



Broadcasting Decision CRTC 2013-122

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Ottawa, 14 March 2013

Knowledge-West Communications Corporation
Across Canada

Application 2012-1383-4

BBC Kids – Licence amendment

*The Commission **approves** an application to increase the level of animation programming on the Category 2 specialty programming undertaking BBC Kids from 25% to 50%.*

The application

1. Knowledge-West Communications Corporation (Knowledge) filed an application to increase the level of animation programming on its Category 2 specialty programming undertaking BBC Kids from 25% to 50%.
2. BBC Kids is an English-language, commercial-free specialty television service owned and operated by Knowledge.
3. Knowledge is owned by Open Learning Agency, the designated provincial educational authority in British Columbia, which operates the Knowledge Network.
4. Knowledge stated that the broadcasting environment in Canada had undergone significant change since the original licensing of BBC Kids. Specifically, it described the way in which industry consolidation had affected how Canadian content was financed, distributed and marketed. In particular, Knowledge noted that content acquired by vertically integrated companies was held for their own conventional and specialty channels and was therefore not readily available in the Canadian broadcast market. According to the licensee, as an independently owned specialty channel, BBC Kids has limited means to commission sufficient original, live-action youth programming for its service. Knowledge stated that it could, however, participate in pre-licensing Canadian animated content and that this was what it hoped to do with the increased flexibility it was requesting.

Intervention

5. The Commission received an opposing intervention by TELETOON Canada Inc. (Teletoon). Teletoon is jointly owned by Astral Media inc. (Astral) and Corus Entertainment Inc. (Corus). The applicant did not reply to the intervention.

6. Teletoon argued that if BBC Kids were allowed a 50% limit on animation, it would become directly competitive with its Category A specialty service Teletoon, which airs 100% animation and animation-related programs. Teletoon further submitted that at 25% BBC Kids was already allowed a higher amount of animation content than other Category A and B services that are not animation-related. Teletoon therefore requested that BBC Kids be required to maintain its current 25% limitation on animation programming.

Commission's analysis and decision

7. The Commission notes the applicant's argument that much of Canadian children's and youth programming is acquired by vertically integrated companies and held for their own conventional and specialty channels. In particular, the Commission notes that Astral and Corus own a number of Category A and B specialty services aimed at children and youth, namely The Family Channel, Disney Junior, Treehouse TV, YTV, Nickelodeon and Disney XD (Canada). The Commission further notes that these services are not restricted as regards the level of animation programming they may broadcast.
8. With respect to Teletoon's comment that the 25% limit on animation for BBC Kids is higher than that for other non-animation-related Category A and B services, the Commission notes that the intervener appears to be referring to *Regulatory frameworks for broadcasting distribution undertakings and discretionary programming services* – Regulatory policy, Broadcasting Public Notice CRTC 2008-100, 30 October 2008 (Broadcasting Public Notice 2008-100). In that policy, the Commission established standard limitations for Category A and B services in order to provide them with greater programming flexibility, while continuing to prevent competition between Category A services and between Category B and A services. For this purpose, the Commission set a standard limitation of 10% of the broadcast month for certain content categories, including 7(e) Animated television programs or films.
9. The Commission acknowledges that BBC Kids is currently allowed to broadcast more animation programming than is generally permitted under the standard limitation set out in Broadcasting Public Notice 2008-100. However, the Commission notes that BBC Kids is a non-commercial service targeting children and youth that is owned by a not-for-profit organization and that it is operating in a genre dominated by Corus and Astral, whose above-noted services are not subject to a limitation on animation programming. Given these factors and the nature of service and target audience of BBC Kids, the Commission considers that a higher than normal level of animation programming is appropriate.
10. In light of the above, the Commission **approves** the application by Knowledge-West Communications Corporation to amend the broadcasting licence for the Category 2 specialty programming undertaking BBC Kids in order to increase the level of programming it may draw from category 7(e). Accordingly, the Commission replaces

the licensee's condition of licence 5 relating to such programming with the following **condition of licence**:

No more than 50% of all programming broadcast during the broadcast week shall be drawn from category 7(e).

Secretary General

**This decision is to be appended to the licence.*