



Broadcasting Decision CRTC 2006-2

Ottawa, 5 January 2006

The Ontario Educational Communications Authority (TVOntario)
Toronto, Ontario

Application 2005-0689-2
Broadcasting Public Notice CRTC 2005-80
8 August 2005

CICA-TV Toronto – Licence amendment

*The Commission **approves** the application to amend the broadcasting licence for the English-language television station CICA-TV Toronto, with respect to the level of Canadian programming to be broadcast each day.*

The application

1. The Commission received an application by The Ontario Educational Communications Authority (TVOntario) to amend the broadcasting licence for the English-language educational television service CICA-TV Toronto (TVO), by deleting the condition of licence requiring the broadcast of a minimum level of 65% Canadian content during the broadcast day.

2. The licensee's current condition of licence with respect to Canadian programming is as follows:

The licensee shall devote not less than 65% of the broadcast day to the distribution of Canadian programs.

3. TVOntario argued that its proposed 5% reduction in TVO's overall Canadian content would provide it with the flexibility needed to optimize its investments in new, high quality Canadian programs. This flexibility would allow TVO to continue to fulfil its distinct educational mandate and obtain high quality programs in an increasingly competitive marketplace. The licensee added that a requirement for TVO to broadcast 60% Canadian content would be consistent with the requirement for other English-language educational broadcasters.

4. In support of its request, the licensee indicated that changes to the funding framework of the Canadian Television Fund (CTF) have compromised the ability of educational broadcasters such as TVOntario to acquire CTF funding for new Canadian productions. In particular, TVOntario noted that one of the new, key CTF funding criteria relates to audience potential, and that it will have an impact on 30% of CTF funding in the 2005-2006 broadcast year. The licensee stated that funding formulae based on potential

audience size would put TVO and other educational broadcasters at a disadvantage, since the programming designed for such broadcasters typically attracts a much smaller audience than that garnered by conventional television stations or specialty services.

5. According to the licensee, the fact that the CTF has no mechanism with which to dedicate funding for educational broadcasters will result in fewer practical opportunities for TVO to invest in new Canadian productions, especially children's programming and educational drama. As part of this process, TVOntario stated:

Math, music and Canadian history are three examples of core curriculum content areas that are simply unavailable in the marketplace. TVO bridges this gap by producing our own educational content for children, and approximately 50% of our children's programming budget goes to internal production. However, this investment falls short of our needs, takes away from our ability to trigger new Canadian co-production, and must be supplemented by high quality, foreign acquisitions in order to retain our audience and fulfill our educational mandate.

6. TVOntario further estimated that, by the 2006-2007 broadcast year, its ability to access CTF funding for new productions will diminish by 15%. In addition, the licensee indicated that its ability to invest in new Canadian co-productions not supported by the CTF is further disadvantaged by frequent increases in licence fees, due to the current competitive marketplace.

Background

7. In *Licence renewals for TVO and TFO and for the coverage of the Ontario Legislative Assembly*, Decision CRTC 2001-38, 2 February 2001 (Decision 2001-38), the Commission renewed the broadcasting licence of TVO from 1 March 2001 to 31 August 2007. In Decision 2001-38, the Commission also approved a request by TVOntario to reduce, from 70% to 65%, the level of Canadian content broadcast by TVO during the broadcast day.
8. In approving that reduction, the Commission noted that the provision of 65% Canadian content would still exceed the 60% level required of other English-language educational broadcasters in Canada, including Learning and Skills Television of Alberta Limited (Access Alberta), Open Learning Agency (Knowledge Network) and the Saskatchewan Communications Network Corporation (SCN). The Commission was also of the view that a reduced level of Canadian content would allow the licensee greater budgetary flexibility with which to improve TVO's programming, and to compete effectively in the market.

Interventions

9. The Alliance of Canadian Cinema Television and Radio Artists (ACTRA) expressed its concern over the decline in English-language Canadian television drama, and noted specifically that TVO was granted a reduction in Canadian content only four years ago. Although sympathetic to TVO's objective of investing further in high quality Canadian programs, specifically children's programs, ACTRA argued that a further reduction in TVOntario's Canadian content would not be warranted at this time. In the opinion of the intervener, Canadian educational broadcasters should have to meet a higher Canadian content level, and TVO's programming objectives should be accomplished through funding increases, and not by reducing Canadian content.
10. In their combined intervention, the Directors Guild of Canada and the Writers Guild of Canada expressed concern that the reduction in Canadian content approved in Decision 2001-38 seems to have failed to resolve TVO's financial difficulties related to fulfilling its programming mandate, and that a further reduction would likewise fail. The interveners expressed the opinion that only increased and adequate funding by the Ontario government would enable TVO to fulfill its mandate and meet its programming obligations.
11. The licensee chose not to respond to either of the above-noted interventions.

Commission's analysis and determination

12. The Commission has considered the views of the licensee as well as the concerns expressed by the interveners. The Commission notes that new, key CTF funding criteria may indeed result in a reduction in the level of financial support for the types of new programming educational broadcasters such as TVOntario are mandated to provide. The Commission also acknowledges the difficulty TVOntario has experienced in obtaining children's programming that is not subsidized by the CTF.
13. Further, as the Commission noted in Decision 2001-38, TVO's current requirement to provide a level of 65% Canadian content is higher than that required of other English-language educational broadcasters in Canada, and a reduction of 5% would result in a Canadian content requirement that would be consistent with that of other English-language educational broadcasters, which include Learning and Skills Television of Alberta Limited (Access Alberta), Open Learning Agency (Knowledge Network) and the Saskatchewan Communications Network Corporation (SCN).
14. The Commission also notes that, if this application were to be approved, the licensee would be subject to section 4(6) of the *Television Broadcasting Regulations, 1987*, which requires that during each broadcast year, television stations broadcast a minimum of 60% Canadian content.

15. For all of the reasons set out above, the Commission **approves** the application by The Ontario Educational Communications Authority (TVOntario) to amend the broadcasting licence for the English-language educational television service CICA-TV Toronto, by deleting the condition of licence requiring the licensee to devote not less than 65% of the broadcast day to the distribution of Canadian programs. While the Commission has approved this application, it wishes to remind the licensee that the 60% regulatory requirement is a minimum, and that TVOntario, like all television broadcasters, is invited to surpass that minimum.

Secretary General

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