



Broadcasting Decision CRTC 2015-243

PDF version

Reference: Part 1 applications posted on 25 November 2014, 23 January 2015 and 10 February 2015

Ottawa, 9 June 2015

Bell Media Inc.
Across Canada

Applications 2014-1178-5, 2015-0051-2 and 2015-0113-0

Applications related to tangible benefits

This decision sets out the Commission's determinations on three applications filed by Bell Media Inc. (Bell Media). The applications relate to tangible benefits flowing from the change of effective control of Astral Media inc. (Astral) and its licensed broadcasting subsidiaries to BCE Inc. (the BCE/Astral transaction) that was approved in Broadcasting Decision 2013-310.

*The Commission **approves in part** Bell Media's proposal for the allocation of tangible benefits for the former Astral broadcasting assets that were divested. The Commission had requested that Bell Media submit a proposal for tangible benefits to cover the difference between the value of the assets to be divested and the actual value paid by the purchasers of those assets. Specifically, the Commission:*

- ***approves** Bell Media's proposal for radio-related benefits as filed.*
- ***requires**, by majority vote, Bell Media to submit a revised proposal for allocating television-related tangible benefits that reflects the approach set out in Broadcasting Regulatory Policy 2014-459 by **9 July 2015**. In accordance with that approach, at least 80% of the tangible benefits (\$10,075,440) should be allocated to the Canada Media Fund (CMF) or certified independent production funds with a minimum of 60% of this amount (\$6,045,264) allocated to the CMF. The remaining 20% of tangible benefits (\$2,518,860) may be allocated to discretionary initiatives.*
- ***approves** Bell Media's proposal to pay the tangible benefits for the divested assets over six years rather than the usual seven years. This will permit the tangible benefits for divested assets to be paid in full at the same time as the tangible benefits for the assets that Bell Media retains. Accordingly, all tangible benefits for divested assets must be paid in their entirety by **31 August 2020**.*

*The Commission **denies** the application by Bell Media to redirect \$2 million in funding to Théâtre Le Diamant. Bell Media filed the application because it had been concerned that the Government of Quebec, which was to be the largest contributor to the project, would cancel its contribution. The Government of Quebec has since confirmed that it will provide funding for Théâtre Le Diamant.*

*Finally, the Commission **approves** the application by Bell Media to accelerate the payment schedule for certain tangible benefits so that the payments will be made more quickly than over the current seven-year term. This accelerated funding will assist recipients to implement their projects as originally planned.*

The tangible benefits flowing from the BCE/Astral transaction will benefit the Canadian broadcasting system and increase the amount of high quality Canadian programming available to viewers.

Introduction

1. Bell Media Inc. (Bell Media) filed three applications related to tangible benefits flowing from the change of effective control of Astral Media inc. (Astral) and its licensed broadcasting subsidiaries to BCE Inc. (the BCE/Astral transaction).
2. In the first application (2014-1178-5), Bell Media submitted a proposal for the allocation of tangible benefits for the former Astral broadcasting assets that were divested as a consequence of Broadcasting Decision 2013-310, in which the Commission approved the BCE/Astral transaction. In that decision, the Commission requested that Bell Media pay tangible benefits in respect of any shortfall to cover the difference between the value of the assets to be divested as set out in that decision and the actual value paid by the purchasers of those assets.
3. In the second application (2015-0051-2), Bell Media applied to redirect the \$2 million in funding to Théâtre Le Diamant. This funding was approved in Broadcasting Decision 2014-62 as a tangible benefit for the BCE/Astral transaction related to television in the French-language market. Bell Media proposed that the \$2 million would instead be directed to new social tangible benefits as set out in the application and in paragraph 49 below.
4. In the third application (2015-0113-0), Bell Media applied to adjust the payment schedule for certain tangible benefits so that the payments would be made more quickly than the seven-year term set out in Broadcasting Decision 2013-310.
5. Each of these applications is discussed separately in the following sections of this decision. The public record for each application can be found on the Commission's website at www.crtc.gc.ca or by using the appropriate application number provided above.

Application 1 – Tangible benefits for divested assets

Background

6. The Commission imposed the following conditions of licence relating to assets to be divested in Appendix 2 to Broadcasting Decision 2013-310:

Television assets

10. a) The licensee shall pay tangible benefits in respect of any shortfall in the tangible benefits for the television programming undertakings to be divested by BCE Inc. (BCE) in accordance with *Astral broadcasting undertakings – Change of effective control*, Broadcasting Decision CRTC 2013-310, 27 June 2013, between the \$72.69 million attributed to those undertakings and the aggregate value of the tangible benefits to be paid by purchasers of those undertakings as determined by the Commission in the decisions approving the transfer of those undertakings by BCE (“shortfall”).
- b) In the event of a shortfall, the licensee shall file with the Commission a proposal for the payment of the resulting tangible benefits within 30 days of the Commission’s decision approving the transfer of the last of those undertakings by BCE.

Radio assets

18. a) The licensee shall pay tangible benefits in respect of any shortfall in the tangible benefits for the radio broadcasting undertakings to be divested by BCE Inc. (BCE) in accordance with *Astral broadcasting undertakings – Change of effective control*, Broadcasting Decision CRTC 2013-310, 27 June 2013, between \$11.05 million attributed to those undertakings and the aggregate value of the tangible benefits to be paid by purchasers of those undertakings as determined by the Commission in the decision approving the transfer of those undertakings by BCE (“shortfall”).
 - b) In the event of a shortfall, the licensee shall file with the Commission a proposal for the payment of the resulting tangible benefits within 30 days of the Commission’s decisions approving the transfer of the last of those undertakings by BCE.
7. Since the Commission issued Broadcasting Decision 2013-310, Bell Media has divested the following television and radio assets acquired from Astral:
The Family Channel, TELETOON Retro, TÉLÉTOON Rétro, TELETOON/TÉLÉTOON, Disney XD, Disney Junior, Cartoon Network, Historia, Séries+, MusiquePlus and MusiMax, CHHR-FM Vancouver, CKZZ-FM Vancouver, CISL Vancouver, CFQX-FM Selkirk, CHBM-FM Toronto, CKQB-FM and CJOT-FM Ottawa-Gatineau. Bell Media has also divested three of its own radio stations: CKCE-FM Calgary, CHIQ-FM Winnipeg and CFXJ-FM Toronto.

Bell Media's proposal

8. Bell Media provided the following summary table setting out the differences between the value that the Commission attributed to the radio and television assets to be divested by Bell Media in Broadcasting Decision 2013-310 and the final value of the assets paid by the purchasers as set out in the various divestiture decisions:

Summary of the final value and benefits for all services divested

	Value in Broadcasting Decision 2013-310	Value in divestiture decisions	Difference	Proposed additional tangible benefits
TV	\$727,000,000	\$601,057,002	\$125,942,998	\$12,594,300
Radio	\$184,100,000	\$127,157,858	\$56,942,142	\$3,416,528
Total	\$911,100,000	\$728,214,860	\$182,885,140	\$16,010,828

9. Bell Media calculated the total value of the tangible benefits according to the Commission's usual approach. This approach requires parties seeking to change the ownership or control of television undertakings to pay tangible benefits of no less than 10% of the value of the transaction as determined by the Commission. For radio undertakings, the tangible benefits must be no less than 6% of the value of the transaction.¹

Allocation of tangible benefits related to television

10. Bell Media proposed a tangible benefits package for divested television assets with a total value of \$12,594,300. The allocation of that money was based on the Commission's final determinations as set out in Broadcasting Decisions 2013-310 and 2014-62, which reflected the Commission's tangible benefits policy in effect at the time of the original transaction. That policy required, among other things, that at least 85% of tangible benefits support on-screen programming-related initiatives, while the remainder (15%) could be allocated to social benefits. The allocation of the proposed benefits was also based on the language of the assets acquired by BCE as part of the BCE/Astral transaction, which included French- and English-language services.
11. Accordingly, Bell Media proposed the following allocation for television-related benefits:

¹ The Commission set out the tangible benefits policy for the transfer of ownership or control of television undertakings in Public Notice 1999-97 and Broadcasting Public Notice 2007-53. The policy was amended in Broadcasting Regulatory Policy 2014-459. The tangible benefits policy for ownership transactions for radio undertakings was set out in Broadcasting Public Notice 2006-158 and amended in Broadcasting Regulatory Policy 2010-499. The Commission stated that it was maintaining its approach for radio benefits in Broadcasting Regulatory Policy 2014-459.

- 85% for on-screen benefits (69% French-language and 31% English-language); and
- 15% for social benefits (69% French-language and 31% English-language).

12. Consistent with the above-referenced decisions, Bell Media proposed that the on-screen benefits be entirely allocated to previously-approved categories - Programs of National Interest (PNI) in both the French- and English-language markets and on-screen Youth Programming Initiatives in the French-language market – to create original Canadian programs that are independently produced.

13. Bell Media proposed to pay these tangible benefits in equal installments over a period of six years to line up the new payments with the other benefits approved in Broadcasting Decisions 2013-310 and 2014-62. Bell Media is currently in year two of a seven-year payment schedule. The following chart sets out the amount of additional benefits that would be paid out to each initiative under Bell Media’s proposal.

Recipient	Total amount	Annual amount (over 6 years)
On-screen benefits – French Market (\$7,386,557)		
Other PNI – French	\$4,386,557	\$731,093
Youth Programming Initiatives	\$3,000,000	\$500,000
On-screen benefits – English Market (\$3,318,598)		
Other PNI – English	\$3,318,598	\$553,100
Social benefits – French Market (\$1,303,510)		
KINO	\$150,000	\$25,000
Segal Centre for the Performing Arts	\$90,000	\$15,000
Québec Cinéma	\$150,000	\$25,000
Musi-Café	\$30,000	\$5,000
Carrousel international du cinéma de la jeunesse	\$90,000	\$15,000
Co-op Paradis	\$60,000	\$10,000
Arts et technologie des médias (CEGEP de Jonquière)	\$120,000	\$20,000
Orchestre Symphonique des Jeunes du Saguenay	\$30,000	\$5,000
Festival Promutuel de la relève	\$30,000	\$5,000

Bachelors in creation and multi-media (Université du Québec, campus Abitibi-Témiscamingue)	\$120,000	\$20,000
Festival du DocuMenteur de Rouyn-Noranda	\$120,000	\$20,000
Agora des Arts à Rouyn-Noranda	\$90,000	\$15,000
Festival cinéma du monde de Sherbrooke	\$60,000	\$10,000
Le Domaine Forget	\$30,000	\$5,000
Entr'actes (Quebec)	\$73,512	\$12,252
Vision diversité	\$60,000	\$10,000
Social benefits – English Market (\$585,635)		
Canadian Film Centre – Dramatic Series Writing Program – English	\$585,635	\$97,606
Total	\$12,594,300	

Allocation of tangible benefits related to radio

14. For the radio sector, Bell Media also proposed to pay the tangible benefits in equal installments over six years. The following chart sets out the amount of additional benefits that would be paid out to each initiative.

Recipient	Total amount	Annual amount (over 6 years)
Radio Starmaker Fund (3%)	\$1,708,264	\$284,710
FACTOR (1.5%)	\$854,132	\$142,355
Community Radio Fund of Canada (0.5%)	\$284,710	\$47,452
Other Eligible Initiative* (1%)	\$569,422	\$94,904
Total	\$3,416,528	\$569,421

*With respect to the discretionary eligible initiatives, Bell Media proposed to direct its contribution to Canadian Music Week to increase its funding for the Canadian Radio Music Awards (CRMAs).

15. The Commission received interventions commenting on the application and one in opposition. The interventions are addressed in the following sections, which deal with the issues raised by the application.

Issues

16. After examining the public record for this application, the Commission finds that the issues to be addressed are as follows:

- Is the amount of the tangible benefits appropriate?
- Has Bell Media applied the appropriate tangible benefits policy for television-related benefits?
- Is the allocation of tangible benefits related to radio appropriate?
- Is the proposed payment schedule appropriate?

Is the amount of tangible benefits appropriate?

Bell Media's proposal

17. The total value of additional tangible benefits proposed for the television sector is \$12,594,300. This represents 10% of the difference between the value of the assets to be divested as determined by the Commission in Broadcasting Decision 2013-310 and the final value of the divested television assets.

18. With respect to the radio assets, the total amount of additional tangible benefits proposed equals \$3,416,528. This represents 6% of the difference between the value of the assets to be divested as determined by the Commission in Broadcasting Decision 2013-310 and the final value of the divested radio assets.

Positions of interveners

19. Intervenors did not comment on the value of television-related benefits for divested assets proposed by Bell Media.

20. However, the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ) submitted that the tangible benefits related to radio should equal 7% of the difference between the value of the radio assets to be divested as determined by the Commission in Broadcasting Decision 2013-310 and the final value of the divested assets. ADISQ considered that 7% would be appropriate given the impact of this transaction on the Canadian broadcasting system and the fact that the Commission applied a value for 7% of the value of the transactions for benefits with respect to the Astral radio stations acquired and retained by Bell Media in Broadcasting Decision 2013-310. If the Commission applied a 7% threshold for this application, the total amount of tangible benefits related to radio would equal to \$3,985,950 – an increase of \$569,422 in benefits compared to Bell Media's proposal.

Applicant's reply

21. Bell Media opposed ADISQ's submission that the tangible benefits be calculated at 7%. Bell Media argued that the condition of licence imposed by the Commission in Broadcasting Decision 2013-310 regarding the payment of benefits was based on 6% of the value of the divested assets. Bell Media argued that applying a different percentage at this stage would amount to amending the condition of licence that was imposed in Broadcasting Decision 2013-310.

Commission's analysis and decisions

22. The Commission is satisfied that the total value of benefits proposed for the television sector represents 10% of the difference between the value of the assets to be divested as determined by the Commission in Broadcasting Decision 2013-310 and the final value of the divested assets. The total value of the proposed benefits package for divested television assets therefore fulfills condition of licence 10 a) set out in Appendix 2 of Broadcasting Decision 2013-310.
23. Condition of licence 18 a) set out in Appendix 2 to Broadcasting Decision 2013-310 refers to an amount between \$11.05 million, which represents 6% of the total value of \$184.1 million that the Commission assigned to the radio stations to be divested, and the aggregate value of the tangible benefits to be paid by the purchasers of those undertakings. The total value of the proposed benefits package for divested radio assets therefore satisfies condition of licence 18 a) set out in Appendix 2 to Broadcasting Decision 2013-310.

Has Bell Media applied the appropriate tangible benefits policy for television?

Bell Media's proposal

24. Bell Media allocated the television-related benefits for divested assets in accordance with the tangible benefits policy in effect at the time of the transaction. That policy required, among other things, that at least 85% of tangible benefits support on-screen programming while the remaining 15% could be allocated to social benefits.
25. In Broadcasting Regulatory Policy 2014-459, the Commission established a new tangible benefits policy. That policy states that at least 80% of the tangible benefits associated with television transactions should be allocated to the CMF or various certified independent production funds, unless a compelling case is made that other measures could better meet the public interest. Of that amount, at least 60% must be directed to the CMF. The remaining 20% of the tangible benefits may be allocated to discretionary initiatives tailored to the needs of the communities served by the undertakings to be acquired or to make contributions to local, regional and national organizations to support activities related to broadcasting or social benefits. The new policy was in effect at the time that Bell Media filed its proposal.

26. Bell Media submitted that it would be inappropriate to allocate the shortfall in tangible benefits associated with the divestiture of radio and television assets referenced in Broadcasting Decision 2013-310 according to the new tangible benefits policy set out in Broadcasting Regulatory Policy 2014-459. Bell Media considered that such an approach would materially alter a final and binding decision of the Commission as well as conditions of licence that were imposed in that decision. Bell Media also argued that the application of Broadcasting Regulatory Policy 2014-459 to determine the allocation of the shortfall in tangible benefits would be inconsistent with Broadcasting Decision 2013-310 given that the methodology used in that decision to determine the value of the assets to be divested was based on the former tangible benefits policy.

Positions of interveners

27. Rogers Media Inc. (Rogers) and Bragg Communications Incorporated (Bragg) both considered that Bell Media should allocate the tangible benefits according to the new approach set out in Broadcasting Regulatory Policy 2014-459.

28. Rogers considered that such an approach would be appropriate because:

- the approach set out in Broadcasting Regulatory Policy 2014-459 was in effect at the time of the submission of the present application;
- the conditions of licence requiring the submission of an application in the event of any shortfall in tangible benefits do not refer to the former tangible benefits policy or suggest that the application should be considered under the former policy;
- the purpose of the tangible benefits policy set out in Broadcasting Regulatory Policy 2014-459 is to ensure that the allocation of benefits meets the public interest, are not self-serving, and that all industry players have access to funding; and
- there is no basis to grant an exception to the approach set out in Broadcasting Regulatory Policy 2014-459 given that Bell Media did not request an exception or provide a rationale to justify such an exception.

29. Bragg suggested that Bell Media be required to submit a modified proposal reflecting the approach set out in Broadcasting Regulatory Policy 2014-459. As an alternative, if the Commission decided to apply the former tangible benefits policy, Bragg asked the Commission to ensure that Bell Media's proposal is not self-serving or otherwise inappropriate.

Applicant's reply

30. In its reply to Rogers' and Bragg's interventions, Bell Media reiterated its position that the Commission cannot alter the scope of the conditions of licence imposed in Broadcasting Decision 2013-310 to apply the current policy on tangible benefits,

which was implemented after the issuance of the decision approving the BCE/Astral transaction.

Commission's analysis and decisions

31. The Commission's general practice is to assess applications according to policies in effect at the time that applications are submitted. Under this approach Bell Media's proposal for allocating television-related benefits for divested assets should comply with the new approach set out in Broadcasting Regulatory Policy 2014-459.
32. As indicated above, the requirement to provide tangible benefits for divested assets is set out in condition of licence 10 in Appendix 2 of Broadcasting Decision 2013-310. The condition of licence does not set out instructions on the allocation of the tangible benefits or indicate that such benefits would be assessed in accordance with the approach that was in effect at the time Broadcasting Decision 2013-310 was issued.
33. In addition, application of the new benefits policy would yield greater benefits to the broadcasting system as a whole and to the communities served by Bell Media's television services. It would also ensure that the benefits are truly incremental to the cost of doing business and that the initiatives are not self-serving.
34. In light of the above, Bell Media's proposal for allocating television-related tangible benefits for divested assets should comply with the approach set out in Broadcasting Regulatory Policy 2014-459.
35. Accordingly, the Commission, by majority vote, requires Bell Media to submit a revised proposal for allocating television-related tangible benefits flowing from the BCE/Astral transaction that reflects the approach set out in Broadcasting Regulatory policy 2014-459. In accordance with that approach, at least 80% of the tangible benefits (\$10,075,440) should be allocated to the CMF or certified independent production funds with a minimum of 60% (\$6,045,264) allocated to the CMF. The remaining 20% of tangible benefits (\$2,518,860) may be allocated to discretionary initiatives.

Is the allocation of tangible benefits related to radio appropriate?

Bell Media's proposal

36. Bell Media proposed to allocate the radio-related benefits for divested assets according to the Commission's policy set out in Broadcasting Regulatory Policy 2014-459 and consistent with the determinations set out in Broadcasting Decisions 2013-310 and 2014-62.

Positions of interveners

37. ADISQ was concerned that none of the additional radio-related benefits that Bell Media proposed for divested assets would be directed to French-language initiatives. ADISQ submitted that 35% of the radio-related benefits for divested assets should be

allocated to French-language initiatives and 65% should be allocated to English-language initiatives. This breakdown would reflect the language of the radio assets acquired by Bell Media rather than the language of the assets that Bell Media divested.

Applicant's reply

38. Bell Media did not agree with ADISQ's proposal that 35% of the the radio-related benefits for divested assets be directed to French-language initiatives. Bell Media again noted that none of the divested radio assets are French-language stations and submitted that its proposed approach was consistent with the Commission's long-standing approach to the allocation of tangible benefits.

Commission's analysis and decisions

39. Condition of licence 18 in Appendix 2 to Broadcasting Decision 2013-310 does not specify that any portion of the benefits for divested radio assets be for French or English-language initiatives. This is consistent with the Commission's tangible benefits policy for radio, confirmed in Broadcasting Regulatory Policy 2014-459, which does not require purchasers to direct their contributions to English or French-language initiatives. Further, Bell Media's approach is consistent with the Commission's determinations in Broadcasting Decisions 2013-310 and 2014-62 that the allocation of the tangible benefits be based on the language of the assets acquired or divested.

40. In light of all of the above, the Commission finds that Bell Media's allocation of the radio-related tangible benefits for divested assets complies with condition of licence 18 set out in Appendix 2 to Broadcasting Decision 2013-310 and Broadcasting Regulatory Policy 2014-459.

Is the proposed payment schedule appropriate?

41. Bell Media proposed to pay the tangible benefits for divested assets over six years rather than the usual seven years. No interveners commented on this proposal.

42. This approach would permit Bell Media to complete the payment of the tangible benefits for divested assets during the 2019-2020 broadcast year, the same broadcast year that the payment for the existing tangible benefits approved in Broadcasting Decisions 2013-310 and 2014-62 would be completed. The Commission considers that Bell Media's payment schedule is appropriate. Accordingly, all tangible benefits for divested assets must be paid in their entirety by **31 August 2020**.

Conclusion

43. The Commission **approves in part** the application by Bell Media with respect to tangible benefits related to divested assets.

44. The Commission **approves** the proposal for radio-related benefits as filed.

45. The Commission, however, by majority vote, **requires** Bell Media to submit a revised proposal for television-related tangible benefits flowing from the BCE/Astral transaction that reflects the approach set out in Broadcasting Regulatory Policy 2014-459 by **9 July 2015**. In accordance with that approach, at least 80% of the tangible benefits (\$10,075,440) should be allocated to the CMF or certified independent production funds with a minimum of 60% (\$6,045,264) allocated to the CMF. The remaining 20% of tangible benefits (\$2,518,860) may be allocated to discretionary initiatives.
46. The Commission also **approves** Bell Media's proposal to pay the tangible benefits for the divested assets over six years rather than the usual seven years. Accordingly, all tangible benefits for divested assets must be paid in their entirety by **31 August 2020**.

Application 2 – Redirection of funding for Théâtre Le Diamant

Bell Media's proposal

47. Bell Media requested authorization to reallocate \$2 million in funding directed to Théâtre Le Diamant that was approved in Broadcasting Decision 2014-62 as a social tangible benefit related to television for the French-language market. Théâtre Le Diamant is a project that was developed by Ex Machina, a not-for-profit multidisciplinary company. Its objective is the creation of a multimedia center where diverse creative forces would work together in the areas of audio-visual art, music, theatre, circus, opera and new media.
48. Bell Media submitted that, at the time it proposed funding for Théâtre Le Diamant, the Government of Quebec had also committed \$30 million to the project. However, since the filing of the tangible benefit proposals in July 2013, Quebec voters elected a new provincial government. The new government had been reconsidering the funding committed to Théâtre Le Diamant. Bell Media was therefore concerned that the government funding may not be allocated as planned. Given that Bell Media must spend its tangible benefits on equal installments each year, it decided to propose alternate recipients operating in the province of Quebec to redirect the funding allocated to Théâtre Le Diamant.
49. Accordingly, Bell Media proposed to reallocate the funding to the initiatives set out in the chart below. Bell Media further proposed to complete the payments over a period of six years to coincide with the end of the payment schedule for other tangible benefits associated with the BCE/Astral transaction:

Social benefits – French-language market

Recipient	Total amount	Annual amount (over 6 years)
Ex Machina	\$795,000	\$132,500
Nuit blanche	\$900,000	\$150,000
L’impérial de Québec	\$170,000	\$28,333
Institut national de l’image et du son (INIS)	\$75,000	\$12,500
L’Activité	\$30,000	\$5,000
Cinéma NDG	\$30,000	\$5,000
Total	\$2,000,000	\$333,333

Positions of interveners

50. The Public Interest Advocacy Centre (PIAC) objected to Bell Media’s allocation of funding to Nuit blanche and considered that money proposed for that initiative should be redirected to other initiatives previously approved by the Commission.
51. In support of its position, PIAC submitted that Bell Media acts as an official co-presenter and sponsor of Montréal en lumière, a festival that also organizes the Nuit blanche event. Given Bell Media’s involvement with Montréal en lumière, PIAC submitted that the proposed initiative would be self-serving and not incremental to Bell Media’s regular business activities, which would already include the promotion and broadcast of segments of the event on different platforms. Therefore, in PIAC’s view, support for Nuit blanche would not be consistent with either the Commission’s former or new tangible benefits policies which both require that to be eligible, a proposed initiative must yield “measurable improvements to the communities” served by the broadcasting undertaking to be acquired or to the Canadian broadcasting system as a whole.

Applicant’s reply

52. In reply, Bell Media argued that the proposed funding to Nuit blanche would be incremental to its support to Montréal en lumière. As such, Bell Media submitted that the initiative adheres to the Commission’s tangible benefits policy and would serve the Canadian broadcasting system as a whole and the French-language communities in particular.

Commission’s analysis and decisions

53. On 11 April 2015, the Ministère de la Culture et des Communications du Québec announced that it would allocate \$30 million in funding to Théâtre Le Diamant as committed to by the previous provincial government. While Bell Media confirmed on 20 April 2015 that it wished to proceed with its application even though provincial

funding had been confirmed, the viability of the Théâtre Le Diamant project is no longer in question. It would therefore not be appropriate to amend Bell Media's proposal for benefits that was recently approved in Broadcasting Decision 2014-62. Accordingly, the Commission **denies** Bell Media's application to redirect the \$2 million in funding allocated to Théâtre Le Diamant.

54. The Commission further **directs** Bell Media to pay the \$2 million in funding to Théâtre Le Diamant in equal installments and over a period of six years, given that no payment was made in the first year.

Application 3 – Adjustment of the payment schedule for certain tangible benefits

Bell Media's proposal

55. Bell Media proposed to accelerate the payment of certain social tangible benefits that were approved in Broadcasting Decisions 2013-310 and 2014-62. In those decisions, the Commission directed Bell Media to pay all of its tangible benefits in equal installments over a period of seven years beginning in 2013.
56. Bell Media stated that a number of recipients of the social tangible benefits had contacted it regarding the payment schedule. Given that Bell Media's proposed benefits package in its acquisition application had a shorter implementation period than seven years as adopted by the Commission, Bell Media argued that the seven-year implementation period had created difficulty for some recipients with respect to the implementation of their projects. Consequently, Bell Media proposed the following payment schedule for the recipients of the following social tangible benefits:

Recipient	Amount over 7 years	Proposed revised timeframe
Centre d'études sur les médias	\$711,000	Over 5 years
HEC Montréal	\$295,000	Over 5 years
Canadian Broadcast Standards Council	\$500,000	Over 5 years
Telefilm Promotion Fund	\$3,000,000	Over 5 years
Academy of Canadian Cinema and Television	\$1,050,000	Over 5 years
Académie canadienne du cinéma et de la télévision	\$475,000	Over 5 years
National Theatre School	\$600,000	Over 5 years
Banff World Media Festival	\$1,160,000	Over 5 years
National Screen Institute	\$930,000	Over 5 years

Les FrancoFolies de Montréal	\$3,000,000	Over 4 years
Les journées de la culture	\$80,000	Over 1 year
Montréal en histoires	\$500,000	Over 5 years
Coalition for Cultural Diversity	\$25,000	Over 1 year
Women in Communications and Technology	\$400,000	Over 5 years

57. The Commission did not receive any interventions in connection with this application.

Commission's analysis and decisions

58. The Commission's long standing practice with respect to benefits has been to direct licensees to make payments in equal installments over a period of seven years for the payment of on-screen and social tangible benefits. This practice ensures predictable, even financial contributions to the approved initiatives and recipients.

59. In this case, Bell Media is willing to accelerate the payments of the above-noted benefits in order to assist recipients in implementing their projects and approval of the proposal would not have a material negative impact on the production of television programming or on the independent production section.

60. Accordingly, the Commission finds that an exception to its general practice is appropriate in this case and **approves** Bell Media's application to adjust its payment schedule for certain tangible benefits as set out in the table above. Bell Media must:

- complete the payments of benefits payable over one year by **31 August 2016**;
- complete the payment of the benefits payable over four years by **31 August 2017**; and
- complete the payment of the benefits payable over five years by **31 August 2018**.

Secretary General

Related documents

- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *Astral broadcasting undertakings – Change of effective control – Follow-up to the Astral-BCE transaction*, Broadcasting Decision CRTC 2014-62, 17 February 2014

- *Astral broadcasting undertakings – Change of effective control*, Broadcasting Decision CRTC 2013-310, 27 June 2013
- *Campus and community radio policy*, Broadcasting Regulatory Policy CRTC 2010-499, 22 July 2010
- *Determinations regarding certain aspects of the regulatory framework for over-the-air television*, Broadcasting Public Notice CRTC 2007-53, 17 May 2007
- *Building on success – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999