



Broadcasting Decision CRTC 2017-339

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Reference: Part 1 application posted on 11 May 2017

Ottawa, 19 September 2017

Rogers Media Inc.
Across Canada

Application 2017-0397-6

Extension of deadline for the expenditure of tangible benefits relating to the change in effective control of The Score Television Network Ltd. and the acquisition of Sportsnet 360

*The Commission **approves** an application by Rogers Media Inc. (Rogers) for a one-year extension, until the end of the 2018-2019 broadcast year, to fulfil the tangible benefits commitments relating to the change in effective control of The Score Television Network Ltd. to Rogers, and its acquisition of Sportsnet 360.*

Background

1. In Broadcasting Decision 2013-207, the Commission approved an application by Rogers Media Inc. (Rogers), on behalf of The Score Television Network Ltd. (STNL), for authority to change the effective control of STNL so that control would be exercised by Rogers. As a result of that transaction, Rogers acquired the specialty Category A service The Score, which is now known as Sportsnet 360, and was granted a broadcasting licence to continue its operation under the same terms and conditions set out in the previous licence.
2. As part of that transaction, Rogers committed to a tangible benefits package through which it would direct a total of \$17,217,405 over five consecutive years (i.e., by the end of the 2017-2018 broadcast year) to the following initiatives:
 - Sportsnet Independent Production Fund (\$5 million);
 - Canadian University Sports Initiative (\$5 million);¹

¹ In Broadcasting Decision 2013-207, the Commission found that Sportsnet Winter Games, an initiative proposed by Rogers to receive a portion of its proposed tangible benefits package, did not provide sufficient benefits to the Canadian broadcasting system or the community served by The Score, and directed Rogers to submit an alternative proposal. In a letter dated 11 October 2013, the Commission approved a proposal by Rogers to allocate the benefits originally slated for Sportsnet Winter Games to Sportsnet Independent Production Fund and Canadian University Sports Initiative.

- Digital Media Production Scholarships (\$2.5 million); and
 - Amateur Independent Sports Production (\$4,717,405).
3. In Broadcasting Decision 2016-125, the Commission approved an application by Rogers to amend the above tangible benefits package to allow it to direct a portion of the \$2.5 million earmarked for Digital Media Production Scholarships to initiatives that support student training and development in digital media in post-secondary learning institutions.

Application

4. Rogers filed an application for a one-year extension (i.e., until the end of the 2018-2019 broadcast year) to fulfil the tangible benefits commitments stemming from the change in the effective control of STNL and its acquisition of Sportsnet 360. The Commission did not receive any interventions regarding this application.
5. Rogers indicated that the remaining tangible benefits to be paid by the end of the original five-year period (i.e., the end of the 2017-2018 broadcast year) will amount to \$4.5 million. It submitted that an extension of the deadline would provide it with time to invest in quality productions that resonate with Canadians, as opposed to making rushed programming decisions to meet a regulatory deadline, and would therefore be in the public interest. Rogers added that the resulting increase in spending flexibility would allow it to continue its partnership with Canadian Interuniversity Sport, the governing body for university sports in Canada, thereby ensuring that the Canadian broadcast system continues to benefit from high quality Canadian university sports coverage.
6. Finally, Rogers noted that in accordance with Broadcasting Regulatory Policy 2014-459, the Commission grants most programming undertakings seven years to fulfill their tangible benefits commitments. Rogers submitted that even with the requested one-year extension, the required expenditures will be made in a timeframe that is shorter than that generally established by Commission policy.

Commission's analysis and decision

7. The Commission approved the original tangible benefits package stemming from the above-noted transaction under the tangible benefits policy set out in Public Notice 1999-97. In Broadcasting Regulatory Policy 2014-459, the Commission set out its revised approach for tangible benefits, but maintained that tangible benefits be expended in equal amounts over seven consecutive broadcast years.
8. Rogers' requested extension therefore falls within the timeline for the payment of tangible benefits set out in Broadcasting Regulatory Policy 2014-459. Further, the Commission finds that Rogers' proposal is in the public interest and would be beneficial to the broadcasting system since it would provide the licensee with additional time to more effectively spend the remaining tangible benefit amounts, which are substantial, and to invest in quality productions that would resonate with Canadians.

9. In light of the above, the Commission **approves** the application by Rogers Media Inc. for a one-year extension to fulfil the tangible benefits commitments stemming from the change in the effective control of The Score Television Network Ltd. and its acquisition of Sportsnet 360. Accordingly, Rogers will have until 31 August 2019 (i.e., the end of the 2018-2019 broadcast year) to fulfil those tangible benefits commitments.

Secretary General

Related documents

- *Sportsnet 360 – Amendment to tangible benefits*, Broadcasting Decision CRTC 2016-125, 5 April 2016
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *The Score – Change in effective control and licence renewal and amendment*, Broadcasting Decision CRTC 2013-207, 30 April 2013
- *Building on success – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999

This decision is to be appended to the licence.