



Broadcasting Decision CRTC 2023-303 and Broadcasting Order CRTC [2023-304](#)

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Ottawa, 31 August 2023

NATYF INC.

Province of Quebec

Public record: 2021-0215-1

Public hearing in Gatineau, Quebec

10 January 2023

Natyf TV – Licensing of a national, French-language discretionary service and mandatory distribution of the service in the province of Quebec

Summary

The Commission **approves** an application by NATYF INC. for mandatory distribution of Natyf TV, pursuant to paragraph 9.1(1)(h) of the *Broadcasting Act*, as part of the digital basic service of licensed broadcasting distribution undertakings (BDU) operating in the province of Quebec and of exempt BDUs that serve more than 2,000 subscribers and operate in the province of Quebec, for a period of five years, from 1 September 2023 to 31 August 2028.

Further, the Commission **approves** NATYF INC.'s application for a broadcasting licence to operate the currently exempt national, French-language discretionary service Natyf TV as a licensed discretionary service, for a period of five years, from 1 September 2023 to 31 August 2028.

Finally, the Commission **approves** the applicant's request for a monthly wholesale rate per subscriber of \$0.12 for Natyf TV, for the five-year period during which the service will benefit from mandatory distribution.

Background

1. Natyf TV is an exempt national, French-language discretionary service that is owned and operated by NATYF INC. (NATYF). Natyf TV, which has been on air since June 2018 and currently operates as an exempt service pursuant to the Exemption order respecting discretionary television programming undertakings serving fewer than 200,000 subscribers, which is set out in the appendix to Broadcasting Order 2015-88.
2. The current mandate for Natyf TV is to offer programming created by and for Francophone racialized communities in the province of Quebec, with the aim of

reflecting those communities' interests and encouraging a new group of Francophone creators from ethnocultural communities. The service's programming is broadcast entirely in French and focuses on the themes of culture, fashion, wellness, the arts and education.

Application

3. NATYF filed an application for the mandatory distribution of Natyf TV on the digital basic service of licensed broadcasting distribution undertakings (BDU) operating in the province of Quebec and exempt BDUs that serve more than 2,000 subscribers¹ and operate in the province of Quebec, pursuant to paragraph 9.1(1)(h) of the *Broadcasting Act*,² for a period of five years. In addition, the applicant proposed for Natyf TV a monthly per subscriber wholesale rate of \$0.12 for the same five-year period.
4. In the event of approval of its mandatory distribution application, the service would exceed the 200,000 subscribers' threshold limit to operate as an exempt service as set out in Broadcasting Regulatory Policy 2015-88. Thus, NATYF also filed an application for a broadcasting licence to operate Natyf TV as a licensed discretionary service for a term of five years to coincide with the requested mandatory distribution status.
5. NATYF is a wholly owned subsidiary of MELKISEDEK MEDIA INC., a federally incorporated company owned and managed by the Canadian shareholders Jean-Yves Roux (80%) and Ronald Félix (20%). The effective control of NATYF is held by Jean-Yves Roux who is president of the board of directors of NATYF and majority shareholder of MELKISEDEK MEDIA INC. As such, NATYF is legally owned and controlled by Canadians and is therefore eligible to hold a broadcasting licence pursuant to the *Direction to the CRTC (Ineligibility of Non-Canadians)*.
6. NATYF stated that it will not be able to meet its objectives if it does not receive wider distribution for Natyf TV to allow it to connect with its target audience, and if it does not receive greater financial support to make it possible to ensure that this under-served niche market is developed. The applicant considered that BDUs do not regard the service as commercially viable and that advertising agencies favour television stations with broad outreach.
7. In its application, NATYF proposed the following Canadian programming expenditure (CPE) levels for Natyf TV:

¹ As per paragraph 15 of the Exemption order for terrestrial broadcasting distribution undertakings serving fewer than 20,000 subscribers, as defined in Broadcasting Regulatory Policy 2017-319 and Broadcasting Order 2017-320.

² In regard to its request for mandatory distribution of Natyf TV, NATYF filed its application when the old *Broadcasting Act* was in force, of which paragraph 9(1)(h) set out the requirement regarding the mandatory distribution of programming undertakings. In the new *Broadcasting Act*, which came into force on 27 April 2023, this requirement is set out in paragraph 9.1(1)(h).

- Year 1: 55% of forecasted gross revenues for the first broadcast year of the licence term;
 - Year 2: 55% of gross revenues of the previous broadcast year;
 - Years 3 and 4: 60% of gross revenues of the previous broadcast year; and
 - Year 5: 70% of gross revenues of the previous broadcast year.
8. In addition, the applicant proposed the following allocations of its CPE for Natyf TV:
- 65% of CPE to expenditures on programs of national interest³ (PNI);
 - 80% of CPE to programming produced by independent producers (of which 80% would be dedicated to racialized producers); and
 - an incremental portion of its CPE requirement to original, first-run programming:
 - Year 1: 55%;
 - Year 2: 60%;
 - Year 3: 65%;
 - Year 4: 70%; and
 - Year 5: 75%.
9. Further, NATYF proposed to devote 5% of the service's gross revenues from the previous broadcast year to a certified independent production fund (CIPF) offering training to racialized Canadian producers or grants for artists/actors from racialized Canadian communities.
10. In regard to the broadcast of Canadian content, the applicant proposed to devote for Natyf TV:
- an incremental portion of its programming broadcast between 6:00 a.m. and 6:00 p.m. as follows:
 - Years 1 and 2: 60%;
 - Years 3 and 4: 65%; and

³ For discretionary services operating in French-language markets, PNI include programs drawn from the following program categories set out in Item 6 of Schedule 1 to the *Discretionary Services Regulations*: 2b) Long-form documentaries, 7 Drama and comedy programs, 8a) Music and dance programs other than music videos and video clips, 8b) Video clips, 8c) Music video programs, and 9 Variety shows, and certain Canadian award shows that celebrate Canadian creative talents.

- Year 5: 70%.
- 70% of the programming broadcast between 6:00 p.m. and midnight (the evening broadcast period) for all five years of the licence term.⁴

11. In addition, NATYF proposed the following:

- to broadcast 12 hours of local original independent productions each broadcast week, of which four hours would be devoted to locally reflected news;
- to devote 10% of Natyf TV's programming schedule to emerging multicultural artistic musical talent;
- to file various reports to support some of its commitments;⁵ and
- to ensure that at least 90% of salaried employees are from racialized communities.

12. Finally, NATYF stated that it would adhere to the standard conditions of service⁶ for discretionary services set out in Appendix 2 to Broadcasting Regulatory Policy 2016-436, with the following exceptions:

- condition of service 17, which relates to described video; and
- condition of service 18d), which prohibits the broadcast of any paid advertising material other than paid national advertising.

Interventions and replies

13. The Commission received over 6,000 interventions in support of NATYF's application, including from the Association québécoise de la production médiatique (AQPM), producers and public figures. The vast majority of interventions were presented by the applicant in the form of an online petition.

14. Generally, interveners who supported the application expressed the view that there is a need to serve racialized communities and for better representation of racialized

⁴ These percentages were revised by the applicant in a reply to a Commission staff request for information and do not correspond to the percentages set out in the original application.

⁵ Commitments relating to the broadcast of Canadian programs, the relevance of programming broadcast for racialized producers and the service's target audience, the broadcast of musical content, and the applicant's proposal to allocate on an annual basis 5% of the gross revenues from the previous broadcast year to not-for-profit organizations that offer training to racialized Canadian producers.

⁶ At the time of the filing of the application, conditions of service were conditions of licence under subsection 9(1) of the *Broadcasting Act*. Pursuant to subsection 49(1) of the *Online Streaming Act*, which made a certain number of amendments to the *Broadcasting Act* when it came into force on 27 April 2023, conditions of licence that existed prior to the royal assent of that Act are considered to be made pursuant to subsection 9.1(1) of the new *Broadcasting Act*. As such, conditions of licence became conditions of service.

persons in the French-language market through the offer of an alternative service to existing services. Further, these interveners expressed the view that Natyf TV contributes to the diversity of voices.

15. The majority of producers, associations and public figures who submitted interventions stated that Natyf TV offers a media window for productions created by and for racialized communities. Various producers noted the support that NATYF has offered them and the opportunity it has provided them to see their productions broadcast on television. Producers also emphasized NATYF's professionalism, that they were treated with respect, and that without its support, their projects would not have seen the light of day.
16. Black On Black Films, the Black Screen Office (BSO) and Coalition M.É.D.I.A. (Médias pour l'Équité, Diversité, Inclusion, Accessibilité) stated that "the realization of this project will offer an increasing number of culturally diverse artists the opportunity to produce and broadcast quality content that addresses a public-seeking acknowledgement and representation in the media." [translation] According to the Association de musique urbaine du Québec (AMUQ), the large space Natyf TV allocates in its programming to music would make the service an essential platform for supporting and developing Quebec artists who have very little support and visibility with other broadcasters.
17. The Fédération Africaine-Canadienne de l'économie (FACE) stated that "this innovative media carrier provides Francophone consumers from cultural communities access to French-language television, which we recognize and consider to be a priority for more inclusive representation of diverse communities in Canada." [translation]
18. The AQPM expressed satisfaction with NATYF's proposed conditions of service relating to CPE, PNI expenditures and original, first-run programs.
19. BCE Inc. (BCE), on behalf of Bell Satellite TV and Bell Fibe TV; Cogeco Communications Inc. (Cogeco); Quebecor Media Inc. (Quebecor), on behalf of Videotron Ltd.; Saskatchewan Telecommunications (SaskTel); as well as Rogers Media Inc./ICI Télévision (Rogers/ICI) opposed the application.
20. In the view of BCE, Cogeco, Quebecor and Rogers/ICI, NATYF's application does not meet the criteria for mandatory distribution, and approval of the application would run counter to the Commission's objective of providing a smaller, more affordable basic service, as discussed in Broadcasting Regulatory Policy 2015-96. Quebecor added that for economic and structural reasons, it is impossible for the basic service to accommodate all linguistic and cultural needs of all ethnocultural communities in the country. In its view, the Commission should consider alternative methods for funding services that serve those communities and reiterate the essential role that the Canadian Broadcasting Corporation (CBC) should play as a public broadcaster.

21. BCE added that NATYF did not provide any evidence of a causal link between the lack of diversity in Quebec media and the decrease of popularity of traditional media within racialized communities.
22. Rogers/ICI submitted that NATYF did not clearly demonstrate how it intends to meet its commitment to racialized independent producers. It explained that it took many years of community outreach and producer development for OMNI Regional and ICI Télévision to create a robust programming schedule of independent producers that reflects Canada's ethnocultural diversity. They considered NATYF's commitment to be very ambitious and stated that they could not see how the applicant would achieve it.
23. The AQPM stated that it would like NATYF to demonstrate flexibility in implementing its proposed commitment regarding racialized producers, since this commitment is elevated and would be difficult to meet for the French-language market. It proposed that key creative positions occupied by racialized individuals, not just racialized producers, also be considered for this commitment.
24. Quebecor, BCE, Cogeco and the Canadian Communication System Alliance stated that television viewers from Quebec's cultural communities already have access to services that meet their needs, either in part or in whole (services noted include TV5/UNIS, OMNI Regional, ICI Radio-Canada, and several ethnic discretionary services).
25. According to TV5 Québec Canada, there is an overlap between TV5/UNIS's and Natyf TV's mandate given that diversity is intrinsically linked to the mandate of TV5/UNIS.
26. Rogers/ICI noted that over 15% of the programming schedule for OMNI Regional's ICI Québec is devoted to the broadcast of French-language programming produced entirely by racialized producers. They further noted that the Commission had previously indicated⁷ that its practice is to grant mandatory distribution on the basic service to only one service offering a specific type of content.
27. Rogers/ICI, BCE and Quebecor added that diverse representation is addressed by the Commission in various ways in its policies and in the conditions of service it imposes on broadcasters, such as the requirement to submit production reports or the additional conditions of service relating to diversity that were imposed on the CBC in Broadcasting Decision 2022-165. Rogers/ICI also noted that Bill C-11 (i.e., the *Online Streaming Act*, which received royal assent on 27 April 2023) includes more provisions regarding diversity.
28. BCE stated that it has demonstrated support for Natyf TV by making the service available on its broadcasting services. It further stated that several sources of financing already exist for the production of programming targeting racialized

⁷ Rogers/ICI referred to paragraph 8 of Broadcasting Decision 2019-172.

communities. BCE cited the Canada Media Fund (CMF) Pilot Program for Racialized Communities, as well as the Bell Fund, which incorporates diversity and inclusion in its financing directives.

29. Rogers/ICI added that NATYF did not submit any surveys and did not reference any third-party studies that directly link what Natyf TV offers to how that service, should it be granted mandatory distribution, would meet a need of the members of Quebec's racialized communities. In their view, the studies submitted by NATYF do not prove that Natyf TV would meet the needs of racialized communities, or that they were not already being met by OMNI Regional's feed serving Quebec (which is branded ICI Québec) or by other existing programming services.
30. According to Quebecor, Natyf TV would not provide any added value to Videotron Ltd.'s programming lineup and would create little interest for its subscribers, which it cited as the reason for its past and current refusal to distribute the service. Quebecor added that it does not understand NATYF's decision to allocate such a large space in Natyf TV's programming to musical content.
31. In reply to Rogers/ICI, NATYF indicated that it has already initiated several agreements with producers and has built partnerships with several associations of racialized producers and other organizations dedicated to training artists from racialized communities. The applicant added that its business model is completely different from that of ICI Québec. Noting that it supports producers so they can access various sources of public funding, NATYF alleged that to be broadcast by ICI Québec, producers must buy broadcast hours and finance themselves. In regard to programming provided on ICI Québec, NATYF argued that the proportion of French-language content is not 15% as claimed by Rogers/ICI, but is limited to 8%, which does not meet the needs of these communities.
32. In response to TV5 Québec Canada, NATYF noted that the mandates of Natyf TV and of TV5/UNIS differ since the latter's mandate is to reach Francophone communities.
33. NATYF stated that in the last four years it has developed an expertise through which it has become the Francophone television medium with the best understanding of content proposed by racialized producers in the market. The applicant added that it has supported racialized producers who otherwise would not have been able to produce their film or television program projects with other broadcasters, since those broadcasters did not demonstrate an interest in the subjects addressed in this content, specifically, the reality of ethnocultural communities.
34. NATYF did not reply to the AQPM's proposal.
35. In regard to Quebecor's comment, NATYF stated that the space it allocates to music programming stems from the cultural attachments racialized communities have to music.

Regulatory framework

36. The Commission has the authority, pursuant to subsections 9(1), 9.1(1) and 11.1(2) of the *Broadcasting Act*, to issue and renew licences and to make orders imposing conditions for the carrying on of a broadcasting undertaking that it considers appropriate for the implementation of the broadcasting policy set out in subsection 3(1) of the *Broadcasting Act*, and to make orders respecting expenditures.
37. Pursuant to paragraph 9.1(1)(h) of the *Broadcasting Act*, the Commission can require a terrestrial or satellite BDU to carry programming services according to the terms and conditions specified by the Commission.
38. At the time of the filing of the application and hearing, the *Broadcasting Act* provided obligations towards ensuring that the broadcasting system reflects and contributes to ethnocultural diversity. Specifically, subparagraph 3(1)(d)(iii) provided that the Canadian broadcasting system should, through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of Indigenous Peoples within that society. The Commission therefore relies on this provision for its analysis.
39. However, the Commission notes that prior to the issuance of the decision on this matter, the *Online Streaming Act* made a certain number of amendments to the *Broadcasting Act* when it came into force on 27 April 2023, including to subparagraph 3(1)(d)(iii), further strengthening these obligations. More precisely, subparagraph 3(1)(d)(iii.1) of the new *Broadcasting Act* declares that the Canadian broadcasting system should “provide opportunities to Black and other racialized persons in Canada by taking into account their specific needs and interests, namely, by supporting the production and broadcasting of original programs by and for Black and other racialized communities”. Further, subparagraph 3(1)(d)(iii.6) indicates that the Canadian broadcasting system should “support the production and broadcasting of programs in a diversity of languages that reflect Black and other racialized communities and the diversity of the ethnocultural composition of Canadian society, including through broadcasting undertakings that are carried on by Canadians from Black or other racialized communities and diverse ethnocultural backgrounds”. Subparagraph 3(1)(d)(iii.7) adds that the Canadian broadcasting system should “provide opportunities to Canadians from Black or other racialized communities and diverse ethnocultural backgrounds to produce and broadcast programs by and for those communities”. As such, the Commission’s findings in this decision are also consistent with the new objectives of the *Broadcasting Act*.
40. When evaluating applications for mandatory distribution on the digital basic service, the Commission takes into account specific criteria set out in Broadcasting Regulatory Policy 2010-629. In particular, the applicant must provide evidence:

- a. that the programming of its service makes an exceptional contribution to Canadian expression and reflects Canadian attitudes, opinions, ideas, values and artistic creativity;
- b. as to how the programming of its service contributes, in an exceptional manner, to the overall objectives for the digital basic service, as summarized above and how it specifically contributes to one or more objectives of the *Broadcasting Act*;
- c. that the service is making exceptional commitments to original, first-run Canadian programming in terms of exhibition and expenditures;
- d. demonstrating that there is extraordinary need among the intended audience for the proposed service;
- e. that its business plan and implementation of its specific commitments are dependent on receipt of broad national distribution on the digital basic service;
- f. of the likely impact of the proposed wholesale rate on the price of the basic package to consumers and of its widespread acceptability to Canadians; and
- g. to support the proposed timeframe during which its service should have exceptional status under an order pursuant to paragraph 9.1(1)(h) of the *Broadcasting Act*.

Commission's analysis

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

- NATYF's request for mandatory distribution of Natyf TV pursuant to paragraph 9.1(1)(h) of the *Broadcasting Act* and for a broadcasting licence to operate Natyf TV as a licensed national discretionary service; and
- NATYF's request for exceptions to standard requirements for discretionary services set out in Appendix 2 to Broadcasting Regulatory Policy 2016-436 relating to described video and the broadcast of provincial advertising.

Mandatory distribution

42. In the Commission's view, and, particularly, in light of the public record for this application, there is an extraordinary need to serve Francophone racialized communities in Quebec. After examining NATYF's application in light of Broadcasting Regulatory Policy 2010-629 and in light of the public record, the Commission finds that granting Natyf TV mandatory distribution on the basic service in Quebec is necessary to allow the service to meet this need. The Commission is also satisfied that the contribution, programming and other commitments proposed by NATYF and discussed below meet the criteria for mandatory distribution set out in Broadcasting Regulatory Policy 2010-629.

43. However, given that Natyf TV only recently launched (in 2018) and has limited resources, the Commission finds that some of the commitments proposed by NATYF might prove to be too restrictive for a service that has been in operation for only a short time and that cannot rely on the same experience and capacity as well-established services, especially during the first year of the licence term. To allow NATYF the time to adjust and grow in order to comply with certain of its commitments, the Commission has granted NATYF a transition period during the first licence term with respect to a number of its commitments. In taking its decisions in this regard, the Commission has relied on the requirements imposed on other services with mandatory distribution that also serve equity-deserving communities. As such, the conditions of service that the Commission is imposing on Natyf TV in the present decision are equal to or greater than those imposed on other services and consistent with the requirement to make exceptional contributions while still being reasonably achievable. These conditions are discussed in more detail below.

Broadcast of Canadian content

44. The Commission is satisfied with NATYF's proposals regarding the broadcast of Canadian content (specifically, 60% of the service's programming during the broadcast day in Year 1 of the proposed licence term, to ramp up to 70% in Year 5, and 70% of the service's programming during the evening broadcast period for all five years of the proposed licence term). These levels are in line with those set out in conditions of service for other services with mandatory distribution that serve equity-deserving communities, which vary between 60% and 75% during the broadcast day and between 50% and 75% during the evening broadcast period. Accordingly, the Commission considers it appropriate to impose a **condition of service** reflecting the proposed levels of Canadian content.

Canadian programming expenditures

45. As an exempt service, Natyf TV is not currently subject to a CPE requirement. However, from the 2018-2019 through 2021-2022 broadcast years, the licensee allocated to CPE an average of 42.5% of the service's gross revenues of the current broadcast year. In its application, NATYF proposed a CPE requirement that would ramp up from 55% to 70% of the service's gross revenues over the requested five-year licence term. Such a requirement would be significantly higher than the CPE requirements for other services that benefit from mandatory distribution and serve equity-deserving communities, which varied between 48% and 55% of gross revenues of the previous broadcast year. NATYF's commitments for the first years of the licence term are thus equivalent to CPE requirements of existing services and exceed the CPE requirements of existing services for the last year of the licence term. In the Commission's view, the implementation of this commitment could therefore prove to be difficult for Natyf TV, especially in the first year of the licence term, even with the transition period proposed by the applicant.

46. Instead, the Commission finds that it would be appropriate to modify the proposed CPE levels for each year of the licence term based on the initial commitment made by

the applicant. In its initial application, the applicant proposed, for all years, a 40% CPE requirement based on the previous year's gross revenues. NATYF then modified its commitment in a reply to a Commission staff request for information and a second time in response to BCE's intervention, where it proposed a CPE ramping up from 55% to 70%. To enable the applicant to build up the capacity of its service and comply with its conditions of service, the Commission considers it appropriate to impose a CPE requirement based on Natyf TV's gross revenues (which includes a ramp up in those levels across the licence term) as follows: Year 1: 40%, Year 2: 45%, Year 3: 50%, Year 4: 60%, Year 5: 70%. As proposed by the applicant, and given that Natyf TV, as an exempt service, currently has limited revenues, the CPE for the service's Year 1 operations will be based on gross revenues of the current broadcast year. For Years 2 through 5, CPE will be based on gross revenues of the previous broadcast year, consistent with the Commission's general practice. Accordingly, the Commission considers it appropriate to impose a **condition of service** reflecting the CPE levels identified above.

Programs of national interest

47. The production of PNI contributes to ensuring a varied and complete Canadian broadcasting system and the development of Canadian expression. Given that PNI often consist of high-cost programs, the Commission typically imposes PNI expenditure requirements on broadcasters that benefit from a solid financial capacity or synergies as part of a designated group under the Commission's group-based approach, set out in Broadcasting Regulatory Policy 2010-167.
48. NATYF proposed a PNI expenditure level equal to at least 65% of the proposed CPE requirement for Natyf TV. However, the Commission's general practice is to establish PNI expenditure levels based on gross revenues from the previous broadcast year and not on a service's CPE requirements. NATYF's PNI expenditure proposal would amount to approximately 35% of the previous broadcast year's gross revenues for Year 1 and approximately 45% for Year 5. Of services that serve equity-deserving communities and that benefit from mandatory distribution, only OMNI Regional has a PNI expenditure requirement, set at 5% of the previous broadcast year's gross revenues.⁸ Further, the proposed levels significantly exceed the PNI expenditure levels for services operated by the large French-language groups (specifically, TVA at 15%, Bell at 18% and Corus at 15%).
49. Since its launch, Natyf TV has reported PNI expenditures for the 2021-2022 broadcast year, totalling approximately 30% of its CPE (which represents approximately 9.2% of the service's gross revenues from the previous broadcast year).

⁸ Specifically, condition of service 17 set out in Appendix 1 to Broadcasting Decision 2019-172 requires OMNI Regional to devote to the acquisition of or investment in original, first-run ethnic and/or third-language PNI, at least 5% of the undertaking's previous year's gross revenues derived from broadcasting activities.

50. In light of the above, the Commission finds that NATYF's proposed PNI expenditure levels could be difficult to achieve, particularly in the first year of the licence term. Instead, the Commission finds that a PNI expenditure level for each year of the licence term of 15% of Natyf TV's gross revenues from the previous broadcast year would be more appropriate as this level would also be consistent with the PNI expenditure levels established for the large French-language groups and higher than the PNI expenditure requirement imposed on OMNI Regional.
51. Accordingly, the Commission considers it appropriate to impose a **condition of service** reflecting the above-noted PNI expenditure level. The Commission notes that this level is a minimum and does not preclude NATYF from making a greater contribution to PNI should it wish to do so.
52. In the Commission's view, the above-mentioned requirements will provide NATYF enough flexibility in its programming while also ensuring the licensee makes an exceptional contribution to Canadian expression and reflects Canadian attitudes, opinions, ideas, values, and artistic creativity.

Independent producers

53. NATYF proposed to devote 80% of the CPE for Natyf TV to independent producers, of which 80% would be allocated to racialized independent producers. It also indicated that it would adhere to the definition of "racialized producer" set out in Broadcasting Decision 2022-165, the most recent licence renewal decision for the CBC. Based on interventions received in support of NATYF's application, independent producers from racialized communities seem to be satisfied with NATYF's work for the sector. NATYF stated its intention to build partnerships with the various associations comprised of racialized Canadian producers and with organizations that work for the development of racialized content creators (such as BSO, Coalition M.É.D.I.A., Black on Black Films, Fabienne Colas Foundation, Union des producteurs et productrices du cinéma québécois, and the AQPM).
54. The AQPM expressed concern over NATYF's commitment to racialized producers. However, the Commission is of the view that the lack of production capacity of certain groups is in some cases more related to a lack of traditional media outlets than to a lack of staff or ability to produce content. The addition of Natyf TV to the digital basic service may provide a broadcast opportunity for French-speaking racialized producers and thus open up new avenues for their content. Furthermore, the public record and the application suggest that the applicant has successfully built a solid network of partnerships. The Commission considers that Natyf TV could contribute to encouraging an increase of Francophone creators from ethnocultural communities, which in turn could contribute to the growth of the production pool of equity-deserving communities.

55. Of the other services with mandatory distribution that serve equity-deserving communities, only the Aboriginal Peoples Television Network (APTN) and OMNI Regional are subject to requirements relating to independent producers.⁹
56. In light of the above, the Commission is satisfied with NATYF's proposal relating to support for independent producers, including racialized independent producers, and finds that the programming of Natyf TV would contribute in an exceptional manner to the ethnocultural diversity in Canada by reflecting and strengthening it. Accordingly, the Commission considers it appropriate to impose a **condition of service** reflecting the proposed levels of CPE for independent producers and racialized independent producers and utilizing the proposed definition of "racialized producer".

Original, first-run programming

57. NATYF proposed to devote 55% of Natyf TV's CPE to original, first-run programming in the first year of the licence term, and to ramp up to 75% in the fifth year of the licence term. The percentage that NATYF proposes to achieve is the same as that imposed on TV5/UNIS, that is, 75% of its CPE (however, TV5/UNIS's CPE is 55% whereas NATYF is proposing to reach 70%). Given the anticipated revenues for Natyf TV and the cost of production, NATYF's proposed commitment, which corresponds to the requirement imposed on large French-language groups in Broadcasting Decision 2018-334, could prove ambitious to implement. Further, NATYF indicated that it would also adhere to the definition of "original French-language program" as defined for the large ownership groups in Broadcasting Decision 2018-334, which is more restrictive than the definition set out in the *Discretionary Services Regulations* and the *Television Broadcasting Regulations, 1987*, since it excludes dubbed Canadian programs.
58. The Commission notes, however, that the applicant indicated that it would rely heavily on programming from new and emerging producers. NATYF also indicated that it intends to allocate programming time slots to music content, given that music content might be of particular importance to certain racialized communities, two factors that would enable it to acquire original, first-run productions at relatively affordable prices. Further, the ramp up to the overall CPE requirement would allow Natyf TV to benefit from a transition period. In the Commission's view, this approach could enable NATYF to comply with its proposed commitment during the first licence term.
59. In light of the above, the Commission finds that NATYF's proposal would contribute towards ensuring that the service is making exceptional commitments to original, first-run Canadian programming in terms of exhibition and expenditures. Accordingly, the Commission considers it appropriate to impose a **condition of service** reflecting the proposed levels of CPE for original, first-run programming

⁹ Not less than 80% of programs broadcast by APTN (other than the news and sports) must be produced by independent producers. OMNI Regional must broadcast between 12 and 14 hours of programming produced by independent producers each broadcast week, and devote to them all expenditures for original, first-run ethnic and/or third-language PNI.

utilizing the proposed definition of “original French-language production” set out in Broadcasting Decision 2018-334.

Support for certified independent production funds

60. In regard to NATYF’s proposal to allocate 5% of Natyf TV’s gross revenues to a CIPF, the Commission notes that contributions to CIPF are generally paid by entities that do not directly contribute to the creation of programming (for example BDUs) and considers that the service will need all the funding available to satisfy its CPE requirements. In the Commission’s view, the most effective tool to support the creation of Canadian programming is the imposition of CPE requirements since they enable direct investment in programming that the broadcaster can then broadcast. CPE requirements offer direct support to producers by fostering relationships between the service and the producers, as the payment of licence fees (which it can then account for as a CPE) by the service enables producers to have access to funds, such as the CMF. Conversely, a CIPF, which would provide financial support, would not trigger any other funding.
61. Consequently, the Commission finds that no requirements in this regard should be imposed on Natyf TV.

Support for emerging cultural music artists

62. In regard to support for emerging cultural music artists, as proposed by NATYF, the Commission notes that the programming schedule for Natyf TV already contains several time slots dedicated to programs closely or distantly linked to music. As such, the Commission finds that Natyf TV, even without being required to do so, would offer this type of programming through its CPE and PNI expenditure requirements. Consequently, the Commission finds that no requirements in this regard should be imposed on Natyf TV.

Local programming

63. In regard to local programming, NATYF proposed to broadcast 12 hours of local original independent productions each broadcast week, of which four hours would be devoted to locally reflective news.
64. Since Natyf TV is a national discretionary service, and given that the mandatory distribution it is seeking would be provincial in scope, it could prove difficult for the service to meet the proposed requirement. In fact, local programming is not generally required of a discretionary service, and requirements to broadcast such programming may prove onerous if each local community served receives programming that reflects its interests, even more so for a service that has been operating with limited resources and staff.
65. Further, locally reflective news is expensive to produce and requires significant resources, including the presence of journalists on the ground and the purchase of equipment.

66. In the Commission's view, it would therefore not be appropriate to impose on Natyf TV any requirements relating to the broadcast of local programming and locally reflective news. Nevertheless, the Commission considers that providing coverage of cultural events and addressing current affairs subjects of interest to the Francophone racialized communities of Quebec would correspond to the nature of the proposed programming for Natyf TV and would fall under its mandate of serving those communities. Accordingly, in Appendix 1 to this decision, the Commission has set out an expectation to that effect.

Reporting

67. In its application, NATYF proposed to submit to the Commission an annual production report as well as a report relating to the relevance of programming broadcast on the service to racialized producers and to the communities targeted by the service.

Report relating to the relevance of the programming broadcast to racialized producers and to the communities targeted by the service

68. One of the measures implemented by the Commission to ensure that the programming is relevant to targeted communities is to impose conditions of service requiring programming to be produced by producers from these communities. As indicated above, the Commission is already imposing an elevated requirement in this regard. Further, the support that the applicant received from racialized producers and communities demonstrates that its commitment to the targeted communities through Natyf TV is already recognized and appreciated by community members.

69. Given the importance of Natyf TV's mandate and its contribution to achieving the objectives of the *Broadcasting Act*, the Commission finds that it would be appropriate to impose an annual reporting requirement through which NATYF would detail the ways it ensures that the service provides relevant programming for all of its targeted communities. This report, to be made available on the service's website and on the Commission's website, must indicate the following:

- how the licensee ensures that Natyf TV offers relevant programming for all Francophone racialized communities;
- the tools put into place to allow the service's audience to provide feedback;
- the feedback received from the communities served; and
- the actions NATYF has taken to address audience feedback.

70. To track Natyf TV's commitment to outreach opportunities for racialized producers, the Commission considers that it would be appropriate to require NATYF to describe in this same report the initiatives it has undertaken during the year to strengthen its connections and build partnerships with racialized producers. Further, NATYF must

submit the report for each broadcast year by no later than 30 November following the end of each broadcast year.

71. Accordingly, the Commission considers it appropriate to impose a **condition of service** regarding the filing of the above-noted report.
72. The Commission recognizes, however, that NATYF may not currently have significant administrative resources and that such a requirement could be burdensome. As such, NATYF can contact Commission staff to help it structure the first report to be submitted.

Annual production report

73. Further to Broadcasting Information Bulletin 2019-304, the Commission requires large English- and French-language ownership groups and 9.1(1)(h) services to submit an annual production report. Consistent with requirements imposed on other 9.1(1)(h) services, the Commission will require NATYF to file an annual production report for Natyf TV, in addition to the above-noted report on the relevance of the service's programming. This report will provide the Commission with detailed information on the service's expenditures on Canadian programming, including details on original, first-run programming.
74. The Commission notes, however, that the current report does not include detailed information on productions by racialized producers. Given the mandate for Natyf TV, the Commission considers that it would be appropriate to require NATYF to include such information in the annual production report to be filed for its service.
75. Accordingly, the Commission considers it appropriate to impose a **condition of service** regarding the filing of the annual production report. The production report is set out in Appendices 3 to 9 to this decision. The template is also available in [Excel](#), and the Excel version should be used when filing reports.

Employees from racialized communities

76. As noted above, NATYF committed to ensuring that at least 90% of salaried employees come from racialized communities. Given the mandate of the service and its ownership organizational structure, the Commission considers that the imposition of a related condition of service is not necessary.
77. Nevertheless, the Commission considers that a commitment in this regard would strengthen NATYF's contribution to Canada's ethnocultural diversity through Natyf TV, which follows the proposed mandate for the service and is one of the primary reasons that the Commission has found that it would be appropriate to grant "9.1(1)(h) status" (i.e., granted mandatory distribution pursuant to paragraph 9.1(1)(h) of the *Broadcasting Act*) to Natyf TV. Accordingly, the Commission has set out in Appendix 1 to this decision an expectation that at least 90% of the salaried employees of Natyf TV come from racialized communities.

Programming for targeted communities

78. In its application, NATYF proposed to provide programming that, based on the demographics of the population of the province of Quebec, would proportionally reach the following French-speaking communities:

- Black communities: 50%;
- Arabic communities: 25%;
- Hispanic communities: 10%; and
- South Asian communities: 10%.

79. In the Commission's view, imposing a condition of service to that effect would be too restrictive on the service. However, the Commission finds that there is merit in Natyf TV providing programming to all racialized Francophone communities in the province of Quebec. Accordingly, the Commission has set out an encouragement to that effect in Appendix 1 to this decision.

Extraordinary need among the intended audience for the proposed service

80. The mandate of Natyf TV is to provide programming for an under-represented audience through the provision of visibility to emerging creators and producers. In this regard, the service received considerable support from the public, producers, associations and elected officials. Interveners who expressed support for NATYF's application also expressed their need to have programming that reflects them and that is created by and for their communities.

81. Services that are granted 9.1(1)(h) status have mandates that are similar to that of Natyf TV, as they meet certain objectives of the *Broadcasting Act* that cannot be met by existing offerings. Contrary to claims by some interveners, the Commission considers that there are currently no services on the basic service that target only Francophone racialized communities in Quebec. In this regard, the Commission notes that ICI Québec provides programming that reflects multi-ethnic, multilingual communities with a requirement to broadcast 60% of its programming in a third language while the mandate of TV5/UNIS is to represent the full diversity of international Francophones and of Francophones across the country, including those in official language minority communities (OLMC). As such, the Commission finds that the programming offered by Natyf TV differs from what is being offered by ICI Québec and TV5/UNIS.

82. As noted in paragraph 130 in Broadcasting Decision 2022-165, the Commission is mindful that certain communities may currently lack production capacity. Further, it is still very difficult for racially diverse producers to receive funding for their productions. Being granted 9.1(1)(h) status would allow Natyf TV to encourage a new generation of Francophone creators from racialized communities and would contribute to facilitating access to funding for their productions.

83. Accordingly, the Commission finds that the applicant, along with information gathered on the public record, demonstrated that there is an extraordinary need for a service aimed at the Francophone racialized communities of Quebec.

The need for mandatory distribution and the wholesale rate

84. Natyf TV's mandate is to provide programming for an under-represented audience by providing visibility to emerging creators and producers. The applicant argued that BDUs in Quebec do not consider its service to be commercially viable because of the intended audience and that national advertising agencies favour television services with a large audience. NATYF explained that these two issues do not allow Natyf TV to generate enough revenue to adequately invest in the development and production of Canadian content. The Commission notes that the service has a limited reach because it is distributed only by Bell BDUs and has few subscribers.

85. The applicant indicated that being granted mandatory distribution on the digital basic service would enable Natyf TV to increase its support of Canadian productions produced by racialized producers and the discovery of such content by a broader Canadian audience.

86. Granting 9.1(1)(h) status to services that contribute in an exceptional manner to the overall objectives for the digital basic service and to one or more objectives of the *Broadcasting Act* ensures that those services have access to a reasonably reliable revenue stream and allows them to have access to revenues without which they could not exist.

87. Accordingly, the Commission finds that the applicant has successfully demonstrated that it would be difficult for its service to meet its objectives and proposed commitments without being granted mandatory distribution.

88. NATYF proposed a per subscriber wholesale rate of \$0.12 for Natyf TV. In this regard, the Commission finds that the proposed monthly per subscriber wholesale rate is justified given that the service will allow a portion of the currently under-represented Quebec audience to have access to a more representative programming offering. The Commission notes that this wholesale rate would be much lower than the wholesale rate approved for other services with mandatory distribution that serve equity-deserving communities¹⁰ and one of the lowest of existing services with 9.1(1)(h) status. Finally, the Commission finds that adding Natyf TV to the digital basic service only in the province of Quebec would have a limited impact on

¹⁰ These approved wholesale rates range from \$0.19 to \$0.35 per subscriber: OMNI Regional receives \$0.19/subscriber in Canada, TV5/UNIS receives \$0.28/subscriber in Quebec and \$0.24/subscriber in English-language markets, AMI-tv receives \$0.20/subscriber in English-language markets and APTN receives \$0.35/subscriber in Canada.

BDUs operating in this market.¹¹ Accordingly, the Commission is satisfied with the proposed monthly per subscriber wholesale rate of \$0.12 for Natyf TV.

Period for the mandatory distribution

89. NATYF is requesting mandatory distribution for a period of five years, which is in line with the Commission's usual practice. Furthermore, the Commission is of the view that a term of less than five years would make it more difficult for NATYF to meet its engagement insofar as several of them will require a certain transition period for them to be implemented and will take the form of gradual requirements to arrive at the proposed threshold. Accordingly, the Commission finds it appropriate to grant mandatory distribution of Natyf TV for a period of five years, from 1 September 2023 to 31 August 2028.

Licensing of the service

90. As noted above, Natyf TV is presently operating as an exempt discretionary service. With the mandatory distribution in the province of Quebec, the service will exceed the 200,000 subscribers' threshold set out in Broadcasting Order 2015-88. Therefore, the service will also require a licence in order to continue to broadcast.

91. The Commission is satisfied that the applicant is in compliance with the *Direction to the CRTC (Ineligibility of Non-Canadians)* and, therefore, eligible to hold a licence.

92. Furthermore, Natyf TV's proposed programming is consistent with the current framework. The Commission is also satisfied that NATYF will have the financial and technical capacity to fulfill its regulatory obligations.

93. Accordingly, the Commission considers it appropriate to grant a broadcasting licence to NATYF to operate the currently exempt national, French-language discretionary service Natyf TV as a licensed discretionary service for a period of five years, from 1 September 2023 to 31 August 2028, to coincide with the period of the mandatory distribution.

Standard requirements for discretionary services

94. As noted above, NATYF committed to adhere to the standard conditions of service for discretionary services set out in Appendix 2 to Broadcasting Regulatory Policy 2016-436, with the exceptions of condition of service 17, which relates to the provision of described video, and of condition of service 18d), which relates to the broadcast of paid advertising.

¹¹ For the 2021-2022 broadcast year, cable and Internet Protocol Television (IPTV) BDUs in Quebec reported \$1.44 billion in revenues. For the same number of subscribers, and at the monthly wholesale rate of \$0.12 per subscriber, Natyf TV would garner less than \$3.5 million in revenues, or 0.2% of BDU revenues for the 2021-2022 broadcast year.

95. In regard to the provision of described video, NATYF proposed to provide described video for programming broadcast between 7:00 p.m. and 11:00 p.m. (prime time hours), seven days a week (to the programs to which it applies).¹²
96. In the Commission's view, the applicant's proposal would be more beneficial to the broadcasting system than the standard obligation in that respect. This proposal surpasses the minimum requirement of four hours per broadcast week starting the fourth year of the first licence term. Accordingly, the Commission considers it appropriate to impose a **condition of service** regarding the proposed higher level of described video.
97. In regard to the broadcast of paid advertising, NATYF requested authorization to broadcast provincial advertising given that its application targets mandatory distribution for the province of Quebec only. None of the interveners commented on the applicant's request.
98. Since the applicant is applying for mandatory distribution of Natyf TV only across Quebec, the Commission considers that the applicant's requested exception to the standard condition of service is justified. Accordingly, the Commission considers it appropriate to impose a **condition of service** permitting NATYF to broadcast provincial advertising from Quebec.

Conclusion

99. In light of the above, the Commission finds that NATYF's application has satisfied all the criteria for mandatory distribution set out in Broadcasting Regulatory Policy 2010-629 in regard to Natyf TV and that each of its proposed commitments is equivalent, if not superior, to the strictest requirements set out by condition of service for other services with mandatory distribution that serve equity-deserving communities. In particular, the Commission finds that the applicant has demonstrated that there is a need to serve Francophone racialized communities in Quebec and that NATYF's proposal for the service would meet this need. Furthermore, the Commission finds that the service will provide a window for new French-speaking content creators from ethnocultural communities.
100. Accordingly, the Commission **approves** the application by NATYF for mandatory distribution of Natyf TV, pursuant to paragraph 9.1(1)(h) of the *Broadcasting Act*, as part of the digital basic service of BDUs operating in the province of Quebec, for a period of five years, from 1 September 2023 to 31 August 2028. The Commission also **approves** the applicant's request for a monthly wholesale rate per subscriber of \$0.12 for Natyf TV. The mandatory distribution order for Natyf TV is set out in Appendix 2 to this decision.

¹² 2(b) Long-form documentary, 7 Drama and comedy, 9 Variety, 11(a) General entertainment and human interest and 11(b) Reality television, and/or programming targeting preschool children (0-5 years of age) and children (6-12 years of age).

101. Further, the Commission **approves** NATYF's application for a broadcasting licence to operate the currently exempt national, French-language discretionary service Natyf TV as a licensed discretionary service. The licence will take effect 1 September 2023 and expire 31 August 2028.

Conditions of service

102. The Commission notes that, as a service with distribution rights pursuant to paragraph 9.1(1)(h) of the *Broadcasting Act*, the licensee must offer its services consistent with the nature of the service identified at the time it was granted mandatory distribution.
103. Accordingly, pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **orders** NATYF INC., by **condition of service**, to offer throughout the province of Quebec a French-language discretionary service focused on ethnocultural diversity. The mandate of the service shall be to broadcast programs by racialized Canadian producers, to encourage a new generation of Francophone creators from racialized communities, and to make it possible for viewers from racialized communities to have access to a television service in which they can see themselves, in regard to the format of the service and the service's content.
104. The Commission also notes that there are standard conditions of service which apply to all undertakings of a particular class. In this case, the Commission considers it appropriate that the licensee should adhere to the standard conditions of service for discretionary services with the exception of conditions 17 and 18d) as identified above.
105. Accordingly, pursuant to subsections 9.1(1) and 11.1(2) of the *Broadcasting Act*, the Commission **orders** NATYF INC., by **condition of service**, to adhere to the standard conditions of service for discretionary services set out in Appendix 2 to Broadcasting Regulatory Policy 2016-436 with the exception of condition 17, which relates to the provision of described video, and condition 18d), which relates to the broadcast of paid advertising, as well as all applicable requirements set out in the *Discretionary Services Regulations* that were made under paragraph 10(1)(a) or under paragraph 10(1)(i) of the old *Broadcasting Act*.¹³
106. As noted above, the licensee proposed to provide a higher level of described video than that required under standard condition of service 17. Accordingly, pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **orders** NATYF INC., by **condition of service**, to provide described video for all English- and French-language programming that is broadcast during prime time (i.e., from 7:00 p.m. to 11:00 p.m.) and that is drawn from program categories 2(b) Long-form documentary, 7 Drama and comedy, 9 Variety, 11(a) General entertainment and human interest and 11(b) Reality television, and/or is programming targeting preschool children (0-5 years of age) and children (6-12 years of age) as set out in its proposal.

¹³ Pursuant to subsection 49(2) of the *Online Streaming Act*, which made a certain number of amendments to the *Broadcasting Act* when it came into force on 27 April 2023, any regulation made under paragraphs 10(1)(a) or 10(1)(i) of the old *Broadcasting Act* is deemed to be an order made under section 9.1 of the new *Broadcasting Act*.

107. The licensee also sought permission to broadcast paid provincial advertising as well as paid national advertising in lieu of standard condition of service 18d). Accordingly, the Commission **orders** NATYF INC., by **condition of service**, to not broadcast any paid advertising other than paid national or provincial (Quebec) advertising.
108. Further, the Commission has indicated throughout this decision a number of other determinations of which it considers it appropriate to impose a condition of service on the licensee.
109. In regard to Canadian programming, pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **orders** NATYF INC., by **condition of service** to devote 60-70% of the programming broadcast on the undertaking to Canadian programs between 6:00 a.m. and 6:00 p.m. and 70% between 6:00 p.m. and midnight as set out above.
110. With respect to the CPE levels that the Commission determined appropriate to impose as a condition of service, the Commission also notes that it traditionally imposes conditions of service that permit and provide guidelines regarding an underspend of 5% as well as any overspend. The Commission also generally permits licensees to claim various credits towards its CPE in regard to Canadian programming produced by Indigenous producers and OLMC producers.
111. Accordingly, pursuant to subsection 11.1(2) of the *Broadcasting Act*, the Commission **orders** NATYF INC., by **condition of service**, to devote 40% in Year 1 of the undertaking's gross revenues of the current broadcast year, 45% in Year 2, 50% in Year 3, 60% in Year 4 and 70% in Year 5, of the undertaking's gross revenues of the previous broadcast year to the acquisition of or investment in Canadian programs as set out above, subject to the additional conditions of service related to underspend, overspend and credits.
112. With respect to PNI, independent producers and original, first-run programs, pursuant to subsection 11.1(2) of the *Broadcasting Act*, the Commission **orders** NATYF INC., by **condition of service**, to:
- devote not less than 15% of the gross revenues of the undertaking from the previous broadcast year to the acquisition of or investment in PNI;
 - devote not less than 80% of the undertaking's CPE to programming produced by independent producers. Of that amount, the licensee shall devote not less than 80% to programming produced by independent racialized producers; and
 - devote the following percentages of the undertaking's CPE to original, first-run French-language programs:
 - Year 1: 55%;
 - Year 2: 60%;
 - Year 3: 65%;
 - Year 4: 70%; and
 - Year 5: 75%.

113. Finally, the Commission determined that it was appropriate to impose conditions of service regarding the filing of various reports with the Commission. Accordingly, pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **orders** NATYF INC., by **condition of service**, to:

- file with the Commission an annual report that specifies how the undertaking provides relevant programming for the undertaking's targeted communities; and
- file with the Commission an annual production report regarding the undertaking's CPE and regarding the broadcast of Canadian programming on the undertaking.

114. Given that this application was filed and processed and the hearing was held prior to the coming into force of the new *Broadcasting Act* and that interested parties had an opportunity to comment on the issues and proposed conditions of this licensee as well as the proposed 9.1(1)(h) order as part of this process, the Commission considers the proceeding to fulfill the publication and consultation requirement for purposes of subsections 9.1(4) and 11.1(7) of the new *Broadcasting Act*.

115. The terms as well as the specifics of the **conditions of service** imposed by order for this licensee are set out in Appendix 1 to this decision.

116. The Commission notes that the formal broadcasting licence document issued to a licensee may set out additional requirements for the undertaking, relating to, for example, technical parameters or prohibitions on transfer. As such, pursuant to subsection 9(1) of the *Broadcasting Act*, the licensee shall also adhere to any such requirements set out in the broadcasting licence for the undertaking.

Secretary General

Related documents

- *Canadian Broadcasting Corporation – Various audio and audiovisual services – Licence renewals*, Broadcasting Decision CRTC 2022-165 and Broadcasting Orders CRTC 2022-166 and 2022-167, 22 June 2022, as corrected by Broadcasting Decision CRTC 2022-165-1, 20 June 2023
- *Production Report to be completed annually by large English- and French-language ownership groups*, Broadcasting Information Bulletin CRTC 2019-304, 29 August 2019
- *Licensing of a national, multilingual multi-ethnic discretionary service*, Broadcasting Decision CRTC 2019-172 and Broadcasting Order CRTC 2019-173, 23 May 2019

- *Reconsideration of licence renewals decisions regarding the licence renewals for the television services of large French-language private ownership groups*, Broadcasting Decision CRTC 2018-334, 30 August 2018, as corrected by Broadcasting Decision CRTC 2018-334-1, 12 September 2018
- *Revised exemption order for terrestrial broadcasting distribution undertakings serving fewer than 20,000 subscribers*, Broadcasting Regulatory Policy CRTC 2017-319 and Broadcasting Order CRTC 2017-320, 31 August 2017
- *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016
- *Let's Talk TV – A World of Choice – A roadmap to maximize choice for TV viewers and to foster a healthy, dynamic TV market*, Broadcasting Regulatory Policy CRTC 2015-96, 19 March 2015
- *Exemption order respecting discretionary television programming undertakings serving fewer than 200,000 subscribers*, Broadcasting Order CRTC 2015-88, 12 March 2015
- *Criteria for assessing applications for mandatory distribution on the digital basic service*, Broadcasting Regulatory Policy CRTC 2010-629, 27 August 2010
- *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 the licence.

Appendix 1 to Broadcasting Decision CRTC 2023-303

Terms, conditions of service, expectations and encouragement for the national, French-language discretionary service Natyf TV

Terms

The licence will expire on 31 August 2028.

Conditions of service

1. The licensee shall offer throughout the province of Quebec a French-language discretionary service focused on ethnocultural diversity. The mandate of the service shall be to broadcast programs by racialized Canadian producers, to encourage a new generation of Francophone creators from racialized communities, and to make it possible for viewers from racialized communities to have access to a television service in which they can see themselves, in regard to the format of the service and the service's content.
2. The licensee shall adhere to the standard conditions of service for discretionary services 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, with the exception of condition 17, which relates to the provision of described video, and condition 18d), which relates to the broadcast of paid advertising. Further, the licensee shall adhere to the requirements set out in the broadcasting licence for the undertaking.
3. The licensee shall adhere to all applicable requirements set out in the *Discretionary Services Regulations* that were made under paragraph 10(1)(a) or under paragraph 10(1)(i) of the old *Broadcasting Act*.
4. The licensee shall provide described video for all English- and French-language programming that is broadcast during prime time (i.e., from 7:00 p.m. to 11:00 p.m.) and that is drawn from program categories 2(b) Long-form documentary, 7 Drama and comedy, 9 Variety, 11(a) General entertainment and human interest and 11(b) Reality television, and/or is programming targeting preschool children (0-5 years of age) and children (6-12 years of age).
5. The licensee shall not broadcast any paid advertising other than paid national or provincial (Quebec) advertising.
6. The licensee shall, for the following years of the licence term for the undertaking, devote the following percentages of the programming broadcast on the undertaking to Canadian programs:

- between 6:00 a.m. and 6:00 p.m.:
 - Years 1 and 2: 60%;
 - Years 3 and 4: 65%; and
 - Year 5: 70%.
 - between 6:00 p.m. and midnight (the evening broadcast period):
 - Years 1 through 5: 70%.
7. The licensee shall, for the following years of the licence term for the undertaking, devote the following percentages of the undertaking's gross revenues to the acquisition of or investment in Canadian programs:
- Year 1: 40% (current year's gross revenues);
 - Year 2: 45% (previous year's gross revenues);
 - Year 3: 50% (previous year's gross revenues);
 - Year 4: 60% (previous year's gross revenues); and
 - Year 5: 70% (previous year's gross revenues).
8. Subject to condition 9, the licensee may claim, in addition to its Canadian programming expenditures:
- a 50% credit against its Canadian programming expenditure requirement for expenditures on Canadian programming produced by an Indigenous producer and claimed as Canadian programming expenditures during that broadcast year; and
 - a 25% credit against its Canadian programming expenditure requirement for expenditures 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
 - the programming is produced in the province of Quebec and the original language of production is English; or
 - the programming is produced outside the province of Quebec and the original language of production is French.
9. The licensee may claim the credits calculated in accordance with condition 8 until the expenditures on Canadian programming produced by Indigenous producers and by official language minority community producers, including the credits, reach a

combined maximum of 10% of the undertaking's Canadian programming expenditure requirement.

10. In regard to Canadian programming expenditures

- a. in each broadcast year of the licence term, excluding the final year, the licensee may expend an amount on Canadian programming that is up to 5% less than the minimum required expenditure for that year calculated in accordance with condition of service 7; in such case, the licensee shall 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. in each broadcast year of the licence term, excluding the final year, in which the licensee expends an amount for that year on Canadian programming that is greater than the minimum required expenditure, the licensee may deduct that amount from the minimum required expenditure for that year in one or more of the remaining years of the licence term; and
 - c. notwithstanding paragraphs a) and b) above, during the licence term, the licensee shall expend on Canadian programming, at a minimum, the total of the minimum required expenditures calculated in accordance with condition of service 7.
11. The licensee shall devote not less than 15% of the gross revenues of the undertaking from the previous broadcast year to the acquisition of or investment in programs of national interest.
12. The licensee shall devote not less than 80% of the undertaking's Canadian programming expenditures set out in condition of service 7 to programming produced by independent producers. Of that amount, the licensee shall devote not less than 80% to programming produced by independent racialized producers.
13. The licensee shall, for the following years of the licence term for the undertaking, devote the following percentages of the undertaking's Canadian programming expenditures set out in condition of service 7 to original, first-run French-language programs:
- Year 1: 55%;
 - Year 2: 60%;
 - Year 3: 65%;
 - Year 4: 70%; and
 - Year 5: 75%.

14. On or before 30 November of each year, the licensee shall file with the Commission an annual report that specifies how the undertaking provides relevant programming for the undertaking's targeted communities. This report, which will be made available on the Commission's website and on the service's website, must include information relating to the following:

- how the licensee ensures that the undertaking offers relevant programming for all target communities;
- the tools put into place to allow the undertaking's audience to provide feedback;
- the feedback received from the communities served; and
- the actions the licensee has taken to address audience feedback.

In that report, the licensee shall also describe the initiatives it undertook during the year to strengthen its ties and build partnerships with racialized producers.

15. On or before 30 November of each year, the licensee shall file with the Commission an annual production report regarding the undertaking's Canadian programming expenditures and regarding the broadcast of Canadian programming on the undertaking, as set out in Appendices 3 to 9 to this decision, which shall include detailed information relating to productions made by racialized producers.

Expectations

The Commission expects the licensee to cover cultural events and current topics of interest to racialized communities in the province of Quebec.

The Commission expects the licensee to ensure that at least 90% of the undertaking's salaried employees come from racialized communities.

Encouragement

The Commission encourages the licensee to provide on its service Natyf TV programming that serves all racialized Francophone communities in the province of Quebec.

Definitions

"Emerging artist" means a Canadian artist until a period of 48 months has elapsed since the release of the artist's first commercially marketed song.

For the purpose of this definition, the concept of artist includes duos, trios or groups of artists operating under a defined identity. If a member of a duo, trio or group begins a solo career or creates with other partners a new duo, trio or group with a new identity, the

solo artist or duo, trio or group shall be considered an “emerging artist” according to the above criteria.

“Original, first-run French-language program” means a Canadian program produced in French and broadcast for the first time in the French-language market, which excludes dubbed Canadian programs.

“Paid national and/or provincial advertising” means advertising material as defined under the *Discretionary Services Regulations*, as amended from time to time, that is broadcast in a break within a program or between programs, and that is purchased at a national and/or provincial rate and receives national and/or provincial distribution on the service.

“Racialized producer” means an individual who self-identifies as a racialized person and is a Canadian citizen or permanent resident of 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 a racialized person and are Canadian citizens or permanent residents of Canada. Consistent with the definition set out in the funding glossary of the Department of Canadian Heritage, “racialized person” means a person from a “racialized community,” which is a community of shared heritage which has been historically disadvantaged as a group and may experience discrimination based on colour, culture and/or race.

Appendix 2 to Broadcasting Decision CRTC 2023-303

Distribution Order CRTC 2023-304

Distribution of the digital discretionary service Natyf TV by persons licensed to carry on broadcasting distribution undertakings in the province of Quebec

- 1) Pursuant to paragraph 9.1(1)(h) of the *Broadcasting Act*, the Commission orders terrestrial and direct-to-home broadcasting distribution undertakings to distribute the programming service Natyf TV to all subscribers living in the province of Quebec as part of the digital basic service, on the following terms and conditions:
 - a) This order applies to all licensed distribution undertakings and exempt distribution undertakings serving more than 2,000 subscribers, as defined in *Revised exemption order for terrestrial broadcasting distribution undertakings serving fewer than 20,000 subscribers*, Broadcasting Regulatory Policy CRTC 2017-319 and Broadcasting Order CRTC 2017-320, 31 August 2017, including terrestrial and direct-to-home (DTH) distribution undertakings, operating in the province of Quebec. The operators of these undertakings are collectively referred to in this Order as distribution operators.
 - b) Notwithstanding the foregoing, distribution operators shall not be required to distribute the programming service Natyf TV pursuant to this Order unless NATYF INC. (the licensee) or a third party:
 - i. ensures the transmission of the services by any technological means available to the broadcasting distribution undertaking's head end or satellite uplink centre or to another location agreed upon by the broadcasting distribution undertaking and the licensee; and
 - ii. bears the costs of the transmission to the connection point.
 - c) Each distribution operator distributing the programming service shall remit to the licensee of the programming service a wholesale rate of \$0.12 per subscriber per month where the service is distributed as part of the basic service.
 - d) This order shall take effect 1 September 2023 and will stay in effect until 31 August 2028.

For the purposes of this Order, “basic service,” “DTH distribution undertaking,” “licensed,” “programming service” and “terrestrial distribution undertaking” shall have the same meanings as those set out in the *Broadcasting Distribution Regulations*.

Appendix 3 to Broadcasting Decision CRTC 2023-303

Instructions

Please note that these instructions refer to the [Excel version](#) of the report, which will be provided to the licensee.

1. This report must be filed with the Commission by 30 November of each year. Upon receipt, the Commission will post the abridged version of the report on its website.
2. All financial information should be reported in thousands of dollars (\$000).
3. This report should be filed in both abridged and confidential versions in both Excel and PDF formats.
4. Ensure that information provided in this document is consistent with other CRTC filings when and where applicable (e.g. aggregated returns, annual return forms).
5. This report must include all Canadian Programming Expenditures (CPE) categories except news and sports.
6. CPE should be reported on the basis of accrual accounting.
7. Any eligible credits for CPE (such as official language minority communities and Indigenous productions) should not be applied in this report. The report should only include actual expenditures.

Program details by service (Appendix 9)

8. Use the drop-down menus in the “Details per program” tab where applicable.
9. Independent and affiliated productions must be reported on a project-level basis. The columns related to budget information may be reported on an aggregated level for *in-house productions only*.
10. For certified productions, First and Second Lead Performers reported in the “Program Details” tab must align with the Canadian Audio-Visual Certification Office and CRTC Program Certification definitions.
11. With respect to reporting on “showrunner,” ensure that any person holding the title of showrunner in a production is identified as such and reported in the “Production Information” section of the “Program Details” tab. This data point should only be reported if applicable. Any form of duplication within the roles should be identified when they occur.

Appendix 4 to Broadcasting Decision CRTC 2023-303

Definitions

The following definitions should be used when completing this report.

Official language minority community (OLMC) producer: a company that meets the definition of “independent production company” and that, if operating in the province of Quebec, produces original English-language programming, or if operating outside of the province of Quebec, produces original French-language programming (*Renewal of licences for the television services of large English-language ownership groups – Introductory decision*, Broadcasting Decision CRTC 2017-148, 15 May 2017 [Broadcasting Decision 2017-148]).

Clarification for OLMC producer:

To be considered an OLMC producer in Canada, a production company must:

- a. if it produces original programs in English, have its head office in Quebec and be owned and operated by a resident of Quebec; or
- b. if it produces original programs in French, have its head office outside of Quebec and be owned and operated by a resident outside of Quebec.

Indigenous producer: 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 (Broadcasting Decision 2017-148, footnote 5).

Racialized producer: an individual who self-identifies as a racialized person and is a Canadian citizen or permanent resident of 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 a racialized person and are Canadian citizens or permanent residents of Canada. Consistent with the definition set out in the funding glossary of the Department of Canadian Heritage, “racialized person” means a person from a “racialized community,” which is a community of shared heritage which has been historically disadvantaged as a group and may experience discrimination based on colour, culture and/or race (*Canadian Broadcasting Corporation – Various audio and audiovisual services – Licence renewals*, Broadcasting Decision CRTC 2022-165 and Broadcasting Orders CRTC 2022-166 and 2022-167, 22 June 2022 as amended by Broadcasting Decision CRTC 2022-165-1, 20 June 2023).

Independent production company: a Canadian 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 or any company related to the licensee owns or controls, directly or

indirectly, in aggregate, less than 30% of the equity (referenced in the 2011 group-based licensing decisions).

Affiliated production company: a Canadian 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, or any company related to the licensee owns, in aggregate, a 30% or greater (voting) equity interest (referenced in *Guide to the CRTC Canadian Program Certification Application Process*).

Original, first-run French-language program: a Canadian program produced in French and broadcast for the first time in the French-language market, which excludes dubbed Canadian programs (*Reconsideration of licence renewals decisions regarding the licence renewals for the television services of large French-language private ownership groups*, Broadcasting Decision CRTC 2018-334, 30 August 2018).

Appendix 5 to Broadcasting Decision CRTC 2023-303

Production report (Sample form only, do not complete)

Overview

Service: _____

Broadcast Year: 20xx-20xx _____

Canadian Programming Expenditures by region, by language

Location of Principal Photography	Language	Number of Projects	Total Number of Hours Produced (in broadcast hours)	Total Production Budget (\$)	Total Licence Fees (\$)	Total Eligible Canadian Programming Expenditures (\$)
British Columbia & Territories	All languages	-	-	-	-	-
	English language					
	French language					
	Other languages					
Prairies	All languages	-	-	-	-	-
	English language					
	French language					
	Other languages					
Ontario	All languages	-	-	-	-	-
	English language					
	French language					
	Other languages					
Quebec	All languages	-	-	-	-	-
	English language					
	French language					

	Other languages					
Atlantic	All languages English language French language Other languages	-	-	-	-	-
All Regions	All languages English language French language Other languages	-	-	-	-	-

All reported Canadian Programming Expenditure programs in 20XX-20XX broadcast year

Broadcast Year	Language	Total Eligible Canadian Programming Expenditures (excludes tangible benefits expenditures)		Eligible Canadian Programming Expenditures Allocated to Independent Producers		Eligible Canadian Programming Expenditures Allocated to Affiliated Producers and In-house Productions	
		\$	%	\$	%	\$	%
20xx-20xx	All languages English language French language Other languages	-		-		-	

Budget information for individual projects are granted confidentiality, and confidentiality for aggregated regional data will only be granted where **less than three projects** are involved.

Please use the space provided below to supply any comments, explanations, methodological notes, qualifiers or other important information about the data you have supplied on this form.

Appendix 6 to Broadcasting Decision CRTC 2023-303

Programming produced by official language minority community producers (Sample form only, do not complete)

Please provide the information requested below.

Overview

Language	Number of Projects	Total Number of Hours Produced (in broadcast hours)	Total Production Budget (\$)	Total Licence Fees (\$)	Total Eligible Canadian Programming Expenditures (\$)
All languages English language (Quebec) French language (outside of Quebec)	-	-	-	-	-

Budget information for individual projects are granted confidentiality, and confidentiality for aggregated regional data will only be granted where **less than three projects** are involved.

List of projects

Project Title or Program Name	Language	Project Status	Total Production Budget (\$)	Total Eligible Canadian Programming Expenditures (\$)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total	-	-	-	-

Note: List of projects should only reflect the project status for the reported broadcast year.

Other details

Number of official language minority community producers the licensee has met with during the broadcast year: _____

Please use the space provided below to supply any comments, explanations, methodological notes, qualifiers or other important information about the data you have supplied on this form.

Appendix 7 to Broadcasting Decision CRTC 2023-303

Programming produced by Indigenous producers (Sample form only, do not complete)

Please provide the information requested below.

Overview

Language	Number of Projects	Total Number of Hours Produced (in broadcast hours)	Total Production Budget (\$)	Total Licence Fees (\$)	Total Eligible Canadian Programming Expenditures (\$)
All languages	-	-	-	-	-
English language					
French language					
Indigenous languages					

Budget information for individual projects are granted confidentiality, and confidentiality for aggregated regional data will only be granted where **less than three projects** are involved.

List of projects

Project Title or Program Name	Language	Project Status	Total Production Budget (\$)	Total Eligible Canadian Programming Expenditures (\$)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total	-	-	-	-

Note: List of projects should only reflect the project status for the reported broadcast year.

Other details

Number of Indigenous producers the licensee has met with during the broadcast year:

Please use the space provided below to supply any comments, explanations, methodological notes, qualifiers or other important information about the data you have supplied on this form.

Appendix 8 to Broadcasting Decision CRTC 2023-303

Programming produced by racialized producers (Sample form only, do not complete)

Please provide the information requested below.

Overview

Language	Number of Projects	Total Number of Hours Produced (in broadcast hours)	Total Production Budget (\$)	Total Licence Fees (\$)	Total Eligible Canadian Programming Expenditures (\$)
All languages	-	-	-	-	-
English language					
French language					
Other languages					

Budget information for individual projects are granted confidentiality, and confidentiality for aggregated regional data will only be granted where **less than three projects** are involved.

List of projects

Project Title or Program Name	Language	Project Status	Total Production Budget (\$)	Total Eligible Canadian Programming Expenditures (\$)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total	-	-	-	-

Note: List of projects should only reflect the project status for the reported broadcast year.

Other details

Number of racialized producers the licensee has met with during the broadcast year:

Please use the space provided below to supply any comments, explanations, methodological notes, qualifiers or other important information about the data you have supplied on this form.

Appendix 9 to Broadcasting Decision CRTC 2023-303

Service name (Sample form only, do not complete)

Program information

Program Title	Year Commissioned / First Year of Broadcast	Telecast / Non-telecast	Original, First-run Program	Certification # (CRTC or CAVCO)	CRTC Program Category	Programs of National Interest	Hours Produced	Language of Program EN / FR / O	Original Language of Production
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Producer information

Production Company	Independent, Affiliate or In-house	Location of Principal Photography	Region	Official language minority community Producer (Y/N)	Indigenous Producer (Y/N)	Racialized Producer (Y/N)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Total	-	-	-	-	-	-

Budget information

Total Production Budget	Licence Fees	Total Eligible Canadian Programming Expenditures
-	-	-
-	-	-
-	-	-
-	-	-
Total	-	-

Production Information

Producer (#)	Director (#)	Showrunner (#) (if applicable)	Writer (#)	Cinematographer (#)	Editor (#)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total	-	-	-	-	-

Women occupying the role of:

Producer (#)	Director (#)	Showrunner (#) (if applicable)	Writer (#)	Cinematographer (#)	Editor (#)	First Lead Performer (#) (Y/N)	Second Lead Performer (#) (Y/N)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Please use the space provided below to supply any comments, explanations, methodological notes, qualifiers or other important information about the data you have supplied on this form.