast on the community channel did not lend itself to the process. The Commission strongly urges licensees to adapt their programming to include audio description or to provide a verbal description of visual information wherever possible, and to take measures to ensure that customer services meet the needs of visually impaired persons.

### **Other concerns**

#### **Digital cable distribution of the community channel**

44. In their interventions, the FTCAQ and the CTGC expressed concerns about the distribution of the community channel on Videotron's digital cable service. The Commission notes that the licensee addressed this issue in its response to the interventions by stating that it had found a solution that will make it possible to provide programming specific to its service zone to subscribers with a digital terminal. Videotron added that the service will be phased in during the summer of 2006. According to the licensee, the task should be completed by the end of September 2006.
45. The Commission is satisfied with the measures taken by Videotron regarding digital cable distribution of the local community channel in each service zone.

## Conclusion

46. The Commission **renews** the broadcasting licences for the Class 1 cable broadcasting distribution undertakings held by Videotron Ltd. serving Montréal, and its subsidiary CF Cable TV Inc. serving Montréal and Terrebonne, from 1 January 2007<sup>1</sup> to 31 August 2013.
47. The operation of these undertakings will be regulated in accordance with the *Broadcasting Distribution Regulations*, and the licences will be subject to the **conditions** set out therein and the **conditions** set out in the appendix to this decision.
48. The Commission **approves** the licensee's requests to redefine its authorized service areas.

## Employment equity

49. Because the licensee is governed by the *Employment Equity Act* and submits reports to the Department of Human Resources and Skills Development, the Commission does not evaluate its employment equity practices.

Secretary General

*This decision is to be appended to the licences. It is available in alternative format upon request and may also be examined in PDF or HTML format at the following Internet site: <http://www.crtc.gc.ca>.*

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<sup>1</sup> In *Administrative Renewals*, Broadcasting Decision CRTC 2006-428, 31 August 2006, the Commission renewed these licences from 1 September 2006 to 31 December 2006.

## Appendix to Broadcasting Decision CRTC 2006-613

### Conditions of licence for the three (3) undertakings

1. For the purposes of the community channel, the licensed area shall consist of:
  - a) A single service area currently encompassing those served under three existing licences (Videotron Ltd. Montréal and CF Cable TV Inc. Montréal and Terrebonne);
  - b) Seven (7) service zones, including six (6) local service zones, within which local community programming is coordinated by not-for-profit local community television corporations (TV corporations), as defined in *Policy framework for community-based media*, Public Notice CRTC 2002-61, 10 October 2002 (Public Notice 2002-61), in accordance with terms and conditions as agreed between Videotron and the TV corporations, on condition of compliance with the community policy and applicable regulations. The seven service zones are:
    - Zone 1: Montréal Island;
    - Zone 2: Laval Island;
    - Zone 3: Saint-Jérôme, Prévost, Sainte-Thérèse;
    - Zone 4 : Terrebonne, Repentigny, L'Assomption, Joliette;
    - Zone 5 : Longueuil, Boucherville, Beloeil, Varennes, Saint-Bruno, La Prairie;
    - Zone 6 : Saint-Jean, Chambly;
    - Zone 7 : Châteauguay, Mercier, Saint-Constant, Delson, Sainte-Catherine.
2. Through its programming, the licensee shall reflect the greater Montréal community in its entirety. Moreover, it shall be responsible for all programming distributed on the community channel, including programming produced by the TV corporations for distribution in the individual service zones during breakaway segments.
3. The licensee is relieved of the requirement under section 17(1)(c) of the *Broadcasting Distribution Regulations* that it distribute the programming services of the local television station CHLT-TV (TVA) Sherbrooke. The Commission notes that the licensee is distributing CFTM-TV (TVA) Montréal off-air as a replacement as part of the basic service.
4. The licensee is relieved of the requirement under section 17(2) of the *Broadcasting Distribution Regulations* that it distribute the programming services of the priority television stations CFTU-TV (IND) (Canal Savoir), CJNT-TV (IND) Montréal and CJOH-TV-8 (CTV) Cornwall on the basic band. The licensee is nevertheless required to continue distributing these stations as part of the basic service.

5. The licensee is authorized to distribute, at its option, on a discretionary digital basis, the programming services of the distant Canadian stations CKXT-TV (Sun TV) Toronto and CFMT-TV (OMNI.1) Toronto for the Videotron Ltd. undertakings serving Montréal and CF Cable TV Inc. serving Montréal.
6. The licensee is authorized to distribute, at its option, the two PBS network stations WETK-TV Burlington, Vermont, and WCFE-TV Plattsburgh, New York. The Commission notes that the licensee receives these signals off-air.
7. The licensee is authorized to distribute WFFF-TV (FOX) Burlington, Vermont, on a discretionary tier of its undertaking. The licensee is also authorized to distribute, at its option, WWBI-TV (Warner Brothers) Burlington-Plattsburgh, New York. The Commission notes that the licensee receives these signals off-air.
8. The licensee is authorized to distribute the following signals on a discretionary digital basis:
  - a second set of signals that provides the programming of the four U.S. commercial networks (CBS, NBC, ABC, FOX) and the non-commercial PBS network (hereafter referred to as the U.S. 4+1 signals).

The distribution on a discretionary basis on the licensee's digital service of a second set U.S. 4+1 signals is subject to the provision that, with respect to such signals, the licensee adhere to the requirements regarding non-simultaneous program deletion set out in section 43 of the *Broadcasting Distribution Regulations*. The Commission may suspend the application of this provision, with respect to the signals to be distributed, upon its approval of an executed agreement between the licensee and broadcasters. Such an agreement must deal with issues related to the protection of program rights arising in connection with the discretionary carriage of a second set of U.S. 4+1 signals solely on the licensee's digital service.

The Commission reminds the licensee that the requirements set out in section 30 of the *Broadcasting Distribution Regulations* regarding simultaneous substitution apply also in the case of U.S. 4 + 1 signals.

9. The licensee is authorized to distribute the following signals on a digital discretionary basis:
  - any of the distant Canadian television signals set out in the *List of Part 3 Eligible Satellite Services*; and
  - a third set of signals that provides the programming of the four U.S. commercial networks (CBS, NBC, ABC, FOX) (hereafter referred to as the U.S. commercial network signals).

The distribution on a discretionary basis on the licensee's digital service of a third set of U.S. commercial network signals and distant Canadian signals is subject to the provision that, with respect to such signals, the licensee adhere to the requirements regarding non-simultaneous program deletion set out in section 43 of the *Broadcasting Distribution Regulations*. The Commission may suspend the application of this provision, with respect to the signals to be distributed, upon its approval of an executed agreement between the licensee and broadcasters. Such an agreement must deal with issues related to the protection of program rights arising in connection with the discretionary carriage of a third set of U.S. commercial network signals and distant Canadian signals solely on the licensee's digital service.

The Commission reminds the licensee that the requirements set out in section 30 of the *Broadcasting Distribution Regulations* regarding simultaneous substitution apply also in the case of U.S. commercial network signals and distant Canadian signals.

10. The licensee shall not distribute to its subscribers more than two sets of U.S. commercial network signals.
11. The licensee is authorized to continue to distribute, at its option, as part of its HD digital service the signals of the transitional digital television undertakings CFTO-DT Toronto and CIII-DT-41 Toronto until Montréal digital television undertakings that provide CTV and Global programming in HD begin broadcasting. Specifically, the authorization to distribute CFTO-DT Toronto will lapse once a Montréal digital television undertaking that provides CTV programming in HD begins broadcasting, and the authorization to distribute CIII-DT-41 Toronto will lapse once a Montréal digital television undertaking that provides Global programming in HD begins broadcasting.

The Commission reminds the licensee that the requirements set out in section 30 of the *Broadcasting Distribution Regulations* and paragraph 99 of Public Notice 2002-61 regarding simultaneous substitution apply to transitional digital television undertakings.

12. The licensee is authorized to offer, on a discretionary basis, a video game service as a speciality programming service under the conditions set out in *Licence amendment concerning the distribution of a video games service*, Decision CRTC 95-591, 24 August 1995.
13. The licensee is relieved of the requirement under section 22 of the *Broadcasting Distribution Regulations* to distribute CKOD-FM Valleyfield and CFLG-FM Cornwall.
14. The licensee is authorized to distribute, on a discretionary basis, the programming service of the distant Canadian station CITY-TV (IND) Toronto.

15. The licensee is relieved of the requirement under section 7 of the *Broadcasting Distribution Regulations* that, except as provided by a condition of licence, it not alter or delete the programming services of Consumer News and Business Channel (CNBC), The Movie Network 3, CMT and Viewers Choice 2, in the course of their distribution. This condition of licence will permit the licensee to alter or curtail these services for the purpose of sharing a channel, in accordance with the licensee's agreements with the operators of these programming services. The other provisions of section 7 of the Regulations shall continue to apply.
16. The licensee may, at its option, insert promotional material as a substitute for the "local availabilities" (i.e., non-Canadian advertising material) of non-Canadian satellite services. At least 75% of these local availabilities must be made available for use by licensed Canadian programming services for the promotion of their respective services, for the promotion of the community channel and for unpaid Canadian public service announcements. A maximum of 25% of the local availabilities may be made available to provide subscribers with information about customer service and channel realignments or to promote discretionary programming services and packages, cable FM service, additional cable outlets, and non-programming services such as Internet and telephone service.