



Broadcasting Decision CRTC 2004-397

Ottawa, 31 August 2004

Vision TV: Canada's Faith Network/Réseau religieux canadien Across Canada

*Application 2003-1660-6
Public Hearing in the National Capital Region
7 June 2004*

VisionTV – Licence renewal

*The Commission **renews** the broadcasting licence for the specialty television service known as VisionTV from 1 September 2004 to 31 August 2011. The conditions of licence and the licensee's commitments are set out below.*

The application

1. The Commission received an application by Vision TV: Canada's Faith Network/Réseau religieux canadien (VisionTV) to renew the broadcasting licence for the national, English-language, multi-faith specialty television service known as VisionTV.
2. In addition, the licensee proposed to increase its monthly wholesale rate from \$0.10 to \$0.12 per subscriber. VisionTV stated that the additional revenues resulting from the wholesale rate increase would be used to fund the development and production of original Canadian drama that celebrates and reflects Canada's cultural diversity.
3. The licensee further proposed to increase its exhibition of Canadian programming measured over the broadcast day from a minimum of 60% to a minimum of 65% of all programming broadcast, while decreasing its exhibition of Canadian programming during the evening broadcast period from a minimum of 60% to a minimum of 50% of all programming broadcast. The licensee further proposed to increase its Canadian program expenditures (CPE) from a minimum of 45% to a minimum of 47% of the previous year's gross revenues.
4. VisionTV also requested that the condition of licence concerning the measurement of the exhibition of Canadian programming be amended. Currently, compliance is measured on a per semester basis, and the licensee requested that compliance be measured over the broadcast year.
5. The licensee further proposed the addition of a condition of licence to address VisionTV's ownership of a production and distribution company. Each of the above-noted proposals by VisionTV is addressed later in this decision.

Interventions

6. The Commission received 441 interventions in support of VisionTV's licence renewal application from individuals, independent producers and the Canadian Film and Television Production Association (CFTPA). Three interventions were received opposing the proposed rate increase and four interventions expressed concern about a perceived shift in VisionTV's commitment to documentaries on social issues and to producers of Mosaic programming. The concerns raised by interveners are discussed in the relevant sections of this decision.

The Commission's analysis and determinations

Wholesale rate

7. In its renewal application, the licensee proposed to increase its monthly wholesale rate from \$0.10 to \$0.12 per subscriber. The licensee stated that the \$0.02 rate increase is projected to increase subscriber revenue by \$1.8 million dollars per year. If the increase is approved, VisionTV stated that it would commit \$1.3 million dollars per year to the development of Canadian drama and an additional \$500,000 a year to the promotion of this programming. More specifically, the licensee stated that the revenue from this increase would go to the creation and promotion of projects arising out of VisionTV's Cultural Diversity Drama Competition, which the licensee announced in May 2003. VisionTV noted that the competition was designed to increase the amount of Canadian drama on television that provides a fair reflection and portrayal of visible minorities by providing winning applicants with funding to support the production of program pilots.
8. The Commission received interventions opposing the licensee's request for a rate increase from the Canadian Cable Systems Alliance Inc., the Canadian Cable Television Association and the Bell ExpressVu Limited Partnership. While acknowledging the important role that VisionTV plays in the broadcasting system, the interveners argued that the licensee had not established the financial need for the increase and that the increase would have a negative impact on subscribers. The interveners noted that the Commission had recently granted VisionTV an increase in its wholesale rate in 2003, as set out in *Application for an increase in Vision TV's wholesale rate*, Broadcasting Decision CRTC 2003-23, 24 January 2003 (Decision 2003-23).
9. In its reply, VisionTV noted that the purpose of the 2003 rate increase was to help the licensee manage cash flow and the technical requirements of the service as well as to allow it to continue its investment in Canadian programming. It stated that the rate increase proposed as part of the current application was intended to support a new and specific program initiative. Specifically, VisionTV stated that the revenue from the proposed rate increase would be invested in culturally diverse Canadian drama and that the incremental programming expenditures were necessary to:
 - fund the production of drama series that reflect the experience of visible minorities in Canada on an ongoing basis;

- enhance the on-screen presentation of cultural diversity programming; and
 - establish a permanent entry point into the industry for emerging producers, directors and creators of Canadian stories from a wide range of cultural backgrounds.
10. The licensee noted that the impact of the rate increase on subscribers would be minimal since it would amount to less than 0.0015% of the basic total rate charged to subscribers by distributors. The licensee further noted that no interventions submitted by individual subscribers opposed the rate increase. VisionTV submitted that support for cultural diversity and Canadian drama are important goals and that the revenue from the proposed rate increase would help further these goals by providing VisionTV with the ability to create sustainable programs.
 11. The Commission notes that VisionTV's forecasted profit before interest and tax (PBIT) margin is, with and without the rate increase, comparable at approximately 3% over the course of the seven-year licence term. It further notes that VisionTV's national advertising revenues represent less than 10% of its total revenue, and that VisionTV experienced annual declines in national advertising revenues by 8.5% and 12.5% in 2002 and 2003, respectively. Given the nature of service that VisionTV provides, the Commission considers it will be necessary for VisionTV to continue to rely on its wholesale fee for a large proportion of its revenue.
 12. In the Commission's view, VisionTV plays an important role in the broadcasting system by providing diversity through its multi-faith and multi-cultural programming. The development of new culturally diverse drama programs will allow VisionTV to maintain, and even improve, the quality and diversity of its programming. The Commission further considers that such programming will contribute to the fulfilment of goals that have been identified as important by the Commission, namely the increased reflection and portrayal of Canada's diversity on screen and the fostering of English-language Canadian drama. The Commission is satisfied that the development of new culturally diverse drama would not be possible without a rate increase.
 13. In light of the above, the Commission **approves** the request by the licensee to amend the condition of licence to increase the monthly wholesale rate for VisionTV from \$0.10 to \$0.12 per subscriber. This increase will be effective on 1 December 2004. A **condition of licence** to this effect is set out in the appendix to this decision. The Commission expects VisionTV to file a report with its annual return that demonstrates, to the satisfaction of the Commission, that VisionTV has fulfilled this condition of licence, as well as its commitment to devote the revenues derived from the \$0.02 per month increase to its wholesale rate to the production and promotion of original Canadian drama that celebrates and reflects Canada's diversity.

Expenditures on, and exhibition of, Canadian programming

14. VisionTV submitted its proposed changes to expenditures on, and exhibition of, Canadian programming as a package. The applicant argued that increasing the CPE requirement while decreasing the number of hours of Canadian programming required during the evening would allow it to focus its investment on high quality productions. This, in turn, would allow VisionTV to offer original high quality and popular programs during the peak viewing period, which would serve to attract additional viewers. The licensee submitted that the proposed increase in the exhibition of Canadian programming over the broadcast day could not be attained without approval of the proposed decrease in Canadian programming broadcast during the evening broadcast period.

Canadian programming expenditures

15. In each year of the current licence term, VisionTV has been required, by condition of licence, to expend on Canadian programs a minimum of 45% of the previous year's gross revenue. In addition, the licensee is required to expend on Canadian programs 25% of the \$0.02 increase in its wholesale rate that was approved by the Commission in Decision 2003-23.
16. As part of its renewal application, VisionTV proposed to increase its CPE to a minimum of 47% of the previous year's gross revenues. As well, in addition to the condition imposed on the increase in the wholesale rate approved in Decision 2003-23, VisionTV stated that it would spend 25% of the proposed \$0.02 increase in its monthly wholesale rate on Canadian programming.
17. VisionTV stated that the proposed increase in CPE is projected to add \$3 million in investment in Canadian programming over the licence term. VisionTV further noted its level of CPE would continue to be among the highest in the industry.
18. The Commission **approves** the licensee's proposal to increase its expenditures on Canadian programming from 45% to 47% of the previous year's total revenue, as well as its proposal to spend 25% of the revenues generate by the rate increases approved in this decision and in Decision 2003-23 on Canadian programming. A **condition of licence** to this effect is set out in the appendix to this decision.

Exhibition

19. As part of the renewal application, the licensee proposed to increase the exhibition of Canadian programming from a minimum of 60% to a minimum of 65% of all programming aired during the broadcast day and to decrease its exhibition of Canadian programming during the evening broadcast period from a minimum of 60% to a minimum of 50%.

20. The licensee submitted that, despite the decrease in Canadian programming during the evening broadcast period, the proposed changes would lead to an increase of approximately 300 hours per year of Canadian programming broadcast during the next licence term. VisionTV stated that a decrease in Canadian programming during the evening broadcast period would give it the flexibility to create a more attractive evening schedule that would attract more viewers and further its mandate to present a multi-faith service by increasing awareness and audience numbers. VisionTV submitted that the new evening schedule would feature popular foreign shows that would serve to increase the viewing to Canadian programs that follow. According to VisionTV, the changes would provide it with the opportunity to invest more per hour on Canadian programs during the evening broadcast period, leading to higher quality programs.
21. While not generally endorsing the proposed reductions in Canadian programming during the evening broadcast period, the CFTPA supported the licensee's proposal to offer a wider range of original programming and to invest more per hour on Canadian programs.
22. In *Introduction to Broadcasting Decisions CRTC 2004-6 to 2004-27 renewing the licences of 22 specialty services*, Broadcasting Public Notice CRTC 2004-2, 21 January 2004 (Public Notice 2004-2), the Commission stated that "it would be more beneficial to focus on increasing the amount that the 1996 services spend on Canadian programming than on increasing the overall amount of such programming that they exhibit." Given the proposed increase in VisionTV's required expenditures on Canadian programming set out above, as well as VisionTV's proposal to increase its exhibition of Canadian programming over the broadcast day, the Commission considers that a decrease in the level of Canadian programming during the evening period would allow VisionTV to attract more viewers to its evening schedule and focus its spending on higher quality Canadian programs.
23. In light of the above, the Commission **approves** the licensee's requests to increase VisionTV's minimum Canadian content requirement during the broadcast day from 60% to 65% and to decrease the minimum Canadian content requirement for the evening broadcast period from 60% to 50%. A **condition of licence** setting out the requirements respecting the exhibition of Canadian programming on VisionTV is set out in the appendix to this decision.

Time period for measuring compliance with the condition of licence regarding the exhibition of Canadian programming

24. In *Short-term licence renewal for Vision TV: Canada's Faith Network*, Decision CRTC 2001-669, 2 November 2001 (Decision 2001-669), the Commission renewed the licence for VisionTV for a period of 33 months, rather than the maximum 7 years, because it had been found in non-compliance with respect to required levels of exhibition of Canadian programming. In addition, the Commission amended the licensee's requirements with respect to the exhibition of Canadian programming so that these requirements would be measured on a per semester basis, rather than over the broadcast year.

25. As part of its application for renewal, VisionTV requested that the condition of licence with respect to the exhibition of Canadian programming be amended so that compliance would, once again, be measured over the broadcast year. VisionTV submitted that measuring compliance over each semester places an additional administrative burden on both itself and the Commission.
26. The Commission notes, that during the current licence term, VisionTV has been in compliance with its requirements to exhibit Canadian programming and has, in fact, exceeded the minimum levels. The Commission is of the view that VisionTV has rectified the problems that led to non-compliance in the previous licence term and that it is no longer necessary for the Commission to assess the licensee's compliance on a more frequent basis. The Commission, therefore, **approves** the request to amend the condition with respect to the measurement of the exhibition of Canadian programming so that compliance will be measured over the broadcast year.

Independent production company owned by VisionTV

27. In 2003, VisionTV, in conjunction with Ellis Entertainment, created a production and distribution company known as VisionTV International Inc. (VTVI). In its renewal application, the licensee stated that it would be willing to accept a condition of licence specifying that not less than 75% of programming broadcast on VisionTV shall be from non-related production companies. VisionTV stated that it is a strong supporter of independent production in Canada through its broadcast of documentaries on social issues, Mosaic programming and culturally diverse programs.
28. Consistent with the approach discussed in Public Notice 2004-2 and in accordance with the licensee's proposal, the Commission expects VisionTV to fulfil its commitment that not less than 75% of the programming on VisionTV shall be from non-related production companies. The Commission notes that this commitment will provide additional opportunities for producers from visible minority communities, as well as other underrepresented groups, to have their programming broadcast on VisionTV, in keeping with the licensee's commitment to broadcast productions from sources that reflect cultural diversity.

Compliance with VisionTV's Nature of service condition of licence

29. The condition of licence setting out VisionTV's nature of service provides that its programming shall consist exclusively of interfaith, religious programming that is related to, inspired by, or arises from persons' spirituality, including related moral or ethical issues. In addition, the condition of licence provides that, subject to the above, not less than 90% of the programming provided by the licensee shall be drawn from category 4 (Religion) as set out in Schedule I of the *Specialty Services Regulations, 1990*.

30. Analysis of VisionTV's program logs revealed some evidence of non-compliance with the provision of the above-noted condition of licence requiring that not less than 90% of the programming be drawn from category 4 (Religion). In correspondence with Commission staff, the licensee stated that it had been erroneously measuring its compliance with the condition of licence over the 18-hour broadcast day rather than over its entire broadcast schedule and had been broadcasting infomercials that did not fall within category 4 after its broadcast day had ended.
31. Upon being made aware of its error in interpreting that condition of licence, the licensee took immediate steps to rectify the problem. VisionTV indicated that, effective 10 March 2004, it had terminated the broadcast of all infomercials and had adjusted its logging procedures to ensure compliance with its nature of service condition of licence. The Commission reminds the licensee that the condition of licence setting out the nature of service applies to all programming broadcast by the service, not just to the programming broadcast during the broadcast day.
32. The Commission has noted VisionTV's error and is satisfied that the licensee has taken steps to correct this compliance issue.

Commitment to social documentaries and producers of Mosaic programming

33. In Decision 2003-23, the Commission noted concerns by interveners about decreases in the broadcast of documentaries on social issues on VisionTV, and the importance of strengthening relationships with producers of Mosaic programming.
34. As part of its renewal application, VisionTV set out a number of initiatives it had taken since the issuance of Decision 2003-23 with respect to the broadcast of social documentaries and the strengthening of its relationship with producers of Mosaic programming. VisionTV stated that it had broadcast a fifteen-week series of documentaries on social issues, and that significant time had been reserved for such programming in both its current and proposed program schedules. VisionTV also noted that, in 2003, it had conducted the first national seminar for producers of Mosaic programming. Representatives of over 35 Canadian and American faith communities attended the seminar.
35. In response to VisionTV's renewal application, the Commission received four interventions that expressed concern about the issues identified above. The Centre for Research-Action on Race Relations (CRARR) was concerned about decreases in the broadcast of documentaries on social issues on VisionTV. CRARR was also concerned that VisionTV's proposed amendments related to programming would have a negative impact on the licensee's cultural diversity mandate and on the amount of documentaries on social issues that the licensee would broadcast. The Victoria Film Producers' Association (ViFPA) offered its conditional support for the application, though it was concerned that the narrow definition of category 4 (Religion) programming would mean that less money would be invested on documentaries on social issues. The Documentary Organization of Canada (DOC) was also of the view that there had been a decrease in the broadcast of documentaries on social issues on VisionTV, and that the requirement that

90% of the programming provided by VisionTV must be from category 4 (Religion) would mean that the licensee would not be able to broadcast long form documentaries. Bram Jairam Sharma, intervening on his own behalf, was concerned that the licensee's Mosaic Program Management Group (MPMG) no longer has the ability to advise on programming and is not being consulted on operational issues, which results in diminished access for faith communities.

36. In its reply to these interventions, VisionTV clarified that the amendments proposed as part of its renewal application would not result in a diminished commitment to commission and exhibit documentaries on social issues, to support independent producers, or to support cultural diversity.
37. The licensee noted that the requirement that at least 90% of its programming be drawn from category 4 does not have an effect on the number of documentaries commissioned and exhibited. The licensee noted that it has never had a condition of license referencing category 2b) (Long form documentary), but would continue to invest and broadcast independent documentary productions that are consistent with its nature of service.
38. VisionTV further noted that a large proportion of its schedule and millions of dollars are spent on social documentaries. The licensee noted that, by the end of the current licence term, it will have broadcast 673 individual titles of Canadian documentaries, 90 of which are new documentaries supported by VisionTV. VisionTV submitted that it has already made commitments to over 35 documentary projects for the next licence term. VisionTV further submitted that the proposed changes with respect to requirements for the broadcast of, and investment in, Canadian programming will result in \$3 million more invested in Canadian programming over the licence term.
39. In reply to Bram Jairam Sharma's intervention, VisionTV noted that the MPMG provides valuable insight as an advisory group working with VisionTV management and that any specific concerns by the intervener would be forwarded to the MPMG. VisionTV noted that the MPMG has recently created a number of sub-committees to work with VisionTV to investigate opportunities for Mosaic programming, including international distribution and marketing, and promotion of faith programs. The licensee also noted that Mosaic programming is an integral part of VisionTV's success, and that there has been significant growth in the audience for the Mosaic schedule.
40. The Commission notes the concerns raised by the interveners about the decrease in the broadcast of documentaries on social issues and the strength of the licensee's relationship with producers of Mosaic programming. The Commission expects the licensee to continue to include documentaries on social issues in VisionTV's programming schedule, and to build strong relationships with producers of Mosaic programming.

Regional reflection

41. Consistent with the Commission's objective of promoting greater regional reflection and increasing the exhibition of programming produced outside of the major production centres of Vancouver, Toronto and Montréal, licensees are expected to ensure that their programming is broadly reflective of all of Canada's regions, and that producers from outside the major production centres have the opportunity to produce programming for the services.
42. The ViFPA offered its conditional support to VisionTV's application contingent on the licensee ensuring that its programming is regionally representative.
43. In its reply, VisionTV noted that it fully expects to maintain a vigorous regional presence. The licensee further noted that it maintains offices in Dartmouth, Toronto and Victoria where regional managers do active outreach outside the major production areas to improve access for regional producers.
44. The Commission expects the licensee to continue to ensure that the programming broadcast by VisionTV reflects all of Canada's regions and to continue to provide opportunities for producers working outside the major production centres to supply programming for the service.

Reflection of Canada's diversity

45. In Public Notice 2004-2, the Commission stated that it expects licensees of specialty services to endeavour, through their programming and employment opportunities, to reflect Canada's ethno-cultural minorities and Aboriginal peoples. The Commission further expects licensees to ensure that the on-screen portrayal of such groups is accurate, fair and non-stereotypical.
46. VisionTV filed its Corporate Plan for Cultural Diversity with the Commission in February of 2002 and has reported on the progress made toward the goals outlined in its plan every year. VisionTV stated that it is committed to continue to report to the Commission with respect to progress under the plan and to provide any updates.
47. As part of its application, the licensee stated that it adopted cultural diversity as a core value of its service and as part of its mandate as a multi-faith, multicultural broadcaster. VisionTV further noted a number of programming and operational initiatives that it has undertaken to achieve its goals with respect to cultural diversity.
48. Among the licensee's program initiatives, VisionTV noted that over 70 different faith communities, representing a wide range of cultural backgrounds, produce programming on VisionTV each year. The licensee also noted that, in each of the last three years, VisionTV won the Canada Award at the Gemini Awards for excellence in television programming that reflects the racial and cultural diversity of Canada.

49. To ensure that there is an adequate supply of programs that provide an accurate and fair reflection and portrayal of all minority groups, VisionTV has undertaken several programming initiatives. These include the development of "Lord Have Mercy," which was the network's first original situation comedy series, the creation of the Cultural Diversity Drama Competition and participation in the Reel Diversity Competition, which provides support to culturally diverse documentary filmmakers.
50. In addition to its programming initiatives, the licensee stated, in its annual reports on cultural diversity, that it has developed several operational initiatives to ensure that cultural diversity remains a core value.
51. As part of its ongoing monitoring of cultural diversity, VisionTV identified a gap in Aboriginal representation on staff. The licensee indicated that it is exploring ways to improve in this area and is also participating in the Broadcasting Strategic Alliance, which is an industry effort to increase Aboriginal participation in all aspects of the broadcasting system.
52. As noted in the Public Notice 2004-2, the Commission considers that the improved reflection and portrayal of persons with disabilities is also an important objective. The Commission notes that the Canadian Association of Broadcasters (CAB) is developing a plan for a proposed process to examine issues surrounding the presence, portrayal and participation of persons with disabilities in television programming. The Commission considers that initiatives designed to make programming more reflective and inclusive of Canada's ethnocultural diversity can, in many cases, be extended and adapted to also ensure fair, balanced and inclusive reflection and representation of persons with disabilities. Accordingly, the Commission calls on the licensee to incorporate persons with disabilities in its cultural diversity corporate planning.
53. The Commission recognizes VisionTV's continued commitment to cultural diversity and acknowledges the progress that it has made in implementing both programming and operational initiatives. The Commission acknowledges the licensee's efforts to incorporate cultural diversity in every aspect of its operations and encourages VisionTV to continue its progress with respect to cultural diversity and to identify and continue to address areas where improvement is required. The Commission further notes the licensee's commitment to the development, production and promotion of culturally diverse dramas, as discussed above in the section of this decision entitled "Wholesale rate."
54. In line with VisionTV's commitment, the Commission expects the licensee to continue to report annually on its progress relating to initiatives with respect to cultural diversity and to incorporate initiatives and progress with respect to the presence, portrayal and participation of persons with disabilities.

Employment equity and on-air presence

55. As a licensee with fewer than 100 employees, VisionTV reports to the Commission with respect to employment equity. The licensee reported that it conducted a review of its human resources and operational policies and practices to ensure that it is not creating barriers to the attraction and retention of employees from the designated groups. In its annual report on cultural diversity, the licensee reported that, as a result of this review, it has instituted a number of initiatives. These include the implementation of in-house professional development seminars for management to improve awareness and understanding of employment equity and an employment equity census to facilitate better measurement and to evaluate areas of weakness. VisionTV noted that its Employment Equity Plan is on file with the Commission.
56. With respect to on-air presence, the Commission expects the licensees of specialty television services to ensure the members of the four designated groups (women, Aboriginal persons, persons with disabilities and members of visible minorities) is reflective of Canadian society, and that members of these groups are presented fairly and accurately. In its application, the licensee noted that all of the hosts of shows produced by VisionTV are women from visible minority communities and the voice-overs are also performed by a woman. The licensee submitted that it also actively seeks to ensure that its programming reflects the full spectrum of faiths and cultures in Canada.
57. The Commission recognizes VisionTV's commitment to employment equity and the steps that the licensee has taken to ensure that employment equity remains a key aspect of the management of its human resources. The Commission expects the licensee to continue to consider employment equity issues in its hiring practices with respect to its on-air and off-air positions and in all other aspects of its management of human resources.

Service to persons who are deaf or hard of hearing

58. The Commission is committed to improving service to viewers who are deaf or hard of hearing, and has consistently encouraged broadcasters to increase the amount of closed captioned programming they broadcast. The Commission generally requires all broadcasters to offer a minimum percentage of closed captioned programs consistent with the nature of their services. Most English-language services must close caption at least 90% of their programming. VisionTV has an obligation to provide closed captioning for at least 90% of its Cornerstone programming, but has no such obligation with respect to its Mosaic programming. Mosaic programs are paid-time denominational presentations produced or acquired at arm's length by various faith groups. Cornerstone programs, on the other hand, are general, interfaith programs produced or acquired by the licensee itself.

59. The Commission notes that, during its current licence term, VisionTV was in compliance with its condition of licence requiring it to provide closed captioning for at least 90% of its Cornerstone programming. The Commission had not imposed any conditions with respect to Mosaic programming because of the challenges in trying to caption or obtain closed captioned versions of such programming.
60. As part of its application, VisionTV highlighted the difficulties it would face in captioning the portion of its program schedule that is devoted to the broadcast of Mosaic programming. The licensee noted that this programming is largely the product of independent producers who have neither the financial nor the technical resources required to caption their programs. VisionTV also noted that it routinely receives Mosaic programming very close to the hour it is scheduled for broadcast. VisionTV submitted that it is not financially capable of captioning all Mosaic programming received as, currently, Mosaic programming represents 52% of the annual program schedule.
61. The licensee stated that approximately 21% of Mosaic programs that went to air during the current licence term included closed captioning. VisionTV expects all programming received from independent producers to include closed captioning, but cannot make it a contractual requirement as the majority of its Mosaic clients would find the additional cost prohibitive. VisionTV offered to increase the captioning of Mosaic programming by 2% each year, to reach 35% by the end of the licence term.
62. The Commission acknowledges the financial and logistical challenges for VisionTV in captioning Mosaic programming and acknowledges the efforts that the licensee has undertaken to provide service to persons who are deaf and hearing impaired. The Commission expects VisionTV to meet its commitment to increase the amount of closed-captioned Mosaic programming, as stated in its renewal application. The Commission further advises the licensee that, at the time of its next licence renewal, it will consider requiring this service to provide captioning for a minimum of 90% of all programming that it broadcasts. Accordingly, the Commission encourages the licensee, by the time of the next licence renewal, to caption 90% of all programming aired during the broadcast day. A **condition of licence** with respect to the licensee's obligations to provide closed captioning for its Cornerstone programs is set out in the appendix to this decision.

Service to persons who are blind or have a visual impairment

63. Section 3(1)(p) of the *Broadcasting Act* states, as part of the broadcasting policy for Canada, that "programming accessible by disabled persons should be provided within the Canadian broadcasting system as resources become available for the purpose." Accordingly, the Commission expects all broadcasters to work toward improving the accessibility of their programming for persons who are blind or whose vision is impaired.

64. Greater programming accessibility can be achieved through the provision of audio description¹ and/or of video description.² All broadcasters can, and should, provide audio description.
65. As part of its application, VisionTV stated that it broadcast 52 hours of open description during the first two years of the current licence term. Due to recent upgrades to its master control, VisionTV is now able to deliver video description over the secondary audio program (SAP) channel and will broadcast 36 hours of video description during the current broadcast year.
66. VisionTV stated that, while it is able to broadcast over the SAP channel, its broadcast distribution undertaking affiliates are not able to pass through the SAP signal to the subscriber and its current agreements indicate that it would be the licensee's responsibility for upgrades. Therefore, VisionTV believes that it is premature to have a condition of licence requiring it to broadcast a minimum amount of video description.
67. As stated in the Public Notice 2004-2, the Commission's focus, in imposing requirements to provide video description, has been on services featuring those types of programming, such as drama, documentary and children's programs, that best lend themselves to video description. The Commission notes that VisionTV's evening programming, while focusing on multi-faith and multi-cultural programs, consists, in large part, of documentaries and drama.
68. Given the nature of VisionTV's programming, and the fact that the licensee is technically equipped to broadcast such programming, the Commission has determined that it would not be a hardship to require the licensee to provide a minimum of one hour of described video each week, beginning no later than 1 September 2005, and to increase that amount to a minimum of three hours each week, beginning no later than 1 September 2009. A **condition of licence** to this effect is set out in the appendix to this decision.

¹ Audio description consists of basic voice-over recitations or descriptions of the text or graphic information that is displayed on the screen. Although a measure of sensitivity and creativity on the part of a broadcaster is necessary to ensure the quality and effectiveness of audio description, no special equipment is required.

² Video description, or described video, takes the form of a narrative description of a program's key visual elements which permits the audience to create a mental image of what is on the screen. It is generally provided using the secondary audio program (SAP) channel.

Conclusion

69. On the basis of its review of this licence renewal application and having considered the interveners' comments, the Commission **renews** the broadcasting licence for Vision TV: Canada's Faith Network/Réseau religieux canadien from 1 September 2004 to 31 August 2011. The licence will be subject to the conditions specified therein and to the conditions set out in the appendix to this decision.

Secretary General

This decision is to be appended to the licence. It is available in alternative format upon request, and may also be examined at the following Internet site: <http://www.crtc.gc.ca>

Appendix to Broadcasting Decision CRTC 2004-397

Conditions of licence

1. (a) The licensee shall provide a national English-language specialty television service devoted to interfaith, religious programming that is related to, inspired by, or arises from persons' spirituality, including related moral or ethical issues.
 - (b) Subject to 1. (a), not less than 90% of the programming provided by the licensee shall be drawn from category 4 (Religion) as set out in Schedule I of the *Specialty Services Regulations, 1990*.
 - (c) The licensee shall devote not less than 45% of the total hours distributed in any one broadcast year to the distribution of Cornerstone programming.
2. In each broadcast year, the licensee shall devote to the exhibition of Canadian programs not less than 65% of the broadcast day, and not less than 50% of the evening broadcast period.
3. In accordance with the Commission's position on Canadian programming expenditures as set out in *The Reporting of Canadian Programming Expenditures* Public Notice CRTC 1993-93, 22 June 1993, and in *Additional clarification regarding the reporting of Canadian programming expenditures*, Public Notice CRTC 1993-174, 10 December 1993:
 - (a) The licensee shall expend on the acquisition of and/or investment in Canadian programs:
 - i) In each broadcast year, beginning 1 September 2004, not less than 47% of its gross revenues for the previous year, plus;
 - ii) For the broadcast year commencing 1 September 2004, 25% of previous year revenues generated from 2 cents of the total wholesale rate.
 - iii) For the broadcast year commencing 1 September 2005, 25% of previous year revenues generated from 2 cents of the total wholesale rate plus 25% of the revenues generated from 2 cents of the wholesale rate from 1 December 2004 to 31 August 2005.
 - iv) For the broadcast year commencing 1 September 2006 and in each subsequent broadcast year, 25% of the previous year revenues generated from 4 cents of the total wholesale rate.

- (b) 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 five percent (5%) less than the minimum required expenditure for that year calculated in accordance with this condition; in such case, the licensee shall expend in the next 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.
 - (c) In each broadcast year of the licence term where the licensee expends an amount on Canadian programming that is greater than the minimum required expenditure for that year calculated in accordance with this condition, the licensee may deduct:
 - (i) from the minimum required expenditure for the following year of the licence term, an amount not exceeding the amount of the previous year's over-expenditure; and
 - (ii) from the minimum required expenditure for any subsequent year of the licence term, an amount not exceeding the difference between the over-expenditure and any amount deducted under paragraph (i) above.
 - (d) Notwithstanding paragraphs (b) and (c) 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 this condition of licence.
4. The Board of Directors of VisionTV shall consist of a minimum of nine members and a maximum of twelve members, and shall include representatives of at least three of the following world religions: Buddhism, Christianity, Hinduism, Islam, Judaism, Bahai, Native Spirituality, Sikhism, Unitarianism and Zoroastrianism.
 5. The licensee shall ensure that, with respect to members of the Board of Directors, no more than two new or replacement directors shall have backgrounds that reflect a subdivision or denomination of any one world religion, or shall share a single faith perspective.
 6. The licensee shall maintain over the licence term a Mosaic Program Management Group with the terms of reference, membership and mandate set out on page 15 of the original application for a licence dated 30 April 1987.
 7. The licensee shall file a report with the Commission on or before 30 November of each year,
 - (a) enumerating the world religions as well as the subdivisions, denominations or faith perspective thereof, represented on the Board of Directors as of the preceding 31 August;

- (b) describing how VisionTV has reflected, over the 12-month period ending the preceding 31 August, the range of Canadian religious beliefs, including a list of the groups that have purchased Mosaic time and the amount of time each has purchased;
 - (c) providing a breakdown of the programming distributed on VisionTV over the 12-month period ending the preceding 31 August between Cornerstone and Mosaic programming; and
 - (d) providing a description of the membership and activities of the Mosaic Program Management Group over the 12-month period ending the preceding 31 August.
8. (a) Subject to subsections (b) and (d) below, the licensee shall not distribute more than twelve minutes of advertising material during each clock hour. Advertising material shall include all commercial activities, such as solicitations, merchandising and give-aways.
- (b) In addition to the twelve minutes of advertising material referred to in subsection (a), the licensee may broadcast partisan political advertising during an election period.
 - (c) The licensee shall not distribute any paid advertising material other than paid national advertising.
 - (d) Where a program occupies time in two or more consecutive clock hours, the licensee may exceed the maximum number of minutes of advertising material allowed in those clock hours if the average number of minutes of advertising material in those clock hours occupied by the program does not exceed the maximum number of minutes that would otherwise be allowed per clock hour.
 - (e) All solicitation of funds on VisionTV must conform with the provisions of the licensee's Code of Ethics and Program Practices, as amended from time to time and approved by the Commission, subject to the limitations as to time set out in this condition. The application of the foregoing condition of licence will be suspended as long as the licensee remains a member in good standing of the Canadian Broadcast Standards Council (CBSC).
 - (f) The solicitation of funds in Cornerstone programming shall together comprise no more than 90 seconds per half-hour and no accumulation shall be permitted.
 - (g) The solicitation of funds in Mosaic programming shall together comprise no more than 90 seconds per half-hour, and no accumulation shall be permitted.

9. The licensee shall charge each exhibitor of this service a maximum wholesale rate of \$0.10 per subscriber per month for exhibition on the basic service. Effective 1 December 2004, the licensee shall charge each exhibitor of this service a maximum wholesale rate of \$0.12 per subscriber per month for exhibition on the basic service.
10. The licensee shall adhere to the guidelines on gender portrayal set out in the Canadian Association of Broadcasters' (CAB) *Sex-Role Portrayal Code for Television and Radio Programming*, as amended from time to time and approved by the Commission. The application of the foregoing condition of licence will be suspended as long as the licensee remains a member in good standing of the Canadian Broadcast Standards Council (CBSC).
11. The licensee shall adhere to the provisions of the CAB's *Broadcast Code for Advertising to Children*, as amended from time to time and approved by the Commission.
12. The licensee shall adhere to the guidelines on the depiction of violence in television programming set out in the CAB's *Voluntary Code Regarding Violence in Television Programming*, as amended from time to time and approved by the Commission. The application of the foregoing condition of licence will be suspended as long as the licensee remains a member in good standing of the CBSC.
13. Together with the record required to be filed with the Commission pursuant to subsection 7(2) of the *Specialty Services Regulations, 1990*, the licensee is required to provide in its program log or machine readable record for each solicitation of funds, the time of commencement and duration.
14. The licensee shall provide closed captioning for not less than 90% of its programming during the broadcast day, with the exception of Mosaic programming.
15. The licensee shall broadcast one hour a week of described video programming starting no later than 1 September 2005 and shall increase this level to three hours a week by 1 September 2009.

For the purpose of these conditions of licence:

- (a) all time zone periods shall be reckoned according to the eastern time zone;
- (b) the terms "broadcast day," "broadcast month," "broadcast year," "evening broadcast period," and "clock hour" shall have the same meaning as those set out in the *Television Broadcasting Regulations, 1987*;
- (c) "paid national advertising" shall mean advertising that is purchased at a national rate and which receives national distribution on the service; and,

- (d) "Cornerstone programming" shall mean general interfaith programs produced or acquired by the licensee itself, while "Mosaic programming" shall mean paid-time denominational presentations produced or acquired at arm's length by various faith groups. Where Cornerstone programming and Mosaic programming are logged, the program classes used must be "COR" and "MOS," respectively.