



October 3, 2014

Mr. John Traversy
Secretary General
CRTC
Ottawa, Ontario
K1A 0N2

Filed electronically

Dear Mr. Traversy:

**Re: Broadcasting Notice of Consultation CRTC 2014-190 – *Let's Talk TV*
FINAL SUBMISSION**

1. We thank the Commission for the opportunity to present at the hearing for CRTC 2014-190 - *Let's Talk TV* on September 8, 2014 to speak to the importance of Canadian-made children's programming.
2. The Rocket Fund requested to appear at these proceedings with one primary objective: to ensure that children and youth – almost one-quarter of our population and so a key Canadian audience – continue to have access to high-quality Canadian-made programming now and in the future.
3. We are of the view that to obtain this objective we must all: 1) ensure that children's programming is preserved and protected in any new framework such as within the proposed Working Document and 2) build upon that stability to forge into the future as children and youth are a driving force behind changes to the media landscape in our country.
4. We agree with DHX Media that we need a bridge to allow for a transition to a system of greater choice¹. If we don't have a strong and sustainable footing today, we can't drive the future of kids content tomorrow.
5. With this in mind, the Rocket Fund presented a strong position and a challenge for the Commission on day one of the hearing, rooted in years of observing proceedings where the media interests of children and youth were historically dealt with through a one-size-fits all approach. It also came from the realization that an imminent threat exists to discretionary children's services should the proposals set out in Broadcasting Notice of Consultation 2014-190 on April 14, 2014 and the Working Document published August 21, 2014 be adopted as is.

¹ CRTC Transcription *Let's Talk TV*: Volume 7 – DHX Media 16001

6. Thankfully, the overall support for children's programming heard throughout the hearings by numerous interveners was encouraging. We thank the Commission for its leadership and the attention given to the importance of programming for children and youth throughout the duration of the proceedings.
7. Indeed, we were pleased to hear voices of support for Canadian-made children's programming by many other presenters: "I don't have children but I'm saying I support schools through taxes. We should be supporting children in our programming"²; "In our view, we all pay taxes for kids' education, regardless of whether we have children in school, because it's an investment in the future"³; "And you agree to not to take [children's and youth programming] out because they serve a public interest outcome -- Absolutely"⁴.
8. It is clear there is a will to find a way to preserve children's and youth content within any new framework established for the Canadian broadcasting system. We are pleased at the efforts taken to determine not only its relevance but to identify how best to incorporate children's and youth programming in a balanced and fair manner, for both the audience and the broadcast services.
9. We respectfully would like to address the question of teens, kids aged 13-17 who are considered "lost" to the broadcasting system. We are of the opinion that this age group is in a "no-mans-land" of sorts because they tend to view up and are more active online, creating a belief that teens do not desire or deserve programming dedicated to them. We disagree. We believe they have been forgotten so they have chosen to move on.
10. While in Canada we do not offer dedicated choices for this demographic in English, Vrak, a Category A French language specialty channel aimed at youth audiences, is **the** top-watched channel by Quebec tweens and teens age 9-17 surveyed at 73% - with 65% of teens age 16-18 claiming Vrak is one of their most watched channels over all other networks⁵.
11. In English Canada, the desire for targeted youth programming is demonstrated by the success of Degrassi, **currently** being produced and airing on MTV (Canada) and TeenNick in the U.S. It continually rates number-one and has a tremendous social media following as reported by Epitome Pictures:
 - the most-watched series on MTV (Canada) today;
 - within the top 50 episodes downloaded on iTunes Canada averaging over 2,000 unique user downloads monthly;
 - top-rated on mtv.ca, with webisodes and full episodes garnering over 3.5 million views in three months;
 - has over 3.5 million followers on dedicated Facebook and Twitter accounts;

² CRTC Transcription *Let's Talk TV*: Volume 4 - WGC 9490

³ CRTC Transcription *Let's Talk TV*: Volume 3 - CMPA 5830

⁴ CRTC Transcription *Let's Talk TV*: Volume 3 - Rogers 7489-7490

⁵ Media and Technology Study 2014, Shaw Rocket Fund/yConic , www.rocketfund.ca/publications

- has been licenced to over 140 territories worldwide and has maintained its position as #1 on TeenNick in the US since it began airing in 2001; and
 - has won and been nominated for numerous prestigious awards, including three Primetime Emmy nominations (including 2014), winner of the inaugural Shaw Rocket Prize and other international awards programs, including the Teen Choice Awards, Peabody Award and Parent’s Choice Awards.
12. Over the past few years, APTN has also begun programming for the 13-17 audience (*U=Us*, *underEXPOSED*, *Warrior Games*) as demonstrated in the report submitted by the Rocket Fund on June 25, 2014⁶. However, teen programming is extremely limited and we submit that a new regulatory framework offers an opportunity to address the needs of the deserving but underserved teenaged kids of Canada.
13. As an ongoing advocate and champion of Canadian children’s and youth media, the Shaw Rocket Fund encourages the Commission to consider how best to preserve programming for Canadian kids – all kids 17 and under. The Rocket Fund’s recommendations are based on the belief that protecting Canadian-made children’s and youth programming is in the national interest and that it must be done so deliberately as the Commission contemplates changes to the status quo.

TODAY

Working Document Section 1,2 and 3 Including children’s and youth content in the Small Basic Service

14. While choice is the focus of these hearings, evidence provided by various parties throughout these proceedings show that discretionary children’s services would be at risk in a pick and pay or BYOP environment based on a number of factors including advertising and limited subscribers. If the proposed framework is implemented as is, choice for children in the regulated broadcasting system would be greatly reduced. We submit that children’s and youth services must be included in any small basic mandatory offering.
15. A number of participants voiced the same opinion as the Rocket Fund and support the inclusion of a range of children’s and youth services within a small basic service, whether Option A or B.⁷
16. The following suggestions were made during the hearing with respect to children’s and youth services:
- “And those three services [Treehouse, Family and YTV] are currently Cat A services, which historically have contributed the most to Canadian programming.”⁸

⁶ Shaw Rocket Fund 3 year List of Program Investments, June 25, 2014 CRTC 2014-190 filing

⁷ CRTC Transcription *Let’s Talk TV*: Volume 3 - CMPA 5828, Corus 6909, Volume 4 – Rogers 7489-7491, WGC 9489-9490, Volume 7 – DHX 16010, YMA 16760

⁸ CRTC Transcription *Let’s Talk TV*: Volume 3 - CMPA 6121

- "Family, YTV and Treehouse offer very unique programming. There is no overlap between those services."⁹
 - "Mandated that [those] two categories of children's services be included. Which particular services are chosen by distributors across the country would be done in a fair and equitable fashion, based on the merits of each service".¹⁰
17. Rather than having an opinion on which services would be best to include in the proposed small basic package, the Rocket Fund submits that services granted the privilege of guaranteed carriage on the small basic service must collectively satisfy the needs of all children. This could be accomplished through various conditions of licence or incentives spread across the services which could include but not be limited to having such services 1) commission and air original first-run independently produced Canadian programs for children under 17; 2) offer programming that represents diversity respecting the various cultures of our country; 3) provide incentive for original online Canadian programming; and 4) provide incentive to produce ancillary content that delivers the total experience this audience expects.
 18. For teen programming (13 – 17) we recommend that any appropriate children's and youth services included in the proposed small basic service be given incentive to designate a certain amount of spend and exhibition time to programming for this age group. This could be done by way of either original linear or digital programming.
 19. We ask the commission to be mindful of the following considerations regarding children's and youth content when making its decision about the potential small basic service:
 - a. While the CBC supports and airs quality programs for young children, as the only national service currently proposed in the small basic service, it does not have diverse offerings. Based on its current schedule, we estimate that of the children's programming aired during the weekday on CBC, almost all are for children under 9 only, with the majority of those aimed at preschoolers. There are no offerings for tweens or teens other than through their one family program *Heartland*. Simply put, children and youth require more choice and diversity than is currently offered by the CBC.
 - b. And although provincial educational services such as TVO and Knowledge Network would be included, not all Canadian children would have access to their programming.
 - c. Children of this country are diverse in age, culture and region of residence, and deserve just as diverse an offering of services as their parents enjoy.

⁹ CRTC Transcription *Let's Talk TV*: Volume 7 - DHX Media 16141

¹⁰ CRTC Transcription *Let's Talk TV*: Volume 3 - Corus 7046, 6906

- d. Programming for preschoolers, for example, differs from children 6-9, which differs from the tweens and teens. The commitment to children needs to address the full range of varied developmental stages and interests of kids.
20. While we appreciate that children's and youth programming was acknowledged as being an important part of the broadcasting system throughout these proceedings, it was evident that the challenge to include children's and youth services in a small basic package remains in the selection of the appropriate services and the effect on the overall cost to the small basic service, whether Option A or B of the Working Document. We appreciate that a decision is further challenged with the varied viewing habits and requirements of certain age groups of children under the age of 18, as well as the cultural diversity of Canadian children and youth. Finding a solution for the inclusion of children's and youth programming in a small basic service is no small feat.

RECOMMEND CONSULTATION TO BE UNDERTAKEN BY THE CRTC

21. Given the challenges we've noted with respect to protecting programming for children of all ages within a new framework, we recommend that the Commission initiate a Notice of Consultation to review all of the children's and youth services across the country. A Consultation would provide the Commission insight as to which services would best be suited for inclusion in a small basic service, and identify the appropriate conditions to attach to such services in exchange for being granted guaranteed carriage, before final decisions are made.
22. We recommend that this consultation include a review of the amount of all original first-run Canadian programming for kids 17 and under on every Canadian service, including both linear and online offerings of such services.
23. Should the Commission choose to not proceed with a Notice of Consultation, we strongly recommend a similar review of all of the services that wish carriage on the proposed small basic service be undertaken, with the same objectives noted above. The Rocket Fund would be pleased to assist the Commission in this regard.

Working Document Section 11 and 12 PNI and Exhibition Requirements

24. We do not submit that all services in Canada be obligated to a minimum spend on exhibition requirements for children's and youth programming. We do recommend that should genre exclusivity be lifted and children's services are included in the small basic offering, that a minimum amount of CPE be required for new and original programming per children's service. Should the Commission opt for the recommended Consultation, such outreach would help determine how best to ensure that the programming made meets the varied needs of children and youth within the small basic service.
25. We submit that any service that offers children's programming should be credited for airing children's programming at appropriate viewing times, as has been done historically.

THE FUTURE

Next 3 to 5 years

26. While we believe regulatory measures are required to support and sustain programming for Canadian children today, we are of the opinion that such regulation will provide the stability required for the transition into the new world. Kids watch their TV everywhere. As the *cable-cutters* and *cable-nevers* become parents, their viewing habits will transcend to their children and we need to be prepared for this.
27. The requests made in support of the Shaw Rocket Fund - a not-for-profit organization - during these proceedings are in support of the future of children's programming. As a dedicated independent fund that is creating a climate of excellence by investing in creative content and developing global business, we are in a position to support and drive change.
28. We wish to thank the Commission for its acknowledgement of certified independent production funds (CIPFs) in Broadcasting Regulatory Policy CRTC 2014-459 and increasing the non-discretionary benefits allocation from the historical 20% to CIPFs to 40%, and also allowing for the request for even a higher allocation to better meet the needs of each unique transaction. This flexibility to adapt to changing needs and times is welcomed and appreciated.
29. The Commission could continue to empower the Rocket Fund with respect to children's programming by lifting or providing greater flexibility with respect to the broadcast requirement attached to its investment in programming. This would allow for the option to invest without the direct participation of a licensed broadcaster and would enable the Rocket Fund to support programs in a manner that reflects how children consume their media today. It would also allow for the investment in programming for underrepresented kid audiences within the broadcasting system, such as teens. This request is supported by the fact that the CIPFs were initially conceived to support programming that did not necessarily qualify for CMF funding¹¹. Providing this flexibility would enable the Rocket Fund to better support Canada's excellent creators of kids content and meet the demands of kids today while reflecting their ever-changing media consumption habits.
30. Additionally, in the event the Commission makes any changes to the allocation of financial commitments towards Canadian programming, we respectfully request that any decision include a meaningful allocation towards CIPFs, as done with Broadcasting Regulatory Policy CRTC 2014-459, to allow funds like the Rocket Fund to have access to additional sources of funding and in the Rocket Fund's case, on behalf of children's programming. We further submit that such a decision does not have to be across the board, and we encourage the Commission to view the Rocket Fund and children's programming in the unique manner it deserves.

¹¹ Public Notice CRTC 1997-98

PROMOTION AND DISCOVERY

31. As described in our intervention letter dated June 25, 2014 for CRTC 2014-190 - *Let's Talk TV*, we respectfully request that the Commission consider the allowance of an additional 5% of the BDU contributions received to go toward the ongoing promotion and the support of discoverability of Canadian programming at home and abroad. The Rocket Fund currently has the following initiatives stemming from its international relationships and its role as a global leader in children's content, but could do more:
- The much celebrated Shaw Rocket Prize;
 - Round table discussions on the state of children's media with key players from around the world including Disney, Cartoon Network (Turner), BBC, ABC Australia, France 3 and Nickelodeon (Viacom);
 - Writer program (currently in development) to create children's programs for all platforms and for the global marketplace; and
 - Support of the International Kids Emmy Awards, with the Rocket Fund acting as the Canadian ambassador, as well as numerous Canadian programs such as the CSAs and the Youth Media Alliance awards.
32. We believe that our work on all fronts – internationally, with regulators, governments, producers and broadcasters – contribute to the health of the Canadian children's production industry and is in the national interest. We also believe that any increased allocation for promotion and discoverability will be offset by increased success of our world-leading Canadian kids programming.
33. Children's programming is a terrific example of Canadian success in this new media landscape, and we would like to be able to do more on behalf of the industry, our country and most importantly, for the kids who are the true winners when we all succeed. With greater flexibility, we can do even more to remain at the forefront of kids media and ensure we remain a driving and leading force in this important industry.
34. We thank the Commission for the opportunity to provide these comments and we look forward to supporting and building on them at further hearings and discussions on these matters.

Sincerely.



Annabel Slaight
Chair



Agnes Augustin
President & CEO

*** END OF DOCUMENT ***