



Broadcasting Decision CRTC 2024-87

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Reference: 2023-206

Ottawa, 29 April 2024

The Miracle Channel Association Across Canada

Public record: 2023-0248-8

*Public hearing in the National Capital Region
14 September 2023*

Corco – Licensing of a national, English-language discretionary service

The Miracle Channel Association (MCA) currently operates Corco, an exempt discretionary service serving fewer than 200,000 subscribers. The Commission received an application by MCA that confirmed that since August 2022, Corco has exceeded the subscriber threshold for the operation of an exempt discretionary service.

Consequently, the Commission **approves** the application by MCA for a broadcasting licence to operate the currently exempt national, English-language discretionary service Corco as a licensed national, English-language discretionary service.

The Commission also **requires** the applicant, as a **condition of approval** of the present application, and therefore before any licence is issued, to amend its by-laws to reflect the current qualifications for its directors and council members. The Commission **directs** the applicant to submit its revised documents reflecting these changes **within 120 days of the date of this decision**.

The Commission proposes to make the orders set out in Appendix 2 to this decision imposing various conditions of service, including contribution requirements, on the licensee. Consistent with subsections 9.1(4) and 11.1(7) of the *Broadcasting Act*, interested persons may make representations only on the proposed orders by no later than **9 May 2024**. The licensee may submit a reply to any representations received by no later than **14 May 2024**.

Application

1. The Miracle Channel Association (MCA) filed an application for a broadcasting licence to operate the currently exempt, national discretionary service known as Corco as a licensed national, English-language discretionary service. The Commission did not receive any interventions in regard to this application.

2. MCA also operates CJIL-DT Lethbridge, Alberta, a religious over-the-air television station known as Miracle Channel.
3. MCA is a not-for-profit corporation controlled by its board of directors. To be eligible for a licence, the applicant must satisfy the criteria set out in the *Direction to the CRTC (Ineligibility of Non-Canadians)* (the Direction), which states that no broadcasting licence may be issued to an applicant that is a non-Canadian. The Chief Executive Officer (CEO) and all members of the board of directors of MCA are Canadian as defined in the Direction. Further, MCA is incorporated under the laws of the province of Alberta. Accordingly, the Commission considers that the applicant is in compliance with the Direction.
4. Corco began operations on 26 August 2021, and currently operates as an exempt discretionary service in accordance with the Exemption order respecting discretionary television programming undertakings serving fewer than 200,000 subscribers (Broadcasting Order 2023-307, set out in Appendix 4 to Broadcasting Regulatory Policy 2023-306). Consistent with that order, MCA filed the present application, in which it confirmed that since August 2022, Corco has exceeded the subscriber threshold for the operation of an exempt discretionary service.
5. MCA indicated that it would adhere to the standard conditions of service¹ for discretionary services and would respect the standard expectations and encouragements set out in Appendix 2 to Broadcasting Regulatory Policy 2016-436. In this regard, the Commission notes that it replaced those conditions of service, expectations and encouragements with those set out in Broadcasting Regulatory Policy 2023-306.
6. According to MCA's application, the service provides a "line up of exclusive original content and proven favourites that will entertain and encourage the whole family." This offering would be maintained for the proposed licensed discretionary service. MCA indicated that the service would target an audience aged 35 to 45 years, and families with children looking for a fun, easy-to-watch family channel.
7. MCA stated that the licensed discretionary service would continue to broadcast over an 18-hour broadcast day, from 6:00 am to midnight.
8. MCA also proposed to adhere to a condition of service relating to Canadian programming expenditures (CPE) that would require it to devote, in each broadcast year, at least 10% of the previous broadcast year's gross revenues of the service to the acquisition of or investment in Canadian programming.

¹ MCA filed its application prior to the coming into force of the *Online Streaming Act*. Under that Act, what were formerly known as conditions of licence are now deemed to be conditions of service imposed under the new *Broadcasting Act*.

Issues

9. After examining this application in light of applicable regulations and policies, the Commission considers that it must address issues relating to the following:
- corporate governance and employment practices; and
 - the presence of religious programming in the program schedule for Corco.

Corporate governance and employment practices

10. The Commission has the authority, pursuant to subsections 9(1), 9.1(1) and 11.1(2) of the *Broadcasting Act*, to issue and renew licences and to make orders imposing conditions on the carrying on of a broadcasting undertaking that it considers appropriate for the implementation of the broadcasting policy set out in subsection 3(1) of the *Broadcasting Act*, and to make orders respecting expenditures.
11. As part of the broadcasting policy for Canada, subparagraph 3(1)(d)(iii) of the *Broadcasting Act* sets out that the Canadian broadcasting system should, “through its programming and the employment opportunities arising out of its operations, serve the needs and interests of all Canadians — including Canadians from Black or other racialized communities and Canadians of diverse ethnocultural backgrounds, socio-economic statuses, abilities and disabilities, sexual orientations, gender identities and expressions, and ages — and reflect their circumstances and aspirations, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of Indigenous peoples and languages within that society.”
12. The Commission identified concerns relating to a specific component of the applicant’s by-laws. Specifically, the Commission noted that, pursuant to the version of MCA’s by-laws it had on file, directors were mandated to be council members² and must, throughout their tenure, commit to subscribe to the “Statement of Faith,” included in the by-laws, subscribe to the “Lifestyle and Morality Standards” and follow the “Conflict of Interest Policy.” The Commission requested MCA to file the “Lifestyle and Morality Standards” and the “Conflict of Interest Policy.” In this regard, MCA indicated that it no longer has a policy called “Lifestyle and Morality Standards.” Instead, it requires that all directors adhere to the supplied Employee Handbook, last updated in May 2021, which covers all human resources policies, including the “Conflict of Interest Policy”.
13. MCA’s Employee Handbook outlines the applicant’s commitment to comprehensive training for all employees, which covers various aspects, including policies designed to address the prohibited discrimination grounds specified in subsection 3(1) of the *Canadian Human Rights Act*, and guidelines on recognizing, minimizing, preventing,

² Council is defined as members of the Society (The Miracle Channel Association).

and addressing workplace harassment and violence. In the Commission's view, the Employee Handbook does not raise any issues of concern.

14. MCA's by-laws and its website also include a "Statement of Faith", which outlines the various values and beliefs held by the organization. However, according to the website, adherence to this "Statement of Faith" is not mandatory for its employees, suggesting it is not a criterion for employment decisions. This approach suggests to the Commission that it would not be used as a basis for discrimination in MCA's hiring or employment practices.
15. To avoid any future ambiguity regarding adherence to MCA's "Lifestyle and Morality Standards", the Commission finds it appropriate to require, as a condition of approval for the present application and before any licence is issued to MCA, the submission of updated by-laws to the Commission that accurately reflect the current qualifications for MCA's directors and council members.
16. In light of the above, the Commission **requires** MCA, as a **condition of approval**, to amend its by-laws to reflect the current qualifications for MCA directors and council members. The Commission **directs** the applicant to submit its revised documents reflecting these changes **within 120 days of the date of this decision**.

Presence of religious programming in the program schedule for Corco

17. Given the presence of religious programming in the program schedule provided in the application, MCA was questioned on whether its service should be considered a religious programming service.³ The Commission notes that a religious programming service could be required to adhere to conditions of service relating to the nature of the service and that its distribution by broadcasting distribution undertakings (BDU) could be subject to certain distribution provisions set out in the *Broadcasting Distribution Regulations*. The applicant replied that although its over-the-air television station, Miracle Channel, is a religious service, Corco is not. MCA added that "the content that could be deemed religious will not exceed 20% of the program schedule – and will certainly not be dominant."
18. In light of the above, the Commission is satisfied that Corco is not a religious programming service. However, the Commission reminds the applicant of its commitment that religious programming will not form more than 20% of the program schedule for Corco as a licensed discretionary service. Any significant increase in religious programming that would make religion, religious teachings or the human spiritual condition the dominant themes of Corco would likely require the imposition of additional conditions on the service, as well as modifications to the way it is distributed by BDUs.

³ The *Broadcasting Distributions Regulations* define a "religious programming service" as "a programming service that provides programming in which the dominant themes are religion, religious teachings or the human spiritual condition."

Conclusion

19. In light of all of the above, the Commission **approves** the application by MCA for a broadcasting licence to operate the currently exempt national, English-language discretionary service Corco as a licensed national, English-language discretionary service. The licence will expire **31 August 2028**.
20. As set out above, the Commission **requires** MCA, as a **condition of approval**, to amend its by-laws to reflect the current qualifications for MCA directors and council members. The Commission **directs** the applicant to submit its revised documents reflecting these changes **within 120 days of the date of this decision**.
21. Corco will be subject to the *Discretionary Services Regulations*. In addition, the distribution of this service will be subject to the requirements set out in the *Broadcasting Distribution Regulations*.
22. The terms of licence, expectations and encouragements applicable to this licensee are set out in Appendix 1 to this decision.
23. The Commission notes that the formal broadcasting licence document issued to a licensee may set out additional requirements for the undertaking, relating to, for example, technical parameters or prohibitions on transfer. The licensee shall also adhere to any such requirements set out in the broadcasting licence for the undertaking.
24. The Commission also proposes to make orders pursuant to subsections 9.1(1) and 11.1(2) of the *Broadcasting Act*. The specifics of the conditions of service contained in these orders are described below and are set out in Appendix 2. Consistent with subsections 9.1(4) and 11.1(7), interested persons may make representations only on the proposed orders by no later than **9 May 2024**, and the licensee may submit a reply to any representations received until **15 May 2024**. The Commission will issue final orders following the close of the comment period and its review of the submissions of the parties, if any.
25. Interested persons who wish to make representations on the proposed orders may do so on the Commission's [public proceedings webpage](#).

The proposed orders

Standard conditions of service

26. There are standard conditions of service that apply to all undertakings of a particular class. In this case, the Commission considers it appropriate that the licensee should adhere to the standard conditions of service for discretionary services. These standard conditions of service are set out in Appendix 1 to Broadcasting Regulatory Policy 2023-306.

27. Further, pursuant to subsection 49(2) of the *Online Streaming Act*, which made a certain number of amendments to the *Broadcasting Act* when it came into force on 27 April 2023, any regulation made under paragraphs 10(1)(a) or 10(1)(i) of the old *Broadcasting Act* is deemed to be an order made under section 9.1 of the new *Broadcasting Act*. The Commission considers it appropriate to require the licensee to adhere to these requirements as conditions of service.
28. Accordingly, pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **proposes to order** The Miracle Channel Association, by **condition of service**, to adhere to the standard conditions of service set out in Appendix 1 to Broadcasting Regulatory Policy 2023-306, as well as to all applicable requirements set out in the *Discretionary Services Regulations*, that were made under paragraph 10(1)(a) or under paragraph 10(1)(i) of the old *Broadcasting Act*.

Canadian programming expenditures

29. In Broadcasting Regulatory Policy 2015-86, the Commission determined that discretionary services with over 200,000 subscribers should be subject to a CPE requirement. It established 10% of gross revenues as the minimum level of CPE for those services and stated that CPE for licensed services would be established “in a case-by-case manner and based on historical levels.” As noted above, MCA committed to devote, in each broadcast year, at least 10% of the previous broadcast year’s gross revenues of the service to the acquisition of or investment in Canadian programming.
30. Further, discretionary services are generally granted, by condition of service, a certain level of flexibility in regard to CPE under-expenditures and over-expenditures, along with authorization to benefit from credits against CPE requirements for expenditures made on Canadian programming produced by Indigenous producers (50% credit) or by official language minority community producers (25% credit).
31. Accordingly, pursuant to subsection 11.1(2) of the *Broadcasting Act*, the Commission **proposes to order** The Miracle Channel Association, by **condition of service**, to devote not less than 10% of the previous broadcast year’s gross revenues of the undertaking to the acquisition of or investment in Canadian programming.
32. Further, pursuant to subsection 11.1(2) of the *Broadcasting Act*, the Commission **proposes to impose orders** on The Miracle Channel Association, by **condition of service**, granting it flexibility in regard to underspending and overspending on CPE for the undertaking, and authorizing it to benefit from the above-noted credits against CPE requirements. The specifics of these conditions of service are set out in Appendix 2.
33. Finally, pursuant to subsection 9.1(1) of the *Broadcasting Act*, the Commission **proposes to order** The Miracle Channel Association, by **condition of service**, to report on and respond to any Commission inquiries relating to the expenditures on Canadian programming made by the licensee for the licence term.

Reminders

34. The Commission reminds the licensee of its commitment that religious programming will not form more than 20% of the program schedule for Corco as a licensed discretionary service.
35. Further, the Commission reminds the licensee of its responsibility to adhere to the *Canadian Human Rights Act*, particularly in its hiring and employment practices, as well as its management of human resources.

Secretary General

Related documents

- *Standard conditions of service for licensed discretionary services, national news discretionary services and mainstream sports discretionary services and exemption order for exempt discretionary services – Modifications to the advertising time limit requirement*, Broadcasting Regulatory Policy CRTC 2023-306 and Broadcasting Order CRTC 2023-307, 5 September 2023
- *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 is to be appended to the licence.

Appendix 1 to Broadcasting Decision CRTC 2024-87

Terms, expectations and encouragements for the national, English-language discretionary service Corco

Terms

The licence will expire 31 August 2028.

Expectations

Standard expectations

The standard expectations for discretionary services are set out in Appendix 1 to *Standard conditions of service for licensed discretionary services, national news discretionary services and mainstream sport discretionary services and exemption order for exempt discretionary services – Modifications to the advertising time limit requirement*, Broadcasting Regulatory Policy CRTC 2023-306 and Broadcasting Order CRTC 2023-307, 5 September 2023.

Encouragements

Standard encouragements

The standard encouragements for discretionary services are set out in Appendix 1 to *Standard conditions of service for licensed discretionary services, national news discretionary services and mainstream sport discretionary services and exemption order for exempt discretionary services – Modifications to the advertising time limit requirement*, Broadcasting Regulatory Policy CRTC 2023-306 and Broadcasting Order CRTC 2023-307, 5 September 2023.

Appendix 2 to Broadcasting Decision CRTC 2024-87

Proposed conditions of service for the national, English-language discretionary service Corco

The Commission proposes to make orders imposing the following conditions of service, including contribution requirements, on The Miracle Channel Association in respect of the national, English-language discretionary service Corco, pursuant to subsections 9.1(1) and 11.1(2) of the *Broadcasting Act*.

Conditions of service

Standard requirements

1. The licensee shall adhere to the standard conditions of service for discretionary services set out in Appendix 1 to *Standard conditions of service for licensed discretionary services, national news discretionary services and mainstream sports discretionary services and exemption order for exempt discretionary services – Modifications to the advertising time limit requirement*, Broadcasting Regulatory Policy CRTC 2023-306 and Broadcasting Order CRTC 2023-307, 5 September 2023, as well as to the requirements set out in the broadcasting licence for the undertaking.
2. The licensee shall adhere to the applicable requirements set out in the *Discretionary Services Regulations*, that were made under paragraph 10(1)(a) or under paragraph 10(1)(i) of the old *Broadcasting Act*.

Canadian programming expenditures

3. The licensee shall, in each broadcast year, devote not less than 10% of the previous year's gross revenues of the undertaking to the acquisition of or investment in Canadian programming. For the first year of the licence term, the calculation of the 10% shall be based on the previous year's gross revenues of the previously exempt service.
4. Subject to condition 5, the licensee may claim, in addition to its expenditures on Canadian programming:
 - 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;
 - 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:

- the programming is produced in the province of Quebec and the original language of production is English; or
 - the programming is produced outside the province of Quebec and the original language of production is French.
5. The licensee may claim the credits calculated in accordance with condition 4 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.
6. 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 service 3; 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 service 3.

Definitions

For the purposes of these conditions of service, “broadcast day” and “broadcast year” shall have the same meanings as those set out in the *Television Broadcasting Regulations, 1987*, as amended from time to time.

Indigenous producer: an individual who self-identifies as Indigenous, which includes First Nations, Métis and 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.

Independent production company: 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.

Official language minority community (OLMC) producer: a company that meets the definition of “independent production company” and that, if operating in the province of Quebec, produces original English-language programming, or if operating outside of the province of Quebec, produces original French-language programming.

Clarification for OLMC producer

To be considered an OLMC producer in Canada, a production company must:

- (a) if it produces original programming in English, have its head office in Quebec and be owned and operated by a resident of Quebec;
- (b) if it produces original programming in French, have its head office outside Quebec and be owned and operated by a resident outside of Quebec.