



Broadcasting Decision CRTC 2006-429

Ottawa, 31 August 2006

CF Cable TV Inc.

Waterloo, Quebec and surrounding areas

Application 2005-1325-1

Broadcasting Public Notice CRTC 2006-64

23 May 2006

Cable distribution undertaking in Waterloo and surrounding areas – Licence renewal

*The Commission **approves** the application by CF Cable TV Inc. (CF Cable) to renew the broadcasting licence of the Class 2 cable broadcasting distribution undertaking serving Waterloo, Quebec and surrounding areas from 1 September 2006 to 31 August 2013.*

The application

1. The Commission received an application by CF Cable TV Inc. (CF Cable) to renew the broadcasting licence of the Class 2 cable broadcasting distribution undertaking serving Waterloo, Quebec and surrounding areas from 1 September 2006 to 31 August 2013.

Intervention

2. The Commission received one intervention from the Fédération des télévisions communautaires autonomes du Québec (FTCAQ) in support of the licence renewal. The FTCAQ, however, raised some concerns about the community channel.
3. The FTCAQ noted that some independent community television undertakings (CTUs), including the Waterloo CTU, have no way of ensuring that the percentage of gross revenues from subscriptions reinvested by the licensee in their region closely reflects reality. The intervener added that the licensee should demonstrate greater financial transparency in its dealings with the CTUs, and provide them with clear information on how it allocates its contribution to local expression in various budget items.

Licensee's reply

4. In its reply to the intervention, CF Cable stated that it was of the view that the mechanisms set out by the Commission are sufficient to ensure compliance with the regulatory framework in terms of expenditures and contributions to the community channel. The licensee also submitted that its contributions are very transparent, and noted that additional amounts were generated both by the increase in television distribution revenues and by even tighter management of expenditures on programming produced by the licensee itself.

Commission's analysis and determinations

5. The Commission has carefully considered the licence renewal application, the intervention filed by the FTCAQ in this proceeding and the licensee's replies to the intervener's concerns. The Commission emphasizes that it has noted the comments and concerns expressed by the FTCAQ regarding the community channel and is satisfied with the licensee's response to those concerns.
6. Accordingly, the Commission **renews** the broadcasting licence of the Class 2 cable broadcasting distribution undertaking serving Waterloo, Quebec and surrounding areas from 1 September 2006 to 31 August 2013.
7. The operation of this undertaking is regulated pursuant to the *Broadcasting Distribution Regulations*. The licence will be subject to the **conditions** specified therein as well as to the **conditions** set out in the appendix to this decision.

Employment equity

8. Because this licensee is subject to the *Employment Equity Act* and files reports concerning employment equity with Human Resources and Skills Development Canada, its employment equity practices are not examined by the Commission.

Secretary General

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

Appendix to Broadcasting Decision CRTC 2006-429

Conditions of licence

1. The licensee is authorized to distribute, at its option, the programming service of the distant Canadian station CFTU-TV (Canal Savoir) Montréal, as part of the basic service.
2. The licensee is relieved from the requirement set out in section 25 of the *Broadcasting Distribution Regulations* that it not distribute the programming service of CFTU-TV (Canal Savoir) Montréal on a restricted channel, so long as the quality of the signal does not deteriorate. If the Commission finds that the quality of the signal has deteriorated to the extent that reception problems are evident, the licensee must immediately take the necessary corrective measures to provide an adequate signal.
3. The licensee is authorized to distribute, on a digital discretionary basis, the programming service of the distant Canadian station CKXT-TV (SunTV) Toronto.
4. The licensee is authorized to distribute the signals of the transitional digital television undertakings CFTO-DT Toronto and CIII-DT-41 Toronto, as part of its HD digital service, 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 simultaneous substitution requirements set out in section 30 of the *Broadcasting Distribution Regulations* (the Regulations) and in paragraph 99 of *The Regulatory framework for the distribution of digital television signals*, Broadcasting Public Notice CRTC 2003-61, 11 November 2003, apply to transitional digital television undertakings.

5. The licensee is authorized to distribute, on a discretionary basis, any of the Canadian television signals set out in the *List of Part 3 eligible satellite services* contained in *Revised lists of eligible satellite services*, as amended from time to time.
6. The licensee is authorized to distribute, at its option, WVNY (ABC), WCAX-TV (CBS) Burlington, Vermont, WPTZ (NBC) and WCFE-TV (PBS) Plattsburgh, New York, as part of the basic service.

7. The licensee is authorized to distribute, at its option, WFFF-TV (FOX) Burlington, Vermont, on a discretionary tier.
8. 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 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 of U.S. 4+1 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 second set of U.S. 4+1 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. 4+1 signals and distant Canadian 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 any subscriber more than two sets of U.S. commercial network signals.
11. The licensee may, at its option, insert certain 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 used to provide subscribers with information regarding customer service and channel realignments, and for the promotion of discretionary programming services and packages, cable FM service, additional cable outlets and non-programming services, including Internet and telephone services.