



Broadcasting Decision CRTC 2011-199

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Route reference: 2010-847

Ottawa, 21 March 2011

Rogers Broadcasting Limited

Toronto, Woodstock and Ottawa, Ontario; Calgary, Lethbridge, Edmonton and Red Deer, Alberta; Portage La Prairie/Winnipeg, Manitoba; Vancouver and Courtenay, British Columbia

Application 2010-1079-3, received 30 June 2010

Authority to redirect tangible benefits further to Broadcasting Decision 2007-360

*The Commission **approves** the application by Rogers Broadcasting Limited for authorization to redirect the tangible benefits originally allocated to the establishment of news bureaus in Lethbridge and Red Deer, Alberta, to expenditures on new local programming incremental to that currently broadcast on the Citytv stations in Calgary and Edmonton.*

Introduction

1. In Broadcasting Decision 2004-502, the Commission approved the transfer of effective control of Craig Media Inc. to CHUM Limited (CHUM), including the tangible benefit proposal for the establishment of news bureaus in Lethbridge and Red Deer, Alberta.
2. Subsequently, in Broadcasting Decision 2007-360, the Commission approved the transfer of effective control of 1708487 Ontario Inc., 1738700 Ontario Inc. and CHUM Television Vancouver Inc. to Rogers Media Inc. The transactions involved the following group of Citytv television stations:
 - CITY-TV Toronto and its transmitters CITY-TV-2 Woodstock, CITY-TV-3 Ottawa and CITY-DT Toronto, Ontario;
 - CKAL-TV Calgary and its transmitter CKAL-TV-1 Lethbridge, Alberta;
 - CKEM-TV Edmonton and its transmitter CKEM-TV-1 Red Deer, Alberta;
 - CHMI-TV Portage La Prairie/Winnipeg, Manitoba; and
 - CKVU-TV Vancouver and its transmitter CKVU-TV-1 Courtenay, British Columbia.

3. In the application, Rogers Broadcasting Limited (RBL) proposed to redirect some of the \$4.2 million originally allocated by CHUM to establish news bureaus in Lethbridge and Red Deer, to support new and incremental local programming initiatives in other parts of Western Canada. While the Commission was satisfied with RBL's proposed minimum annual contributions and payment schedule for its tangible benefits, it decided to consider the proposal to redirect the money allocated to the establishment of news bureaus during the Citytv stations' next licence renewal.
4. The Commission notes that RBL did not request this change to its tangible benefits package as part of its application to renew the licences of the Citytv stations in 2009.¹ In fact, RBL indicated in its present application that it did not request this change during the licence renewal process because of the focus on policy issues in that proceeding.
5. Similar to its initial request, RBL now seeks to redirect the tangible benefits originally allocated to the establishment of news bureaus in Lethbridge and Red Deer, to expenditures on new local programming incremental to that currently broadcast on the Citytv stations in Calgary and Edmonton. Specifically, RBL indicated that the benefits would be used to produce or license programs featuring local events or concerts, local histories, or local community leaders. The licensee confirmed that the funds to be spent by 31 August 2011 amount to \$3,277,658.
6. The licensee proposed that a minimum of 75% of the programming created from these funds be produced in Calgary or Edmonton and that a minimum of 50% of these funds be spent on independent production. The licensee also indicated that none of the tangible benefits monies would be used to cover administration costs and that it was prepared to file annual reports with the Commission detailing its expenditures.
7. Finally, RBL stated that it wanted to focus this funding on commercially strategic initiatives that reflect Citytv's programming strategy and strengthen its brand and local presence in Western markets where the Citytv brand is not as strong and healthy as it is in the Toronto market.
8. The Commission did not receive any interventions in connection with this application.

Commission's analysis and determinations

Local programming requirement for CKAL-TV Calgary and CKEM-TV Edmonton

9. The Commission notes that since the last licence renewals, the Citytv stations in Calgary (CKAL-TV) and Edmonton (CKEM-TV) have been required, by condition of licence, to broadcast 14 hours of local programming per broadcast week. In response to a question regarding the number of weekly hours of local programming that both stations currently broadcast, RBL stated that each station broadcasts 15

¹ See Broadcasting Decision 2009-408.

hours per week of local programming. Through the verification of a sample of programming logs dating from September 2009 to August 2010, the Commission has confirmed that each station broadcasts, at a minimum, 15 hours of local programming in each week.

Lethbridge and Red Deer markets

10. The Commission notes that the cities of Lethbridge and Red Deer do not possess local Citytv stations, but transmitters of CKAL-TV Calgary and CKEM-TV Edmonton, respectively. As a result, these markets receive the same programming as that broadcast on the originating stations in Calgary and Edmonton.
11. Finally, the Commission notes that this proposed change to Citytv's benefits is consistent with the Commission's policy on tangible benefits.

Conclusion

12. In light of the above, the Commission **approves** the application by Rogers Broadcasting Limited for authorization to redirect the \$3,277,658 in tangible benefits originally allocated to the establishment of news bureaus in Lethbridge and Red Deer, to the production or licensing of new programs featuring local events or concerts, local histories, or local community leaders in Calgary and Edmonton. The expenditures must be incremental to the current expenditures on local programming.
13. In regard to the licensee's proposal, the Commission expects that at least 75% of the programming created from the aforementioned funds be produced in Calgary or Edmonton, and that all of the funds be spent in Alberta with a minimum of 50% on independent production. In addition, the Commission encourages the licensee to dedicate some of the local programming created to feature events and issues that are also of interest to the communities of Lethbridge and Red Deer.
14. The Commission notes that the current deadline to spend these funds is 31 August 2011. In order to provide RBL with sufficient time to consider proposals for new local programming for CKAL-TV Calgary and CKEM-TV Edmonton, the Commission hereby extends the deadline by which the funds must be expended to 31 August 2012. The licensee shall also include the details of the expenditures towards this initiative in its audited annual report on tangible benefits that it submits to the Commission, to demonstrate how they are incremental to current spending levels.
15. In addition, the Commission expects that none of the tangible benefits monies be used to cover administration costs.

Secretary General

Related documents

- *Citytv – Licence renewals*, Broadcasting Decision CRTC 2009-408, 6 July 2009

- *Transfer of effective control of 1708487 Ontario Inc., 1738700 Ontario Inc. and CHUM Television Vancouver Inc. to Rogers Media Inc., Broadcasting Decision CRTC 2007-360, 28 September 2007*
- *Transfer of effective control of Craig Media Inc. to CHUM Limited; and Acquisition of assets – reorganization of Toronto One, Broadcasting Decision CRTC 2004-502, 19 November 2004*

**This decision is to be appended to the licence.*