



## Broadcasting Decision CRTC 2017-150

PDF version

References: 2016-225, 2016-225-1, 2016-225-2, 2016-225-3 and 2016-225-5

Ottawa, 15 May 2017

### **Corus Entertainment Inc., on behalf of various licensees** Across Canada

*Application 2016-0015-6, received 11 January 2016*

*Application 2015-1373-9, received 1 December 2015*

*Application 2016-0216-0, received 1 March 2016*

*Application 2016-0217-8, received 1 March 2016*

*Public hearing in the National Capital Region*

*28 November 2016*

### **Corus Entertainment Inc. – Licence renewals for English-language television stations and services**

*The Commission **renews** the broadcasting licences for the currently licensed television stations and discretionary services that will form part of the English-language Corus Entertainment Inc. (Corus) group in the next licence term, from 1 September 2017 to 31 August 2022.*

*In addition, the Commission **approves** the request by Corus for broadcasting licences to operate the currently exempt discretionary services Disney Channel, Disney Junior and Disney XD as licensed discretionary services. These licences will take effect 1 September 2017 and expire 31 August 2022.*

*The discretionary services ABC Spark, National Geographic Wild and BC News 1, as well as Disney Channel, Disney Junior and Disney XD, will be included in Corus's group of services.*

*Further, Corus will maintain the bilingual licence for the discretionary service TELETOON/TÉLÉTOON, as well as the service's current Canadian programming expenditure requirements in each linguistic market.*

*Finally, the Commission **revokes** the broadcasting licence for CKWS-TV-2 Prescott and **approves** Corus's request to add that transmitter to the licence for CKWS-DT Kingston as a rebroadcasting transmitter.*

## **Applications**

1. Corus Entertainment Inc. (Corus), on behalf of the licensees listed in Appendix 1 to this decision, filed an application (2016-0015-6) to renew the broadcasting licences for the television stations and discretionary services set out in that appendix.
2. Corus proposed that its English-language group of services (the Corus Group) be comprised of the following:
  - 16 television stations, which include those acquired from Shaw Media Inc. (Shaw Media) as a result of the corporate reorganization approved in Broadcasting Decision 2016-110; and
  - 34 English-language discretionary services, which include those acquired from Shaw Media as a result of the corporate reorganization approved in Broadcasting Decision 2016-110, the bilingual discretionary service TELETOON/TÉLÉTOON, and several services that previously were not part of the Corus Group or another group of services.
3. A complete list of the services that will form the Corus Group can be found in Appendix 1 to this decision.
4. Corus filed separate applications on behalf of its wholly owned subsidiary 9329994 Canada Inc. for broadcasting licences to operate Disney Channel (2015-1373-9), Disney Junior (2016-0216-0) and Disney XD (2016-0217-8) as licensed services, given that these services are currently exempt undertakings that operate under Broadcasting Order 2015-88 but no longer meet the criteria for exemption. It also requested that these services be included in the Corus Group.
5. In addition, Corus requested that the Commission renew the bilingual licence for the discretionary service TELETOON/TÉLÉTOON.
6. Finally, Corus requested various amendments to and the deletion of certain requirements for certain of its services.
7. The Commission received interventions and comments in regard to these applications. The public record for this proceeding can be found on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) or by using the application numbers provided above.

## **Commission's analysis and decisions**

8. The Commission's determinations relating to issues common to all of the English-language ownership groups are set out in Broadcasting Decision 2017-148 (the Introductory Decision), also issued today, which should be read in conjunction with this decision.

9. In the Introductory Decision, the Commission set out its determinations on various issues, including setting a standard minimum Canadian programming expenditure (CPE) requirement of 30% of gross revenues of the previous broadcast year and a standard minimum requirement of 5% of gross revenues of the previous broadcast year for expenditures on programs of national interest (PNI) (with at least 75% of PNI expenditures to be allocated to independently produced programming), as well as setting standard minimum requirements for local programming and local reflection. These determinations will apply to the Corus Group, and are reflected below and in the conditions of licence for its services.
10. After examining the record for these applications in light of the Introductory Decision as well as applicable regulations and policies, the Commission considers that the issues it must address in this decision relate to the following:
- the issuance of new broadcasting licences for Disney Channel, Disney Junior and Disney XD, and the revocation of the broadcasting licence for CKWS-TV-2 Prescott;
  - the inclusion of ABC Spark, National Geographic Wild, Disney Channel, Disney Junior, Disney XD and BC News 1 in the Corus Group;
  - the elimination of restrictions relating to advertising;
  - exceptions to standard local programming requirements for CHNB-DT Saint John and CHEX-TV-2 Oshawa;
  - locally reflective news requirements for CHNB-DT and CHEX-TV-2;
  - the continued operation of TELETOON/TÉLÉTOON as a bilingual service with unique requirements regarding the French-language market;
  - the full disclosure of financial information by Corus, in accordance with the Commission's regulatory policy relating to vertically integrated entities;
  - an exception to the standard condition of licence relating to the provision of described video for programming received live or near-live; and
  - the deletion of various conditions of licence and expectations for certain services.

**Issuance of new licences for Disney Channel, Disney Junior and Disney XD, and revocation of the licence for CKWS-TV-2 Prescott**

11. Disney Channel, Disney Junior and Disney XD currently operate as exempt services under Broadcasting Order 2015-88. Corus filed separate applications for the issuance of new broadcasting licences for these services. In support of these applications, Corus noted that these services exceed the maximum number of subscribers allowed for exemption under Broadcasting Order 2015-88.

12. Broadcasting Order 2015-88 exempts from licensing requirements discretionary services that serve fewer than 200,000 subscribers. When a service has more than 210,000 subscribers for a period of more than three consecutive months, the operator must request a broadcasting licence. Given that this is the case for the three Disney services, the Commission considers it appropriate to grant Corus new broadcasting licences to continue the operation of Disney Channel, Disney Junior and Disney XD as licensed discretionary services.
13. Corus proposed that these three services be subject to a CPE requirement of 10%, which is the minimum level established by the Commission for services that have never been subject to CPE requirements. However, since these services will be part of the Corus Group, pursuant to the Commission's findings set out in the Introductory Decision, the CPE requirement for each of these services will be 30%, the same level applied to all services that are part of English-language groups.
14. Corus currently operates the television stations CKWS-DT Kingston (and its transmitter CKWS-TV-3 Smiths Falls) and CKWS-TV-2. In its application, Corus stated that it no longer requires separate licences for television stations to serve those two municipalities since the news gathered in the Kingston/Gananoque area is well received in the Brockville/Prescott area, and vice versa. It further stated that it does not require unique advertisement availabilities as sales tend to be regional in the area. For this reason, Corus stated that it does not wish to renew the broadcasting licence for CKWS-TV-2, but instead operate that station's transmitter as a rebroadcasting transmitter for the Kingston station CKWS-DT.
15. Accordingly, the Commission **revokes** the broadcasting licence issued to Corus for CKWS-TV-2 Prescott, and **approves** Corus's request to add that transmitter to the broadcasting licence for CKWS-DT Kingston as a rebroadcasting transmitter.

#### **Inclusion of additional discretionary services in the Corus Group**

16. In Broadcasting Decision 2016-110, the Commission approved a multi-step corporate reorganization whereby all of Shaw Communications Inc.'s (Shaw Communications) shares in Shaw Media were transferred to Corus. As noted above, the proposed Corus Group includes the services acquired as part of that corporate reorganization. In its application, Corus also proposed to include ABC Spark, National Geographic Wild, Disney Channel, Disney Junior, Disney XD and BC News 1 in the Corus Group.
17. In regard to BC News 1, Corus acknowledged that the service has fewer than one million subscribers. It stated, however, that the exclusion of BC News 1 from the Corus Group would result in financial hardship for the service. Corus noted that BC News 1 has incurred significant financial losses since its inception and has a relatively low subscriber fee in a relatively small market. It argued that allowing the service to benefit from group CPE flexibility would allow some of its CPE to be diverted to BC News 1 in order to produce more original programming – which the service is currently unable to do. Corus stated that excluding BC News 1 from the group would jeopardize the service's sustainability as a regional news and information service.

## Positions of parties

18. The Canadian Media Producers Association (CMPA) was the only intervener to oppose Corus's proposal regarding BC News 1. It submitted that Corus wishes to take advantage of the group spending flexibility to funnel its required spending from other services to subsidize the programming on BC News 1. According to the CMPA, the Commission had ruled that news services would not qualify for inclusion in the groups so as to prevent the high CPE typically made by these services from being allocated to other services within the group. Corus did not reply to the CMPA in regard to the above concerns.

## Commission's analysis and decisions

19. In Broadcasting Regulatory Policy 2010-167, the Commission considered that discretionary services with one million subscribers represent a significant presence in the English-language television market, and, as such, justify inclusion in a group. ABC Spark, National Geographic Wild, Disney Channel, Disney Junior and Disney XD have all reached that minimum threshold. Accordingly, the Commission **approves** the request to include those services in the Corus Group.
20. In regard to BC News 1, the Commission notes that the service has somewhat fewer than one million subscribers. However, the threshold set out in that policy is not a rigid rule, and the Commission may make an exception when warranted under the circumstances.
21. In Broadcasting Regulatory Policy 2016-224, the Commission stated that local news, information and analysis produced and distributed through the broadcasting system are of central importance to meeting the objectives of the *Broadcasting Act* (the Act) and remain important today.
22. The Commission agrees with Corus that the inclusion of BC News 1 in the Corus Group could help sustain the service in the next licence term. Further, it could allow the service to produce more original programming given that Corus has the flexibility to redirect CPE from any one discretionary service to another within the group. Although the spending flexibility could lead to expenditure reductions on Canadian programming on other Corus services, the Commission considers that the amount that would be redirected to BC News 1 would be minimal in terms of the Corus Group's overall CPE.<sup>1</sup>
23. Finally, the Commission does not agree with the CMPA that since BC News 1 operates as a news service, it does not qualify for inclusion in a group. This rule applies to discretionary services operating as national news services, which BC News 1 is not. Accordingly, this rule is not a relevant factor for the purpose of determining whether BC News 1 should be included in the Corus Group.

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<sup>1</sup> The CPE amount projected by Corus to be directed to BC News 1 represents only 0.9% of the group's overall CPE in the next licence term.

24. In light of the above, the Commission **approves** Corus's request to include BC News 1 in the Corus Group.
25. In regard to ABC Spark and BC News 1, Corus requested that the Commission revoke their broadcasting licences on 31 August 2017, and to grant new licences to take effect on 1 September 2017. As such, the licence term for these services would be the same as that for the other discretionary services in the Corus Group.
26. In order for ABC Spark and BC News 1 to have the same licence term as the other services in the Corus Group, their broadcasting licences will be revoked on 31 August 2017. New broadcasting licences will be issued for the services on 1 September 2017.

### **Advertising**

27. Corus's discretionary services are currently subject to standard conditions of licence limiting the amount of advertising material that they may broadcast to 12 minutes per clock hour, and restricting this advertising material to national paid advertising. These standard conditions of licence are currently set out in Broadcasting Regulatory Policy 2016-436.
28. Corus requested an exception to these standard conditions of licence relating to advertising. It submitted that eliminating limits on advertising would not result in a material change to its projected advertising revenues, but would help it to meet its financial projections.
29. Corus further proposed to delete conditions of licence setting out restrictions on the broadcast of advertising material specific to the services Treehouse TV, Food Network, YTV and BC News 1. It argued that these conditions of licence are tied to historical nature of service requirements, which no longer apply.
30. For example, Treehouse TV is limited by condition of licence to the distribution of no more than two minutes of advertising material during each clock hour between 6 a.m. and 9 p.m., and cannot distribute any paid advertising material longer than 15 seconds in duration during that same period.<sup>2</sup>
31. Food Network and YTV are prohibited by condition of licence from distributing commercial messages during any program that has as its target audience children up to 5 years of age.<sup>3</sup>

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<sup>2</sup> See Appendix 5 to Broadcasting Decision 2011-446.

<sup>3</sup> See Appendices 3 and 7, respectively, to Broadcasting Decision 2011-446.

32. Finally, BC News 1 is authorized to broadcast some local advertising<sup>4</sup> within the parameters of the following condition of licence:<sup>5</sup>

Except as otherwise provided in subparagraphs b) and c), the licensee shall not broadcast more than twelve (12) minutes of advertising material during each clock hour, no more than six (6) minutes of which may consist of local advertising. Any local advertising shall be solicited or accepted only from the Vancouver Census Metropolitan Area (CMA) and the neighbouring Abbotsford CMA, as defined by Statistics Canada.

33. Corus proposed deleting the specific condition of licence applicable to BC News 1, but added that it would wish to retain the exception regarding the broadcast of six minutes of local advertising should the Commission consider it appropriate to continue regulating the number of minutes of advertising that may be broadcast. Corus added that the local advertising would continue to be solicited or accepted only from the Vancouver and Abbotsford CMAs.

#### **Positions of parties**

34. Bell Media submitted that the 12-minute per hour cap on advertising for all discretionary services should be eliminated.
35. PIAC et al.,<sup>6</sup> on the other hand, submitted that Corus's proposal is neither justified nor beneficial to Canadian consumers. They also opposed Corus's requests regarding specific advertising restrictions for Treehouse TV, YTV, Food Network and BC News 1. In PIAC et al.'s view, should the Commission wish to examine the complete elimination of advertising limits, it should do so in a separate proceeding. They further noted that unlike television services, discretionary services receive both subscriber and advertising revenue, and that subscribers that have already "paid for" a discretionary service should not be subjected to viewing more advertising.
36. Corus did not reply to the interventions in regard to this issue.

#### **Commission's analysis and decisions**

##### ***Exception to standard condition of licence relating to advertising***

37. During the proceeding that led to the issuance of Broadcasting Regulatory Policy 2016-436, Corus submitted that the limits on advertising for discretionary services should be eliminated. It argued that there is no evidence to suggest that the elimination of these restrictions would have a negative impact on discretionary

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<sup>4</sup> For the purposes of this condition of licence, "local advertising" is advertising that does not fall within the definitions of national and regional advertising.

<sup>5</sup> See the appendix to Broadcasting Decision 2012-394.

<sup>6</sup> The Canadian Ethnocultural Council, the Consumers' Association of Canada, the Council of Senior Citizens' Organizations of B.C., the National Pensioners Federation and Public Interest Advocacy Centre

services, or that these services would not be able to continue fulfilling their regulatory obligations. However, in light of the lack of a fulsome record on the issue, the Commission stated in Broadcasting Regulatory Policy 2016-436 that it would be inappropriate to eliminate the 12-minute advertising limit as part of that proceeding. The Commission further stated that it intended to explore issues relating to advertising in the context of the present licence renewal proceeding, and that it would be up to each applicant to make a case for any exception to the relevant standard conditions of licence in its particular situation.

38. In the present proceeding, Corus reiterated its request that time restrictions on advertising be eliminated, for the reasons that were given in its initial request. However, it provided no evidence regarding the impact that such a change would have on other group services or independently-owned services.
39. Various privileges granted to television stations (such as distribution on the basic service, the right to broadcast local advertising, and simultaneous substitution) may mitigate some of the risks associated with the potential loss of advertising revenues that could result from the proposed elimination of advertising limitations on discretionary services. However, given that television stations continue to operate in a challenging environment, with declining advertising revenues and profitability, and do not benefit from subscriber fees as a source of income as discretionary services do, the Commission is of the view that the current advertising limitations on discretionary services remain appropriate at this time.
40. In light of the above, the Commission **denies** Corus's request to delete the standard condition of licence for its discretionary services limiting the broadcast of advertising material to 12 minutes per clock hour. Corus's discretionary services will therefore be subject to the standard **condition of licence** in this regard set out in Appendix 2 to Broadcasting Regulatory Policy 2016-436, with the exception of BC News 1, which is addressed below.

***Advertising conditions of licence specific to Treehouse TV, YTV and Food Network***

41. In regard to the elimination of specific advertising restrictions for Treehouse TV and YTV, these services were obligated to adhere to a designated nature of service and to provide commercial-free programming for children. However, following the Let's Talk TV proceeding, these and other discretionary services are no longer required to operate under a specific nature of service. As such, they are free to change the genre of programming they broadcast, with certain limitations.<sup>7</sup>
42. In addition, given that newly launched services that choose to broadcast children's programming are not subject to the same restrictions as those set out in the conditions of licence for Treehouse TV, YTV and Food Network, such services would operate at a competitive advantage.

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<sup>7</sup> As an example, services other than mainstream sports services are generally subject to a condition of licence limiting the amount of live professional sports programming they may broadcast.



43. In regard to Food Network, given that this service does not provide children's programming, the Commission considers that a specific restriction regarding the broadcast of advertising within such programming is unnecessary.
44. Finally, there are other safeguards in place regarding the broadcast of advertising during children's programming. For example, all television services must adhere to *The Broadcast Code for Advertising to Children*, as amended from time to time and approved by the Commission.
45. In light of the above, the Commission **approves** Corus's requests to delete the above-noted conditions of licence setting out restrictions on the broadcast of advertising material specific to Treehouse TV, YTV and Food Network.

***Advertising condition of licence specific to BC News 1***

46. In Broadcasting Decision 2016-83, the Commission deleted the nature of service condition of licence for BC News 1, which set out that the service was required to offer a mix of local and regional news, traffic, weather, business, sports and entertainment information devoted to serving residents of British Columbia, with a special focus on the Vancouver/Victoria Extended Market, as defined by the Broadcast Bureau of Measurement (BBM) Canada (now known as Numeris). Given the elimination of this requirement, BC News 1 is now free to change its format and offer any type of programming. While the ability to sell local advertising is contingent upon the provision of local programming, there is no guarantee that BC News 1 will continue to offer such programming.
47. Corus, in its application, requested that it be allowed to continue offering local advertising in accordance with its current condition of licence. While it did not receive any interventions opposing this request, the Commission considers it essential to maintain the link between local advertising and local programming as described in Broadcasting Regulatory Policy 2016-224. Consequently, the Commission will make BC News 1's authorization to offer local advertising conditional on its continued provision of local programming specific to the areas noted above.
48. The Commission further considers it appropriate to maintain the current geographic limits set out in that condition of licence, and notes that a significant portion of the local advertisements offered on BC News 1 are simulcast through CHAN-DT Vancouver, which serves a specific broadcast area.
49. In light of the above, the Commission **denies** Corus's request to delete BC News 1's condition of licence setting out limits on the amount of advertising material, including local advertising, that it may broadcast. BC News 1 will instead be subject to **condition of licence 32** relating to the broadcast of advertising material, set out in Appendix 3 to this decision.

## **Exceptions to standard local programming requirements for CHNB-DT Saint John and CHEX-TV-2 Oshawa**

50. As noted above, in Broadcasting Regulatory Policy 2016-224, the Commission stated that local news, information and analysis produced and distributed through the broadcasting system are of central importance to meeting the objectives of the Act, and remain important today. Accordingly, in the Introductory Decision, the Commission maintained the current standard local programming requirements for English-language television stations to broadcast at least 14 hours per week in metropolitan markets and at least 7 hours per week in non-metropolitan markets.
51. Corus is the licensee of numerous television stations, including stations operating in New Brunswick (CHNB-DT<sup>8</sup> and its transmitters) and Oshawa, Ontario (CHEX-TV-2).
52. Corus indicated that it is prepared to provide 14 hours of local programming in metropolitan markets and 7 hours in non-metropolitan markets, in the markets served by its television stations, with the exception of those served by CHNB-DT and CHEX-TV-2, due to the specific circumstances of these stations.

### **CHNB-DT Saint John**

53. Corus committed to broadcast five hours of local programming relevant to New Brunswick each broadcast week on CHNB-DT, rather than the required seven hours of local programming. It noted that the station currently has a commitment to broadcast 2.5 hours of distinct local programming and that an increase to five hours would provide residents with a greater amount of such programming. Corus submitted, however, that being required to broadcast seven hours of distinct local programming would affect the station's viability. It stated that it would need to consider shutting down the station and returning the licence should such a requirement be imposed.
54. Corus indicated that it produces five hours and 25 minutes per week of local news specific to New Brunswick. Further, of the 17 hours of local and regional news that it produces each broadcast week to serve the Maritimes, 10 hours are created through its tangible benefits commitment towards morning newscasts.<sup>9</sup>

### ***Positions of parties***

55. The Forum for Research and Policy in Communications (FRPC) noted that the tangible benefits stemming from the transaction approved in Broadcasting Decision 2010-782 expire in 2016-2017, and expressed concern over whether this would affect programming on this station. For its part, the Conseil provincial du secteur des communications du Syndicat canadien de la fonction publique (CPSC-SCFP)

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<sup>8</sup> Formerly CIHF-DT-2 Saint John. This station became CHNB-DT in 2013.

<sup>9</sup> See Broadcasting Decision 2010-782.

indicated that Shaw Communications, the licensee at that time, had expressed its intention to maintain the morning newscasts in the Toronto, Winnipeg, Regina, Saskatoon, Montréal and Halifax television markets once those tangible benefits had ended.

56. In its reply, Corus rejected the possibility of arbitrarily extending, on a permanent basis, the above-noted tangible benefits for morning newscasts. At the hearing, Corus stated that there is no specific benefits-related programming on CHNB-DT other than that generated from CIHF-DT Halifax. It added that its commitment to broadcast two and a half hours of distinct programming for the New Brunswick television market is fulfilled by the broadcast of two newscasts each day, for a total of five hours of specific New Brunswick programming being broadcast each broadcast week on CHNB-DT. Corus considered that anything greater than the five hours would not be viable for the station.

***Commission's analysis and decision***

57. Other television stations across the country are subject to conditions of licence setting out the minimum amount of local programming that they must broadcast. In the Commission's view, the five hours of local programming relevant to New Brunswick that Corus has committed to broadcast each broadcast week on CHNB-DT is an improvement from its current commitment and would provide the residents of New Brunswick with an increased amount of such programming. However, to ensure that Corus fulfills this commitment, the Commission considers it appropriate to set the commitment out as a requirement by condition of licence. Accordingly, a **condition of licence** to that effect is set out in Appendix 2 to this decision.

**CHEX-TV-2 Oshawa**

58. Corus requested a local programming requirement for CHEX-TV-2 that is less than the 7 hours per week that would be the standard amount in a market such as Oshawa, but did not provide a specific number of hours of such programming that it would be willing to provide. The request for a lower requirement was made at the public hearing and again in its final reply of 6 January 2017, in which Corus indicated the following:

Corus is prepared to meet the Commission's requirements by providing 14 hours of local programming in metropolitan markets and 7 hours in non-metropolitan markets except in New Brunswick and in Oshawa because of the context in which these local basic services have evolved.

59. In Broadcasting Decision 2015-403, the Commission approved the disaffiliation of some of the Corus's stations, including CHEX-TV-2, from the Canadian Broadcasting Corporation's (CBC) English-language television network. In that decision, the Commission stated the following:

The disaffiliation will not affect the amount of local programming provided to the affected communities given that the licensee is required to continue to broadcast

at least seven hours of Canadian local programming in each broadcast week, as per condition of licence 12 set out in the appendix to Broadcasting Regulatory Policy 2011-442.

60. Corus did not provide any rationale as to why it was unable to provide seven hours of local programming on CHEX-TV-2. Indeed, Corus stated in its application that CHEX-TV-2 currently broadcasts each broadcast week 9.5 hours of original, station-produced programming that is unique local programming comprised of locally gathered and produced news content. This is confirmed in Corus's programming logs. As such, Corus is in compliance with and surpasses the condition of licence requiring CHEX-TV-2 to broadcast a minimum of 7 hours of local programming.
61. In its application, and in all correspondence with the Commission prior to the public hearing, there was no indication that Corus was seeking an exception to the requirement to broadcast not less than seven hours of local programming for any station except for CHNB-DT. As noted above, Corus briefly mentioned at the hearing and in its final reply that it was seeking an exception for CHEX-TV-2.
62. Consequently, the Commission **denies** Corus's request to broadcast less than seven hours of local programming each broadcast week on CHEX-TV-2 Oshawa.

#### **Locally reflective news requirements for CHNB-DT Saint John and CHEX-TV-2 Oshawa**

63. In Broadcasting Regulatory Policy 2016-224, the Commission determined that licensees of television stations belonging to the various large ownership groups will be required to broadcast a minimum level of local news, with exhibition levels to be determined at licence renewal based on historical levels. In the Introductory Decision, the Commission determined that 6 of the required 14 hours of local programming per broadcast week for metropolitan markets and 3 of the required 7 hours of local programming per broadcast week for non-metropolitan markets must be devoted to the broadcast of locally reflective news and information.
64. Corus proposed to adhere to a 6-hour requirement for metropolitan markets. For non-metropolitan markets, it proposed to adhere to the 3-hour requirement, again with the exceptions of CHNB-DT and CHEX-TV-2, for which it proposed to broadcast one hour per broadcast week of locally reflective news.

#### **CHNB-DT Saint John**

65. Corus proposed to broadcast one hour of locally reflective news programming on CHNB-DT each broadcast week. It noted that the station has modernized its production techniques to offer a more viewer-friendly experience, and has also rebranded its split feed for the station (i.e., CHNB-DT and CIHF-DT) as Global New Brunswick and Global Halifax.

66. In light of the above-noted improvements and the unique nature of the distinct newscasts broadcast on CHNB-DT, Corus considered one hour of locally reflective news for that station's market to be appropriate and warranted.
67. As set out above, Corus will now be required, by condition of licence, to broadcast five hours of local programming per broadcast week on CHNB-DT. In the Commission's view, a requirement for the station to broadcast three hours of locally reflective news would be challenging for the licensee to meet as it would be disproportionate to the amount of local programming it must broadcast. An obligation to broadcast one hour of locally reflective news programming is more in keeping with the unique nature of CHNB-DT's market and consistent with its other regulatory obligations.
68. Accordingly, the Commission **approves** Corus's proposal to broadcast one hour of locally reflective news programming each broadcast week on CHNB-DT Saint John. A **condition of licence** to this effect is set out in Appendix 2 to this decision.

#### **CHEX-TV-2 Oshawa**

69. Corus stated that CHEX-TV-2 broadcasts more than 1.5 hours of locally reflective news programming per broadcast week. Until very recently, the local programming offered was independently produced and was largely public affairs programming, with some news segments from the Durham Region. As a result, Corus calculated that 2.5 hours of original distinct local content per broadcast week has been broadcast on CHEX-TV-2, which matches what has been historically broadcast on the station and is the same amount broadcast on CHNB-DT. Corus added that it has significantly improved local coverage on CHEX-TV-2 through proper newscasts. In its view, a requirement of one hour of locally reflective news programming per broadcast week is appropriate and warranted.
70. As set out above, Corus will still be required, by condition of licence, to broadcast seven hours of local programming per broadcast week on CHEX-TV-2. In the Commission's view, the needs of the market regarding local programming should be met with the proposed one hour of locally reflective news programming, without placing an undue burden on the station's operations.
71. Accordingly, the Commission **approves** Corus's proposal to broadcast one hour of locally reflective news programming each broadcast week on CHEX-TV-2 Oshawa. A **condition of licence** to this effect is set out in Appendix 2 to this decision.

#### **Operation of TELETOON/TÉLÉTOON as a bilingual service with unique requirements regarding the French-language television market**

72. The Commission asked Corus to explain why the discretionary service TELETOON/TÉLÉTOON should remain a bilingual service operating under a single licence for the next licence term rather than two distinct discretionary services, each operating under a separate licence.

73. Corus submitted that operating TELETOON/TÉLÉTOON under separate licences would be particularly detrimental to the French-language feed, as it would be impossible to offer a French-language TÉLÉTOON service of the same quality as under the present bilingual licence. In this regard, it noted that the French-language programming of TÉLÉTOON includes not only the service's own original French-language programming, but also English-language programming from TELETOON dubbed into French. Corus further noted that the francophone television market, at one-sixth the size of the anglophone television market, cannot support an animation service of the size and scale required for the broadcast of diverse and high quality content. Should it be required to operate TÉLÉTOON under a separate licence, Corus argued that the retail rate in the French-language market would double.
74. Corus therefore submitted that TELETOON/TÉLÉTOON should be permitted to continue operating as a bilingual service under one licence. It further requested that TELETOON/TÉLÉTOON should be permitted to remain in its English-language group of services, and that the current CPE requirement of 9% for the French-language market be maintained.

#### **Positions of parties**

75. The Commission received comments on this issue from the Association des réalisateurs et réalisatrices du Québec, the Société des auteurs de radio, télévision et cinéma and the Union des artistes (ARRQ-SARTEC-UDA) and La Table de concertation de l'industrie du cinéma et de la télévision de la Capitale-Nationale (TCN). ARRQ-SARTEC-UDA considered that splitting the bilingual licence into separate, unilingual licences is not necessary, as long as the two separate feeds are subject to similar spending requirements. TCN stated that the bilingual service should be subject to requirements relating to the acquisition of original and independently produced French-language programming.
76. In reply, Corus reiterated that the only viable way to provide a national animation service for both the English- and French-language markets is through a bilingual licence. It added that the challenges associated with creating and producing animated content also justify renewing TELETOON/TÉLÉTOON's bilingual licence. Finally, Corus reiterated its intention to continue dedicating a portion of the service's CPE to French-language content, as required by condition of licence.

#### **Commission's analysis and decisions**

77. Corus has made a compelling case regarding the appropriateness of maintaining the bilingual licence. As submitted by Corus, operating two feeds under one licence has allowed it to offer a high-quality, national English- and French-language service that contributes to the achievement of the objectives of the Act relating to the reflection of the linguistic duality of Canadian society.

78. Maintaining the 9% CPE requirement for the French-language market would result in an increase in the portion of the overall CPE dedicated to French-language Canadian programming.<sup>10</sup> Further, the portion of the service's total CPE requirement that must be spent on French-language Canadian programming would remain proportional to the total revenues generated by its French-language feed.

79. In light of the above, the Commission finds it appropriate to maintain the bilingual licence for TELETOON/TÉLÉTOON, and to maintain the current requirement relating to CPE in the French-language market. A **condition of licence** to that effect is set out Appendix 3 to this decision. As noted in that condition of licence, the requirement that these expenditures not be counted towards meeting the obligations of any other service in the Corus Group will continue to apply. Further, the Commission expects the expenditures made towards meeting the CPE requirement for the French-language market to be dedicated predominantly to original French-language Canadian production.

80. The Commission also considers it appropriate to impose a reporting requirement relating to TELETOON/TÉLÉTOON's CPE requirements in both linguistic markets. A **condition of licence** to this effect is set out in Appendix 3.

81. Finally, in regard to the French-language market, the Commission considers it appropriate to maintain the following requirements for TELETOON/TÉLÉTOON:

- acquiring French-language audio tracks created in Canada for non-Canadian productions or for co-productions that it broadcasts;
- separate program logs for its English- and French-language feeds;
- maintaining its Montréal office dedicated to the French-language feed of TELETOON/TÉLÉTOON original programming;
- maintaining decision-making personnel dedicated to program commissioning exclusively to TELETOON/TÉLÉTOON; and
- directing a minimum of one-third of all script and concept development expenditures to Canadian French-language producers.

82. **Conditions of licence** in regard to the above requirements are set out in Appendix 3.

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<sup>10</sup>In the next licence term, TELETOON/TÉLÉTOON will be subject to the standard group CPE requirement of 30% rather than its current CPE requirement of 34%. As a result, the proportion of CPE dedicated to French-language Canadian programming will increase from 26% (9/34) to 30% (9/30).

## **Full disclosure of financial information in accordance with the Commission's regulatory policy relating to vertically integrated entities**

83. In Broadcasting Regulatory Policy 2011-601, the Commission set out its decisions regarding its regulatory framework for vertical integration, which refers to the ownership or control by one entity of both programming services (such as television stations or discretionary services) and distribution services (such as cable systems or direct-to-home satellite services). At that time, the Commission identified only Rogers Communications Inc. (Rogers), Quebecor Media Inc. (Quebecor), Bell Canada (Bell) and Shaw Communications as vertically integrated entities.
84. In that regulatory policy, the Commission stated that it would publish complete financial information for discretionary services owned and controlled by the vertically integrated entities. This practice of publication allowed for greater transparency to the benefit of the creative sector and the general public. In regard to Corus, financial information relating to its former Category B services is only partially published.
85. In light of Corus's 2016 acquisition of the programming services of Shaw Media (see Broadcasting Decision 2016-110), the Commission asked Corus whether it should be subject to the same level of disclosure as vertically integrated entities and be required to publish complete service level financial information for its English- and French-language services, pursuant to Broadcasting Regulatory Policy 2011-601.

### **Positions of parties**

86. Intervenors from various sectors of the broadcasting industry (for example, the FRPC, the Writer's Guild of Canada, the Alliance of Canadian Cinema, Television and Radio Artists and the CMPA) raised concerns over the lack of publically available financial information for Corus's services.
87. In reply, Corus submitted that in an environment where all services compete for access to the system, for audiences to various genres of programming, and for advertising revenues, it is even more important for competitively sensitive information to be kept confidential. It further submitted that all services, whether they are vertically integrated or not, need to keep this information confidential, especially given that streaming services will increase their penetration within the Canadian market over the next licence term. Corus nevertheless stated that it would comply should the Commission require a greater level of disclosure of information on behalf of its proposed group of English-language services.<sup>11</sup>

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<sup>11</sup> In regard to its proposed group of French-language services, Corus considered that, should the Commission approve its proposed group composition, the services in that group should not be subject to the same level of disclosure as those contained in groups which are owned and controlled by the current designated vertically integrated entities. For further details, see Broadcasting Decision 2017-145.



### **Commission's analysis and decisions**

88. In Broadcasting Decision 2016-110, the Commission reiterated that while it continues to recognize the structural separation that exists between the licensed subsidiaries of Shaw Communications and Corus, it has nonetheless treated these entities as being under the common effective control of Mr. JR Shaw when applying regulations, policies and safeguards in the area of concentration of ownership.
89. In the Commission's view, in light of Corus's significant portfolio of services, there is no rationale to justify its provision of levels of information different from vertically integrated entities. Requiring Corus to disclose complete financial information would also be in the public interest. Accordingly, Corus will also be subject to the Commission's vertical integration policy in regard to the disclosure of financial information.
90. Consistent with the application of the vertical integration policy on the services of Rogers, Bell, Shaw and Quebecor, the application of that policy will apply to Corus. Further, given that there is no longer any difference in the regulatory treatment of former Category A and Category B services (now discretionary services), such services should disclose the same level of information to the public when they are part of a vertically integrated group. Accordingly, all of Corus's English- and French-language discretionary services, including those that do not operate as part of its group, as well as the bilingual discretionary service TELETOON/TÉLÉTOON will be required to disclose complete financial information, pursuant to Broadcasting Regulatory Policy 2011-601.

### **Exception to the condition of licence relating to the provision of described video for programming received live or near-live**

91. For its television stations and discretionary services, Corus is currently required by condition of licence to provide described video for a minimum of four hours of programming per broadcast week, of which two hours must be broadcast in described video for the first time on the station or service. The minimum four hours of described video may be drawn from long-form documentary programming, drama and comedy programming, variety programming and general entertainment and human interest programming, as well as programming targeted to children.<sup>12</sup>
92. Corus stated, however, that it sometimes receives programming that is live or near-live (i.e., prepared shortly before being aired), which offers limited opportunity to prepare described video for the programming content. It therefore requested an exception to its described video requirement that would take into account the timing between the receipt of programming and when that programming is aired, thereby providing it with sufficient time to create described video files. Accordingly, Corus proposed replacing its current described video condition of licence with the following condition of licence:

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<sup>12</sup> See condition of licence 1 set out in Appendix 2 to Broadcasting Decision 2011-446.

Broadcasters subject to described video requirements will provide described video broadcast between 7 p.m. and 11 p.m., seven days a week for pre-recorded programming from the categories that have been identified for described video. Pre-recorded programs are those that are received in their entirety – lacking only described video – 120 hours prior to air. Such programs will be broadcast with described video for repeat airings scheduled greater than 120 hours from delivery. Wherever possible, broadcasters will make every effort to obtain existing described video files.

93. The Commission did not receive any interventions in regard to this issue.

94. In Broadcasting Regulatory Policy 2015-104, the Commission implemented a tiered approach to ramp up the amount of described video being provided by television broadcasters, with the tiered requirements reflecting the size and resources of broadcasters. Specifically:

- By September 2019, broadcasters currently subject to described video requirements as well as those that belong to vertically integrated entities will be required to provide described video for programming broadcast between 7 p.m. and 11 p.m. (prime time), seven days a week. This requirement will apply to programs that fall into existing program categories that have been identified for described video.
- By the fourth year of their respective next licence terms, all other non-exempt broadcasters will be required to provide four hours of programming with described video per week, consistent with existing requirements.
- The current requirement to provide two hours of programming with described video that are original to the service will be discontinued, as the increased described video requirements, in the Commission's view, will ensure that a greater diversity of content featuring described video is continually available.
- Exempt broadcasters will not have to adhere to a new described video requirement, although they are encouraged to provide programming with described video.

95. In that regulatory policy, the Commission noted that there was a general consensus that it would be possible to reach the quantity of described video required, as long as an appropriate amount of time is provided to ramp up to the new level.

96. Corus raised this same issue during the proceeding that led to the issuance of Broadcasting Regulatory Policy 2016-436, in which the Commission set out the standard requirement for television stations, discretionary services and on-demand services. At that time, the Commission determined that no change was to be made to the described video condition of licence, given that the framework had already been established in Broadcasting Regulatory Policy 2015-104. In regard to the present proceeding, other large broadcasters did not raise this as an issue in their licence renewal applications.

97. Broadcasters will have had ample time since the issuance of Broadcasting Regulatory Policy 2015-104 to make any necessary adjustments to their procurement agreements to reflect the described video requirement. Furthermore, in Broadcasting Regulatory Policy 2016-343, the Commission stated that all programming supported by Canadian Independent Production Funds (CIPFs) must be provided with closed captioning and described video. Finally, Corus confirmed that it has always been its practice to require all appropriate original first-run Canadian programming to be delivered with described video, given that this requirement forms part of the deliverables upon which payment to the production company is due.

98. In light of the above, the Commission **denies** Corus's request to replace the current described video condition of licence for its television stations and discretionary services with a condition of licence that would take into account the timing between the receipt of programming and when that programming is aired.

#### **Deletion of various requirements for certain services**

99. Corus requested the deletion of various conditions of licence and expectations for certain services. Given that the proposed changes are consistent with Commission policies, the Commission **approves** the following requests:

- for all television stations and discretionary services, to delete the condition of licence requiring adherence to a terms of trade agreement with the CMPA;
- for Action, BBC Canada, Country Music Television, Crime + Investigation, Deja View, Diva, DTOUR, Dusk, Food Network, fyi, HGTV, History, Independent Film Channel Canada, Movie Time, Showcase, TELETOON/TÉLÉTOON, Treehouse TV, Cooking Channel Canada (formerly W Movies) and YTV, to delete the condition of licence permitting the licensee to broadcast additional minutes of advertising material calculated in accordance with Broadcasting Public Notice 2004-93;
- for Country Music Television, to delete the condition of licence requiring the allocation of 11% of the previous year's gross revenues to the development and production of Canadian music videos;
- for Showcase, to delete the condition of licence requiring the licensee to expend, over the licence term, no less than \$12 million on licence fees to independent producers for the production of a minimum of 50 hours of original Canadian drama programs;
- for Showcase, to delete the expectation that the licensee include non-Canadian drama programming that is currently not available in the Canadian broadcasting system;

- for TELETOON/TÉLÉTOON, to delete the condition of licence prohibiting the licensee from remitting any script and concept development expenditures to its shareholders or affiliated corporations;
- for TELETOON/TÉLÉTOON, to delete the expectation that the licensee demonstrate responsibility in the scheduling of programming intended for adult audiences, taking into account the time zone differences between where the program originates and where it is received;
- for TELETOON/TÉLÉTOON, to delete the expectation that the licensee continue to provide a “safe haven” for young children throughout the day by broadcasting 12 hours of programming every weekday from 6 a.m. to 6 p.m. suitable for unsupervised viewing by young children and by scheduling at least 31.5 hours of advertising-free programming between 6 a.m. and 6 p.m. from Monday to Friday of each broadcast week; and
- for Cooking Channel Canada, OWN, YTV and TELETOON/TÉLÉTOON, to delete the condition of licence requiring the use of the accrual method of accounting for calculating CPE and PNI expenditures.

100. For TELETOON/TÉLÉTOON, Corus also requested the deletion of the conditions of licence requiring the licensee to:

- direct a minimum of one-third of all script and concept development expenditures to Canadian French-language producers; and
- maintain decision-making personnel dedicated to program commissioning exclusively to TELETOON/TÉLÉTOON.

101. These requirements help to ensure equity in terms of opportunities from which independent producers in both linguistic markets can benefit. Consequently, the Commission **denies** these requests.

102. Finally, Corus requested the deletion of conditions of licence requiring it to file, with its annual returns, annual reports setting out the details of all expenditures related to the tangible benefits associated with the acquisition of Crime + Investigation (formerly Mystery) and H2 (formerly the Cave). It stated that these conditions of licence would no longer be necessary as all of the tangible benefits would be paid in full by the end of the 2016 fiscal year.

103. On 30 November 2016, Corus submitted the sixth annual Canwest Acquisition Benefits Report (the first five reports were submitted by Shaw Media), for the 2015-2016 broadcast year. Based on the information provided, there is a balance owing of \$26,931,200. The current payment schedule for these tangible benefits is set to end on 31 August 2019. In light of the above, the Commission **denies** Corus’s request to delete its conditions of licence relating to the filing of annual reports for Crime + Investigation and H2. Corus may file a new application to delete those

conditions of licence once it has provided the appropriate documentation to satisfy the Commission that the full amount of the above-noted tangible benefits has been paid.

## Conclusion

104. In light of all of the above, the Commission **renews** for a period of five years the broadcasting licences for the currently licensed television stations and discretionary services that will form part of the Corus Entertainment Inc. group, listed in Appendix 1 to this decision, with the exception of ABC Spark and BC News 1. The licences will take effect 1 September 2017 and expire 31 August 2022.<sup>13</sup>
105. For ABC Spark and BC News 1, the Commission **revokes** the current broadcasting licences effective 31 August 2017. New broadcasting licences will be issued for the services, which will take effect 1 September 2017 and expire 31 August 2022.
106. Further, the Commission **approves** Corus's requests for new broadcasting licences to continue the operation of Disney Channel, Disney Junior and Disney XD as licensed discretionary services. The new broadcasting licences will take effect 1 September 2017 and expire 31 August 2022. As noted above, these services will be included in the Corus Group.
107. The licensees shall adhere to the applicable **conditions of licence** set out in Appendix 2 for television stations, and Appendix 3 for discretionary services, as well as to the applicable standard **conditions of licence** set out in Broadcasting Regulatory Policy 2016-436.

## Reminders

108. The Commission reminds the licensees that they must pay any remaining tangible and intangible benefits required by the Commission in prior decisions.
109. The Commission further reminds the licensees that they must submit any annual reports required by the Commission in prior decisions by no later than 30 November following the end of the previous broadcast year.

Secretary General

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<sup>13</sup> The original expiry date for these licences was 31 August 2016 (see Broadcasting Decision 2011-446). In Broadcasting Decision 2016-7, the Commission administratively renewed the licences until 31 August 2017.

## Related documents

- *Renewal of licences for the television services of large English-language ownership groups – Introductory decision*, Broadcasting Decision CRTC 2017-148, 15 May 2017
- *Corus Entertainment Inc. – Licence renewals for French-language television services*, Broadcasting Decision CRTC 2017-145, 15 May 2017
- *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016
- *Policy framework for Certified Independent Production Funds*, Broadcasting Regulatory Policy CRTC 2016-343, 25 August 2016
- *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016
- *Various television services and stations – Corporate reorganization (transfer of shares)*, Broadcasting Decision CRTC 2016-110, 23 March 2016
- *BC News 1 – Licence amendments*, Broadcasting Decision CRTC 2016-83, 3 March 2016
- *Administrative renewals*, Broadcasting Decision CRTC 2016-7, 12 January 2016
- *CHEX-DT Peterborough and its transmitter CHEX-TV-1 Bancroft, CHEX-TV-2 Oshawa, CKWS-DT Kingston and its transmitter CKWS-TV-3 Smiths Falls, CKWS-DT-1 Brighton, and CKWS-TV-2 Prescott – Disaffiliation from the CBC English-language television network*, Broadcasting Decision CRTC 2015-403, 27 August 2015
- *Let's Talk TV – Navigating the Road Ahead – Making informed choices about television providers and improving accessibility to television programming*, Broadcasting Regulatory Policy CRTC 2015-104, 26 March 2015
- *Exemption order respecting discretionary television programming undertakings serving fewer than 200,000 subscribers*, Broadcasting Order CRTC 2015-88, 12 March 2015
- *Global News Plus BC – Specialty Category B service*, Broadcasting Decision CRTC 2012-394, 20 July 2012
- *Regulatory framework relating to vertical integration*, Broadcasting Regulatory Policy CRTC 2011-601, 21 September 2011

- *Corus Entertainment Inc. – Group-based licence renewals*, Broadcasting Decision CRTC 2011-446, 27 July 2011
- *Standard conditions of licence, expectations and encouragements for specialty and pay television Category A services*, Broadcasting Regulatory Policy CRTC 2011-443, 27 July 2011
- *Standard conditions of licence, expectations and encouragements for conventional television stations*, Broadcasting Regulatory Policy CRTC 2011-442, 27 July 2011
- *Change in the effective control of Canwest Global Communications Corp.'s licensed broadcasting subsidiaries*, Broadcasting Decision CRTC 2010-782, 22 October 2010
- *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010
- *Incentives for English-language Canadian television drama*, Broadcasting Public Notice CRTC 2004-93, 29 November 2004

*This decision and the appropriate appendices are to be attached to each licence.*

## Appendix 1 to Broadcasting Decision CRTC 2017-150

**Services for which the broadcasting licences have been renewed or for which new broadcasting licences have been granted, and that form the Corus Group for the purposes of group-based licensing**

### Television stations (licences renewed)

*591987 B.C. Ltd.*

Province	Call sign / Location
Nova Scotia	CIHF-DT Halifax and its transmitters: CIHF-DT-4 Truro CIHF-DT-5 Wolfville CIHF-DT-6 Bridgewater CIHF-DT-7 Sydney CIHF-DT-8 New Glasgow CIHF-DT-9 Shelburne CIHF-DT-10 Yarmouth CIHF-DT-15 Antigonish CIHF-DT-16 Mulgrave
New Brunswick	CHNB-DT Saint John and its transmitters: CIHF-DT-1 Fredericton CIHF-DT-3 Moncton CIHF-DT-11 Woodstock CIHF-DT-12 St. Stephen CIHF-DT-13 Miramichi CIHF-DT-14 Charlottetown, Prince Edward Island
Quebec	CKMI-DT-1 Montréal and its transmitters: CKMI-DT Québec CKMI-DT-2 Sherbrooke
Ontario	CHEX-DT Peterborough and its transmitter: CHEX-TV-1 Bancroft
	CHEX-TV-2 Oshawa
	CIII-DT-41 Toronto and its transmitters: CFGC-DT Sudbury CFGC-DT-2 North Bay CIII-DT Paris CIII-TV-2 Bancroft CIII-DT-4 Owen Sound CIII-DT-6 Ottawa CIII-DT-7 Midland



	CIII-TV-12 Sault Ste. Marie CIII-DT-13 Timmins CIII-DT-22 Stevenson CIII-DT-27 Peterborough CIII-DT-29 Oil Springs
	CKWS-DT Kingston and its transmitters: CKWS-TV-2 Prescott CKWS-TV-3 Smiths Falls
	CKWS-DT-1 Brighton
Manitoba	CKND-DT Winnipeg and its transmitter: CKND-DT-2 Minnedosa
Saskatchewan	CFRE-DT Regina and its transmitter: CFRE-TV-2 Fort Qu'Appelle CFSK-DT Saskatoon
Alberta	CICT-DT Calgary and its transmitters: CICT-TV-1 Drumheller CICT-TV-2 Banff
	CISA-DT Lethbridge and its transmitters: CISA-TV-1 Burmis CISA-TV-2 Brooks CISA-TV-3 Coleman CISA-TV-4 Waterton Park CISA-TV-5 Pinchere Creek
	CITV-DT Edmonton and its transmitter: CITV-DT-1 Red Deer

British Columbia	<p>CHAN-DT Vancouver and its transmitters:</p> <p>CHAN-DT-1 Chilliwack  CHAN-DT-2 Bowen Island  CHAN-TV-2 Bowen Island  CHAN-DT-3 Squamish  CHAN-DT-4 Courtenay  CHAN-DT-5 Brackendale  CHAN-DT-6 Wilson Creek  CHAN-DT-7 Whistler  CHKL-DT Kelowna  CHKL-DT-1 Penticton  CHKL-DT-2 Vernon  CHKL-DT-3 Revelstoke  CHKM-DT Kamloops  CHKM-DT-1 Pritchard  CIFG-DT Prince George  CISR-DT Santa Rosa  CISR-DT-1 Grand Forks  CITM-DT 100 Mile House  CITM-DT-1 Williams Lake  CITM-DT-2 Quesnel  CKKM-TV Oliver  CKTN-TV Trail  CKTN-TV-1 Castlegar  CKTN-DT-2 Taghum  CKTN-TV-3 Nelson  CKTN-TV-4 Creston</p>
	<p>CHBC-DT Kelowna and its transmitters:</p> <p>CHBC-DT-1 Penticton  CHBC-DT-2 Vernon  CHBC-TV-3 Oliver  CHBC-TV-4 Salmon Arm  CHBC-TV-5 Enderby  CHBC-TV-7 Skaha Lake  CHBC-TV-8 Canoe  CHBC-TV-9 Apex Mountain  CHRP-TV-2 Revelstoke</p>

**Discretionary services (licences renewed)**

Name of service	Licensee
Action	Showcase Television Inc.
BBC Canada	Jasper Broadcasting Inc.

Cartoon Network	TELETOON Canada Inc.
CMT	Country Music Television Ltd.
Cosmopolitan TV	Cosmopolitan Television Canada Company
Crime + Investigation	Corus Television G.P. Inc. (the general partner) and Corus Media Global Inc. (the limited partner), carrying on business as Corus Television Limited Partnership, and Corus Media Global Inc., partners in a general partnership carrying on business as Mystery Partnership
Deja View	Corus Television G.P. Inc. (the general partner) and Corus Media Global Inc. (the limited partner), carrying on business as Corus Television Limited Partnership
D.I.Y.	HGTV Canada Inc.
DTOUR	Corus Television G.P. Inc. (the general partner) and Corus Media Global Inc. (the limited partner), carrying on business as Corus Television Limited Partnership, and Corus Media Global Inc., partners in a general partnership carrying on business as TVtropolis General Partnership
Food Network	Food Network Canada Inc.
fyi	Discovery Health Channel Canada ULC
H2	Corus Television G.P. Inc. (the general partner) and Corus Media Global Inc. (the limited partner), carrying on business as Corus Television Limited Partnership, and Corus Media Global Inc., partners in Men TV General Partnership
HGTV	HGTV Canada Inc.
History	History Television Inc.
IFC	Showcase Television Inc.
Lifetime	Showcase Television Inc.
MovieTime	Corus Television G.P. Inc. (the general partner) and Corus Media Global Inc. (the limited partner), carrying on business as Corus Television Limited Partnership

National Geographic Wild	NGC Channel Inc.
National Geographic	NGC Channel Inc.
Nickelodeon	4537459 Canada Inc.
OWN	OWN Inc.
Showcase	Showcase Television Inc.
Slice	Life Network Inc.
Sundance	7202342 Canada Inc.
TELETOON/TÉLÉTOON	TELETOON Canada Inc.
Treehouse	YTV Canada, Inc.
Cooking Channel Canada (formerly, W Movies)	7202377 Canada Inc.
W Network	W Network Inc.
YTV	YTV Canada, Inc.

#### Discretionary services (new licences)

Name of service	Licensee
ABC Spark	3294181 Canada Inc.
BC News 1	Corus Television G.P. Inc. (the general partner) and Corus Media Global Inc. (the limited partner), carrying on business as Corus Television Limited Partnership
Disney Channel	9329994 Canada Inc.
Disney Junior	9329994 Canada Inc.
Disney XD	9329994 Canada Inc.

## **Appendix 2 to Broadcasting Decision CRTC 2017-150**

### **Terms, conditions of licence, expectations and encouragements applicable to the television stations of the Corus Group**

#### **Terms**

The licences will take effect 1 September 2017 and expire 31 August 2022.

#### **Conditions of licence, expectations and encouragements applicable to all television stations in the Corus Group**

1. With the exception of the station identified for condition of licence 35 below, the licensee shall adhere to the standard conditions of licence, expectations and encouragements for television stations set out in Appendix 1 to *Standard requirements for television stations, discretionary services and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016, with the exception of condition 14, which is replaced by the following:

The licensee shall, by 1 September 2019, provide described video for all English- and French-language programming that is broadcast during prime time (i.e., from 7 p.m. to 11 p.m.) and that is drawn from program categories 2(b) Long-form documentary, 7 Drama and comedy, 9 Variety, 11(a) General entertainment and human interest and 11(b) Reality television, and/or is programming targeting preschool children (0-5 years of age) and children (6-12 years of age).

#### **Canadian programming expenditures**

2. In accordance with *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010, the licensee shall in each broadcast year devote to the acquisition of or investment in Canadian programming a minimum of 30% of the previous year's gross revenues of the undertaking.
3. The licensee may count expenditures made for the acquisition of or investment in Canadian programming by one or more television stations from the Corus Group in the same broadcast year towards fulfilling the requirement set out in condition 2 as long as these expenditures are not used by those television stations towards fulfilling their own Canadian programming expenditure requirement.
4. The licensee may count expenditures made for the acquisition of or investment in Canadian programming by one or more discretionary services from the Corus Group in the same broadcast year towards fulfilling a combined maximum of 25% of the requirement set out in condition 2 as long as these expenditures are not used by those discretionary services towards fulfilling their own Canadian programming expenditure requirement.

5. Subject to condition 6, the licensee may claim, in addition to its expenditures on Canadian programming:
  - a) a 50% credit against its Canadian programming expenditure requirement, set out in condition 2, on expenditures made on Canadian programming produced by an Indigenous producer and claimed as Canadian programming expenditures during that broadcast year;
  - b) a 25% credit against its Canadian programming expenditure requirement, set out in condition 2, on expenditures made on Canadian programming produced by an official language minority community producer and claimed as Canadian programming expenditures during that broadcast year. The licensee may claim the credit if:
    - (i) the programming is produced in the province of Quebec and the original language of production is English; or
    - (ii) the programming is produced outside the province of Quebec and the original language of production is French.
6. The licensee may claim the credits calculated in accordance with condition 5 until the expenditures made on Canadian programming produced by Indigenous producers and by official language minority community producers, including credits, reach a combined maximum of 10% of the Canadian programming expenditure requirement for the Corus Group.

**Programs of national interest**

7. In accordance with *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010, the licensee shall in each broadcast year devote to the acquisition of or investment in programs of national interest, as defined in paragraphs 71 to 73 of that regulatory policy, a minimum of 5% of the previous year's gross revenues of the undertaking.
8. The licensee may count expenditures made for the acquisition of or investment in programs of national interest by one or more undertakings from the Corus Group in the same broadcast year towards fulfilling the requirement set out in condition 7 as long as these expenditures are not used by those undertakings towards fulfilling their own programs of national interest expenditure requirement.
9. At least 75% of the expenditures in condition 7 must be made to an independent production company.
10. The licensee shall, by 30 November of each year, provide for the previous broadcast year a report in a form acceptable to the Commission that contains information on the programs that were broadcast by all undertakings from the Corus Group in regard to:
  - programs of national interest;

- the use of Indigenous and official language minority community producers, specifying notably for each: the number of producers they meet with each year; the projects commissioned, including projects in development, in production and completed; the budgets and the total Canadian programming expenditures devoted to such projects; and any other information the Commission requires to this effect; and
- access that women have to key leadership positions, by providing information regarding the employment of women in key creative leadership positions in the productions broadcast, as well as any other information the Commission requires to this effect.

#### **Over- and under-expenditures**

11. Subject to condition 12, the licensee shall, for each broadcast year, make sufficient expenditures such that the undertakings that form the Corus Group collectively devote:

- a) 30% of the previous year's gross revenues of the undertakings that form the Corus Group to the acquisition of or investment in Canadian programming; and
- b) 5% of the previous year's gross revenues of the undertakings that form the Corus Group to the acquisition of or investment in programs of national interest.

12. In each broadcast year of the licence term, excluding the final year,

- a) the licensee, in concert with the other undertakings that form the Corus Group, may expend an amount on Canadian programming and/or on programs of national interest that is up to 5% less than the minimum required expenditure for that year calculated in accordance with conditions 11(a) and 11(b), respectively; in such case, the licensee shall ensure that the undertakings that form the Corus Group expend in the next broadcast 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;
- b) where the licensee, in concert with the other undertakings that form the Corus Group, expends an amount for that year on Canadian programming or programs of national interest that is greater than the minimum required expenditure calculated in accordance with conditions 11(a) and 11(b) respectively, the licensee or another undertaking from the Corus Group may deduct that amount from the total minimum required expenditure in one or more of the remaining years of the licence term.
- c) Notwithstanding conditions 12(a) and 12(b), during the licence term, the licensee shall ensure that the undertakings that form the Corus Group expend on Canadian programming and programs of national interest, at a minimum,

the total of the minimum required expenditures calculated in accordance with conditions 11(a) and 11(b).

**Locally reflective news**

13. *Renewal of licences for the television services of large English-language ownership groups – Introductory decision*, Broadcasting Decision CRTC 2017-148, 15 May 2017, and consistent with the definition of “locally reflective news” set out in paragraphs 56 to 58 of *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016:
  - a) if the licensee operates a station in a metropolitan market, it shall broadcast on that station at least 6 hours of locally reflective news each broadcast week;
  - b) if the licensee operates a station in a non-metropolitan market, it shall broadcast on that station at least 3 hours of locally reflective news each broadcast week.
14. The licensee shall, in each broadcast year, devote to the acquisition of or investment in locally reflective news 11% of the previous broadcast year’s gross revenues of the undertaking.
15. The licensee may count expenditures made for the acquisition of or investment in locally reflective news by one or more television stations from the Corus Group in the same broadcast year towards fulfilling the requirement set out in condition 14 as long as these expenditures are not used by those television stations towards fulfilling their own locally reflective news expenditure requirement.
16. Subject to condition 17, the licensee shall, for each broadcast year, make sufficient expenditures such that the television stations from the Corus Group collectively devote to the acquisition of or investment in locally reflective news 11% of the previous year’s gross revenues of those television stations.
17. In each broadcast year of the licence term, excluding the final year,
  - a) the licensee, in concert with the other television stations from the Corus Group, may expend an amount on locally reflective news that is up to 5% less than the minimum required expenditure for that year calculated in accordance with condition 16; in such case, the licensee shall ensure that the television stations from the Corus Group expend in the next broadcast 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;
  - b) where the licensee, in concert with the other television stations from the Corus Group, expends an amount for that year on locally reflective news that is greater than the minimum required expenditure calculated in accordance with condition 16, the licensee may deduct that amount from the minimum required expenditure in one or more of the remaining years of the licence term.



- c) Notwithstanding conditions 17(a) and 17(b), during the licence term, the licensee shall ensure that the television stations from the Corus Group expend on locally reflective news the total of the minimum required expenditures calculated in accordance with condition 16.

**Licensee's obligations with respect to the Corus Group**

- 18. In the two years following the end of the previous licence term, the licensee shall report and respond to any Commission enquiries relating to expenditures on Canadian programming, including programs of national interest, made by the licensee and by the Corus Group for that term.
- 19. The licensee shall be responsible for any failure to comply with requirements relating to expenditures on Canadian programming, including programs of national interest, that occurred during the previous licence term.
- 20. In regard to the operation of the undertakings that form the Corus Group:
  - a) Subject to conditions 20(b) and 20(c), the licensee shall operate the television station and that station shall remain part of the Corus Group, for the duration of the licence term.
  - b) Should the licensee wish to operate the television station outside the Corus Group or cease its operation, the licensee shall apply to the Commission for that station to be removed from the Corus Group no later than 120 days prior to operating the station outside the Corus Group or ceasing its operation.
  - c) The licensee shall ensure that the list of undertakings that form Corus Group is accurate at all times.
- 21. In accordance with paragraph 90 of *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016, the television station is hereby designated a "designated local television station." The station shall maintain this designation for the licence term so long as all the television stations from the Corus Group remain in operation.

**Repurposing of the 600 MHz frequency band**

- 22. In regard to the repurposing of the 600 MHz frequency band in Canada:
  - a) The licensee is authorized to operate its television station and transmitters according to contours and technical parameters that differ from those approved in its most recent application and/or listed on its licence, to the extent that these new contours and technical parameters have been approved by the Department of Industry (the Department) as a result of the Department's repurposing initiative of the 600 MHz frequency band as set out in *Decision on Repurposing the 600 MHz Band*, SLPB-004-15, 14 August 2015 and its April 2017 *Digital Television (DTV) Allotment Plan, Digital Television (DTV)*

*Transition Schedule* and the Broadcasting Procedures and Rules entitled *BPR-11 – Broadcasting Television Application Procedures During the 600 MHz Transition*.

- b) For the purpose of the *Broadcasting Distribution Regulations*, the licensee is deemed to be operating its television station and transmitters under the contours and technical parameters approved by the Commission and in effect on **15 May 2017**.
- c) The above authorizations are valid only if the Commission receives confirmation from the Department that the revised contours and technical parameters resulting from the Department's repurposing initiative of the 600 MHz frequency band satisfy the requirements of the *Radiocommunication Act* and the regulations made thereunder, and that a broadcasting certificate has been or will be issued to the licensee in respect of the revised parameters.

#### **Competitive safeguards**

- 23. The licensee shall not include or enforce any provision in or in connection with an affiliation agreement that is designed to prevent, or is designed to create incentives that would effectively prevent another programming undertaking or broadcasting distribution undertaking from launching or distributing another licensed programming service.
- 24. The licensee shall provide a minimum of 90 days' written notice of the impending launch of a new programming service to all broadcasting distribution undertakings. Such notice shall be accompanied by an offer that sets out the general terms of carriage of the programming service to be launched.
- 25. The licensee shall not:
  - a) require an unreasonable rate (e.g., not based on fair market value);
  - b) require a party with which it is contracting to accept terms or conditions for the distribution of programming on a traditional or ancillary platform that are commercially unreasonable;
  - c) require an excessive activation fee or minimum subscription guarantee;
  - d) impose, on an independent party, a most favoured nation (MFN) clause or any other condition that imposes obligations on that independent party by virtue of a vertically integrated entity or an affiliate thereof entering into an agreement with any vertically integrated entity or any affiliate thereof, including its own.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

26. When negotiating a wholesale rate for a programming service based on fair market value, the licensee shall take into consideration the following factors:

- a) historical rates;
- b) penetration levels and volume discounts;
- c) the packaging of the service;
- d) rates paid by unaffiliated broadcasting distributors for a programming service;
- e) rates paid for programming services of similar value to consumers;
- f) the number of subscribers that subscribe to a package in part or in whole due to the inclusion of the programming service in that package;
- g) the retail rate charged for the service on a stand-alone basis;
- h) the retail rate for any packages in which the service is included.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

27. If the licensee has not renewed an affiliation agreement that it signed with a licensed or exempted Canadian television programming undertaking or a broadcasting distribution undertaking within 120 days preceding the expiry of the agreement and if the other party has confirmed its intention to renew the agreement, the licensee shall submit the matter to the Commission for dispute resolution pursuant to sections 12 to 15 of the *Broadcasting Distribution Regulations*.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

28. The licensee shall not:

- a) require minimum penetration or revenue levels that force distribution of a service on the basic tier or in a package that is inconsistent with the service's theme or price point;
- b) refuse to make programming services available on a stand-alone basis (i.e., requiring the acquisition of a program or service in order to obtain another program or service);
- c) impose terms that prevent an unrelated distributor from providing a differentiated offer to consumers.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

29. The licensee shall not refuse to make available or condition the availability of or carriage terms for any of its licensed programming services to any broadcasting distribution undertaking (BDU) on whether that BDU agrees to carry any other separately licensed programming service, provided that this condition does not prevent or limit the right or ability of the licensee to offer BDUs multiservice or other discounts, promotions, rebates or similar programs.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

30. The licensee shall negotiate with broadcasting distribution undertakings (BDUs) for non-linear multiplatform rights to the content broadcast on the licensee's programming service at the same time as linear rights for its programming service and provide those rights to BDUs on a timely basis and on commercially reasonable terms.

For certainty, nothing in this condition of licence shall prevent or otherwise restrict the licensee from requesting compensation in exchange for making such non-linear rights available to BDUs.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

31. The licensee shall file with the Commission all affiliation agreements to which it is a party with a television programming undertaking or broadcasting distribution undertaking within five days following the execution of the agreement by the parties.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

#### **Condition of licence specific to CKWS-DT 1 Brighton**

32. The licensee may broadcast a maximum of 6.5% of the commercial availabilities on the Brighton station separately from those broadcast on CKWS-DT Kingston for each hour of original station-produced programming it broadcasts exclusively on its Brighton station each week.

#### **Conditions of licence specific to CHEX-TV-2 Oshawa**

33. The licensee may broadcast a maximum of 6.5% of the commercial availabilities on the Oshawa station separately from those broadcast on CHEX-TV Peterborough for each hour of original, station-produced programming it broadcasts exclusively on its Oshawa station each week.

34. As an exception to condition of licence 13, the licensee shall broadcast no less than one hour of locally reflective news programming each broadcast week on the station.

**Conditions of licence specific to CHNB-DT Saint John**

35. As an exception to condition of licence 1, the licensee shall adhere to the conditions set out in Appendix 1 to *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016, with the exceptions of conditions 6 and 14, which are replaced by the following:

6. The licensee shall broadcast no less than five hours of local New Brunswick programming relevant to New Brunswick each broadcast week.

14. The licensee shall, by 1 September 2019, provide described video for all English- and French-language programming that is broadcast during prime time (i.e., from 7 p.m. to 11 p.m.) and that is drawn from program categories 2(b) Long-form documentary, 7 Drama and comedy, 9 Variety, 11(a) General entertainment and human interest and 11(b) Reality television, and/or is programming targeting preschool children (0-5 years of age) and children (6-12 years of age).

36. As an exception to condition of licence 13, the licensee shall broadcast no less than one hour of locally reflective news programming each broadcast week on the station.

**Condition of licence specific to CHAN-DT Vancouver**

37. The licensee shall permit the licensees of the television stations CFJC-TV Kamloops, CKPG-TV Prince George and any other privately-owned television station operating in the interior of British Columbia to cover over those commercials that are not carried on all Global-branded television stations owned or controlled by Corus Entertainment Inc., with commercials sold by the above-listed broadcasters. Such covering over shall take place at the rebroadcasting stations that distribute the CHAN-DT Vancouver signal into the above-listed broadcasters' respective markets.

Such covering over shall be at the above-listed broadcasters' expense. The licensee shall consult regularly with the affected stations to help ensure consistent interpretation and application of this condition, and, whenever possible, will make best efforts to resolve any contentious application of this condition prior to broadcast.

**Definitions**

"Corus Group" means the group of undertakings included in Appendix 1 to *Corus Entertainment Inc. – Licence renewals for English-language television stations and services*, Broadcasting Decision CRTC 2017-150, 15 May 2017.

"Independent production company" means a Canadian company (i.e., a company carrying on business in Canada, with a Canadian business address, owned and controlled by

Canadians) whose business is the production of film, videotape or live programs for distribution and in which the licensee and any company related to the licensee owns or controls, directly or indirectly, in aggregate, less than 30% of the equity.

“Indigenous producer” means an individual who self-identifies as Indigenous, which includes First Nations, Métis or Inuit, and is a Canadian citizen or resides in Canada, or an independent production company in which at least 51% of the controlling interest is held by one or more individuals who self-identify as Indigenous and are Canadian citizens or reside in Canada. In regard to the definition of “independent production company,” “Canadian” includes a person who self-identifies as Indigenous and resides in Canada, whereas “Canadian company” includes a production company in which at least 51% of the controlling interest is held by one or more individuals who self-identify as Indigenous and reside in Canada.

“Locally reflective news” means programming that meets the criteria set out in paragraphs 56 to 58 of *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016.

“Official language minority community producer” means a company that meets the definition of “independent production company” and that:

- a) if operating in the province of Quebec, produces original English-language programming, or
- b) if operating outside of the province of Quebec, produces original French-language programming.

## **Appendix 3 to Broadcasting Decision CRTC 2017-150**

### **Terms, conditions of licence, expectations and encouragements applicable to the discretionary services in the Corus Group**

#### **Terms**

The licences will take effect 1 September 2017 and expire 31 August 2022.

#### **Conditions of licence, expectations and encouragements applicable to all discretionary services in the Corus Group**

1. With the exception of the service identified for condition of licence 32 below, the licensee shall adhere to the standard conditions of licence, expectations and encouragements for discretionary services set out in Appendix 2 to *Standard requirements for television stations, discretionary services and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016, with the exception of condition 17, which is replaced by the following:

The licensee shall, by 1 September 2019, provide described video for all English- and French-language programming that is broadcast during prime time (i.e., from 7 p.m. to 11 p.m.) and that is drawn from program categories 2(b) Long-form documentary, 7 Drama and comedy, 9 Variety, 11(a) General entertainment and human interest and 11(b) Reality television, and/or is programming targeting preschool children (0-5 years of age) and children (6-12 years of age).

2. In each broadcast year, the licensee shall devote no less than 35% of the broadcast day to the exhibition of Canadian programs.

#### **Canadian programming expenditures**

3. In accordance with *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010, the licensee shall in each broadcast year devote to the acquisition of or investment in Canadian programming a minimum of 30% of the previous year's gross revenues of the undertaking.
4. The licensee may count expenditures made for the acquisition of or investment in Canadian programming by one or more undertakings from the Corus Group in the same broadcast year towards fulfilling the requirement set out in condition 3 as long as these expenditures are not used by those undertakings towards fulfilling their own Canadian programming expenditure requirement.
5. Subject to condition 6, the licensee may claim, in addition to its expenditures on Canadian programming:
  - a) a 50% credit against its Canadian programming expenditure requirement, set out in condition 3, on expenditures made on Canadian programming produced by an Indigenous producer and claimed as Canadian programming expenditures during that broadcast year;

- b) a 25% credit against its Canadian programming expenditure requirement, set out in condition 3, on expenditures made on Canadian programming produced by an official language minority community producer and claimed as Canadian programming expenditures during that broadcast year. The licensee may claim the credit if:
  - i. the programming is produced in the province of Quebec and the original language of production is English; or
  - ii. the programming is produced outside the province of Quebec and the original language of production is French.
- 6. The licensee may claim the credits calculated in accordance with condition 5 until the expenditures made on Canadian programming produced by Indigenous producers and by official language minority community producers, including credits, reach a combined maximum of 10% of the Canadian programming expenditure requirement for the Corus Group.

**Programs of national interest**

- 7. In accordance with *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010, the licensee shall in each broadcast year devote to the acquisition of or investment in programs of national interest, as defined in paragraphs 71 to 73 of that regulatory policy, a minimum of 5% of the previous year's gross revenues of the undertaking.
- 8. The licensee may count expenditures made for the acquisition of or investment in programs of national interest by one or more undertakings from the Corus Group in the same broadcast year towards fulfilling the requirement set out in condition 7 as long as these expenditures are not used by those undertakings towards fulfilling their own programs of national interest expenditure requirement.
- 9. At least 75% of the expenditures in condition 7 must be made to an independent production company.
- 10. The licensee shall, by 30 November of each year, provide for the previous broadcast year a report in a form acceptable to the Commission that contains information on the programs that were broadcast by all undertakings from the Corus Group in regard to:
  - programs of national interest;
  - the use of Indigenous and official language minority community producers, specifying notably for each: the number of producers they meet with each year; the projects commissioned (including projects in development, in production and completed); the budgets and the total Canadian programming expenditures devoted to such projects; and any other information the Commission requires to this effect; and



- access that women have to key leadership positions, by providing information regarding the employment of women in key creative leadership positions in the productions broadcast, as well as any other information the Commission requires to this effect.

#### **Over- and under-expenditures**

11. Subject to condition 12, the licensee shall, for each broadcast year, make sufficient expenditures such that the undertakings that form the Corus Group collectively devote:
  - a) 30% of the previous year's gross revenues of the undertakings that form the Corus Group to the acquisition of or investment in Canadian programming; and
  - b) 5% of the previous year's gross revenues of the undertakings that form the Corus Group to the acquisition of or investment in programs of national interest.
12. In each broadcast year of the licence term, excluding the final year,
  - a) the licensee, in concert with the other undertakings that form the Corus Group, may expend an amount on Canadian programming and/or on programs of national interest that is up to 5% less than the minimum required expenditure for that year calculated in accordance with conditions 11(a) and 11(b), respectively; in such case, the licensee shall ensure that the undertakings that form the Corus Group expend in the next broadcast 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;
  - b) where the licensee, in concert with the other undertakings that form the Corus Group, expends an amount for that year on Canadian programming or programs of national interest that is greater than the minimum required expenditure calculated in accordance with conditions 11(a) and 11(b), respectively, the licensee or another undertaking from the Corus Group may deduct that amount from the minimum required expenditure in one or more of the remaining years of the licence term.
  - c) Notwithstanding conditions 12(a) and 12(b), during the licence term, the licensee shall ensure that the undertakings that form the Corus Group expend on Canadian programming and programs of national interest, at a minimum, the total of the minimum required expenditures calculated in accordance with conditions 11(a) and 11(b).

#### **Licensee's obligations with respect to the Corus Group**

13. In the two years following the end of the previous licence term, the licensee shall report and respond to any Commission enquiries relating to the expenditures on Canadian programming, including programs of national interest, made by the licensee and by the Corus Group for that term.

14. The licensee shall be responsible for any failure to comply with the requirements relating to expenditures on Canadian programming, including programs of national interest, that occurred during the previous licence term.
15. In regard to the operation of the undertakings that form the Corus Group:
- a) Subject to condition 15(b), the licensee shall remain part of the Corus Group for the duration of the licence term.
  - b) Should the licensee wish to operate the undertaking outside the Corus Group, the licensee shall apply to the Commission for that undertaking to be removed from the Corus Group no later than 120 days prior to operating the undertaking outside the Corus Group.
  - c) The licensee shall ensure that the list of undertakings that form Corus Group is accurate at all times.

**Competitive safeguards applicable to ABC Sparks, Cartoon Network, CMT, Cosmopolitan, Nickelodeon, OWN, Sundance Channel, TELETOON/TÉLÉTOON, Treehouse TV, Cooking Channel Canada, W Network and YTV**

16. The licensee shall not include or enforce any provision in or in connection with an affiliation agreement that is designed to prevent, or is designed to create incentives that would effectively prevent another programming undertaking or broadcasting distribution undertaking from launching or distributing another licensed programming service.
17. The licensee shall provide a minimum of 90 days' written notice of the impending launch of a new programming service to all broadcasting distribution undertakings. Such notice shall be accompanied by an offer that sets out the general terms of carriage of the programming service to be launched.
18. The licensee shall not:
- a) require an unreasonable rate (e.g., not based on fair market value);
  - b) require a party with which it is contracting to accept terms or conditions for the distribution of programming on a traditional or ancillary platform that are commercially unreasonable;
  - c) require an excessive activation fee or minimum subscription guarantee;
  - d) impose, on an independent party, a most favoured nation (MFN) clause or any other condition that imposes obligations on that independent party by virtue of a vertically integrated entity or an affiliate thereof entering into an agreement with any vertically integrated entity or any affiliate thereof, including its own.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

19. When negotiating a wholesale rate for a programming service based on fair market value, the licensee shall take into consideration the following factors:

- a) historical rates;
- b) penetration levels and volume discounts;
- c) the packaging of the service;
- d) rates paid by unaffiliated broadcasting distributors for a programming service;
- e) rates paid for programming services of similar value to consumers;
- f) the number of subscribers that subscribe to a package in part or in whole due to the inclusion of the programming service in that package;
- g) the retail rate charged for the service on a stand-alone basis;
- h) the retail rate for any packages in which the service is included.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

20. If the licensee has not renewed an affiliation agreement that it signed with a licensed or exempted Canadian television programming undertaking or a broadcasting distribution undertaking within 120 days preceding the expiry of the agreement and if the other party has confirmed its intention to renew the agreement, the licensee shall submit the matter to the Commission for dispute resolution pursuant to sections 12 to 15 of the *Broadcasting Distribution Regulations*.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

21. The licensee shall not:

- a) require minimum penetration or revenue levels that force distribution of a service on the basic tier or in a package that is inconsistent with the service's theme or price point;
- b) refuse to make programming services available on a stand-alone basis (i.e., requiring the acquisition of a program or service in order to obtain another program or service);
- c) impose terms that prevent an unrelated distributor from providing a differentiated offer to consumers.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

22. The licensee shall not refuse to make available or condition the availability of or carriage terms for any of its licensed programming services to any broadcasting distribution undertaking (BDU) on whether that BDU agrees to carry any other separately licensed programming service, provided that this condition does not prevent or limit the right or ability of the licensee to offer BDUs multiservice or other discounts, promotions, rebates or similar programs.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

23. The licensee shall negotiate with broadcasting distribution undertakings (BDUs) for non-linear multiplatform rights to the content broadcast on the licensee's programming service at the same time as linear rights for its programming service and provide those rights to BDUs on a timely basis and on commercially reasonable terms.

For certainty, nothing in this condition of licence shall prevent or otherwise restrict the licensee from requesting compensation in exchange for making such non-linear rights available to BDUs.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

24. The licensee shall file with the Commission all affiliation agreements to which it is a party with a television programming undertaking or broadcasting distribution undertaking within five days following the execution of the agreement by the parties.

The application of the foregoing condition of licence is suspended so long as the Wholesale Code, set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, is in effect.

#### **Conditions of licence specific to TELETOON/TÉLÉTOON**

25. As part of its fulfilment of condition 3, the licensee shall in each broadcast year devote to the acquisition of or investment in French-language Canadian programming at least 9% of the previous broadcast year's gross revenues of the undertaking. Further, these expenditures may not be counted towards meeting the obligations of any other service from the Corus Group.
26. As part of its fulfilment of conditions 3 and 7, the licensee shall submit to the Commission a separate report for each of the English- and French-language feeds for TELETOON/TÉLÉTOON in regard to the service's expenditure requirements, and

set out in its annual report relating to programs of national interest specific details regarding spending and production on both the English- and French-language markets.

27. The licensee shall acquire, when available, all French-language audio-tracks created in Canada for non-Canadian productions or for co-productions that it broadcasts.
28. The licensee shall maintain separate program logs for its English- and French-language feeds.
29. The licensee shall direct a minimum of one-third of all script and concept development expenditures to Canadian French-language producers.
30. The licensee shall maintain its Montréal office dedicated to the French-language feed of TELETOON/TÉLÉTOON original programming.
31. The licensee shall maintain decision-making personnel dedicated to program commissioning exclusively to TELETOON/TÉLÉTOON.

#### **Condition of licence specific to BC News 1**

32. As an exception to condition of licence 1, the licensee shall adhere to the conditions set out in Appendix 2 to *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016, with the exception of condition 18d), which will not apply, and with the exceptions of conditions 17 and 18a), which are replaced by the following, respectively:

The licensee shall, by 1 September 2019, provide described video for all English- and French-language programming that is broadcast during prime time (i.e., from 7 p.m. to 11 p.m.) and that is drawn from program categories 2(b) Long-form documentary, 7 Drama and comedy, 9 Variety, 11(a) General entertainment and human interest and 11(b) Reality television, and/or is programming targeting preschool children (0-5 years of age) and children (6-12 years of age).

Except as otherwise provided in subparagraphs b) and c), the licensee shall not broadcast more than twelve (12) minutes of advertising material during each clock hour, no more than six (6) minutes of which may consist of local advertising. Any local advertising shall be solicited or accepted only from the Vancouver Census Metropolitan Area (CMA) and the neighbouring Abbotsford CMA, as defined by Statistics Canada, provided that the licensee broadcasts local programming specific to these areas. Should the licensee cease to broadcast local programming specific to those CMAs, it shall adhere to condition of licence 18 set out in Appendix 2 to *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.

For the purposes of this condition of licence:

The expression “clock hour” shall have the same meaning as that set out in the *Television Broadcasting Regulations, 1987*.

### **Expectation specific to TELETOON/TÉLÉTOON**

The Commission expects that the expenditures set out in condition of licence 25 be made predominantly to original French-language Canadian production. For the purposes of this expectation, an “original production” is defined as:

- a Canadian program originally produced in the French language that, at the time of its broadcast by the licensee, had not been previously broadcast by the licensee or by any other licensee; or
- in cases where the licensee contributed to the pre-production financing of a program, a Canadian program originally produced in the French language that had been previously broadcast only by another licensee that also contributed to its pre-production financing.

### **Definitions**

“Corus Group” means the group of undertakings set out in Appendix 1 to *Corus Entertainment Inc. – Licence renewals for English-language television stations and services*, Broadcasting Decision CRTC 2017-150, 15 May 2017.

“Independent production company” means a Canadian company (i.e., a company carrying on business in Canada, with a Canadian business address, owned and controlled by Canadians) whose business is the production of film, videotape or live programs for distribution and in which the licensee and any company related to the licensee owns or controls, directly or indirectly, in aggregate, less than 30% of the equity.

“Indigenous producer” means an individual who self-identifies as Indigenous, which includes First Nations, Métis or Inuit, and is a Canadian citizen or resides in Canada, or an independent production company in which at least 51% of the controlling interest is held by one or more individuals who self-identify as Indigenous and are Canadian citizens or reside in Canada. In regard to the definition of “independent production company,” “Canadian” includes a person who self-identifies as Indigenous and resides in Canada, whereas “Canadian company” includes a production company in which at least 51% of the controlling interest is held by one or more individuals who self-identify as Indigenous and reside in Canada.

“Official language minority community producer” means a company that meets the definition of “independent production company” and that:

- a) if operating in the province of Quebec, produces original English-language programming, or
- b) if operating outside of the province of Quebec, produces original French-language programming.