

Canadian Radio-television and Telecommunications Commission

# **Broadcasting Decision CRTC 2024-30**

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Reference: 2023-129

Ottawa, 9 February 2024

**U Multicultural Inc.** Winnipeg, Manitoba

Public record: 2022-0861-0 Public hearing in the National Capital Region 6 July 2023

### **Community television station in Winnipeg**

#### Summary

The Commission **approves** an application by U Multicultural Inc. for a broadcasting licence to operate a multilingual community television station in Winnipeg, Manitoba, subject to certain conditions of approval.

The Commission proposes to make orders set out in Appendix 2 to this decision imposing various conditions of service on the licensee. Consistent with subsection 9.1(4) of the *Broadcasting Act*, interested persons may make representations only on the proposed orders by no later than **19 February 2024**. The licensee may submit a reply to any representations received by no later than **26 February 2024**.

#### Application

- 1. U Multicultural Inc. (UMI), a not-for-profit corporation, filed an application for a broadcasting licence to operate a multilingual over-the-air (OTA) community television station in Winnipeg, Manitoba.
- 2. The applicant indicated that it currently operates an online ethnocultural community audiovisual service targeting more than 30 ethnocultural and Indigenous communities in Winnipeg and Manitoba.
- 3. The proposed station would operate on channel 14 with an average effective radiated power (ERP) of 2,400 watts (non-directional antenna with an effective height of the antenna above average terrain [EHAAT] of 136.3 metres).
- 4. Consistent with Broadcasting Regulatory Policy 2016-224, UMI proposed to devote, per broadcast year, a minimum of 80% of the programming to the broadcast of Canadian programs, and a minimum of 60% of the programming to the broadcast of

# Canada

local programming focused on Winnipeg's ethnocultural and Indigenous communities.

- 5. While most of UMI's programming would be in English, the applicant also intends to broadcast programming in French and Indigenous languages,<sup>1</sup> as well as in third languages. In the latter case, UMI committed by condition of service to devote up to 40% of its total programming to third-language programming in each broadcast month and to offer monthly programming targeting a minimum of nine cultural groups in a minimum of nine languages.
- 6. The Commission received numerous interventions in support of this application from individuals and community organizations as well as two comments on the application. It also received an intervention in opposition from Rogers Communications Inc. (Rogers). UMI replied to the interventions from the Canadian Association of Community Television Users and Stations (CACTUS) and Rogers.

#### Issues

- 7. 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 on 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.
- 8. After examining the record for this application in light of applicable regulations and policies, the Commission considers that it must address the following issues:
  - whether the applicant's ownership structure satisfies the requirements of Broadcasting Regulatory Policy 2016-224;
  - whether the applicant provided sufficient evidence for financial viability of its proposed service;
  - whether approval of this application would have an undue economic impact on incumbent stations; and
  - whether the proposed programming is consistent with the regulatory framework for community television stations.

#### **Ownership structure**

9. UMI is a not-for-profit corporation incorporated under the *Corporations Act* in the province of Manitoba. The undertaking is controlled by its board of directors and all of its members are Canadian and reside in Canada. Consequently, UMI is eligible to

<sup>&</sup>lt;sup>1</sup> Specifically, UMI estimated that less than 2% of its monthly programming would be in French and around 13% in Indigenous languages.

hold a broadcasting licence pursuant to the *Direction to the CRTC (Ineligibility of Non-Canadians)*<sup>2</sup> (the Direction).

- 10. However, the Commission notes that UMI's bylaws do not currently contain any language to ensure that the composition of the board of directors is consistent with the requirements of the Direction. In its reply to a request for information, UMI indicated that it was willing to amend its bylaws to include a reference that the composition of the board of directors must always comply with the Direction.
- 11. As defined in the *Broadcasting Act*, "community element" includes the element of the Canadian broadcasting system as part of which members of a community participate in the production of programs that are in a language used in the community including a not-for-profit broadcasting undertaking that is managed by a board of directors elected by the community.
- 12. As set out in Broadcasting Regulatory Policy 2016-224, in order to obtain a broadcasting licence to operate a community programming undertaking, applicants have to demonstrate that the proposed undertaking would be a not-for-profit organization, the structure of which provides for membership, management, operation and programming primarily by members of the community.
- 13. Section 3.02 of UMI's bylaws specify that there are two types of memberships:

(a) Membership in the Corporation is available only to duly-constituted Organizations which meet the membership criteria, as outlined in 3.03 which shall be regular members (the "Regular Members", and together with the Non-Voting Members, the "Members").

- (b) Individuals (persons) are not eligible to be Regular Members.
- 14. The Commission notes that although UMI's membership is open to the community, individuals can only be non-voting members. Non-voting members are not eligible to become regular members. UMI noted that this type of membership allows individuals to join the community media, participate in management processes, operations and planning, production and post-production processes, obtain the media training and have access to the studios and equipment, and volunteer. While non-voting members can sit on committees, those committees do not make decisions.
- 15. UMI's current bylaws create two barriers to individual participation in ownership. The first, set out in section 5.02(a) of the bylaws, is that individuals can only participate in the board of directors if they are nominated and voted for by regular members (i.e., not-for-profit organizations). Consequently, individual participation in the board of directors is subject to approval by the regular members. The second is that even if individuals obtain seats on the board of directors, the majority will be held by regular members, as per section 5.01(b) of UMI's bylaws which stipulates

<sup>&</sup>lt;sup>2</sup> SOR/97-192, 8 April 1997.

that two thirds of the board of directors must include representatives of incorporated not-for-profit organizations or ethnocultural associations. As such, the decision-making power and control of the organization will always be held by regular members, who are for the most part not-for-profit organizations.

- 16. In its intervention, CACTUS noted that UMI membership is only open to other organizations, not individuals. As such, UMI does not qualify as belonging to "the community element" as defined in the *Broadcasting Act*. CACTUS recommended that at least half of the seats on the board of directors be allocated to individuals, as users of the community television station's services.
- 17. In reply to CACTUS's intervention, UMI stated that it is ready to make all necessary amendments to its governing documents to have more community members involved.
- 18. Concerning CACTUS's proposal to allocate at least half of the seats on the board of directors to individuals, the Commission is of the view that it would be too restrictive and would have a major impact on the structure of UMI. However, the Commission is also of the view that meaningful participation of individuals in the decision-making process is important. Accordingly, the Commission considers that requiring UMI to amend its bylaws to allow individuals to participate in the decision-making process of the proposed service is appropriate.
- 19. In light of the above, and given UMI's willingness to amend its governing documents to address the issues set out above, the Commission **requires** UMI, as a **condition of approval**, to amend its bylaws to remove sections 5.01(b) and 3.02(b), to include that the board of directors must be at least 80% Canadian as per the Direction, and to create a process to ensure that individuals qualify as regular members to fully participate in the ownership.
- 20. The Commission is of the view that these changes will enable the applicant to meet all of the membership requirements set out in Broadcasting Regulatory Policy 2016-224, as well as the requirements set out in the Direction. The Commission is also of the view that the amendments in the bylaws will encourage individuals' participation in the ownership (board of directors and membership) of UMI.
- 21. Finally, the Commission **directs** UMI to submit its revised documents reflecting these changes within 90 days of the date of this decision.

#### Viability of the proposed television station

- 22. UMI stated that the proposed service will be mostly financed by grants and the remainder by market-generated revenues. UMI indicated that the majority of the market-generated revenues would come from advertising in third languages.
- 23. In its intervention, Rogers stated that the applicant failed to demonstrate that the proposed service is financially sustainable by not providing audited financial statements, underlying assumptions upon which the financial projections are based,

and proof of ongoing and continued support from government entities, or proof of eligibility.

- 24. In its reply to Rogers, UMI noted that it has been in operation through its online platform since 2019 and that its revenues have increased with brand awareness. UMI also noted that it has reserved funds, which would allow the organization to continue its operations should it have no new revenues.
- 25. In regard to Rogers's intervention, the Commission is of the view that requiring the applicant to provide audited financial statements would be overly burdensome for UMI.
- 26. In light of the above, and given the size and nature of the proposed television station, the Commission is satisfied with the information provided by the applicant regarding its financial situation.

#### Economic impact on incumbent stations

- 27. The Commission notes that the proposed station is largely supported by volunteers and does not rely heavily on advertising to finance its operations.
- 28. In light of the above, the Commission finds that approval of this application would not have an undue economic impact on incumbent stations in the market.

#### Proposed programming

- 29. Pursuant to subparagraph 3(1)(d)(iii.4) of the *Broadcasting Act*, the broadcasting system should support community broadcasting that reflects both the diversity of the communities being served, including with respect to the languages in use within those communities and to their ethnocultural and Indigenous composition, and the high engagement and involvement in community broadcasting by members of those communities, including with respect to matters of public concern.
- 30. Furthermore, pursuant to subparagraph 3(1)(s)(iii) of the *Broadcasting Act*, programming provided by the community element should reflect Canada's communities, regions, Indigenous and multicultural nature, including through third-language programming.
- 31. As set out in Broadcasting Regulatory Policy 2016-224, the licensees of community television programming undertakings are encouraged to facilitate citizen access to the production of programming, and to provide training to those within the community wishing to participate in the production of programming.
- 32. UMI noted that most of its programming would be locally produced by and for members of Winnipeg's ethnocultural and Indigenous communities. UMI also noted that it would provide community access to the studio and equipment, media training, employment opportunities and the airing of programming produced by members of the community.

- 33. While most of the programming would be in the English language, the applicant also proposed to broadcast French-, Indigenous-, and third-language programming. Specifically, UMI proposed that 39% of programming broadcast be third-language programming and that ethnic programming represent 68% of its total programming per broadcast month.
- 34. The applicant stated that it would adhere to a condition of service limiting it to 40% of third-language programming, as an exception to subsection 9(3) of the *Television Broadcasting Regulations*, 1987 (the Regulations). UMI also stated that it would adhere to a condition of service that requires it to target monthly programming towards a minimum of nine cultural groups to be served in a minimum of nine different languages.
- 35. The Commission is of the view that allowing UMI the flexibility to offer such a level of third-language programming is appropriate to allow it to provide locally reflective programming to various ethnocultural communities. Such an approach would help support the needs of these various communities and align with certain objectives set out at paragraph 3(1)(s)(iii) of the *Broadcasting Act*.
- 36. In its intervention, Rogers noted that there are two community television services in Winnipeg. It further noted that its Spotlight Winnipeg channel has aired UMI's programming since 2019 and that it has reserved three hours per day in its programming line up for UMI's content.
- 37. The Commission notes that Rogers's and Bell Media Inc.'s community television stations are only available to their respective subscribers while UMI's proposed OTA service would be available to everyone, regardless of whether and which broadcasting distribution undertaking they subscribe to. Furthermore, while Rogers devotes three hours per broadcast day to UMI's programming, approval of the proposed service would allow the applicant to broadcast six times more community programming in the market, given that the proposed service would broadcast programming during each broadcast day, between 6:00 a.m. and 1:00 a.m. Accordingly, the Commission finds that the approval of the application benefits the Winnipeg market by facilitating the increase of both the volume and access to community programming.
- 38. In light of the above, the Commission finds that the proposed service would contribute to the achievement of the objectives set out in subsection 3(1) of the *Broadcasting Act* and is consistent with the provisions for television community stations set out in the Regulations and Broadcasting Regulatory Policy 2016-224.

#### Conclusion

39. In light of all of the above, subject to the conditions of approval set out below, the Commission **approves** the application by U Multicultural Inc. for a broadcasting licence to operate a multicultural OTA community television programming undertaking in Winnipeg, Manitoba. The licence will expire **31 August 2028**.

- 40. As set out in paragraph 19 of this decision, as **conditions of approval**, the Commission **requires** the applicant to amend its bylaws to:
  - include that its board of directors must be at least 80% Canadian as per the Direction;
  - create a process to ensure that individuals qualify as regular members to fully participate in the ownership;
  - remove section 3.02(b), which prohibits individuals from becoming regular members; and
  - remove section 5.01(b), which stipulates that at least 66% of the board of directors be made up of not-for-profit organizations.
- 41. The Commission **directs** U Multicultural Inc. to submit its revised documents reflecting these changes **within 90 days of the date of this decision**.
- 42. The terms of licence, expectations and encouragements applicable to this licensee are set out in Appendix 1 to this decision.
- 43. 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. The licensee shall also adhere to any such requirements set out in the broadcasting licence for the undertaking.
- 44. The Commission also proposes to make certain orders pursuant to subsection 9.1(1) of the *Broadcasting Act*. The specifics of the conditions of service contained in these orders are described below and set out in Appendix 2. Consistent with subsection 9.1(4), interested persons may make representations only on the proposed orders by no later than **19 February 2024**, and the licensee may submit a reply to any representation received until **26 February 2024**. The Commission will issue final orders following the close of the comment period and its review of the submissions of the parties, if any.
- 45. Interested persons who wish to make representations on the proposed orders may do so on the Commission's <u>public proceedings webpage</u>.

#### The proposed orders

#### Standard conditions of service

46. There are standard conditions of service that apply to all undertakings of a particular class. In this case, the Commission considers it appropriate that the licensee adhere to the standard conditions, objectives and terms identified for independent community television stations as set out in Section B of Appendix 2 to Broadcasting Regulatory Policy 2016-224. The standard conditions of service include:

- a requirement to devote not less than 80% of the broadcast year to the broadcast of Canadian programs;
- a requirement to devote not less than 60% of the broadcast year to the broadcast of local programming;
- a limitation on the amount of local advertising to 12 minutes per clock hour; and
- a requirement to provide audio description for key elements of Canadian information programs and news programming.
- 47. All community television stations are also required to adhere to a variety of standards and codes as identified in Appendix 2 to Broadcasting Regulatory Policy 2016-224. The Commission considers it appropriate that the licensee should adhere to these as well.
- 48. Further, pursuant to subsection 49(2) of the *Online Streaming Act*, 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*. The Commission considers it appropriate to require that the licensee adhere to these as conditions of service.
- 49. Accordingly, and pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **proposes to order** U Multicultural Inc., by **condition of service**, to adhere to the standard conditions, objectives and terms set out in Appendix 2 to Broadcasting Regulatory Policy 2016-224, as well as to all applicable requirements set out in the Regulations, that were made under paragraph 10(1)(a) or under paragraph 10(1)(i) of the old *Broadcasting Act*.

#### Broadcast of third-language ethnic programming

- 50. As an exception to the Regulations, UMI committed to adhere to a condition of service requiring it to devote up to 40% of its total programming to third-language programming in each broadcast month, and to offer monthly programming targeting a minimum of nine cultural groups in a minimum of nine languages.
- 51. The Commission is of the view that increasing UMI's flexibility to offer such a level of third-language programming is necessary to allow it to provide locally reflective programming to the various ethnocultural communities, consistent with the objectives set out in the *Broadcasting Act*.
- 52. Accordingly, and pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **proposes to order** U Multicultural Inc., by **condition of service**, to:
  - devote, as an exception to subsection 9(3) of the Regulations, a maximum of 40% of any broadcast month to third-language programming; and
  - offer programming directed to a minimum of nine cultural groups in a minimum of nine languages.

#### Broadcasting of emergency alerts

- 53. The purpose of the emergency alerting framework set out in Broadcasting Regulatory Policy 2014-444 is to ensure that alerts are available to as many Canadians as possible. In that policy, the Commission stated that the full participation of the broadcasting industry is important for the National Public Alerting System (NPAS) to be effective in safeguarding and warning Canadians.
- 54. The Commission has implemented obligations with respect to the broadcast of emergency alerts. For reference, see section 18 of the Regulations, as well as Broadcasting Regulatory Policy 2014-444. Compliance involves implementing the public alerting system for each of the licensee's transmitters, and ensuring that any alert broadcast decoders (e.g., ENDEC) used for the purposes of broadcasting emergency alert messages be installed and programmed to properly account for the applicable contour (as set out in paragraph 18(2)(b) of the Regulations) of the station as well as that of any rebroadcasting transmitter that may appear on the licence for that station.
- 55. Further to these obligations, the Commission considers it appropriate that the licensee be required to implement the NPAS in the manner set out in the Regulations by the station's launch and to file a letter attesting to the implementation of the NPAS.
- 56. Accordingly, pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **proposes to order** U Multicultural Inc., by **condition of service**, to implement the NPAS **by the station's launch** and to make the appropriate associated information filings.

Secretary General

#### **Related documents**

- Notice of hearing, Broadcasting Notice of Consultation CRTC 2023-129, 5 May 2023, as amended by Broadcasting Notice of Consultation CRTC 2023-129-1, 1 June 2023
- *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016
- Amendments to various regulations, the standard conditions of licence for videoon-demand undertakings and certain exemption orders – Provisions requiring the mandatory distribution of emergency alert messages, Broadcasting Regulatory Policy CRTC 2014-444 and Broadcasting Orders CRTC 2014-445, 2014-446, 2014-447 and 2014-448, 29 August 2014

This decision is to be appended to the licence.

## Appendix 1 to Broadcasting Decision CRTC 2024-30

# Terms, expectations and encouragements for the community television programming undertaking in Winnipeg, Manitoba

#### Terms

The licence will expire 31 August 2028.

The station will operate on channel 14 with an average effective radiated power of 2,400 watts (non-directional antenna with an effective height of the antenna above average terrain [EHAAT] of 136.3 metres).

Pursuant to subsection 22(1) of the *Broadcasting Act*, no licence may be issued until the Department of Industry (also known as Innovation, Science and Economic Development Canada) notifies the Commission that its technical requirements have been met and that a broadcasting certificate will be issued.

Furthermore, the Commission will only issue a licence for this undertaking once the applicant has informed the Commission in writing that it is prepared to commence operations. The undertaking must be in operation at the earliest possible date and in any event no later than 24 months from the date of this decision, unless a request for an extension of time is approved by the Commission before **9 February 2026**. To ensure that such a request is processed in a timely manner, it should be submitted in writing at least 60 days before this date.

#### Expectations

The Commission expects that the licensee's bylaws encourage individuals' participation in the ownership (board of directors and membership) of U Multicultural Inc.

#### **Cultural diversity**

The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.

#### Encouragements

#### **Employment equity**

In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission considers that community television stations should be particularly sensitive to employment equity issues in order to reflect fully the communities they serve. The Commission encourages the licensee to consider these issues in its hiring practices and in all other aspects of its management of human resources.

#### **Closed captioning**

The Commission encourages the licensee to caption as much programming as possible.

#### Production of programming

The Commission encourages the licensee to facilitate citizen access to the production of programming, and to provide training to those within the community wishing to participate in the production of programming.

# Appendix 2 to Broadcasting Decision CRTC 2024-30

#### Proposed conditions of service for the multilingual community television programming undertaking in Winnipeg, Manitoba

The Commission proposes to make orders imposing the following conditions of service on U Multicultural Inc. in respect of the new multilingual community programming undertaking in Winnipeg, Manitoba, pursuant to subsection 9.1(1) of the *Broadcasting Act*.

#### **Conditions of service**

- 1. The licensee shall provide its service in accordance with applicable standard conditions, objectives and terms set out in *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016. Further, the licensee shall adhere to the requirements set out in the broadcasting licence for the undertaking.
- 2. The licensee shall adhere to all applicable requirements set out in the *Television Broadcasting Regulations*, *1987*, that were made under paragraph 10(1)(a) or under paragraph 10(1)(i) of the old *Broadcasting Act*.
- 3. The licensee shall devote not less than 80% of the broadcast year to the broadcast of Canadian programs.
- 4. The licensee shall devote not less than 60% of the broadcast year to the broadcast of local programming.
- 5. As an exception to subsection 9(3) of the *Television Broadcasting Regulations*, 1987, the licensee may devote a maximum of 40% of its programming each broadcast month to third-language programming.
- 6. The licensee shall provide programming directed to a minimum of 9 cultural groups in a minimum of 9 languages each broadcast month.
- 7. The licensee shall adhere to the following standards and industry codes:
  - the Canadian Association of Broadcasters' *Equitable Portrayal Code*, as amended from time to time and approved by the Commission;
  - the Canadian Association of Broadcasters' *Code Regarding Violence in Television Programming*, as amended from time to time and approved by the Commission;
  - the Advertising Standards Canada's *Broadcast code for advertising to children*, as amended from time to time and approved by the Commission; and
  - *Cable television community channel standards*, Public Notice CRTC 1992-39, 1 June 1992.

The licensee shall implement the National Public Alerting System (NPAS) by the station's launch in the manner set out in section 18 of the *Television Broadcasting Regulations, 1987*, and in *Amendments to various regulations, the standard conditions of licence for video-on-demand undertakings and certain exemption orders – Provisions requiring the mandatory distribution of emergency alert messages,* Broadcasting Regulatory Policy CRTC 2014-444 and Broadcasting Orders CRTC 2014-445, 2014-446, 2014-447 and 2014-448, 29 August 2014.

The licensee shall file a letter with the Commission to attest to the implementation date of its NPAS within **14 days after the installation**. This letter must contain evidence that the system is properly configured to receive and distribute alerts from the National Alert Aggregation and Dissemination System (e.g., an attestation by a Chief Executive Officer (CEO), president or person exercising a similar supervisory role in the licensee's operations, as to the installation of a functioning alerting equipment).

- 9. The licensee shall not broadcast more than 12 minutes of local advertising in any clock hour in a broadcast day.
- 10. The licensee shall provide audio description for all the key elements of Canadian information programs, including news programming. For the purposes of this condition, "audio description" refers to announcers reading aloud key textual and graphic information that is displayed on the screen during information programs.