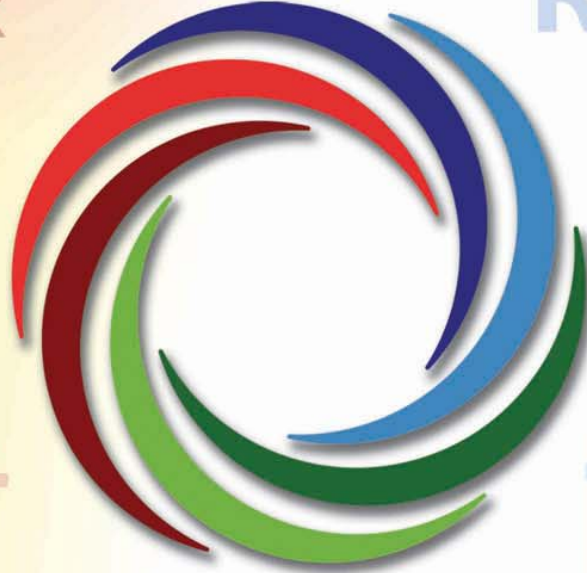


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OMNITM

Television for Everyone



An application to the Canadian Radio-television and Telecommunications Commission to renew the broadcast licences of OMNI Television



TABLE OF CONTENTS

	Page
I. EXECUTIVE SUMMARY	1
II. INTRODUCTION.....	2
III OMNI’S ECONOMIC AND REGULATORY CONTEXT	5
IV. OMNI TELEVISION – GROWTH AND DEVELOPMENT OF A MULTI STATION GROUP	10
➤ CANADIAN PROGRAMMING	
➤ ETHNIC PROGRAMMING REQUIREMENTS	
➤ THIRD-LANGUAGE PROGRAMMING COMMITMENTS	
➤ BROAD SERVICE COMMITMENTS	
➤ DIVERSITY IN PROGRAMMING	
V. DEVELOPMENT OF CANADIAN CONTENT AND INDEPENDENT PRODUCTION	16
VI. FINANCIAL ESTIMATES AND PROGRAMMING EXPENDITURES.....	20
VII. DIGITAL TELEVISION	22
VIII. EMERGENCY ALERTING.....	23
IX. COMMITMENTS TO DIVERSE AND ACCESSIBLE PROGRAMMING.....	25
➤ CULTURAL DIVERSITY	
➤ CLOSED-CAPTIONING	
➤ VIDEO AND AUDIO DESCRIPTION	
X. CONCLUSION	34

I. Executive Summary

This proceeding marks the first time OMNI's ethnic over-the-air television stations will apply to have their licences renewed as part of a multi-station group. Over the past licence term Rogers Broadcasting Limited (RBL) has expanded its ethnic OTA ownership through the licensing of three new stations (OMNI.2 and OMNI Alberta) and the acquisition of OMNI BC.

Over the next licence term our focus will be to establish and strengthen our new stations in Alberta and integrate OMNI BC into the OMNI group of stations. During this time it will also be important for us to focus on maintaining the success we have achieved to date in Ontario. Given the challenging economic environment and the health of the broader OTA television sector, it will be important for OMNI to have a reasonable and flexible regulatory framework within which to develop its new stations.

Our regulatory proposal for the next licence term is aimed at streamlining and harmonizing the regulatory commitments for all of our stations into a single set of conditions relating to Canadian content, ethnic programming, third-language programming and broad service requirements. Our proposed conditions are based on the conditions recently approved for the OMNI Alberta stations and uphold the requirements of the *Ethnic Broadcasting Policy*.

Specifically, over the next licence term each OMNI Television station will offer:

- Minimum of 60% ethnic programming
- 60% Canadian content (50% during the evening broadcast period)
- 50% minimum for 3rd language programming
- Broad service mandate (20 groups and languages)

II. Introduction

1. This is an application by Rogers Broadcasting Limited (RBL) to renew the licences of its five (5) over-the-air ethnic (OTA) television stations in Toronto, Edmonton, Calgary and Vancouver for a seven year term.

2. OMNI Television is the leading ethnic over-the-air television broadcaster in Canada, growing from a single station to a five station group over its last licence term. OMNI Television is now comprised of the following stations in Ontario, Alberta and British Columbia:
 - OMNI.1 Toronto (CFMT-TV), with rebroadcasters in Ottawa and London. Rogers acquired this original OMNI station in 1986;

 - OMNI.2 Toronto (CJMT-TV), licensed in 2002¹;

 - OMNI Alberta, with OTA television stations in Calgary (CJCO-TV) and Edmonton (CJEO-TV), was licensed in 2007² and launched in September 2008; and

 - OMNI British Columbia (CHNM-TV Vancouver and rebroadcast transmitter in Victoria) has been part of the OMNI group of stations since May 2008³.

¹ Broadcasting Decision CRTC 2002-82, April 8, 2002.

² Broadcasting Decision CRTC 2007-166, June 8, 2007.

³ Broadcasting Decision CRTC 2008-72, March 31, 2008.

3. Since the licence renewal of OMNI.1 in 2000⁴ the OMNI brand and concept has been expanded through the licensing of a second OMNI station in Toronto (CJMT-TV), the licensing of new ethnic stations in Calgary and Edmonton (CJCO-TV and CJEO-TV), and the recent acquisition of the former channel m station in Vancouver/Victoria (CHNM-TV). This is the first time these stations will be renewed as part of a multi-station group.

OMNI Television – Canada’s First OTA Ethnic Television Group

4. Rogers is among the pioneers of multilingual television in Canada, first in the mid-70s with cable community programming, and then in 1986 with the purchase of CFMT-TV, or OMNI.1 as it is known now. RBL bought CFMT-TV when it was in serious financial trouble because we believed in the concept of providing multicultural television programming to ethnic communities in Toronto.
5. Over the last twenty years Rogers has invested substantial resources in the production of high-quality, Canadian ethnic and third-language television programming. We have established a viable and successful business model for ethnic television in Canada, and have been instrumental in the grassroots development of Canadian ethnic and third-language independent production.
6. OMNI Television has a strong and respected reputation for the provision of third-language news and community-relevant ethnic programming. Our stations provide:
 - daily and weekly newscasts produced in languages as diverse as Italian, Portugese, Mandarin, Cantonese, and Punjabi;

⁴ Broadcasting Decision CRTC 2000-772, December 21, 2000

- a wide variety of community magazine and public affairs programs , including, for example, *Front Page Philippines* (Filipino), *Ondes Africaines* (French), *Aaram* (Tamil), *Wai Wai Wide* (Japanese), *Noi Oggi* (Italian), *Rompost TV* (Romanian) and *Trendy Zone* (Cantonese) most of which is provided by independent producers; and
 - regularly scheduled special programming, including third-language and ethnic documentaries from our OMNI Signature Series.
7. Given the recent growth of the OMNI Television group over the past two years we intend to use the next licence term to focus on the operational integration of these stations, providing world class, award winning ethnic programming in new OMNI markets and strengthening its financial performance as a group.
8. Our strategy for the next licence term is designed to achieve four key objectives:
- i.) Establish successful, vibrant OMNI services in all markets we serve, by applying a proven and relevant model for ethnic television to all OMNI stations;
 - ii.) Ensure the highest possible level of service to our audiences by upholding the requirements and the spirit of the 1999 ethnic policy;
 - iii.) Build and strengthen relationships with our audiences and communities.
9. Our strategy for the next licence term achieves the objectives of the *Ethnic Broadcasting Policy* and the *Broadcasting Act*, and is based on the business

case for ethnic television that we have created and sustained over the past twenty years.

10. We believe this proceeding presents an ideal opportunity to streamline and harmonize the regulatory obligations and conditions of licence of each OMNI station thereby ensuring a balanced level of high-quality service in all of our markets. This will also have the positive effect of simplifying the administration required, on behalf of both the stations and the CRTC, in ensuring compliance.

III OMNI's Economic and Regulatory Context

11. The OMNI licence renewal applications are being considered at a time of unprecedented change for the conventional over-the-air (OTA) television sector.
12. The rapid growth of the OMNI Television group over the past two years requires a focus over the next licence term, on the operational integration and harmonization of these stations and strengthening their financial performance as a group. Currently, OMNI.1 and OMNI.2 are the only ethnic OTA stations in Canada that are profitable⁵. The goal of improving the financial performance of the OMNI group of stations during the next licence term will be even more challenging in light of the current economic climate and the longer term audience, revenue and expenditure trends that are impacting all parts of the OTA television sector.

⁵ OMNI Alberta and OMNI British Columbia are in a loss position and are projected to remain in a loss position for the foreseeable future.

13. The many challenges facing the industry have been well documented and discussed at length in a number of recent proceedings, notably the 2007 TV Policy Review (Broadcasting Public Notice CRTC 2008-53) proceeding and the 2008 proceeding to review the regulatory frameworks for broadcasting distribution undertakings (BDUs) and discretionary services (Broadcasting Public Notice CRTC 2008-100).
14. Furthermore, the recent economic downturn will put even greater pressure on the conventional television sector over the next several years as companies reduce their spending on television advertising and reconsider their advertising buys. Add to this uncertainty the additional expenses associated with the conversion of OTA television to digital by the CRTC-mandated deadline of August 31, 2011, with no assurances of any offsetting revenues, and it is clear that the next licence term will present enormous challenges for conventional broadcasters like OMNI.
15. In the midst of all this potential for further changes to the broader television environment, a brief review of a few key trends in the performance of the conventional television sector helps to underscore the nature of the challenges facing OTA television at this time.

Declining Profitability

16. The PBIT margin for the private conventional television sector was only 5.2% in 2006/2007. This was up slightly from the 4.2% recorded in 2005/2006, but is still down significantly from the 14.5% recorded in 2002/2003 when CFMT-

TV was last renewed, and the 11.3% achieved in each of 2003/2004 and 2004/2005⁶.

OTA television viewing continues to fragment

17. The Commission's 2008 Communications Monitoring Report reports on viewing trends over the past three years. This report shows that the viewing share of Canadian English-language private conventional OTA television continues to decline year by year, from 28.3% in 2004/2005 to 26.9% in 2005/2006 to 25.6% in 2006/2007.
18. The ethnic OTA sector, for which we are the key player, has experienced a marginal drop in its viewing share over the past three years, from 1.3% to 1.2% of all tuning.

Minimal revenue growth and escalating expenses

19. Revenue trends from 2002/2003 to 2006/2007 show minimal growth. Total revenues for private conventional OTA stations have increased only 5.9% over this period, representing a compound annual growth rate (CAGR) of 1.56%.
20. For English-language and ethnic OTA stations combined, revenue performance has been only marginally better than for the sector overall, with advertising revenues up 6.6% for the period, representing a CAGR of 1.6% for the period.

⁶ All revenue and expense data taken from published CRTC statistical and financial summaries

21. Over the last licence term OMNI.1 has experienced only marginal revenue growth as some of its revenue migrated to OMNI.2. For its part, OMNI.2 has experienced rapid revenue growth since it was licensed in 2002, but nonetheless only reached profitability for the first time in 2006-2007. OMNI BC has failed to reach profitability in its first licence term as a stand-alone station.
22. In October 2008 the CRTC concluded that the business case for conventional television has changed significantly through fragmentation of viewing and advertising revenues, attributable to the expansion of Canadian and non-Canadian viewing choices offered by DTH undertakings, digital terrestrial BDUs and other digital media.⁷
23. With a significant number of Canadian and foreign ethnic specialty services now available to Canadians, and as Canadian consumers continue to increase their use of the Internet and other new media technologies, ethnic OTA broadcasters will face even greater challenges in retaining audiences. OMNI Television understands we must continue to provide a relevant high quality programming service to our communities in order to stem the migration of viewers to competing services and alternate platforms.

A Sustainable Regulatory Framework

24. This renewal process marks the first time these licences will be considered together as part of a multi-station group. Currently, each of the OMNI stations currently has a different set of terms and conditions with the exception of the recently licensed OMNI Alberta stations. Our regulatory framework for the

for conventional television.

⁷ Broadcasting Public Notice CRTC 2008-100, *Regulatory frameworks for broadcasting distribution undertakings and discretionary programming services*, paragraph 345.

OMNI stations proposes the harmonization of these terms and conditions so that we offer a balanced level of service across all of the markets we serve.

25. While we recognize that some of our proposals will impact commitments we have accepted in recent licensing and acquisition hearings; we submit that the economic environment in which those commitments were made has changed dramatically. That being said, we are also increasing our commitments for other stations, most notably Canadian programming on OMNI.1. Taken together, we believe our proposal supports a strong commitment to ethnic and third-language programming that is financially sustainable over the next licence term.
26. Notwithstanding the economic challenges, RBL is optimistic about the opportunities that we now have with the OMNI group of stations over the next licence term. We have established a successful business model in Toronto, one that provides outstanding service to Toronto's ethnic communities. We have also developed strong and meaningful relationships with the ethnic communities we serve and have become the primary source of funding for third-language programming in Canada.
27. Over the next licence term our focus will be to establish and strengthen our new stations in Alberta by supporting programming initiatives that resonate with our audiences and foster strong and trusting relationships with communities in Calgary and Edmonton. We will also focus on integrating OMNI BC into the OMNI group of stations and strengthening its ethnic and English-language programming and maintaining our performance to date in Ontario.

28. Our regulatory proposal for the next licence term reflects the operational and financial realities of these stations and what they can sustain over the long term.

IV. OMNI Television – Growth and Development of a Multi Station Group

29. The *Ethnic Broadcasting Policy* (Public Notice CRTC 1999-117) has provided a solid and realistic framework for the development of over-the-air ethnic television stations in Canada.
30. Through the *Ethnic Broadcasting Policy*, the Commission has established a number of specific policy principles and requirements applicable only to ethnic television broadcasters.
- At least 60% of programming on an ethnic station must qualify as an “ethnic program”, and at least 50% must be produced in a 3rd language.
 - Ethnic broadcasters must broadly serve the needs and demands of communities both large and small, with programming in a number of different languages.
31. Taken together, these requirements establish broad parameters within which ethnic broadcasters must develop their overall programming and service offering.
32. RBL submits that the Commission’s policy is still relevant and has been successful in ensuring that ethnic stations remain focused on their core

mandate and target audience. Moreover, it does not unduly hamper our programming flexibility or adaptability, nor does it limit our ability to generate advertising revenues from the non-Canadian programming we have acquired for our stations.

33. For these reasons, RBL commits that over the next licence term each of the OMNI stations will uphold the requirements of the *Ethnic Broadcasting Policy*.
34. In addition, we propose a single set of conditions relating to Canadian content, ethnic programming in prime time, third-language programming and broad service requirements for each of the OMNI stations over the next licence term. We submit that the harmonization of our regulatory commitments across all of our stations will streamline and simplify the regulatory obligations of these stations and allow them to be rationalized across all markets. In some cases, this harmonization will result in increased commitments in markets and a re-allocation or reduction in others.
35. RBL believes the terms approved in the recent licensing of our OMNI Alberta stations reflect a strong commitment to ethnic programming and audiences that is balanced against the financial health and potential of the Canadian ethnic television market. Furthermore, we believe the conditions approved less than two years ago in the Alberta competitive licensing hearing are still very relevant, progressive and fair. For this reason, our proposed set of conditions for each OMNI station is based heavily on those recently approved for the OMNI Alberta stations.
36. Specifically, we propose that each OMNI station be held to the following programming commitments. (For ease of reference, we have provided, as Schedule 1.6, a chart comparing current conditions of licence for all of the OMNI stations, and our proposed, harmonized requirements.)

Canadian Content

37. Each of the OMNI stations will achieve Canadian content levels of 60% overall and 50% during the evening hours measured over a yearly basis. For OMNI.1 in Toronto, this means an increase of 5% in current Canadian content requirements from 55% to 60% overall and from 45% to 50% in the evening hours.

Ethnic Programming

38. Each OMNI station will dedicate at least 60% of the broadcast schedule each month to ethnic programming. As a result, on average, each OMNI station will carry more than 75 hours of ethnic programming per week.
39. This commitment maintains our ethnic programming levels for the OMNI.1 and OMNI BC and represents a decrease for OMNI.2. As noted above, this commitment is in keeping with the current conditions of our newly licensed OMNI Alberta stations.

Third-Language Programming

40. Third-language programming is at the core of OMNI Television's mandate. We believe the provision of programming to audiences in their language of comfort is fundamental to the quality of ethnic television. Whether it is to inform, entertain or educate, third-language programming is truly a unique means of reaching out to local ethnic communities. In line with the *Ethnic Broadcasting Policy*, we propose that over the next licence term each OMNI station will continue to dedicate at least 50% of its programming each month to third-language programming.

41. The OMNI stations currently have varying commitments to third-language programming and varying restrictions on the level of third-language programming that can be provided in a given language in a given market. Some of our stations are, by condition of licence, limited in terms of the total hours of ethnic programming they can provide to specific ethnic groups, or in specific 3rd languages.
- OMNI.2 can only offer a maximum 19% of its total hours per broadcast year to any one language (e.g. Cantonese, Punjabi or Mandarin).
 - OMNI BC is only allowed to broadcast a maximum of 20 hours per week between 6am and midnight in either of the Chinese and South Asian languages; and
 - OMNI Alberta is limited to a maximum of 18% of programming that can be offered in each of Cantonese and Mandarin.
42. These restrictions were imposed by the Commission in an effort to support and protect existing Canadian analog ethnic specialty services. RBL believes it is the appropriate time to simplify the rules related to third-language programming and apply a single requirement to devote 50% of the broadcast year to third-language programming; removing all current restrictions on our licences related to third-language programming in Chinese and South Asian languages.
43. In our view, the purpose and rationale for these restrictions is no longer valid given the financial stability and maturity of the ethnic specialty sector, and particularly services operating in South Asian and Chinese languages. Analog ethnic specialty services have access to two revenue streams and enjoy healthy and stable profit margins that either exceed or are on par with

the sector. These services also have guaranteed carriage and distribution by all large cable and satellite distributors which ensures they are widely available to Canadians. They have also been afforded regulatory flexibility to provide local programming and access significant local advertising revenues.

44. We believe the elimination or loosening of programming restrictions for specific large groups will have little impact on ethnic specialty services. OMNI's focus on local ethnic third-language programming ensures our programming is largely complementary to that offered by ethnic specialty services.
45. We submit that removing these limitations will ensure a strong level of service to local ethnic communities and give ethnic OTA broadcasters greater flexibility to offer a larger variety and diversity of ethnic programming.

Broad Service Mandate

46. Currently, each OMNI station serves between 18 and 22 distinct groups, with ethnic programming in as many as 15 to 20 languages. In the next licence term, we propose to standardize this to a minimum of 20 distinct ethnocultural and linguistic groups for each station. These groups will be based on the ethnocultural and linguistic makeup of each market and our commitment measured on a monthly basis.
47. This proposal will balance the service mandates of our Toronto stations⁸ (OMNI.1 will increase its service mandate from 18 languages and OMNI.2 will be lowered from 22) and decrease the number of groups served by OMNI BC.

⁸ OMNI.1 and OMNI.2 will continue to serve separate ethnocultural communities.

As noted above, this condition is consistent with that of our OMNI Alberta stations.

Ethnic Programming in Peak Prime

48. Both mainstream and ethnic OTA television broadcasters must operate using the 60/40 Canadian television model, with specific requirements or expectations for the provision of high-quality Canadian programming. However, the OMNI stations are also subject to specific scheduling restrictions which limit their flexibility in serving ethnic audiences and maximizing advertising revenue.
- OMNI.1 is required to ensure 75% of programming offered between 8:00pm and 10:00pm is ethnic;
 - OMNI.2 is required to ensure 80% of programming offered between 8:00pm and 10:00pm is ethnic;
 - OMNI Alberta is required to ensure 80% of its programming between 8:00pm and 10:00pm is Canadian; and
 - OMNI BC is required to ensure that 100% of its programming between 8:00pm and 10:00pm is ethnic
49. Given the challenging OTA environment, we believe ethnic broadcasters should have maximum flexibility in scheduling their stations, and generating the revenues they need to provide high-quality Canadian ethnic and third-language programming.
50. Ethnic audiences have access to a multitude of different programming options from other services and sources. Specific scheduling provisions limit our ability to compete with mainstream and ethnic media sources and generate the attention and interest of viewers that helps drive advertising revenue.

51. For these reasons, we propose the elimination of scheduling restrictions during the peak prime time period between 8:00pm and 10:00pm.

Diversity in Programming

52. The *Ethnic Broadcasting Policy* requires that ethnic television stations provide a programming service that reflects and serves the local community. As described in the next section, our OMNI stations will include a number of programming initiatives to serve the needs and demands of local communities, including regional newscasts, local community programs and cross-cultural initiatives.
53. We have attached our proposed Fall 2009 schedules for our OMNI stations to this application Appendix 5A. We believe these schedules reflect our strong commitment to local programming and the reflection of our diverse audiences in each of the markets we serve.

V. Development of Canadian Content and Independent Production

54. OMNI Television is Canada's recognized leader in multilingual television broadcasting. Our commitment to multiculturalism and diversity defines our television operations. We work in an environment where various cultures and languages interact on a daily basis, and our programming is designed to promote increased understanding within, and between, ethnic groups in Canada. We maintain relationships with the communities we serve, relationships that are based on trust, respect, co-operation and a detailed knowledge of their social and cultural practices.

55. Our experience has shown that the OMNI stations often act as an entry point for involvement and participation in the Canadian broadcasting industry. Most of our staff and personnel, as well as the independent producers we work with, get their first experience in the industry at OMNI. They grow with us, and develop their skills and talents through the production and broadcast of ethnic programming.
56. As noted earlier, OMNI stations have three core program and services objectives. These include:
- daily and weekly news programming produced in a diversity of third-languauges;
 - a wide variety of community, magazine and public affairs programs; and
 - regularly scheduled special programming, including English, ethnic, and cross-cultural programming.
57. In addition to these core program offerings, OMNI's tangible benefits funding has helped support a wide variety of ethnic and third-language drama and documentary programming. For example, the *Ontario Independent Producers Initiative* has funded over 350 hours of third-language and ethnic documentary and drama programming and provided new opportunities, jobs and programming initiatives for both OMNI stations in Toronto.
58. This initiative has fostered the grass roots development of Canadian ethnic documentaries and dramas, both in terms of program subjects and stories, but also with respect to the involvement of first-time Canadian independent producers. Although often produced in a third language, a vast majority of

these programs are also available in English (and other languages), increasing their potential reach and accessibility.

59. As a result of this important funding, we now work with a much wider number of independent producers, who have the ability to work in this industry and develop ethnic programming for their own community.

60. Our OMNI Alberta and BC stations have also initiated a number of projects to support the independent production of ethnic and third-language programming and script and concept development through the *OMNI Alberta and OMNI BC Independent Producers Initiatives*.

➤ *Calgary Stampede: East Meets Western (OMNI Alberta)*

A tale of 2 cultures seemingly worlds apart and yet with so many similarities steeped in tradition, culture and ethics. This documentary showcases the events that occur during the Stampede and how the Calgary Ismaili community totally embraces and celebrates the Greatest outdoor show in Canada.

➤ *Chinatown Canada (English, Mandarin) (OMNI BC)*

A documentary series celebrating the history, culture and vitality of Canada's Chinatown communities. Through historical photos, interviews and footage of today's Asian communities in Montreal, Toronto, Calgary, Edmonton, Vancouver and Victoria, this documentary explores a special part of the multicultural fabric that makes Canada a unique and diverse country.

➤ *We Can't See You Beating Us (OMNI BC)*

This is a 48-minute documentary chronicling the struggles that Linda, David, Yvonne and Jim have experienced since their vision

loss. Misconceptions about the blind are broken. The facts are discussed by specialists and the viewer is given an inside look at what it really means to experience blindness.

61. With no other public or private sources for the production of third-language programming, our tangible benefits funds from OMNI.2, OMNI Alberta and OMNI BC have and will continue to provide ground-breaking opportunities for producers, directors and actors.
62. Third-language documentaries have established a voice and a platform for untold stories of our history and our culture. They have broadened the diversity of content and the diversity of participation in the Canadian independent production sector. Programs like *Metropia*, our cross-cultural, English-language drama, have also provided new opportunities for “new-to-the-business” Canadian talent from various ethnic backgrounds, many of whom have since gone on to be involved in other Canadian mainstream productions.

Local Community Support

63. While funding is an important element in the support of ethnic and third-language programming and independent production, so too is our relationship with these communities. In order to continue to strengthen and nurture these relationships, we have recently hired Community Liaison Officers in Vancouver, Calgary and Edmonton supported by a central staff in Toronto. These Community Liaison officers have a number of responsibilities including outreach and relationship building with Canadian ethnic communities and independent producers.

64. Our stations and services are particularly focused on support for their local community initiatives. We are involved in a vast number of events, fundraisers and local associations. We see ourselves as resources becoming an integral part of the local communities we serve.

65. In addition to providing regularly scheduled programming, OMNI recognizes that a licensed television broadcaster has a responsibility to respond in a timely manner to the needs and issues of the communities that it serves. Through special programs, community service and public service announcements, our stations in Ontario have been very active in fulfilling this role. Much like we have done in Ontario, our OMNI Alberta and OMNI BC stations will work with local, provincial and national governments, community organizations and public interest groups to fulfill a similar role with local ethnic communities in Calgary, Edmonton, and Vancouver.

VI. Financial Estimates and Programming Expenditures

66. As discussed earlier in our brief, OMNI's strategy for the next licence term will be largely focused on developing its new Alberta stations and refining OMNI BC's programming and operations. We will also work to complete the integration of these three new stations into the OMNI Television group. We have established a proven business model in Toronto that has allowed us to offer a high level of service and quality programming to a broad range of ethnocultural communities.

67. Our financial strategy for the station group over the next licence term is based largely on the business approach used to develop the OMNI.1 and OMNI.2 stations.

Financial Projections

68. We have attached as Appendix 4.1 our consolidated and individual station financial projections for the next licence term. On a consolidated basis, our projections assume modest revenue growth in the first three years of operation, peaking in Year 3 at 4% and declining in Year 6 to 2% for the remaining licence term. This modest revenue growth is attributed primarily to the growth of our newly launched Alberta stations and changes to our newly acquired Vancouver station.
69. For OMNI Alberta we expect our Calgary station to achieve modest profitability by Year 4, while Edmonton is not expected to become profitable during the next licence term. These variances are largely attributed to higher programming costs (staff) in Edmonton.
70. OMNI BC is projected to become profitable by Year 6, benefiting from increases in national advertising and the ability to share programming costs with other stations in the group.
71. We anticipate very little growth in revenues for our OMNI Ontario stations over the next licence term, given they are mature stations operating in a very competitive and financially strained market. These stations will be focused on sustaining their financial situation in what is expected to be a challenging economic climate for the foreseeable future. We expect profitability for these two stations to decline significantly over the next licence term.

Distant Signals

72. We have not included any revenues associated with distant signal compensation in our financial projections. OMNI.1 and OMNI.2 are currently

the only stations carried as distant signals. Given their current carriage status, their niche appeal and the uncertainty of their future DTH carriage, we do not believe it is realistic to include any revenues associated with distant signal carriage.

Programming Expenditures

73. We have also attached as Appendix 4.2 consolidated and individual breakdowns in programming for each station over the next licence term.
74. In addition, we have attached a breakdown in expenditures on acquired Canadian and non-Canadian programming over the last licence term including detailed breakdowns on 1st run and other programming as Schedule 4.3.

VII. Digital Television

75. As the Commission well understands, the mandated conversion to digital, and the significant investments in HD programming and facilities, will place considerable financial pressures on the Canadian broadcasting industry and, in particular, OTA broadcasters. As strong believers in HD technology and the inherent value that broadcast spectrum has for the long-term viability of our local television stations, RBL remains committed to the opportunities that lie ahead in digital and HD. These opportunities are important points of differentiation, appealing to the high-quality programming demands of television audiences.
76. We also note that large urban centers tend to be markets with the highest level of “off-air” tuning, making digital OTA transmission even more important for local television stations like OMNI to reach their local audience. For these

reasons, we are committed to building out our digital OTA transmitters in each one of the markets served by OMNI by the Commission's mandated deadline of August 31st, 2011.

77. Accordingly, we have attached our proposed DTV Transition Plan for the Citytv and OMNI stations to this application for the Commission's consideration (Appendix 5.3d)⁹. With respect to the OMNI stations, in addition to OMNI.1 and OMNI.2 which already broadcast in digital, our plan involves erecting DTV transmitters in Vancouver and Victoria by 2010 and then rollout to Edmonton and Calgary by 2011.
78. For Rogers, the cost of transition is approximately \$15-20 million in capital over three years to convert twenty transmitters (Citytv and OMNI stations). In markets where we elect to simulcast DTV, such as Toronto, we incur duplicate site leasing and utility costs. These costs are in addition to the costs associated with digital conversion of studios and master control facilities which are estimated to be approximately \$100 million.

VIII. Emergency Alerting

79. RBL has been actively involved in initiatives led by the Canadian Association of Broadcasters (CAB) over the last few years involving industry/government committee discussions on the implementation of a national system for delivering emergency alerting messages to the public. During this period, dialogue and close consultations have been held with:
 - i.) Environment Canada;
 - ii.) Industry Canada on its CANALERT concept;

⁹ The transition plan also includes an updated list of analog and digital transmitters and locations by call sign for each of the OMNI stations

- iii.) Public Safety Canada on the NPAS Project;
 - iv.) Broadcasters' Public Alerting and Warning Working Group
 - v.) The CAP Working Group, which developed the internationally-compatible Common Alerting Protocol Canadian Profile (CAPCP) that will be used to transmit emergency alerts in Canada.
80. Rogers Cable Communications has also shown considerable leadership in this area developing a system to deliver targeted emergency alert messages across its distribution network.
81. While RBL submits that it is unlikely the Commission's deadline of February 2009 for the launch of a national public emergency alerting system is likely to be met, we strongly believe that significant and meaningful progress has been made to date towards the launch of a voluntary alerting solution. Specifically, RBL believes that the work led by Public Safety Canada (PSC) is likely to result in a National Public Alerting System (NPAS) by 2010. When launched, emergency alert messages concerning imminent threats to Canadians' lives will be sent by alert issuing agencies to NPAS, which in turn will feed them to broadcasting distribution undertakings for distribution on (or in place of) all digital channels received by their customers.
82. Throughout this lengthy process, radio and television broadcasters have continued to provide comprehensive live coverage of emergency situations within their coverage areas, as part of their regular service commitments. Broadcasters have also implemented a number of local or regional distribution arrangements and protocols to ensure that information on emergencies can be received from the authorities and delivered to the public in a timely manner (e.g. Alberta EPWS, Amber Alerts, Environment Canada weather alerts).

83. The OMNI stations are committed to the timely and effective delivery of emergency warnings and will carry out all necessary requirements under a national alerting system. As an ethnic broadcaster, we recognize the unique role we can play in reaching niche audiences and communicating emergency warnings to third-language audiences.

84. Attached to our application is a report, prepared by the CAB, outlining the progress private broadcasters have made to date in establishing a voluntary national alerting system (Schedule 10). We believe private broadcasters have demonstrated a solid commitment and achieved measurable progress in the development of a national emergency alert system.

IX. Commitments to Diverse and Accessible Programming

Cultural Diversity

85. OMNI Television is dedicated to meeting the multicultural and multilingual needs of their communities in British Columbia, Alberta and Ontario. It is that commitment to multiculturalism and diversity that defines our television stations. We work in an environment where various cultures and languages interact on a daily basis. Our programming is designed to promote increased understanding within, and between, ethnic groups in Canada. We maintain relationships with the communities we serve, relationships that are based on trust, respect, co-operation and a detailed knowledge of their social and cultural practices.

86. The Commission's expectations and/or requirements for the advancement of diversity are now well established, and RBL clearly recognizes its diversity obligations in its operations and its programming.

87. Consequently, RBL has developed a number of on-going diversity initiatives which are identified in our reporting on a year over year basis as continuing initiatives. We have attached as Appendix 5.6 a report summarizing these on-going initiatives and initiatives undertaken by Citytv and OMNI over the last year since our last report to the Commission on cultural diversity.

Reporting Requirements

88. RBL monitors all diversity activities and has well established mechanisms for internal reporting, based on the Best Practices developed by the Task Force for Cultural Diversity and subsequently accepted by the Commission.
89. Given the establishment of these conditions and practices pertaining to diversity, and a year over year filing of diversity reports to this point in time, RBL believes that the current reporting mechanism should be replaced by two reporting requirements: one report would be filed at the mid-term of a licence period and one report would be filed at the conclusion of a licence period (i.e. one diversity report after 3 to 4 years into a licence term and one diversity report at licence renewal).
90. The mid-term report will provide RBL with an opportunity to identify initiatives, progress and advancement as well as planning and objectives for the remainder of the licence term. The report at licence renewal would provide an opportunity to identify the accomplishment of established goals, and diversity planning on a going forward basis.
91. The two-report model would also provide RBL with an opportunity to stand back and assess the relative success of our diversity activities on a year over year basis, and adjust our diversity initiatives accordingly.

Replication of Content Analysis

92. RBL does not believe it is necessary to replicate the content analysis concerning on-screen presence and portrayal of Canada's diversity as referenced in Broadcasting Public Notice 2005-24, at this time, for the following reasons.
93. Whereas 'diversity' was paid little attention five years ago, it is now widely recognized by broadcasters including RBL that the advancement of diversity is essential to our business success, in terms of both our internal operations and our ability to attract and retain audiences.
94. RBL believes that, in the five-year period since the publication of the original research, significant progress has been made in terms of the advancement of diversity – certainly within RBL and very likely within the private broadcasting industry as a whole – and that this progress has been greatly facilitated by the Commission and through the implementation of Diversity Best Practices developed by the Task Force.
95. Our diversity reporting to the Commission provides strong evidence of the important role that diversity plays in our operations, and provides further evidence of the steps we have taken and continue to take, to reflect the diversity of our local communities in our programming.
96. Examples of progress on diversity abound at an industry level as well, including the efforts – fully supported by RBL – of the CAB and the RTNDA to develop educational materials, tools and other resources to assist their members with the advancement of diversity.

97. RBL therefore submits that given (i) our commitment to diversity, (ii) progress made in developing and implementing diversity initiatives and (iii) ample evidence of progress that have been made available to the Commission, there is no need to replicate the content analysis at this time.
98. RBL also notes that in the period since the original research was carried out for the Task Force on Cultural Diversity, the private broadcasting system has undergone considerable change, in terms of the expansion of services, the contraction of advertising dollars and increasing competition from unregulated sources.
99. In general, content analysis is an extremely expensive form of research; the cost of the original research was well in excess of \$300,000. Under current economic conditions, the cost of replicating the research would be onerous. Again, RBL submits that the on-going commitment to the advancement of diversity demonstrated by our company – and indeed, by the industry at large – obviates the need for replicating the research at this time.

Closed Captioning

100. In Broadcasting Public Notice 2007-54 *A New Policy With Respect to Closed Captioning*, the CRTC determined that English- and French-language broadcasters will be required to caption 100% of their programs over the broadcast day, with the exception of advertising and promotions. The Commission also noted that this requirement would be subject to exceptions that take into account instances, but not patterns, of equipment/technical malfunctions and human errors that are beyond the broadcaster's control, or circumstances beyond the broadcaster's control where captioning may not be available.

101. In that proceeding it was also noted by both broadcasters and captioning consumers that while captioning in third-languages that use the Western alphabet is feasible, that it was "...too soon for the Commission to decide on the appropriate requirements for the captioning of third-language programming since captioning in languages not using the Western alphabet raises major technical and financial challenges".
102. Accordingly, under the new policy ethnic stations are held to the same standard as mainstream broadcasters and are required to caption 100% of the English or French-language programming they broadcast, including all news programming, but they do not have specific requirements to caption third-language programming. Instead, the Commission encouraged broadcasters who broadcast in third-languages, and in particular languages that use the Western alphabet, to work on solutions for making third-language programming more accessible. Accordingly, the Commission expects, where practical and financially feasible, that ethnic broadcasters will caption third-language programming whenever possible.
103. OMNI is committed to upholding the Commission's new policy relating to closed captioning and has shown leadership in its solutions-driven approach to the provision of third-language captioning.
104. There is currently no company in Canada providing closed-captioning of third-language programming. While OMNI has in the past contracted U.S. based companies to provide third-language captioning our experience is that third-language captionists have difficulty understanding Canadian brands, expressions and idioms. For example, the "Blue Jays" baseball team was once captioned as the "Starlings" baseball team. As a result, all of our third-language captioning is done in-house due to lack of third-party service providers and voice recognition technology available to caption this type of

programming. However, despite these challenges, OMNI has devised its own in-house system to caption certain third-language scripted programs using a teleprompter. This in-house captioning system has allowed us to caption between 85 and 90% of our third-language news broadcasts.

105. While our in-house captioning initiatives have significantly improved the quantity and quality of third-language captioning available to our audiences, we continue to face a number of technical and operational challenges. For example, OMNI's in-house captioning system cannot caption live interviews (only scripted programs) and cannot always accommodate the accents required for even Western-based third languages.
106. Moreover, there remain significant challenges associated with captioning languages that do not use the Western alphabet. For example, OMNI does not caption Chinese-language news because its in-house captioning system can only support alphanumeric characters and does not recognize Chinese characters. In order to offer some level of captioning in Chinese OMNI sub-titles some of its Chinese-language programs particularly feature films and original documentaries produced using our programming benefits. Occasionally, OMNI will sub-title certain programming specials such as the twenty six half-hour special *Road to Beijing* which highlighted preparations for the 2008 Summer Olympic Games. As a matter of practice, OMNI endeavors to acquire programming that is already captioned or sub-titled to ensure its programming is widely accessible.
107. Given the progress that has been made to date and our on-going commitment to improving the quantity of third-language programming that is made available to our viewers, we believe that the Commission's current expectation for the closed-captioning of third-language programming remains appropriate.

108. With respect to specific measures taken to ensure quality, reliability and accuracy of English-language closed captioning, including monitoring strategies, RBL continues to develop and improve its internal protocols to minimize instances of equipment or technical malfunctions. RBL is also actively involved in the CAB's English-language Working Group whose mandate is to *"...develop universal standards that would, at a minimum, address quality concerns...namely consistency and style issues...The working group should also develop concrete, workable solutions with respect to other aspects of captioning quality, including reducing errors and technical problems, such as dropped or garbled captioning, or captioning that is cut off by commercials, and similar concerns.."*
109. The CAB's English-language working group filed a report on its activities, along with revisions to the CAB's English-language Closed Captioning Standards and Protocols Manual, with the Commission on December 2nd, 2008. The CAB also submitted, on December 15th, 2008, a report prepared by CONNECTUS Consulting regarding the validation sessions undertaken to get stakeholders' feedback and reaction to recommended changes to the CAB's English-language Closed Captioning Standards and Protocols Manual.
110. RBL submits that the work accomplished to date by both the English and French-language working groups, as outlined in the above-referenced reports, will enhance the quality, reliability and accuracy of English-language captioning for all consumers.

Audio Description

111. OMNI as a matter of practice provides audio description as much as possible in its original programming. Our approach to television news has always

been to support all full-screen graphics with either a reporter or anchor voice-over. We firmly believe that the script and/or voice-over accompanying the graphic are an integral and important part of delivering information during news broadcasts.

112. For example, OMNI provides a reporter or anchor voice-over for English and third-language news segments that use statistical graphics or financial information (e.g. stock market numbers, federal and provincial budgets etc...).

113. Other examples of when we use audio description include:

➤ **Consumer Affairs.**

OMNI ensures that the names of products that have been recalled by public health or consumer watch organizations are read and not just pictured on the screen.

➤ **Web Addresses**

Our anchors ensure all web addresses are read out loud at the same time they are displayed on screen.

➤ **Crime Suspect Descriptions**

All police-issued photographs of crime suspects are read with an on-screen graphic.

114. OMNI does not have a formal plan concerning the training or monitoring of staff on the use of audio description. As we stated earlier, the use of audio description is part of our philosophy and approach to news. Our broadcast production staff learns this approach as part of their on-the-job training at OMNI.

Video Description

115. Currently, only three of the five OMNI stations have requirements to provide described video programming. OMNI.2 is required to provide a minimum of four (4) hours per month; 50% of those hours must be original programming. The OMNI Alberta stations are required to offer two (2) hours per month of described video programming (50% original) in their first and second year of operation and three (3) hours per month in years 3 and 4.
116. All DVS programming offered on Citytv and OMNI is done by a third party service provider with average costs at approximately \$1,600 per hour. This is a considerable expense given the modest revenues of these stations. Moreover, much of OMNI's original programming does not lend itself to video description as it is primarily live, news-based programming and often offered in a third language. Given OMNI's role in the system, and its contribution to increasing the accessibility of programming to third-language audiences, we do not believe the OMNI stations should be required to offer the same level of described video programming as mainstream English-language broadcasters.
117. Accordingly, we propose that by the end of the next licence term, each OMNI station will provide four (4) hours of described video programming per month in each market; 50% of which will be original programming. We believe this is a fair and reasonable proposal as it recognizes the limited financial resources of the OMNI stations but also represents an increase in the amount of described video programming currently required in each market.

X. Conclusion

118. As we've outlined in our brief, OMNI's newly licensed or newly acquired stations are still very much in a development phase and will require considerable investment over the next licence term.
119. In order to facilitate the development of these stations we have requested a streamlined regulatory framework that harmonizes our obligations across all of our stations. While this results in very little change to our overall level of obligation, it does simplify the administration of our licences as we are proposing a single set of conditions relating to Canadian content, ethnic programming, third-language programming and broad service requirements that would apply to each of our stations.
120. Specifically, over the next licence term each OMNI Television station will:
- Uphold the requirements of the *Ethnic Broadcasting Policy*
 - Offer a minimum of 60% ethnic programming
 - Ensure a minimum 60% Canadian content (50% during evening)
 - Ensure a 50% minimum for 3rd language programming
 - Uphold a broad service mandate (20 groups and languages)
121. In addition, our stations will continue to provide programming service that reflects and serves their local communities, including regional newscasts, local community programs and cross-cultural initiatives. Our stations will also continue to provide critical and significant support to independent producers through the *OMNI Ontario, Alberta and BC Independent Producer Initiatives*.

122. RBL is extremely proud of what it has been able to accomplish in ethnic television and believes its proposal reflects both its commitment to ethnic broadcasting and its understanding of the financial and business challenges facing the sector.
123. We respectfully request that Commission endorse our approach and renew the OMNI Television licences for the next seven years under these terms.