



Broadcasting Decision CRTC 2018-326

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Reference: Part 1 licence renewal application posted on 19 January 2018

Ottawa, 29 August 2018

Wild TV Inc.
Across Canada

Public record for this application: 2017-0937-0

Wild TV – Licence renewal

*The Commission **renews** the broadcasting licence for the national English-language discretionary service Wild TV from 1 September 2018 to 31 August 2023.*

Application

1. Wild TV Inc. filed an application to renew the broadcasting licence for the national, English-language specialty Category B service Wild TV. The current licence expires 31 August 2018.
2. The applicant confirmed that it would adhere to the standard requirements for discretionary services set out in Appendix 2 to Broadcasting Regulatory Policy 2016-436.
3. Wild TV Inc. further proposed to adhere to a condition of licence requiring it to devote at least 15% of the previous year's gross annual revenues to the acquisition of and investment in Canadian programming for the service. Wild TV Inc. argued that, while it had over the last number of years been able to invest more than 15% in Canadian programming, it feared that, as a small independent channel, it would be unable to meet its historical levels as a condition of licence should revenues decline.

Interventions

4. The Commission received a comment from the Canadian Media Producers Association (CMPA) requesting that the Commission impose a Canadian programming expenditure (CPE) requirement based on Wild TV's historical levels in accordance with Broadcasting Regulatory Policy 2015-86. The CMPA further noted that the applicant's failure to provide full financial disclosure in its licence renewal application, including historical revenue information and CPE expressed as a percentage of previous years' revenues, made it impossible for the CMPA to comment specifically on the proposed 15% requirement.

5. The Commission also received a comment from Shaw Rocket Fund regarding children's programming and a joint intervention filed by Rogers Media Inc., Corus Entertainment Inc. and Bell Media Inc. arguing that the described video requirements imposed on independently owned services are onerous. The applicant did not reply to the interventions.

Commission's analysis and decisions

Canadian programming expenditures

6. In Broadcasting Regulatory Policy 2015-86, the Commission announced that CPE requirements based on historical levels of expenditures would be implemented for English- and third-language discretionary services with over 200,000 subscribers.
7. The Commission considers that the applicant has not demonstrated that a 15% CPE requirement for its service is adequate. In the annual returns filed with the Commission, the applicant reported CPE ranging from 19% to 40% of the previous years' gross revenues for 2012-2013 through 2016-2017, representing an average of 30%. While they have fluctuated over the current licence term, historical CPE expenditures reported by the applicant greatly exceed the proposed 15% requirement. Similarly, the Commission notes that financial projections filed by the applicant show that it plans to consistently devote more than 25% of the previous year's revenues to CPE over the upcoming licence term. Further, with respect to the applicant's concern that its revenues may drop in this licence term, since the CPE requirement is based on a percentage of revenue, the actual dollar value of its CPE requirement will decline proportionally.
8. In light of the above, the Commission considers that a 25% CPE requirement is appropriate. This level of expenditures will ensure an adequate contribution by the licensee to the creation and presentation of Canadian programming consistent with Broadcasting Regulatory Policy 2015-86 and sections 3(1)(d), (e), and (f) of the *Broadcasting Act*. Accordingly, in the appendix to this decision, the Commission has set out a **condition of licence** to that effect.
9. The Commission considers it appropriate to adopt an incentive to encourage the reflection of Indigenous peoples within the system. Specifically, the licensee 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 below regarding 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.
10. The Commission is also of the view that a similar credit could encourage greater onscreen reflection of OLMCs in the broadcasting system. Consequently, the licensee 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 on Indigenous reflection. Once again, 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.

11. **Conditions of licence** reflecting these determinations are set out in the appendix to this decision.

Non-compliance

12. Program logs submitted by the licensee showed insufficient quantities of Canadian programming in the 2013-2014 and 2015-2016 broadcast years and closed captioning in the 2012-2013 and 2014-2015 broadcast years.
13. In both cases, the licensee attributed the apparent non-compliance to logs that had been submitted improperly by former employees. Following questions by Commission staff, the licensee resubmitted logs for the broadcast years in question indicating compliance with respect to both Canadian programming and closed captioning requirements over its licence term. The Commission examined the revised logs and considers Wild TV to be in compliance.
14. The Commission reminds the licensee of the importance of filing accurate logs in a timely manner.

Conclusion

15. In light of the above, the Commission **renews** the broadcasting licence for the national, English-language discretionary service Wild TV¹ from 1 September 2018 to 31 August 2023. The terms and **conditions of licence** for the service are set out in the appendix to this decision.

Reminders

16. 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.
17. The Commission reminds the licensee that program logs must be accurate and must be kept in a form acceptable to the Commission.

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

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
- *The reporting of Canadian programming expenditures*, Public Notice CRTC 1993-93, 22 June 1993

This decision is to be appended to the licence.

Appendix to Broadcasting Decision CRTC 2018-326

Terms, conditions of licence, expectations and encouragements for the national, English-language discretionary service Wild TV

Terms

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

Conditions of licence

1. The licensee shall adhere to the conditions of licence 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, as well as to the conditions set out in the broadcasting licence for the undertaking.
2. The licensee shall, in each broadcast year, devote not less than 25% of the previous year's gross annual revenues of the undertaking to the acquisition of or investment in Canadian programming.
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 to *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.

Encouragements

The standard encouragement applicable to this licensee is 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.