



## Broadcasting Decision CRTC 2018-420

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

Ottawa, 8 November 2018

**Rogers Media Inc.**  
Province of Saskatchewan

*Public record for this application: 2017-0833-0*

### City Saskatchewan – Licence renewal

*The Commission **renews** the broadcasting licence for the English-language educational television station City Saskatchewan, formerly known as Saskatchewan Communications Network, from 1 January 2019 to 31 August 2023.*

#### Application

1. Rogers Media Inc. (Rogers) filed an application to renew the broadcasting licence for the English-language educational satellite-to-cable television service City Saskatchewan, formerly known as Saskatchewan Communications Network. The current licence expires 31 December 2018.<sup>1</sup>
2. As the exclusive provincial educational broadcaster for Saskatchewan,<sup>2</sup> City Saskatchewan provides commercial-free educational programming for no less than 50% of the broadcast week. During the rest of the broadcast week, City Saskatchewan offers programming received from the Citytv network.

#### Interventions

3. The Commission received numerous supporting interventions as well as comments by the Shaw Rocket Fund and the Canadian Media Producers Association (CMPA), to which the licensee replied.
4. The Shaw Rocket Fund stressed the continued need to support original Canadian children's programming. The CMPA supported the renewal of the licence, but commented on a number of issues that are discussed later in this decision.

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<sup>1</sup> The Commission renewed this licence administratively from 1 September to 31 December 2018 in Broadcasting Decision 2018-317.

<sup>2</sup> See *Direction to the CRTC (Ineligibility to Hold Broadcasting Licences)* SOR/85-627 and *Direction to the CRTC (Reservation of Cable Channels)* C.R.C., c. 378

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

5. After examining the public record for this application in light of applicable regulations and policies, the Commission considers that the issues to be addressed are the following:

- licensing as a television station;
- exhibition of Canadian programming;
- Canadian programming expenditures (CPE);
- local programming;
- level of commercial-free educational programming;
- advertising limits; and
- reporting on drama and comedy.

### **Licensing as a television station**

6. City Saskatchewan is one of the few remaining satellite-to-cable television services in the Canadian broadcasting system. Satellite-to-cable services were not specifically included in the three types of licence categories defined in paragraph 308 of Broadcasting Regulatory Policy 2015-86 (the Policy).
7. Given the type of service that City Saskatchewan provides, the fact that the service broadcasts Citytv programming for approximately half of the broadcast week and its historical approach to regulating this service, the Commission finds it appropriate to regulate City Saskatchewan as a television station for the purposes of its obligations under the *Television Broadcasting Regulations, 1987* (the Regulations), as well as the standard conditions of licence for television stations set out in Appendix 1 to Broadcasting Regulatory Policy 2016-436.

### **Exhibition of Canadian programming**

8. City Saskatchewan is currently required to adhere to the Regulations, which until recently required it to devote at least 55% of the broadcast year<sup>3</sup> and at least 50% of the evening broadcast period<sup>4</sup> to Canadian programming. While the Commission amended the Regulations by removing the requirement for the broadcast year, leaving only the requirement to devote at least 50% of the evening broadcast period

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<sup>3</sup> Section 2 of the Regulations defines the broadcast year as the total number of hours devoted by the licensee to broadcasting during the aggregate of broadcast months in a 12-month period, beginning on 1 September in any year.

<sup>4</sup> Section 4(2) of the Regulations defines the evening broadcast period as the total time devoted to broadcasting between six o'clock in the afternoon and midnight during each broadcast year.

to Canadian programming, it also recognized in the Policy that there may be services that would require an individual approach to exhibition requirements. The Commission announced that these particular circumstances would be considered at licence renewal on a case-by-case basis, as required.

9. Rogers requested that, for the upcoming licence term, City Saskatchewan be required only to devote at least 50% of the evening broadcast period to Canadian programming, in accordance with the revised Regulations. Rogers argued that such an approach would provide administrative ease and simplicity, as Canadian programming could be tracked and monitored across its Citytv stations in a more simplified manner. Finally, Rogers argued that, in keeping with the principle and philosophy outlined in the Let's Talk TV policy framework, the Commission should move away from micro regulation of exhibition requirements that are no longer relevant in a new on-demand TV environment.
10. The CMPA opposed Rogers' request and submitted that the previous requirements to devote at least 55% of the broadcast year and at least 50% of the evening broadcast period to Canadian programming should be maintained. The CMPA noted that approval of Rogers' request could represent a reduction of almost seven hours of Canadian programming each day, which would not be appropriate given City Saskatchewan's status as an educational broadcaster. It considered that the station's peak viewing periods should occur during the daytime when it is broadcasting educational programming to children's and youth audiences. As such, the CMPA argued that it would be more appropriate for the Commission to ensure the broadcast of Canadian programs during the daytime.
11. In reply, Rogers submitted that it was not necessary to impose additional Canadian programming exhibition requirements on City Saskatchewan beyond what is already required under the Regulations. Rogers considered that the service's educational mandate and existing conditions of licence, including its CPE requirements, would guide it toward reflecting the regional interests of the province with significant amounts of Canadian programming.
12. While the Commission indicated in the Policy that its general approach to private television stations is to impose exhibition requirements for Canadian programming only for the evening broadcast period, it also indicated that it may be inappropriate to grant such flexibility in some cases. Given that City Saskatchewan provides educational programming to children between 6 a.m. and 6 p.m., the Commission is of the view that an exhibition requirement for the broadcast day would be appropriate to ensure that an adequate percentage of the children's educational programming broadcast by City Saskatchewan is Canadian. Further, the Commission imposed exhibition requirements for both the broadcast year and the evening broadcast period on the educational services TVO and TFO in their last licence renewals.
13. Accordingly, the Commission **denies** Rogers' proposal. During the next licence term, City Saskatchewan must ensure that at least 50% of the evening broadcast period is

devoted to Canadian programming pursuant to the Regulations,<sup>5</sup> and at least 55% of the broadcast year is devoted to Canadian programming, by **condition of licence**.

### **Canadian programming expenditures**

14. Rogers proposed to replace its current conditions of licence relating to CPE, expenditures on educational programming and expenditures on independent production from Saskatchewan with the following:

- The licensee shall devote to the acquisition of or investment in Canadian programming, in each broadcast year of the licence term, 30% of the licensee's previous year's gross revenues.
- The licensee shall devote to the acquisition of or investment in educational programming, in each broadcast year of the licence term, 23% of the licensee's previous year's gross revenues.
- At least 85% of the licensee's expenditures on educational programming must be made to an independent production company or companies carrying on business in Saskatchewan.

For the purposes of this condition of licence, educational programming means:

i. programming drawn from categories 2(a) Analysis and interpretation, 2(b) Long-form documentary, 5(a) Formal education and pre-school and 5(b) Informal education/Recreation and leisure; and ii. other programming which has been accredited as a learning resource by an educational institution in Saskatchewan or the Ministry of Education of Saskatchewan.

15. The proposed 30% CPE requirement represents an increase from the current level of 23%. Rogers indicated that this increase would be conditional on the approval of its request to expand the program categories for which expenditures count as educational programming by including any programming that has been accredited as a learning resource by an educational institution in Saskatchewan or the Ministry of Education of Saskatchewan. Rogers' proposal would align the eligible categories for expenditures on educational programming with City Saskatchewan's current condition of licence, which sets out the service's exhibition requirement for educational programming and for which Rogers is not seeking an amendment for the upcoming licence term.

16. The Commission is of the view that the proposed levels for CPE and expenditures on educational programming are acceptable, as is the requested amendment to the program categories that are eligible for expenditures on educational programming. The increase in overall CPE will serve to increase the amount of money that will go to Saskatchewan independent producers.

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<sup>5</sup> See section 4(7)(b) of the Regulations.

17. The Commission considers, however, that further clarification is required to the portion of the condition of licence that makes reference to companies carrying on business in Saskatchewan. To ensure that expenditures are appropriately allocated, the Commission will amend that portion of the proposed condition of licence to read as follows: “At least 85% of the licensee’s expenditures on educational programming must be made to an independent production company or companies with a Saskatchewan business address and that is or are owned and operated by a resident of Saskatchewan.”
18. The Commission considers it appropriate to encourage the reflection of Indigenous peoples within the broadcasting system. Specifically, the licensee will receive a 50% credit toward 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 toward CPE as defined in Public Notice 1993-93 will be considered eligible for the credit.
19. The Commission is also of the view that a similar credit could encourage greater onscreen reflection of OLMCs in the broadcasting system. Consequently, Rogers 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 toward 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.
20. **Conditions of licence** reflecting these determinations are set out in the appendix to this decision.

### **Local programming**

21. Rogers requested an exemption from standard conditions of licence 5 and 6 set out in Appendix 1 to Broadcasting Regulatory Policy 2016-436 with respect to the provision of local programming. Rogers submitted that, as the provincial educational broadcaster, City Saskatchewan is not licensed as a local television station and should therefore be exempt from local programming requirements.
22. The Commission notes that local programming requirements are generally imposed on private television stations that operate as local services. Such requirements would be inconsistent with City Saskatchewan’s province-wide mandate as a service that devotes half of its programming to educational programming. As well, not imposing local programming requirements would be consistent with the approach taken for other educational services such as TVO and TFO.

23. Accordingly, the Commission **approves** Rogers' proposal to be exempt from conditions of licence 5 and 6 set out in Appendix 1 to Broadcasting Regulatory Policy 2016-436.

#### **Level of commercial-free educational programming**

24. Rogers is currently subject to the following condition of licence for City Saskatchewan:

The licensee shall devote no less than 50% of the broadcast week to commercial-free educational programming, most of which shall be aired during the daytime period from 6 a.m. to 3 p.m.

25. Rogers proposed to amend the condition of licence by removing the phrase "most of which shall be aired during the daytime period from 6 a.m. to 3 p.m." Rogers submitted that the change would provide City Saskatchewan with a greater opportunity to increase revenues during certain periods of the day, which would help with the station's financial difficulties.
26. City Saskatchewan, as the provincial educational broadcaster, receives mandatory carriage across the province by broadcasting distribution undertakings a privilege not enjoyed by local commercial television stations. City Saskatchewan is also not subject to local programming requirements. It is therefore important to balance the educational nature of City Saskatchewan with its commercial Citytv programming. The Commission is concerned that the introduction of more commercial programming during the day could serve to reduce the amount of daytime children's programming. This is a time period that generally has a high level of viewership by children.
27. Accordingly, the Commission **denies** Rogers' request to amend its condition of licence regarding the level of commercial-free educational programming.

#### **Advertising limits**

28. Rogers proposed to delete City Saskatchewan's condition of licence on advertising limits, which reads as follows:

When it broadcasts commercial programming, the licensee shall not broadcast more than 14 minutes of national or regional advertising material in any clock hour in a broadcast day or more than 882 minutes of advertising material in a broadcast week.

29. Rogers submitted that this condition of licence is neither necessary nor appropriate given its commitment to devote 50% of the broadcast week to commercial-free programming. Rogers also argued that the Regulations no longer restrict the amount of advertising material that can be broadcast by television stations in a clock hour.
30. The Commission considers that deletion of the condition of licence would be consistent with the Regulations, which do not restrict the amount of hourly

advertising. The Commission further notes that the condition of licence requiring that 50% of the schedule be devoted to commercial-free educational programming remains in effect, and that only the non-educational programming that the station broadcasts would be affected by this change.

31. Accordingly, the Commission **approves** Rogers' proposal to delete City Saskatchewan's condition of licence concerning advertising limits.

### **Reporting on drama and comedy**

32. Rogers proposed to delete City Saskatchewan's condition of licence that reads as follows:

The licensee shall file an annual report describing the service's efforts to connect programming from program category 7 (Drama and comedy) to learning opportunities made available by educators in Saskatchewan.

33. Rogers submitted that an annual report is not necessary because City Saskatchewan broadcasts very little category 7 programming. Rogers also argued that the requested annual report is largely duplicative of the lists of programming accredited as learning resources to fulfil the station's educational requirement that it files on a monthly basis with City Saskatchewan's program logs.
34. The Commission is of the view that an annual report continues to be necessary to maintain transparency and to hold the licensee accountable as an educational broadcaster. Accordingly, the Commission **denies** Rogers' proposal to delete the condition of licence requiring it to provide a report on its efforts to connect programming from program category 7 to learning opportunities made by educators in Saskatchewan. A **condition of licence** is set out in the appendix to this decision.

### **Conclusion**

35. In light of all the above, the Commission **renews** the broadcasting licence for the English-language educational television station City Saskatchewan from 1 January 2019 to 31 August 2023. The terms and **conditions of licence** are set out in the appendix to this decision.

### **Reminder**

36. Section 10 of the Regulations requires 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.
37. 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

- *Various television stations and services – Administrative renewals*, Broadcasting Decision CRTC 2018-317, 24 August 2018
- *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 attached to the licence.*

## Appendix to Broadcasting Decision CRTC 2018-420

### Terms, conditions of licence, expectations and encouragements for the English-language educational television station City Saskatchewan

#### Terms

The licence will take effect 1 January 2019 and expire 31 August 2023.

#### Conditions of licence

1. The licensee shall adhere to the standard conditions of licence 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 conditions 5 and 6, as well as to the conditions set out in the broadcasting licence for the undertaking.
2. The licensee shall devote not less than 55% of the broadcast year to the broadcast of Canadian programs.
3. The licensee shall :
  - a) devote no less than 60% of the broadcast month to the broadcast of:
    - i. programming drawn from categories 2(a) Analysis and interpretation, 2(b) Long-form documentary, 5(a) Formal education and pre-school and 5(b) Informal education/Recreation and leisure; and
    - ii. other programming which has been accredited as a learning resource by an educational institution in Saskatchewan or the Ministry of Education of Saskatchewan.
  - b) ensure that a minimum of 40% of that programming:
    - i. is drawn from categories 5(a) and 5(b); or
    - ii. is accredited as a learning resource by an educational institution in Saskatchewan or the Ministry of Education of Saskatchewan and is devoted to educational programming directed to preschool children or to educational programming with clear learning objectives and comprising part of a formal learning system that leads to formal assessment and accreditation by an educational institution of Saskatchewan.
4. The licensee shall devote no less than 50% of the broadcast week to commercial-free educational programming, most of which shall be aired during the daytime period from 6 a.m. to 3 p.m.

5. The licensee shall not broadcast any advertising material during programming directed to persons under 12 years of age.
6. The licensee shall file an annual report on or before 30 November describing the service's efforts to connect programming drawn from program category 7 (Drama and comedy) to learning opportunities made available by educators in Saskatchewan during the previous broadcast year.
7. The licensee shall maintain throughout the licence term the service's designations as the provincial educational broadcaster for Saskatchewan and as a "provincial authority" within the meaning of *Direction to the CRTC (Ineligibility to Hold Broadcasting Licences)*, SOR/85-627.
8. In regard to programming expenditures:
  - a) The licensee shall devote to the acquisition of or investment in Canadian programming, in each broadcast year of the licence term, at least 30% of the licensee's previous year's gross revenues.
  - b) The licensee shall devote to the acquisition of or investment in educational programming, in each broadcast years of the licence term, at least 23% of the licensee's previous year's gross revenues.
  - c) At least 85% of the licensee's expenditures on educational programming must be made to an independent production company or companies with a Saskatchewan business address and owned and operated by a resident of Saskatchewan.

For the purposes of this condition of licence, educational programming means:

i. programming drawn from categories 2(a) Analysis and interpretation, 2(b) Long-form documentary, 5(a) Formal education and pre-school and 5(b) Informal education/Recreation and leisure; and ii. other programming which has been accredited as a learning resource by an education institution in Saskatchewan or the Ministry of Education of Saskatchewan.

9. Subject to condition of licence 10, 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.
10. The licensee may claim the credits calculated in accordance with condition of licence 9 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.
11. In regard to programming expenditures:
  - (a) In each broadcast year of the licence term, excluding the final year, the licensee may expend an amount on Canadian programming or on educational programming that is up to 5% less than the minimum required expenditure for that year calculated in accordance with sub-conditions 8(a) and 8(b); 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 or on educational programming that is greater than the minimum required expenditure as set out in sub-conditions 8(a) and 8(b), the licensee may deduct an amount that does not exceed 5% of the minimum required expenditure in that year from the minimum required expenditure for the following year of the licence term.
  - (c) Notwithstanding paragraphs (a) and (b) above, during the licence term, the licensee shall expend on Canadian programming or on educational programming, at a minimum, the total of the minimum required expenditures calculated in accordance with sub-conditions 8(a) and 8(b).
12. 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.
13. 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 the purpose of these conditions of licence:

“Broadcast month” and “broadcast year” have the meanings set out in the *Television Broadcasting Regulations, 1987*.

“Broadcast week” has the meaning set out in the *Broadcasting Distribution Regulations*.

“independent production company” is defined as a Canadian 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.

### **Expectations**

The standard expectations applicable to this licensee are 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.

### **Encouragement**

The standard encouragements applicable to this licensee are 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.

The Commission encourages the licensee to continue to consider proposals in any language for broadcast, including programming proposals that reflect the realities and celebrate the culture and heritage of Indigenous, Francophone and ethnic communities in Saskatchewan.