



Broadcasting Decision CRTC 2024-323

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Reference: 2024-172

Ottawa, 11 December 2024

Freedom Mobile Inc.

Various locations in Ontario

Public record: 2024-0381-4

Public hearing in the National Capital Region

8 October 2024

Freedom Mobile Inc. – Various broadcasting distribution undertakings in Ontario; national on-demand undertaking – Acquisition of assets (corporate reorganization)

Summary

The Commission approves an application by Quebecor Media Inc., on behalf of 2251723 Ontario Inc. (2251723 Ontario) and Freedom Mobile Inc. (Freedom Mobile), for authority to transfer from 2251723 Ontario to Freedom Mobile, as part of a corporate reorganization, the assets of terrestrial broadcasting distribution undertakings serving the Greater Toronto Area, Barrie, Hamilton-Niagara and Oshawa, and of the national on-demand service VMedia.

The Commission also approves the applicant's request for new broadcasting licences to continue the operation of the undertakings.

Application

1. Quebecor Media Inc. (Quebecor Media), on behalf of 2251723 Ontario Inc. (2251723 Ontario) and Freedom Mobile Inc. (Freedom Mobile), filed an application for authority to transfer from 2251723 Ontario to Freedom Mobile, as part of a corporate reorganization, the assets of terrestrial broadcasting distribution undertakings (BDU) serving the Greater Toronto Area (including Ajax, Aurora, Bolton, Brampton, Caledon, Clarendon, Etobicoke, Georgetown, King City, Markham, Milton, Mississauga, Nobleton, North York, Pickering, Richmond Hill, Scarborough, Toronto, Vaughan and Woodbridge), Barrie, Hamilton-Niagara and Oshawa,¹ and of the national on-demand service VMedia.

¹ The four BDUs serving the Greater Toronto Area, Barrie, Hamilton-Niagara and Oshawa operate separately under one regional licence.

2. Quebecor Media also requested new broadcasting licences to continue the operation of the BDUs and the on-demand service under the same terms and conditions as those currently in effect.
3. 2251723 Ontario is wholly owned by VMedia Inc. Both VMedia Inc. and Freedom Mobile are wholly owned by Videotron Ltd. (Videotron), which is controlled by Quebecor Inc. through various subsidiaries. The effective control of Quebecor Media is ultimately exercised by Pierre Karl Péladeau.
4. The steps of the proposed intra-corporate reorganization would be as follows:
 - (1) The shares of VMedia Inc. would be transferred from Videotron to Freedom Mobile.
 - (2) The regulated assets held by 2251723 Ontario would be transferred to Freedom Mobile.
 - (3) VMedia Inc. would be wound up into Freedom Mobile.
 - (4) 2251723 Ontario would be wound up into Freedom Mobile.
5. The corporate reorganization would not affect the effective control of the BDUs and of the on-demand service, which would continue to be exercised by Pierre Karl Péladeau.
6. Following the completion of the corporate transaction and the issuance of new broadcasting licences, Freedom Mobile would become the licensee of the BDUs and the on-demand service.
7. The applicant stated that this corporate reorganization is intended to continue its strategy for optimization and operational synergy between various entities.
8. The Commission did not receive any interventions regarding this application.

Legal framework

9. The review of ownership transactions is an essential element of the Commission's regulatory and supervisory mandate under the *Broadcasting Act*. Obtaining a licence to operate a broadcasting undertaking (in this case, BDUs and an on-demand service) is a regulatory privilege granted by the Commission. A licensee does not have the authority to transfer a licence to a new operator as they see fit. For this reason, licensees must obtain the Commission's approval before entering into any action, agreement or transaction that changes, directly or indirectly, the effective control of the BDU or on-demand service. For the licensed BDUs in this decision, this requirement is set out in section 4 of the *Broadcasting Distribution Regulations*. For the licenced on-demand service, this requirement is set out in section 10 of the *Discretionary Services Regulations*.

Canadian ownership and control

10. Pursuant to paragraph 3(1)(a) of the *Broadcasting Act*, the Canadian broadcasting system shall be effectively owned and controlled by Canadians. Quebecor Inc., a qualified corporation, owns Freedom Mobile via various subsidiaries. All of the members of Freedom Mobile's board of directors are Canadian, as defined in *Direction to the CRTC (Ineligibility of Non-Canadians)*² (the Direction). As such, Quebecor Inc. meets the definition of "Canadian" set out in the Direction and the proposed corporate reorganization satisfies the eligibility criteria set out in the Direction.

Tangible benefits

11. Under the Commission's Tangible Benefits Policy,³ as amended by the Revised Commercial Radio Policy,⁴ the Commission requires applicants to provide tangible benefits when filing an application for changes in ownership or effective control of a broadcasting undertaking, with the exception of BDUs. Given that approval of this corporate reorganization would not result in a change of effective control of the on-demand service, the Commission finds that no tangible benefits are required.

Conclusion

12. In light of the above, the Commission approves the application by Quebecor Media, on behalf of 2251723 Ontario and Freedom Mobile, for authority to transfer from 2251723 Ontario to Freedom Mobile, as part of a corporate reorganization, the assets of the terrestrial BDUs serving the Greater Toronto Area (including Ajax, Aurora, Bolton, Brampton, Caledon, Clarendon, Etobicoke, Georgetown, King City, Markham, Milton, Mississauga, Nobleton, North York, Pickering, Richmond Hill, Scarborough, Toronto, Vaughan and Woodbridge), Barrie, Hamilton-Niagara and Oshawa, and of the national on-demand service VMedia.

13. Freedom Mobile shall notify the Commission of the completion of the corporate reorganization. Upon surrender of the current licences held by 2251723 Ontario, the Commission will issue new broadcasting licences to Freedom Mobile. The BDUs and the on-demand service shall be subject to the terms and conditions of service⁵ set out in Appendices 1 and 2, respectively, to this decision. The new licences will expire 31 August 2026, which is the same expiry date as for the current licences.

14. Further, the Commission **directs** Freedom Mobile to file with the Commission the final agreement(s) for the corporate reorganization within 30 days of its completion.

² SOR/97-192, 8 April 1997.

³ See Broadcasting Regulatory Policy 2014-459.

⁴ See Broadcasting Regulatory Policy 2022-332.

⁵ Formerly known as "conditions of licence". Under subsections 49(1) and 50(2) of the *Online Streaming Act*, the conditions of licence that existed prior to the date of royal assent of that Act are deemed to be conditions imposed under an order made pursuant to subsection 9.1(1) of the new *Broadcasting Act*, or subsection 11.1(2) in the case of expenditures. As such, conditions of licence became conditions of service and continue to apply to licensees of broadcasting services, except to the extent that they have been modified by a Commission decision.

Conditions of service

15. Given that the applicant proposed to operate the BDUs and the on-demand service under the same terms and conditions as those in effect under the current licences, the Commission makes the following orders consistent with the existing conditions of service.
16. In regard to the various BDUs, the current licensee is required to adhere to the conditions of service set out in Appendices 1 and 2 to Broadcasting Decision 2018-270. The Commission considers it appropriate to require the new licensee to continue to adhere to these conditions of service.
17. In regard to the on-demand service VMedia, the current licensee is required to adhere to the standard conditions of service for on-demand services set out in Broadcasting Regulatory Policy 2017-138. The Commission considers it appropriate to require the new licensee to continue to adhere to these standard conditions of service.
18. Further, for the BDUs and the on-demand service, 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*. As a result, the Commission considers it appropriate to require that the new licensee adhere to these requirements as conditions of service.
19. Accordingly, for the BDUs serving various locations in Ontario, pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **orders** Freedom Mobile Inc., by **condition of service**, to adhere to the existing requirements relating to signal distribution, adherence to various industry codes, the submission of information as part of its annual returns, and accessibility set out in Appendices 1 and 2 to Broadcasting Decision 2018-270, as well as to the applicable requirements in the *Broadcasting Distribution Regulations*, that were made under paragraphs 10(1)(a) or 10(1)(i) of the old *Broadcasting Act*.
20. Further, for the on-demand service VMedia, pursuant to subsections 9.1(1) and 11.1(2) of the *Broadcasting Act*, the Commission **orders** Freedom Mobile Inc., by **condition of service**, to adhere to the standard conditions of service set out in the appendix to Broadcasting Regulatory Policy 2017-138, as well as to all applicable requirements set out in the *Discretionary Services Regulations* and referred to in Broadcasting Regulatory Policy 2017-138, that were made under paragraphs 10(1)(a) or 10(1)(i) of the old *Broadcasting Act*.
21. In addition, consistent with the existing condition of service for VMedia set out in the appendix to Broadcasting Decision 2023-401, pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **orders** Freedom Mobile Inc., by **condition of service**, to provide, by 30 November for each broadcast year of the licence term, a report to the Commission describing its progress in implementing the system it plans to put in place to comply with its condition of service relating to the annual submission of aggregate statistical data.

22. The terms as well as the specifics of the conditions of service for the BDUs serving the Greater Toronto Area, Barrie, Hamilton-Niagara and Oshawa are set out in Appendix 1 to this decision. The terms as well as the specifics of the conditions of service for the on-demand service VMedia are set out in Appendix 2.
23. 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 licences for the undertakings.
24. The Commission notes that this application, including the proposed conditions of service, were subject to a public proceeding that provided both the applicant and other interested parties notice of, and an opportunity to make representations with respect to the proposed conditions of service. The Commission is satisfied that, in this case, the public proceeding was sufficient to achieve the purposes of the publication and consultation requirement set out in subsections 9.1(4) and 11.1(7) of the *Broadcasting Act*.

Assessment of compliance

25. When a new licence is issued, the Commission assesses the licensee's compliance with its regulatory requirements. When a new licence is issued as part of an ownership transaction, this assessment is typically conducted as part of the Commission's examination of that transaction, rather than at licence renewal.
26. In the present case, however, the following factors weigh in favour of assessing compliance with the undertakings' requirements at licence renewal:
 - the transaction is a corporate reorganization and the licences will ultimately be controlled by the current owner, Pierre Karl Péladeau;
 - the new licences will be issued under the same conditions as those in effect under the current licences; and
 - the expiry date for the licences involved in the transaction is 31 August 2026.⁶
27. In light of the above, the Commission will assess the licensee's compliance in regard to the BDUs and the on-demand service at the time of their next licence renewals.
28. Nevertheless, the Commission expects Freedom Mobile to assume responsibility for any non-compliance by 2251723 Ontario in regard to its regulatory requirements that occurred during the current licence term for the undertakings, if such non-compliance is identified at the next licence renewal.

⁶ As set out in Broadcasting Decision 2023-401, the current licence term for VMedia began 1 January 2024 and ends 31 August 2026. The current licence term for the BDUs began 1 September 2018 and expires 31 August 2026, which includes a one-year administrative renewal (see Broadcasting Decisions 2018-270 and 2023-245).

Employment equity

29. Because this licensee is subject to the *Employment Equity Act* and file reports concerning employment equity with the Department of Employment and Social Development (also known as Employment and Social Development Canada), its employment equity practices are not examined by the Commission.
30. The Commission notes that amendments to the *Broadcasting Act* resulting from the *Online Streaming Act* place greater emphasis on the inclusion of equity-deserving communities and individuals in the broadcasting system. As a result, the Commission may examine its diversity-related policies in the context of the consultations on inclusion and diversity announced in its [Regulatory plan to modernize Canada's broadcasting framework](#). In the meantime, although the licensee is subject to the *Employment Equity Act*, the Commission encourages the licensee to consider the amendments to the *Broadcasting Act* when making operational decisions.

Secretary General

Related documents

- *VMedia – National on-demand service – Licence renewal*, Broadcasting Decision CRTC 2023-401, 4 December 2023
- *Various television programming services and networks, and broadcasting distribution undertakings – Administrative renewals*, Broadcasting Decision CRTC 2023-245, 8 August 2023
- *Revised Commercial Radio Policy*, Broadcasting Regulatory Policy CRTC 2022-332, 7 December 2022
- *Various terrestrial broadcasting distribution undertakings – Licence renewals and imposition of requirements relating to a set-top box audience measurement system*, Broadcasting Decision CRTC 2018-270, 2 August 2018
- *Standard requirements for on-demand services*, Broadcasting Regulatory Policy CRTC 2017-138, 10 May 2017
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014

This decision and the appropriate appendix are to be appended to each licence.

Appendix 1 to Broadcasting Decision CRTC 2024-323

Terms, conditions of service and expectations for the terrestrial broadcasting distribution undertakings serving the Greater Toronto Area (including Ajax, Aurora, Bolton, Brampton, Caledon, Claremont, Etobicoke, Georgetown, King City, Markham, Milton, Mississauga, Nobleton, North York, Pickering, Richmond Hill, Scarborough, Toronto, Vaughan and Woodbridge), Barrie, Hamilton-Niagara and Oshawa, Ontario

Terms

The licence will expire 31 August 2026.

Conditions of service

Conditions of service applicable to all of the undertakings

1. The licensee shall adhere to all applicable requirements set out in the *Broadcasting Distribution Regulations*, that were made under paragraph 10(1)(a) or under paragraph 10(1)(i) of the old *Broadcasting Act*.
2. The licensee shall adhere to the Wholesale Code set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, in its dealings with any licensed or exempt broadcasting undertaking.
3. The licensee shall adhere to the Television Service Provider Code set out in the appendix to *The Television Service Provider Code*, Broadcasting Regulatory Policy CRTC 2016-1, 7 January 2016.
4. The licensee shall be a participant in the Commission for Complaints for Telecommunication Services Inc.
5. In the annual return that the licensee is required to submit to the Commission by 30 November for the broadcast year ending the previous 31 August, the licensee shall include the number of hours of original programming broadcast during each broadcast year on each of its community channels or an on-demand service on which the licensee distributes programming that qualifies as local expression.
6. In the annual return that the licensee is required to submit to the Commission by 30 November for the broadcast year ending the previous 31 August, the licensee shall include information relating to the following:
 - the availability of accessible set-top boxes and remote controls and their accessibility features;
 - the penetration of accessible set-top boxes and remote controls with the licensee's customer base; and
 - the number of accessibility-related queries received by the licensee and the number successfully resolved.

7. The licensee shall close caption 100% of original licensee-produced English- and French-language programming aired on its community channel or an on-demand service on which the licensee distributes programming that qualifies as local expression by the end of the licence term.
8. The licensee shall provide audio description for all the key elements of information programs, including news programming on its community channel or on-demand service on which the licensee distributes programming that qualifies as local expression (that is, the voice-over of key textual, graphic design and still image elements, such as phone numbers, stock information or weather maps that are posted on the screen).
9. The licensee shall provide the necessary training to host and access producers associated with its community channel concerning the provision of audio description.
10. The licensee shall provide one or more simple means of accessing described programming, whether in an open or embedded format, that requires little or no visual acuity.
11. The licensee shall promote information on all of its disability-specific services and products in the accessible manner(s) of its choice.
12. The licensee shall incorporate an easy-to-find home page link to the sections of its website dealing with the needs of persons with disabilities, if its website includes such sections.
13. The licensee shall make the information on its website accessible to the point of providing reasonable accommodation for persons with disabilities. Examples of what the Commission considers to be reasonable accommodations are listed in paragraph 66 of *Accessibility of telecommunications and broadcasting services*, Broadcasting and Telecom Regulatory Policy CRTC 2009-430, 21 July 2009.
14. Where customer service functions on its website are not accessible, the licensee shall ensure that persons with disabilities will not incur a charge or otherwise be disadvantaged if they use an alternate avenue of customer service.
15. The licensee shall make accessible any customer service functions that are available solely over its website.
16. The licensee shall make its general call centres accessible to the point of providing reasonable accommodation to persons with disabilities by:
 - training customer service representatives in handling enquiries from persons with disabilities and familiarizing them with the service provider's products and services for persons with disabilities; and
 - making its Interactive Voice Response systems accessible.

Condition of service specific to the broadcasting distribution undertakings serving Barrie, Hamilton-Niagara and Oshawa, Ontario

17. The licensee is authorized to distribute, on a discretionary basis, the signals of WNLO-TV and WNYO-TV Buffalo, New York.

Expectations

Accessibility

The Commission expects the licensee to ensure that subscribers are able to identify programming with described video in the electronic program guide.

The Commission expects the licensee to make information available in alternative formats to subscribers regarding, among other things, the programming and services offered and the channel line-up.

The Commission expects the licensee to ensure that 100% of original English- and French-language access programming aired on its community channel or on-demand service on which the licensee distributes programming that qualifies as local expression is closed captioned by the end of its licence term.

The Commission expects the licensee to ensure that advertising, sponsorship messages and promos inserted into local availabilities are closed captioned.

Cultural diversity

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

Non-compliance by the previous licensee

The Commission expects the licensee to assume responsibility for any non-compliance by 2251723 Ontario Inc., the former licensee, with its regulatory obligations that occurred since the issuance of *Various terrestrial broadcasting distribution undertakings – Licence renewals and imposition of requirements relating to a set-top box audience measurement system*, Broadcasting Decision CRTC 2018-270, 2 August 2018, if any such non-compliance is identified during the next licence renewal for the undertakings.

Appendix 2 to Broadcasting Decision CRTC 2024-323

Terms, conditions of service, expectations and encouragements for the national on-demand service VMedia

Terms

The licence will expire 31 August 2026.

Conditions of service

1. The licensee shall adhere to the conditions of service set out in the appendix to *Standard requirements for on-demand services*, Broadcasting Regulatory Policy CRTC 2017-138, 10 May 2017. 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 *Discretionary Services Regulations* and referred to in the conditions of service set out in the appendix to *Standard requirements for on-demand services*, Broadcasting Regulatory Policy CRTC 2017-138, 10 May 2017, that were made under paragraph 10(1)(a) or under paragraph 10(1)(i) of the old *Broadcasting Act*.
3. The licensee shall, by 30 November for each broadcast year of the licence term, provide a report to the Commission describing its progress in implementing the system it plans to put in place to comply with its condition of service relating to the annual submission of aggregate statistical data, specifically, condition 25 set out in the appendix to *Standard requirements for on-demand services*, Broadcasting Regulatory Policy CRTC 2017-138, 10 May 2017.

Expectations

Standard expectations

The standard expectations for this service are set out in the appendix to *Standard requirements for on-demand services*, Broadcasting Regulatory Policy CRTC 2017-138, 10 May 2017.

Cultural diversity

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

Non-compliance by the previous licensee

The Commission expects the licensee to assume responsibility for any non-compliance by 2251723 Ontario Inc., the former licensee, with its regulatory obligations that occurred since the issuance of *VMedia – National on-demand service – Licence renewal*, Broadcasting Decision CRTC 2023-401, 4 December 2023, if any such non-compliance is identified during the next licence renewal for the service.

Encouragements

Standard encouragements

The standard encouragements for this service are set out in the appendix to *Standard requirements for on-demand services*, Broadcasting Regulatory Policy CRTC 2017-138, 10 May 2017.