



Broadcasting Decision CRTC 2013-339

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Route reference: Part 1 application posted on 3 April 2013

Ottawa, 17 July 2013

Bell Media Inc.
Across Canada

Application 2013-0493-0

Book Television – Licence amendments

*The Commission **denies** the application by Bell Media Inc. to increase the amount of programming that Book Television can draw from program category 7 Drama and comedy.*

The application

1. Bell Media Inc. (Bell) filed an application to increase the amount of programming that its national, English-language specialty Category A service Book Television can draw from program category 7 Drama and comedy.
2. Specifically, Bell requested that Book Television's condition of licence requiring that no more than 35% of all programming broadcast each broadcast week be drawn from category 7, set out in Appendix 3 to Bell's Group-based licence renewal decision,¹ be replaced by the following:

No more than 50% of all programming broadcast during each broadcast week shall be drawn from category 7 Drama and comedy.

3. Bell also requested to delete the condition of licence limiting to 30% the amount of category 7 programming that Book Television can air between 6 p.m. and midnight each broadcast week.

Background

4. The Commission renewed Book Television's broadcasting licence as part of Bell's Group-based licence renewal decision until 31 August 2016.
5. According to its nature of service definition, set out in Appendix 3 to the aforementioned decision, Book Television must feature magazines and talk shows, dramas and documentaries that are exclusively based upon printed and published

¹ Broadcasting Decision 2011-444

works and offered with additional programming that provides an educational context and promotes reading.

Interventions

6. The Commission received interventions opposing this application from the Canadian Media Production Association (CMPA), the Writers Guild of Canada (Writers Guild), Rogers Broadcasting Limited (Rogers) and various individuals, to which the applicant replied. The public record for this application can be found on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Bell's position

7. Bell explained that it had sought the proposed amendments not to amend its nature of service definition but to keep pace with the competitive landscape and viewer demands and to provide the service with increased flexibility regarding the scheduling of drama programming based upon the printed word. It stated that its application is consistent with the Commission's approach on programming flexibility² and that an increase in the allowable amount of Category 7 programming based on the printed word would not alter Book Television's focus.
8. Moreover, unlike Category A services that are subject to a 10% limit on drama programming, Bell noted that Book Television is already permitted to air more than that limit but is restricted with respect to the type of drama programming it can broadcast – namely, drama programming that is consistent with Book Television's nature of service. Bell indicated that if its application were approved, Book Television's conditions of licence and nature of service definition would ensure that it remains true to its genre.
9. Bell also indicated that Book Television had been suffering from low ratings and had struggled to add subscribers since it launched. It specified that as of 31 December 2012, Book Television had approximately 926,000 subscribers, a loss of an estimated 62,000 subscribers within 2 years.³ Bell stressed that Book Television's long-term success depended on its ability to increase the size of its subscriber base by offering more attractive programming.
10. Finally, Bell argued that approval of its application would provide viewers of Book Television with more programming choices. It further argued that allowing Book Television to schedule category 7 programming without restrictions during the evening broadcast period and within the proposed 50% weekly maximum would not only benefit existing viewers but might also recruit new viewers, potentially resulting in higher subscription uptake and increased revenues. Such revenues could then be reinvested in Canadian programming, thereby benefitting not only Book Television, but also the Canadian broadcasting system as a whole.

² Set out in Broadcasting Public Notice 2008-100

³ As of 31 August 2010, Book Television had approximately 987,000 subscribers.

Positions of interveners

11. The CMPA, Rogers, the Writers Guild and an individual submitted that approval of this application would be inconsistent with the Commission's approach of treating licence amendment requests at the time of the renewal of a licence and noted that Bell had made the same request for Book Television at the time of its licence renewal in 2011, which the Commission denied. They argued that Bell had not provided any new argument to justify changing the Commission's decision and indicated that if the Commission were to approve the application, it would be required to extend similar flexibility to other services to be consistent.
12. The individuals submitted that the poor quality of programming on Book Television is responsible for the service's inability to increase its subscriber base. They added that the service provides very little programming relating to books and literary issues, relies on old programming rather than investing in new contemporary programming and lacks original Canadian content. The Writers Guild added that Bell did not cite financial need as a rationale for its application as it is performing well financially.
13. The CMPA, Rogers, the Writers Guild and certain individuals submitted that approval of the application would make Book Television a general interest service, which would lessen diversity in the Canadian broadcasting system. They indicated that this would lead to an increase in the broadcast of U.S. drama series and Hollywood films on Book Television, particularly in the evening broadcast period, and would allow the service to operate as a drama or movie-based service and to compete with such services.
14. The CMPA added that Bell did not provide any compelling evidence as to how approval of its application would benefit the Canadian broadcasting system and Canadian programming, nor examples of new drama programs that would be added to its schedule, particularly Canadian ones.

Commission's analysis and decisions

15. In paragraph 279 of its regulatory policy on the Regulatory frameworks for broadcasting distribution undertakings and discretionary programming services,⁴ the Commission set out its approach on programming flexibility as follows:

The Commission is also prepared to eliminate other limiting conditions of licence where the narrative description is sufficient to ensure that the service will not be directly competitive with any other Category A service and will remain true to its genre. The Commission notes that it will be necessary to implement this new approach via amendments to existing conditions of licence.

16. With respect to Bell's proposed amendments, the Commission notes that it has already denied other similar requests for amendments, including one made by Bell

⁴ Broadcasting Public Notice 2008-100

for Book Television in its Group-based licence renewal decision. In paragraph 82 of its Introductory decision to the group-based licence renewals for English-language television groups,⁵ the Commission adopted the general approach that:

... genre exclusivity should be maintained, at least for the short term, for the reasons cited in Broadcasting Public Notice 2008-100. It is concerned, however, that the application of its genre exclusivity policy is becoming increasingly challenging, as evidenced by the discussions at the hearing. In that context, the Commission has decided that it will review its genre policy prior to the next English-language group licence renewals.

17. The Commission is of the view that Bell has not provided any concrete proposals to demonstrate how the proposed changes to its conditions of licence would be in keeping with the nature of service for which Book Television was licensed or benefit Canadian programming, and in particular, Canadian drama. It is also of the view that Bell has not presented convincing assurances (such as a sample programming grid) that the proposed amendments would not make the service directly competitive with any other Category A service, and furthermore, would not compromise its genre.
18. The Commission agrees with the interveners that Bell's proposed amendments would allow it to compete with drama- and movie-based pay and specialty services as well as television networks that broadcast the same type of programming in the evening. Moreover, as noted by Bell, Book Television is already permitted to air more drama programming than any other non-drama-based Category A service. As such, if Book Television were allowed to draw half of its programming from category 7, it could veer from its nature of service and limit the diversity of programming that it currently offers, further undermining diversity in the system. This could also result in the broadcast of additional U.S. drama, already well represented in the Canadian broadcasting system, and allow Book Television to become a general interest rather than a niche service, thus compromising its genre.
19. Finally, the Commission agrees with the interveners that Bell has not presented any new information or arguments to warrant a different decision than that made in 2011 when the Commission denied the same requests. It also agrees with the Writers Guild that Book Television has not demonstrated financial difficulty. Although its subscriber base has dropped by approximately 2% in each of the 2010-2011 and 2011-2012 broadcast years, the service experienced an average annual increase of 0.7% in subscribers between 2008 and 2012 and reported a 66.3% profit before interest and taxes margin for 2012.

Conclusion

20. In light of all of the above, the Commission **denies** the application by Bell Media Inc. to amend the broadcasting licence for the national, English-language specialty Category A service Book Television in order to increase the amount of programming

⁵ Broadcasting Decision 2011-441

it can draw from program category 7 Drama and comedy from 35% to 50% and to remove the 30% limit on the amount of programming it can draw from category 7 between 6 p.m. and midnight each broadcast week.

Secretary General

Related documents

- *Bell Media Inc. – Group-based licence renewals*, Broadcasting Decision CRTC 2011-444, 27 July 2011
- *Group-based licence renewals for English-language television groups – Introductory decision*, Broadcasting Decision CRTC 2011-441, 27 July 2011
- *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010
- *Regulatory frameworks for broadcasting distribution undertakings and discretionary programming services – Regulatory policy*, Broadcasting Public Notice CRTC 2008-100, 30 October 2008