



Broadcasting Decision CRTC 2018-318

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Reference: Part 1 licence renewal applications posted on 27 November 2017

Ottawa, 27 August 2018

Knowledge Network Corporation
British Columbia

Knowledge-West Communications Corporation
Across Canada

Public record for these applications: 2017-0837-2 and 2017-0838-0

Knowledge Network and BBC Kids – Licence renewals

*The Commission **renews** the broadcasting licences for the English-language non-commercial educational discretionary service Knowledge Network and the English-language discretionary service BBC Kids from 1 September 2018 to 31 August 2023.*

Applications

1. Knowledge Network Corporation (KNC) filed an application (2017-0837-2) to renew the broadcasting licence for the English-language non-commercial educational satellite-to-cable television service Knowledge Network. The current licence expires 31 August 2018.
2. Knowledge-West Communications Corporation (KWCC), a subsidiary of KNC, filed a separate application (2017-0838-0) to renew the broadcasting licence for the English-language specialty Category B service BBC Kids, also expiring 31 August 2018.
3. The licensees confirmed that the services would adhere to the standard requirements set out in Appendix 1 (for Knowledge Network) and Appendix 2 (for BBC Kids) of Broadcasting Regulatory Policy 2016-436.
4. With respect to Knowledge Network, KNC proposed to reduce the service's Canadian content exhibition requirement from 55% of the broadcast day and 50% of the evening broadcast period to 40% of the broadcast day.
5. In support of its request, KNC argued that this reduced Canadian content exhibition requirement would provide it with the flexibility to adjust to a changing marketplace, noting that the service has two peak viewing periods, namely kids programming during the day and adult programming in the evening.

6. With respect to BBC Kids, KWCC proposed to devote 10% of the service's previous-year revenues to Canadian programming expenditures (CPE) and to devote 35% of its overall programming to Canadian programming, consistent with Broadcasting Regulatory Policy 2015-86 (the Policy).

Interventions

7. With respect to the application to renew Knowledge Network, the Commission received supporting interventions, as well as comments by the Canadian Media Producers Association (CMPA), On Screen Manitoba (OSM), the Shaw Rocket Fund and the Writers Guild of Canada (WGC) and a joint intervention by Rogers Media Inc., Corus Entertainment Inc. and Bell Media Inc. (the Parties).
8. The Shaw Rocket Fund and the Parties also intervened with respect to the application to renew BBC Kids.
9. The CMPA submitted that although educational broadcasters like Knowledge Network should be held to higher standards than other television stations since their programming supports the objectives of the *Broadcasting Act* relating to children's programming, the Policy provides for exceptions to the Commission's approach to the exhibition of Canadian programming. In this case, the CMPA supported the request by KNC.
10. OSM and the WGC also supported the renewal of Knowledge Network as proposed in its application.
11. Although the licensees did not request an exception to any of the standard requirements, which include specific requirements relating to described video, the Parties used the opportunity to argue that the described video requirements imposed by the Commission on independently owned undertakings are onerous.
12. Finally, the Shaw Rocket Fund stressed the continued need to support original Canadian children's programming.
13. The applicants did not reply to the above-noted interventions.

Commission's analysis and decisions

Knowledge Network

14. Knowledge Network is one of the few remaining satellite-to-cable television services in the Canadian broadcasting system. Although satellite-to-cable services were not specifically included in the three types of licence categories defined in paragraph 308 of the Policy, the Commission finds it appropriate to consider Knowledge Network as a discretionary service as defined in the *Discretionary Services Regulations* for the purposes of its regulatory obligations, as well as the standard conditions of licence for discretionary services set out in Appendix 2 of Broadcasting Regulatory Policy 2016-

436. However, given that it is an educational service, the Commission does not consider it necessary to impose a CPE requirement on the service at this time.

15. Further, in the Policy, the Commission stated there may be services that will require a more individual approach to Canadian exhibition requirements. As an example, peak viewing periods are different for children's and youth programming. In the Policy, the Commission indicated that these particular circumstances will be considered at licence renewal on a case-by-case basis. In this respect, at the last licence renewals for the provincial educational services TVO and TFO, the Commission maintained Canadian exhibition requirements for both the evening broadcast period and broadcast year.
16. Moreover, given that Knowledge Network, unlike most discretionary services, will continue to enjoy the benefit of distribution on the basic service and will offer programming for kids between 6 a.m. and 3 p.m., the Commission is of the view that it remains appropriate to ensure by condition of licence that the service devotes an adequate portion of its programming to the exhibition of Canadian children's programming.
17. Accordingly, the Commission **denies** KNC's request and maintains its current requirements. Consequently, in Appendix 1 to this decision, the Commission has set out a **condition of licence** requiring the licensee to devote 55% of the broadcast day and 50% of the evening broadcast period to Canadian programming.

BBC Kids

18. The Commission considers KWCC's proposals with respect to CPE and the exhibition of Canadian programming appropriate and consistent with its policy, as set out in the Policy. Accordingly, in Appendix 2 to this decision, the Commission has set out **conditions of licence** reflecting these commitments.

Other issues

19. In light of the pressing need to serve the Indigenous community, the Commission considers it appropriate to adopt an incentive to encourage the reflection of Indigenous peoples within broadcasting the system. Specifically, KWCC will receive a 50% credit towards its CPE requirements for expenditures on Canadian programming produced by Indigenous producers, up to a maximum (expenses plus credit) of 10% of the licensee's overall CPE requirement when combined with the credit discussed in the following section on official language minority community (OLMC) reflection. Only programming costs counting towards CPE as defined in Public Notice 1993-93 will be considered eligible for the credit.
20. The Commission is of the view that intervention is also needed to encourage greater onscreen reflection of OLMCs in the broadcasting system. Consequently, KWCC will receive a 25% credit against its CPE requirements for expenditures on Canadian programming produced by OLMC producers, up to a maximum (expenses plus credit) of 10% of the licensee's overall CPE requirement when combined with the credit

discussed in the preceding section on Indigenous reflection. Only programming costs counting towards CPE as defined in Public Notice 1993-93 will be considered eligible for the credit. Further, the OLMC producer must be an independent producer as defined by the Commission and (i) if in the province of Quebec, the original language of the production must be English or (ii) if outside of the province of Quebec, the original language of the production must be French.

21. Accordingly, **conditions of licence** reflecting these determinations are set out in Appendix 2 to this decision.

Conclusion

22. In light of all the above, the Commission **renews** the broadcasting licences for the English-language non-commercial educational discretionary service Knowledge Network and the English-language discretionary service BBC Kids¹ from 1 September 2018 to 31 August 2023. The terms and **conditions of licence** for each service are set out in the appendices to this decision.

Reminder

23. Section 8 of the *Discretionary Services Regulations* requires, among other things, that except as otherwise provided under a condition of its licence, a licensee shall provide to the Commission, within 30 days after the end of each month, the program log or record of its programming for the month.
24. The Commission reminds the licensee that the program logs must be accurate and must be kept in a form that is acceptable to the Commission.

Secretary General

Related documents

- *Standard requirements for television stations, discretionary services and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016
- *Let's Talk TV: The way forward – Creating compelling and diverse Canadian programming*, Broadcasting Regulatory Policy CRTC 2015-86, 12 March 2015

This decision and the appropriate appendix is to be attached to each licence.

¹ In Broadcasting Regulatory Policy 2015-86, the Commission announced that it would consolidate television programming service licences into three broad categories. According to this simplified approach, specialty Category B services are now designated as discretionary services.

Appendix 1 to Broadcasting Decision CRTC 2018-318

Terms, conditions of licence, expectations and encouragements for the English-language non-commercial educational discretionary service Knowledge Network

Terms

The licence will take effect 1 September 2018 and expire 31 August 2023.

Conditions of licence

1. The licensee shall adhere to the standard conditions of licence for discretionary services set out in Appendix 2 of *Standard requirements for television stations, discretionary services and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016, as well as to the conditions set out in the broadcasting licence for the undertaking.
2. The licensee shall devote at least 55% of the broadcast day and 50% of the evening broadcast period to the broadcast of Canadian programs.

For the purposes of this condition of licence, “evening broadcast period” shall have the same meaning as set out in the *Television Broadcasting Regulations, 1987*, as amended from time to time.

Expectations

The standard expectations applicable to this licensee are set out in Appendix 2 of *Standard requirements for television stations, discretionary services and on demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.

Encouragements

The standard encouragements applicable to this licensee are set out in Appendix 2 of *Standard requirements for television stations, discretionary services and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.

Appendix 2 to Broadcasting Decision CRTC 2018-318

Terms, conditions of licence, expectations and encouragements for the English-language discretionary service BBC Kids

Terms

The licence will take effect 1 September 2018 and expire 31 August 2023.

Conditions of licence

1. The licensee shall adhere to the standard conditions of licence for discretionary services set out in Appendix 2 of *Standard requirements for television stations, discretionary services and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016, as well as to the conditions set out in the broadcasting licence for the undertaking.
2. In each broadcast year, the licensee shall devote to the acquisition of or investment in Canadian programming at least 10% of the previous year's gross revenues of the undertaking.
3. Subject to condition 4, the licensee may claim, in addition to its expenditures on Canadian programming:
 - a. a 50% credit against its Canadian programming expenditure requirements for 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 requirements for 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.
4. The licensee may claim the credits calculated in accordance with condition 3 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 undertaking.
5. In regard to expenditures on Canadian programming:

- (a) In each broadcast year of the licence term, excluding the final year, the licensee may expend an amount on Canadian programming that is up to 5% less than the minimum required expenditure for that year calculated in accordance with condition of licence 2; in such case the licensee shall 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) In each broadcast year of the licence term, excluding the final year, where the licensee expends an amount for that year on Canadian programming that is greater than the minimum required expenditure, 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 paragraphs (a) and (b) above, during the licence term, the licensee shall expend on Canadian programming, at a minimum, the total of the minimum required expenditures calculated in accordance with condition of licence 2.
6. 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 made by the licensee for that term.
7. The licensee is responsible for any failure to comply with the requirements relating to expenditures on Canadian programming that occurred during the previous licence term.

Definitions

For purposes of these conditions:

“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.

Expectations

The standard expectations applicable to this licensee are set out in Appendix 2 of *Standard requirements for television stations, discretionary services and on demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.

Encouragements

The standard encouragements applicable to this licensee are set out in Appendix 2 of *Standard requirements for television stations, discretionary services and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.