



Broadcasting Information Bulletin CRTC 2008-8-1

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A guide to the CRTC application process for changes in effective control and certain transfers of shares of broadcasting undertakings as well as for the acquisition of assets of broadcasting undertakings

This Information Bulletin replaces Broadcasting Circular 2008-8.

In this Information Bulletin, the Commission sets out the criteria by which it determines the most appropriate route to process transactions that give rise to a change in effective control or that involve a transfer of shares that must be approved by the Commission. It provides for three processes: the administrative route, the notice of consultation (notice of applications received) and the notice of consultation (notice of hearing). The Commission also sets out the criteria that it uses to determine the most appropriate public process related to transactions resulting in an acquisition of assets.

Introduction

1. This Information Bulletin replaces Broadcasting Circular 2008-8. The changes reflect the naming of documents announced by the Commission in Broadcasting and Telecom Information Bulletin 2009-1 and the new *Canadian Radio-television and Telecommunications Commission's Rules of Practice and Procedure* (SOR/2010-277) (Rules of Procedure).
2. There are a number of processes available to the Commission to deal with applications for changes in effective control or certain transfers of shares of broadcasting undertakings and for applications resulting in an acquisition of assets.
3. In making determinations on the best processing route for any application, the Commission's objective is to ensure fairness and transparency at all times while dealing with applications in the most efficient and timely manner.
4. The Commission places particular emphasis on changes in the effective control of broadcasting undertakings and, as such, has the discretion to decide for any application the route that will best serve the public interest.

Processing guidelines for applications

5. In the following sections, the Commission sets out the criteria for processing applications for changes in effective control or certain transfers of shares and for applications resulting in an acquisition of assets.

A. Changes in effective control or certain share transfers

6. The processing routes for applications for changes in effective control or certain transfers of shares of broadcasting undertakings (share transfer applications) are:
 - the administrative route;
 - notice of consultation (notice of applications received); and
 - notice of consultation (notice of hearing).
7. These processes apply to transactions that are described in section 11(4) of the *Radio Regulations, 1986*; section 14(4) of the *Television Broadcasting Regulations, 1987*; section 10(4) of the *Specialty Services Regulations, 1990*; section 6(4) of the *Pay Television Regulations, 1990* and section 4(4) of the *Broadcasting Distribution Regulations*.
8. Applications processed through a Notice of Consultation, either as a notice of application received or as a notice of hearing, are subject to the Rules of Procedure. Applications processed through the administrative route are subject to the Rules of Procedure only with respect to the designation of information as confidential.
9. Applicants should use the Commission's most recent application forms to file an application. The list of application forms is appended to Broadcasting and Telecom Information Bulletin 2010-453-1, as amended from time to time. In the absence of an application form, applicants should submit a letter that includes all the relevant information set out in section 22(2) of the Rules of Procedure.
10. Broadcasting and Telecom Information Bulletin 2010-453-1 also reiterates the requirement to file applications and related documents in electronic form using Access Key.
11. The procedures for filing confidential information are set out in sections 30 to 34 of the Rules of Procedure and in Information Bulletin 2010-961, and will be effective 1 April 2011.
12. For applications dealt with using the administrative approach, the Commission issues an information bulletin every two months summarizing the applications as well as the Commission's determination. That information bulletin provides a link to the application and related documents, excluding any information designated as confidential.
13. As a general rule, the Commission undertakes to process share transfer applications as set out below.

Administrative route

14. Share transfer applications will be reviewed using the administrative route where:

- a) the application meets one of the following criteria:
- it involves an intra-corporate reorganization;
 - effective control of the licence is passed between family members or to a family estate;
 - effective control is subject to a temporary trust arrangement; or
 - there is no change in effective control.

OR

- b) the application falls below one of the following quantitative thresholds:
- **Radio:** the value of the transaction, as determined by the Commission, is less than \$15 million per station;
 - **Broadcasting distribution undertakings:** the change in control involves a single system or a group of systems serving fewer than 100,000 subscribers in total;
 - **Conventional television stations:** the value of the transaction, as determined by the Commission, is less than \$30 million per station; or
 - **Discretionary television services:** the value of the transaction, as determined by the Commission, is less than \$15 million per service.

AND

the application does not raise any concerns with respect to Commission policies or regulations, including conditions of licence.

15. If the application filed by an applicant meets the criteria set out in this section, it will be examined by the Commission using the administrative approach.

Notice of consultation (notice of applications received)

16. Share transfer applications will be reviewed using a notice of consultation (notice of applications received) where the application:

- a) does not meet the requirements to be reviewed using the administrative route;
or
- b) the importance of the transaction is such that, in the Commission's opinion, it warrants the issuance of a notice of consultation (notice of applications received).

Notice of consultation (notice of hearing)

17. Share transfer applications will be reviewed using a notice of consultation (notice of hearing) where the application:
- a) has been dealt with via notice of consultation (notice of applications received) and generates interventions that raise substantive concerns as determined by the Commission and which warrant further discussion at a public hearing; or
 - b) the importance of the transaction is such that, in the Commission's opinion, it warrants further discussion at a public hearing.

B. Acquisition of assets

18. A transaction resulting in an acquisition of assets requires the issuance of a new broadcasting licence. Section 18 of the *Broadcasting Act* requires that such an application be considered at a public hearing. Therefore, these applications are processed by way of Notice of Consultation (notice of hearing) pursuant to the Rules of Procedure.
19. Applications for acquisition of assets will generally be reviewed as *non-appearing items* where:
- a) the application would be reviewed using the administrative route if it were a share transfer; or
 - b) no interventions are received or, if received, do not, in the Commission's opinion, warrant further discussion at an oral public hearing.
20. However, consistent with its approach for share transfer applications, the Commission may determine that such an application be scheduled as an appearing item if the importance of the transaction so warrants.

Conclusion

21. The routes set out above are designed to ensure that the Commission's processes are conducted with fairness, transparency, predictability and timeliness.

Secretary General

Related documents

- *Procedures for filing confidential information and requesting its disclosure in Commission proceedings*, Broadcasting and Telecom Information Bulletin CRTC 2010-961, 23 December 2010
- *Obligation relating to the electronic filing of applications and the use of Commission forms*, Broadcasting and Telecom Information Bulletin CRTC 2010-453-1, 23 December 2010

- *Naming and numbering of official CRTC documents*, Broadcasting and Telecom

Information Bulletin CRTC 2009-1, 8 January 2009

- *A guide to the CRTC application process for changes in effective control and certain transfers of shares of broadcasting undertakings as well as for the acquisition of assets of broadcasting activities* – Information bulletin, Broadcasting Circular CRTC 2008-8, 21 November 2008