



Broadcasting Notice of Consultation CRTC 2012-295

PDF version

Ottawa, 17 May 2012

Notice of applications received

Across Canada

Deadline for submission of interventions/comments/answers: 18 June 2012

[\[Submit an intervention/comment/answer or view related documents\]](#)

The Commission has received the following applications:

Applicant/Licensee and Locality

1. **Rogers Communications Inc. and BCE Inc., on behalf of Toronto Maple Leafs Network Ltd., Toronto Raptors Network Ltd., Gol TV (Canada) Ltd. and 2256247 Ontario Limited**
Across Canada
Applications 2012-0081-5 and 2012-0083-1

1. **Across Canada**
Applications 2012-0081-5 and 2012-0083-1

Applications by **Rogers Communications Inc. (RCI) and BCE Inc. (BCE), on behalf of Toronto Maple Leafs Network Ltd. (TMLN), Toronto Raptors Network Ltd. (TRN), Gol TV (Canada) Ltd. (Gol TV) and 2256247 Ontario Limited (2256247 Ontario)** (collectively, the licensees) for authority to effect a two-step transaction that would result in a change in the effective control of the licensees to 8047286 Canada Inc. (8047286 Canada), a corporation jointly controlled by RCI and BCE.

At the present time, ownership of TMLN and TRN resides with Ontario Teachers' Pension Plan Board (Teachers) and Kilmer Sports Inc. (Kilmer) through a combination of direct interest in TMLN and TRN and indirect interest through Maple Leafs Sport & Entertainment Ltd. (MLSE), which is also owned by Teachers and Kilmer. Kilmer is in turn 100% owned and controlled by Laurence Tanenbaum. Through a shareholders' agreement, both TMLN and TRN are controlled by their respective board of directors. TMLN, in turn, owns and controls 80.1% of Gol TV and 100% of 2256247 Ontario.

TMLN and TRN own directly and indirectly, through their licensed subsidiaries Gol TV and 2256247 Ontario, three Category 2 specialty services that are currently in operation (NBA TV, Leafs TV and Gol TV), as well as one Category 2 specialty service (Mainstream Sports) and one specialty Category B service (Live Music Channel) that are not yet in operation.

In regard to the first step, pursuant to a securities purchase agreement and to a share purchase agreement, 8047286 Canada would first acquire the 48.9% interest held directly by Teachers in TRN and TMLN, and would then acquire the 66.07% interest held by Teachers in MLSE.

8047286 Canada is equally owned by 7680147 Canada Inc. (7680147 Canada) and 8018235 Canada Limited (8018235 Canada), each holding 50% of the voting interest.

7680147 Canada is owned by BCE (74.67% voting interest) and 7549083 Canada Inc. (25.33% voting interest).

8018235 Canada is a wholly-owned subsidiary of RCI.

Following the completion of the first step, Teachers would no longer hold any interest in MLSE, TMLN or TRN, and 8047286 Canada would hold all of the interests previously held by Teachers.

Immediately after the closing of the first step, the parties would undertake a corporate reorganization, which would result in 8047286 Canada holding 75% of TMLN and TRN, and Kilmer holding the remaining 25%.

As a result, TMLN, TRN, Gol TV and 2256247 Ontario would be jointly controlled by BCE and RCI pursuant to the terms of a shareholders' agreement.

Pursuant to the independent valuation report dated 31 December 2011 and conducted by Ernst & Young, the mid-point aggregate value for Leafs TV, NBA TV and 80.1% of Gol TV is evaluated at \$51.113 million. No value was assigned for the unlaunched services Mainstream Sports and Live Music Channel.

The applicant proposed a tangible benefits package of \$3.833 million, which represents 10% of the value of the 75% interest it holds in TRN and TMLN [i.e., (75% x \$51.113 million) x 10%]. The applicant also proposed to pay the outstanding benefits resulting from the transaction regarding Gol TV approved by the Commission in a letter decision dated 24 April 2009, in the amount of \$559,689.

Applicant's address:

Fasken Martineau DuMoulin LLP
55 Metcalfe Street
Suite 1300
Ottawa, Ontario
K1P 6L5
Fax: 613-230-6423
E-mail to request an electronic version of the application: ldunbar@fasken.com

Procedure

Deadline for interventions or answers

18 June 2012

The new *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure*, SOR/2010-277 (the Rules of Procedure), set out, among other things, the rules for content, format, filing and service of interventions, the procedure for filing confidential information and requesting its disclosure, and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and its accompanying documents, which can be found on the Commission's website under "CRTC Rules of Practice and Procedure."

This notice may announce applications that would normally be subject to the written process described in Part 1 of the Rules of Procedure, but that were filed before 1 April 2011. An explanation in this regard is set out in *Implementation of new Rules of Practice and Procedure*, Broadcasting and Telecom Regulatory Policy CRTC 2010-958, 23 December 2010.

An intervention or answer from a respondent must be received by the Commission and by the applicant on or before the above-mentioned date. An answer from a respondent must also be served on any other respondent.

In accordance with the Rules of Procedure, a document must be filed with, not merely sent to, the Commission by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. The Commission takes no responsibility for postal delays and will not notify a party whose submission is received after the deadline date. Late submissions will not be considered by the Commission and will not be made part of the public file.

Interventions and answers from respondents will be considered by the Commission and will form part of the public record of the proceeding without further notification to parties, provided the procedures set out in the Rules of Procedure and this notice have been followed. Parties will be contacted only if their submissions raise procedural questions.

Submissions must be filed by sending them to the Secretary General of the Commission by **only one** of the following means:

by using the

[\[Intervention/comment/answer form\]](#)

or

by mail to

CRTC, Ottawa, Ontario K1A 0N2

or

by fax at
819-994-0218

A true copy of each intervention or answer from a respondent must be sent to the applicant and, in the case of a respondent to an application, to any other respondent.

The Commission advises those who file and serve by electronic mode to exercise caution when using e-mail for service of documents, as it may be difficult to establish that service has occurred.

Parties must ensure that, before initiating service through electronic mode, they will be able to satisfy the Commission, upon request, that service was completed. The sender must keep proof of the sending and the receipt of the document for 180 days after the day on which it is filed.

Submissions longer than five pages should include a summary.

Each paragraph of the submission should be numbered. In addition, where the intervention is filed by electronic means, the line *****End of document***** should be entered following the last paragraph of the document, as an indication that the document has not been altered during electronic transmission.

Interventions and answers should clearly identify the application referred to and indicate whether parties support or oppose the application, or, if they propose changes to it, include the facts and grounds for their proposal.

Important notice

All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, facsimile, e-mail or through the Commission's website at www.crtc.gc.ca, becomes part of a publicly accessible file and will be posted on the Commission's website. This information includes personal information, such as full names, e-mail addresses, postal/street addresses, telephone and facsimile numbers, and any other personal information parties provide.

The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.

Documents received electronically or otherwise will be put on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.

The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its own

search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

The Commission encourages parties and interested persons to monitor the record of the proceeding, available on the Commission's website, for additional information that they may find useful when preparing their submissions.

Examination of documents

An electronic version of the application is available on the Commission's website by selecting the application number within this notice. It is also available from the applicant, either on its website or upon request by contacting the applicant at its email address, provided above.

A list of all interventions and answers will also be available on the Commission's website. The list is accessible by selecting "View all proceedings open for comment" from the "Public Proceedings" section of the Commission's website and by clicking on the "Interventions/Answers" link associated with this notice.

Documents are also available during normal office hours at the Commission offices and documentation centres directly involved with this application, or, upon request, within two (2) working days, at any other Commission offices and documentation centres.

Location of Commission offices

Toll-free telephone: 1-877-249-2782

Toll-free TDD: 1-877-909-2782

Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage, Room 206
Gatineau, Quebec
J8X 4B1
Tel.: 819-997-2429
Fax: 819-994-0218

Regional offices

Metropolitan Place
99 Wyse Road
Suite 1410
Dartmouth, Nova Scotia
B3A 4S5
Tel.: 902-426-7997
Fax: 902-426-2721

205 Viger Avenue West
Suite 504

Montréal, Quebec
H2Z 1G2
Tel.: 514-283-6607

55 St. Clair Avenue East
Suite 624
Toronto, Ontario
M4T 1M2
Tel.: 416-952-9096

360 Main Street
Suite 970
Winnipeg, Manitoba
R3C 3Z3
Tel.: 204-983-6306
Fax: 204-983-6317

2220 – 12th Avenue
Suite 620
Regina, Saskatchewan
S4P 0M8
Tel.: 306-780-3422

100 – 4th Avenue South-West
Suite 403
Calgary, Alberta
T2P 3N2
Tel.: 403-292-6660
Fax: 403-292-6686

858 Beatty Street
Suite 290
Vancouver, British Columbia
V6B 1C1
Tel.: 604-666-2111
Fax: 604-666-8322

Secretary General