



Broadcasting Decision CRTC 2020-391

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References: Part 1 applications posted on 2 March 2020

Ottawa, 4 December 2020

591987 B.C. Ltd.

Various locations in Ontario

Corus Television G.P. Inc. (the general partner) and Corus Sales Inc. (the limited partner), carrying on business as Corus Television Limited Partnership

Various locations in British Columbia and Ontario

Public record for these applications: 2019-1119-9, 2019-1121-4, 2019-1123-0 and 2019-1124-8

Various television stations – Licence amendments

*The Commission **approves** applications to amend the broadcasting licences for six over-the-air television stations that form part of the Corus Group of services in order to add conditions of licence that authorize six undertakings, specifically, CHEX-DT Peterborough, CHKL-DT Kelowna, CHKL-DT-1 Penticton, CHKL-DT-2 Vernon, CIII-DT-6 Ottawa and CKWS-DT Kingston, to broadcast a multiplexed signal and seven undertakings, specifically, CHBC-DT Kelowna, CHBC-DT-1 Penticton, CHBC-DT-2 Vernon, CIII-TV-2 Bancroft, CIII-DT-27 Peterborough, CKWS-DT-1 Brighton and CKWS-DT-2 Prescott, to have their current signal broadcast as part of a multiplexed signal by one of the aforementioned six transmitters.*

Background

1. In the context of digital television (DTV), multiplexing, which is also referred to as multicasting, means the transmission of multiple subchannels (each containing a different programming service) within one shared channel and from a single digital transmitter. This allows licensees to broadcast multiple services without operating separate transmission facilities for each service.
2. In Broadcasting Public Notice 2002-31, which sets out the Commission's policy for the transition from analog to digital over-the-air television broadcasting,¹ the

¹ The Commission initially established 31 August 2011 as the deadline for this transition in Broadcasting Public Notice 2007-53. Subsequently, in recognition of the challenges faced by stations in smaller markets, the Commission, in Broadcasting Regulatory Policy 2009-406, established a list of markets in which licensees were mandated to convert from analog to digital transmission. This list was amended in Broadcasting Regulatory Policy 2010-167.

Commission stated that it would consider applications for authorization to multiplex signals on a case-by-case basis. The Commission indicated that it was predisposed to licence new and innovative multiplexed services over those that would duplicate other services, and that the delivery of a multiplexed service was not to take precedence over the broadcast of the high-definition version of a program, whenever available.

3. In Broadcasting Public Notice 2003-61, the Commission indicated that it would adopt a case-by-case approach to the carriage of licenced multiplexed services, and reiterated its preferences for the delivery of new, innovative services and for high-definition programming.
4. Broadcasting Regulatory Policies 2009-406 and 2010-167 marked a shift in the Commission's approach. In both policies, and particularly in Broadcasting Regulatory Policy 2009-406, the Commission encouraged broadcasters to convert from analog to digital transmission and to take advantage of the resulting opportunity to multiplex signals as a cost-saving measure that would allow them to delay or reduce their investments in infrastructure.
5. In Broadcasting Decision 2012-446, the Commission approved an application by Southshore Broadcasting Inc. for authorization to multiplex the signal for the station then known as CFTV-TV Leamington, Ontario, now CFTV-DT Leamington. The Commission, in paragraph 16 of that decision, stated that future requests for authorization to multiplex a signal would continue to be considered on a case-by-case basis in accordance with the specific circumstances and aspects of those requests.
6. On 14 August 2015, the Department of Industry published *Decision on Repurposing the 600 MHz Band*, in which it announced that it would be proceeding, in collaboration with the United States, with a joint repurposing of spectrum in the 600 MHz band, specifically, by repacking over-the-air television stations and rebroadcasting transmitters more tightly in lower frequencies so that the upper portion of the band could be reallocated for use by commercial mobile broadband operators. This decision affected a significant number of Canadian undertakings, including certain undertakings that, for the purposes of group-based licensing, form part of the Corus Group of services, as set out in the appendix to Broadcasting Decision 2020-71.

Applications

7. The Commission has the authority, pursuant to section 9(1) of the *Broadcasting Act* (the Act), to issue licences for such terms not exceeding seven years and subject to such conditions related to the circumstances of the licensee as it deems appropriate for the implementation of the broadcasting policy set out in section 3(1) of the Act, as well as to amend those conditions on application of the licensee.
8. Corus Entertainment Inc. (Corus), on behalf of 591987 B.C. Ltd. (591987 B.C.) and Corus Television G.P. Inc. (the general partner) and Corus Sales Inc. (the limited partner), carrying on business as Corus Television Limited Partnership (Corus Television LP), filed four applications to amend the broadcasting licences for six

television programming undertakings that form part of the Corus Group of services² in order to add conditions of licence that would authorize six over-the-air television programming undertakings to broadcast a multiplexed signal and thereby transmit multiple subchannels, which would include the programming currently broadcast by seven other over-the-air-television programming undertakings, as specified below.

Applications	Proposed multiplexing arrangements
2019-1119-9	<p>In this application, the applicant requested to amend the broadcasting licences for two television programming undertakings operated by Corus Television LP in British Columbia, specifically, CHAN-DT Vancouver and CHBC-DT Kelowna, in order to authorize CHKL-DT Kelowna, CHKL-DT-1 Penticton and CHKL-DT-2 Vernon, which are rebroadcasting transmitters of CHAN-DT, to multiplex their signals and transmit two subchannels. The signals currently broadcast by CHBC-DT Kelowna and its rebroadcasting transmitters CHBC-DT-1 Penticton and CHBC-DT-2 Vernon would be added to these multiplexed signals, as set out below:</p> <ul style="list-style-type: none"> • CHKL-DT Kelowna would broadcast its own signal as well as the signal currently broadcast by CHBC-DT Kelowna; • CHKL-DT-1 Penticton would broadcast its own signal as well as the signal currently broadcast by CHBC-DT-1 Penticton; and • CHKL-DT-2 Vernon would broadcast its own signal as well as the signal currently broadcast by CHBC-DT-2 Vernon.
2019-1121-4	<p>In this application, the applicant requested to amend the broadcasting licences for two television programming undertakings in Ontario, specifically, CIII-DT-41 Toronto, which is operated by Corus Television LP, and CKWS-DT Kingston, which is operated by 591987 B.C., in order to authorize CIII-DT-6 Ottawa, which is a rebroadcasting transmitter of CIII-DT-41 Toronto, to multiplex its signal and transmit two subchannels. The current signal from CKWS-DT-2 Prescott, which is a rebroadcasting transmitter for CKWS-DT Kingston, would be added to this multiplexed signal, as set out below:</p> <ul style="list-style-type: none"> • CIII-DT-6 Ottawa would broadcast its own signal as well as the signal currently broadcast by CKWS-DT-2 Prescott. CIII-DT-6 would serve Ottawa and its surrounding areas.

² The licences for the Corus Group of services were last renewed in Broadcasting Decision 2017-150, and that list was last updated in Broadcasting Decision 2020-71.

2019-1123-0	<p>In this application, the applicant requested to amend the broadcasting licences for three television programming undertakings in Ontario, specifically, CIII-DT-41 Toronto, which is operated by Corus Television LP, and CHEX-DT Peterborough and CKWS-DT-1 Brighton, which are operated by 591987 B.C., in order to authorize CHEX-DT Peterborough to multiplex its signal and transmit three subchannels. The current signals from CIII-DT-27 Peterborough, which is a rebroadcasting transmitter of CIII-DT-41 Toronto, and CKWS-DT-1 Brighton, which is an originating station, would be added to this multiplexed signal, as set out below:</p> <ul style="list-style-type: none"> • CHEX-DT Peterborough would broadcast its own signal as well as the signals currently broadcast by CIII-DT-27 Peterborough and CKWS-DT-1 Brighton. CHEX-DT would serve Peterborough and its surrounding areas.
2019-1124-8	<p>In this application, the applicant requested to amend the broadcasting licences for two television programming undertakings in Ontario, specifically, CIII-DT-41 Toronto, which is operated by Corus Television LP, and CKWS-DT Kingston, which is operated by 591987 B.C., in order to authorize CKWS-DT Kingston to multiplex its signal and transmit two subchannels. The current signal from CIII-TV-2 Bancroft, which is a rebroadcasting transmitter of CIII-DT-41 Toronto, would be added to this multiplexed signal, as set out below:</p> <ul style="list-style-type: none"> • CKWS-DT Kingston would broadcast its own signal as well as the signal currently broadcast by CIII-TV-2 Bancroft. CKWS-DT would serve Kingston and its surrounding areas.

9. According to Corus, these applications are intended to alleviate financial pressures caused by the increasing costs of maintaining aging equipment and the significant new costs associated with the mandatory repack of the 600 MHz band, specifically, by reducing the number of transmitters operated by the licensees. Corus also indicated that, as an alternative cost-saving measure, if these applications are denied, it might consider shutting down multiple transmitters. Corus confirmed that the programming offered by these stations would not change.

Interventions and reply

10. The applicant received an opposing intervention from an individual in regard to application 2019-1124-8, an opposing intervention from another individual in regard to all four of these applications, and an intervention in comment from Quebecor Media Inc. (Quebecor) in regard to application 2019-1121-4. Corus replied to the interventions.

Issues

11. After examining the record for this proceeding in light of applicable regulations and policies, the Commission considers that the issues it must address are the following:
- whether the circumstances of the applicant weigh in favour of approving the requested licence amendments;
 - whether the requested licence amendments would negatively impact Canadians by decreasing the availability of over-the-air broadcasting or the image quality of the programming broadcast by the licensees; and
 - whether approval of the requested licence amendments would have an undue negative impact on broadcasting distribution undertakings (BDUs).

Circumstances of the applicant

12. According to Corus, these applications are intended to reduce the costs of maintaining its transmission facilities and those associated with the mandatory repack of the 600 MHz band. Corus also indicated that if these applications are not approved, it might have to shut down multiple transmitters as an alternative cost-saving measure.
13. Corus was impacted by the Department of Industry's 2015 decision to proceed with the mandatory repack of the 600 MHz band since some undertakings that form part of the Corus Group of services are affected by the repurposing of that spectrum. More recently, from 2015 to 2019, the applicant's conventional television stations reported declining revenues and operating losses. Furthermore, in its 2019 annual report, Corus reported \$1.7 billion in long-term debt,³ and when Corus released quarterly financial statements in June 2020, it reported significant year-over-year decreases in both advertising and overall revenues. As a cost-saving measure, which the Commission approved in Broadcasting Decision 2019-209, Corus deleted 44 rebroadcasting transmitters from its broadcasting licences.
14. Corus did not provide an estimate of the costs that it seeks to reduce. However, the Commission acknowledges that the use of multiplexing can reduce the costs associated with over-the-air transmitters, particularly in view of the mandatory repack.
15. In light of the above, the Commission is satisfied that the circumstances of the applicant weigh in favour of approving the requested licence amendments.⁴

³ See [Annual Report 2019](#) published by Corus on 10 December 2019.

⁴ This decision takes into account public records for these applications that were completed at the beginning of the onset in Canada of the current COVID-19 pandemic crisis.

Impact on Canadians

Availability of over-the-air programming

16. When the Commission examines the theoretical strength of a signal broadcast by a transmitter, it determines whether a signal falls within one of two contours, that is, the DTV Urban Contour (DUC) or the noise-limited bounding contour (NLBC), based on the relative strength of the signal and the ease with which viewers can access it. Generally, viewers located within the DUC receive a good quality signal using an indoor receiver, while viewers located within the NLBC require an outdoor antenna structure to receive signals.
17. If the Commission were to approve these applications, some Ontario viewers, particularly those in the vicinity of Bancroft, would receive a downgraded signal or would no longer receive a signal. The impact to British Columbian viewers would be negligible.
18. Two individuals submitted opposing interventions. One of these interveners opposed all four applications and submitted that they would result in a decrease in the availability of over-the-air Global television programming. The other intervener, who lives in a rural area and has no access to mobile, cable or internet services, opposed application 2019-1124-8. This individual submitted that CIII-TV-2 Bancroft broadcasts the only available over-the-air television signal, which is also the only available source of Canadian news, and that approval of application 2019-1124-8 would result in that signal no longer being available.
19. In its reply, Corus clarified that it has requested authorization to broadcast multiplexed signals in order to continue providing the same over-the-air programming that is currently broadcast by seven transmitters that Corus might otherwise have to shut down, in which case that programming, which includes local programming that reflects the particular needs and interests of the communities served by those undertakings, will no longer be offered at all.
20. If Corus were to shut down all seven of these transmitters, a larger number of viewers would be negatively impacted by the loss of a signal that they currently receive than viewers who would lose a signal as a result of these applications being approved. Moreover, some of the viewers who would receive a multiplexed signal would thereby gain access to additional channels, so multiple communities would benefit from these applications being approved.
21. In light of the above, the Commission finds that approval of the requested licence amendments would negatively impact the ability of some Canadians to receive over-the-air signals, but that more Canadians would be negatively impacted if these applications were denied and Corus were to shut down multiple transmitters.
22. The Commission notes that Corus, in its applications, indicated that the majority of complaints of loss of signal can be addressed by repositioning receiving antennas or by rescanning for signals, and that it has previously helped affected viewers perform

these corrective measures. The Commission expects Corus to assist affected viewers in a similar fashion should these applications be approved.

Image quality

23. Corus submitted in a letter dated 31 January 2020 that its multiplexed programming would be broadcast at 720p. The Commission considers that the multiplexed signals broadcast by the licensees would continue to offer high-quality programming to Canadians while also fully exploiting the spectrum available for digital broadcasting.
24. In light of the above, the Commission finds that approval of the requested licence amendments would not negatively impact image quality.

Impact on broadcasting distribution undertakings

25. The *Broadcasting Distribution Regulations* (the Regulations) set out the definitions that determine the status of a given television station, that is, whether it is considered to be local, regional, extra-regional or distant signal. For an over-the-air station broadcasting a digital signal, these definitions are based on the distance between the contours of the station and the service area of the BDU, and the status of the station is a determining factor with respect to whether a BDU is required to distribute the station's signal. Consequently, in some cases, changes to the contours of an existing television station can result in a change to its status (for example, a station may change from being considered local to being considered regional, or vice versa), which can result in a BDU either being required to distribute that station's signal or, alternately, being relieved of the requirement to do so.
26. Quebecor, in its intervention, submitted that approval of these applications could have an impact on BDUs, which are required, pursuant to section 17(1)(c) of the Regulations, to distribute the programming of all local television stations. Specifically, Quebecor submitted that approval of application 2019-1121-4, which would authorize CIII-DT-6 Ottawa to broadcast a multiplexed signal that would include the programming that CKWS-DT-2 Prescott currently rebroadcasts for CKWS-DT Kingston, would change the contours for the rebroadcasting transmitter CKWS-DT-2 such that its DUC would overlap the service area of Quebecor's Gatineau-based BDU Videotron. Consequently, the originating station CKWS-DT would then be considered a local television station rather than a regional television station, and Videotron would be required to distribute its programming (Global Kingston) as part of its basic service in the Ottawa-Gatineau market in addition to the programming of CIII-DT-6 (Global Ottawa).
27. Quebecor added that, in its view, the addition of Global Kingston to Videotron's basic service in Ottawa-Gatineau would provide no benefit or added value to those subscribers, since the programming of Global Kingston and Global Ottawa are, with the exception of some advertising and news, essentially the same. It would, however, impose additional distribution costs on Videotron, and it could impose additional network and simultaneous substitution costs. Quebecor therefore requested, if application 2019-1121-4 were approved, that Videotron be relieved from the obligation to distribute Global Kingston in Ottawa-Gatineau.

28. In its reply, Corus indicated that, in submitting these applications, it did not intend for the Global stations to gain additional distribution, and that it did not object to Quebecor's suggested exemption in Ottawa-Gatineau. Corus added that, in its view, if the Commission were to approve these applications, no BDU should be required to add an additional station. Rather, Corus proposed that section 17(4) of the Regulations could be used to establish which station must be distributed in the event that multiplexing caused an additional Global station to be considered a local station in an area that already receives Global programming. Corus also clarified that, in its view, invoking section 17(4) would be appropriate in the event that multiplexing were to cause the addition of another local station to a market, but that it would not be appropriate for a BDU to attempt to stop distributing an existing Global station as part of its basic service.
29. Section 17(4) of the Regulations sets out a mechanism that can be used to establish which station has priority over another when those stations are of the same rank (for example, when both are considered local stations). However, this priority is only taken into account in exceptional circumstances, that is, when a BDU does not have the network capacity required to distribute all local stations. In Videotron's case, this would not relieve it of its obligation to distribute Global Kingston in addition to Global Ottawa in Ottawa-Gatineau. Moreover, the Commission considers that this would be the case for the vast majority of BDUs.
30. Instead, if the requested licence amendments were approved, it would be necessary for Videotron to request a change to its conditions of licence in order for it to be relieved from the obligation to add Global Kingston to the basic service in Ottawa-Gatineau. Given that Global Kingston was not intended to provide service in the Ottawa-Gatineau market and would only be doing so as a result of this amendment, the Commission would be open to considering such an application.
31. In light of the above, the Commission finds that approval of the requested licence amendments could negatively impact BDUs. However, affected BDUs could mitigate this impact by requesting to be relieved of the resulting obligations.

Conclusion

32. In light of all of the above, the Commission **approves** the applications submitted by Corus Entertainment Inc. on behalf of 591987 B.C. Ltd. and Corus Television G.P. Inc. (the general partner) and Corus Sales Inc. (the limited partner), carrying on business as Corus Television Limited Partnership, to amend the conditions of licence for six over-the-air television programming undertakings that form part of the Corus Group of services in order to add conditions of licence that authorize six undertakings, specifically, CHEX-DT Peterborough, CHKL-DT Kelowna, CHKL-DT-1 Penticton, CHKL-DT-2 Vernon, CIII-DT-6 Ottawa and CKWS-DT Kingston, to broadcast a multiplexed signal and seven undertakings, specifically, CHBC-DT Kelowna, CHBC-DT-1 Penticton, CHBC-DT-2 Vernon, CIII-TV-2 Bancroft, CIII-DT-27 Peterborough, CKWS-DT-1 Brighton and CKWS-DT-2 Prescott, to have their current signal broadcast as part of a multiplexed signal by one

of the aforementioned six transmitters, in order for those undertakings to provide the services described in paragraph 8 of this decision.

33. Accordingly, the Commission imposes the following **conditions of licence**:

Conditions of licence specific to CHAN-DT Vancouver and its transmitters CHKL-DT Kelowna, CHKL-DT-1 Penticton and CHKL-DT-2 Vernon, and CHBC-DT Kelowna and its transmitters CHBC-DT-1 Penticton and CHBC-DT-2 Vernon

The licensee is authorized to broadcast a multiplexed digital signal from the CHKL-DT Kelowna transmitter (a rebroadcasting transmitter of CHAN-DT Vancouver) in order to provide two separate programming services: the current signal from CHKL-DT Kelowna and the current signal from CHBC-DT Kelowna (an originating station).

The licensee is authorized to broadcast a multiplexed digital signal from the CHKL-DT-1 Penticton transmitter (a rebroadcasting transmitter of CHAN-DT Vancouver) in order to provide two separate programming services: the current signal from CHKL-DT-1 Penticton and the current signal from CHBC-DT-1 Penticton (a rebroadcasting transmitter of CHBC-DT Kelowna).

The licensee is authorized to broadcast a multiplexed digital signal from the CHKL-DT-2 Vernon transmitter (a rebroadcasting transmitter of CHAN-DT Vancouver) in order to provide two separate programming services: the current signal from CHKL-DT-2 Vernon and the current signal from CHBC-DT-2 Vernon (a rebroadcasting transmitter of CHBC-DT Kelowna).

Condition of licence specific to CIII-DT-41 Toronto and its transmitter CIII-DT-6 Ottawa, and CKWS-DT Kingston and its transmitter CKWS-DT-2 Prescott

The licensee is authorized to broadcast a multiplexed digital signal from the CIII-DT-6 Ottawa transmitter (a rebroadcasting transmitter of CIII-DT-41 Toronto) in order to provide two separate programming services: the current signal from CIII-DT-6 Ottawa and the current signal from CKWS-DT-2 Prescott (a rebroadcasting transmitter of CKWS-DT Kingston).

Condition of licence specific to CHEX-DT Peterborough, CIII-DT-41 Toronto and its transmitter CIII-DT-27 Peterborough, and CKWS-DT-1 Brighton

The licensee is authorized to broadcast a multiplexed digital signal from the CHEX-DT Peterborough transmitter (an originating station) in order to provide three separate programming services: the current signal from CHEX-DT Peterborough, the current signal from CIII-DT-27 Peterborough (a rebroadcasting transmitter of CIII-DT-41 Toronto), and the current signal from CKWS-DT-1 Brighton (an originating station).

Condition of licence specific to CIII-DT-41 Toronto and its transmitter CIII-TV-2 Bancroft, and CKWS-DT Kingston

The licensee is authorized to broadcast a multiplexed digital signal from the CKWS-DT Kingston transmitter (an originating station) in order to provide two separate programming services: the current signal from CKWS-DT Kingston and the current signal from CIII-TV-2 Bancroft (a rebroadcasting transmitter of CIII-DT-41 Toronto).

Secretary General

This decision is to be appended to each licence.

Related documents

- *fyi – Revocation of licence*, Broadcasting Decision CRTC 2020-71, 24 February 2020
- *Corus Entertainment Inc. – Deletion of transmitters and reallocation of tangible benefits*, Broadcasting Decision CRTC 2019-209, 13 June 2019
- *Corus Entertainment Inc. – Licence renewals for English-language television stations and services*, Broadcasting Decision CRTC 2017-150, 15 May 2017
- *CFTV-TV Leamington – Licence amendment*, Broadcasting Decision CRTC 2012-446, 17 August 2012
- *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010
- *Policy determinations resulting from the 27 April 2009 public hearing*, Broadcasting Regulatory Policy CRTC 2009-406, 6 July 2009
- *Determinations regarding certain aspects of the regulatory framework for over-the-air television*, Broadcasting Public Notice CRTC 2007-53, 17 May 2007
- *The regulatory framework for the distribution of digital television signals*, Broadcasting Public Notice CRTC 2003-61, 11 November 2003
- *A licensing policy to oversee the transition from analog to digital, over-the-air television broadcasting*, Broadcasting Public Notice CRTC 2002-31, 12 June 2002