



Broadcasting Decision CRTC 2013-309

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Route reference: 2013-106

Ottawa, 27 June 2013

Astral Media inc., on behalf of BCE Inc. and certain of its licensed broadcasting subsidiaries

Various locations in Canada

Applications 2013-0247-1, 2013-0248-9 and 2013-0367-7, received 31 January 2013

Public hearing in Montréal, Quebec

6 May 2013

Various radio stations and specialty services – Acquisition of assets (corporate reorganization within BCE Inc.)

1. The Commission **approves** the applications by Astral Media inc. (Astral), on behalf of BCE Inc. (BCE) and certain of its licensed broadcasting subsidiaries, for authority to effect a multi-step corporate reorganization within BCE that will take place prior to and after the closing of the acquisition of Astral by BCE. The corporate reorganization was conditional on the Commission's approval of an application by Astral for authority to change its effective control and control of its licensed broadcasting subsidiaries to BCE that was approved in Broadcasting Decision 2013-310, also issued today. The Commission did not receive any interventions that addressed this corporate reorganization. The Commission addresses interventions concerning the acquisition of Astral by BCE in Broadcasting Decision 2013-310.
2. In Broadcasting Decision 2013-308, issued today, the Commission also approved a multi-step corporate reorganization within Astral that will take place prior to the closing of BCE's acquisition of Astral.
3. The licensees involved in the pre-closing reorganization are owned and controlled by BCE, a public corporation controlled by its board of directors. The licensees involved in the post-closing reorganization will also be owned by BCE at the time of the closing of the transaction approved in Broadcasting Decision 2013-310.
4. Following the corporate reorganization approved in this decision, the control of the broadcasting undertakings will continue to be exercised by BCE.
5. The corporate reorganization will be completed through the series of transactions set out below.

Pre-closing reorganization

Pre-step 1 – Various radio undertakings in Vancouver and Victoria, British Columbia; and Brockville, Kingston, Lindsay, Ottawa, Peterborough and Windsor, Ontario

6. 7550413 Canada Inc. (7550413) and Bell Media Inc. (Bell Media), partners in the general partnerships carrying on business as Bell Media British Columbia Radio Partnership, Bell Media Windsor Radio Partnership, Bell Media Ottawa Radio Partnership and Bell Media Ontario Regional Radio Partnership (collectively The Partnerships), are licensees of various radio programming undertakings in the localities listed above.
7. 7550413 will incorporate a wholly owned subsidiary (NewSub), which will acquire 7550413's interest in The Partnerships and replace 7550413 as the partner with Bell Media in The Partnerships.
8. The above transaction requires the issuance of new licences to continue the operation of these undertakings. Upon surrender of the current licences, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.

Pre-step 2A – CJCH-FM and CIOO-FM Halifax, Nova Scotia; CFCA-FM and CKKW-FM Kitchener, Ontario; CFRW-FM and CFWM-FM Winnipeg, Manitoba; CHIQ-FM Vancouver, British Columbia; and CKGM Montréal, Quebec

9. Bell Media Inc. and 7550413 Canada Inc., partners in a general partnership carrying on business as Bell Media Canada Radio Partnership (Bell Media Canada GP), are licensees of the radio programming undertakings listed above.
10. Bell Media Canada GP and NewSub will create a new partnership (New Canada Radio Partnership) in which Bell Media Canada GP will hold a 99.9999% partnership interest and NewSub will hold the remaining 0.0001%.
11. Bell Media Canada GP will also incorporate one or possibly two wholly owned subsidiaries (CHIQ-FM Newco and CKGM Newco¹).
12. New Canada Radio Partnership will acquire from Bell Media Canada GP the assets of the radio programming undertakings CJCH-FM and CIOO-FM Halifax, CFCA-FM and CKKW-FM Kitchener, CFRW-FM and CFWM-FM Winnipeg, and possibly CKGM Montréal.
13. CHIQ-FM Newco will acquire the assets of CHIQ-FM Vancouver and, if applicable, CKGM Newco will acquire the assets of CKGM Montréal.
14. Bell Media Canada GP will be liquidated and will distribute a *pro rata* undivided interest in its assets (99.9999% in New Canada Radio Partnership and 100% in CHIQ-FM Newco and CKGM Newco, if applicable) to Bell Media and 7550413.

¹ The creation of CKGM Newco depends on the Commission's determination of the application of an exception to the common ownership policy in the Montréal market.

15. The acquisitions of assets and the dissolution of licensees require the issuance of new licences to continue the operation of the undertakings. Upon surrender of the current licences, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.

Pre-step 2B – CHUM, CHUM-FM and CFXJ-FM Toronto, Ontario

16. Bell Media Inc. and 7550413 Canada Inc., partners in a general partnership carrying on business as Bell Media Toronto Radio Partnership (Bell Media Toronto GP), are licensees of the radio programming undertakings listed above.
17. Bell Media Toronto GP and NewSub will create a new partnership (New Toronto Radio Partnership) in which Bell Media Toronto GP will hold a 99.9999% partnership interest and NewSub will hold the remaining 0.0001%.
18. Bell Media Toronto GP will also incorporate a wholly owned subsidiary (Flow Radio Newco).
19. New Toronto Radio Partnership will acquire from Bell Media Toronto GP the assets of the radio programming undertakings CHUM and CHUM-FM Toronto.
20. Flow Radio Newco will acquire the assets of the radio programming undertaking CFXJ-FM Toronto.
21. Bell Media Toronto GP will be the dissolution and will distribute a *pro rata* undivided interest in its assets (99.9999% in New Toronto Radio Partnership and 100% in Flow Radio Newco) to Bell Media and 7550413.
22. The acquisitions of the assets and the dissolution of licensees require the issuance of new licences to continue the operation of the undertakings. Upon surrender of the current licences, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.

Pre-step 2C – CKCE-FM Calgary, Alberta

23. Bell Media Inc. and 7550413 Canada Inc., partners in a general partnership carrying on business as Bell Media Calgary Radio Partnership (Bell Media Calgary GP), are licensees of the radio programming undertaking CKCE-FM Calgary.
24. Bell Media Calgary GP will incorporate a wholly owned subsidiary (CKCE-FM Newco) that, upon its incorporation, will acquire the assets of the radio programming undertaking CKCE-FM Calgary.
25. This acquisition of assets requires the issuance of a new licence to continue the operation of the undertaking. Upon surrender of the current licence, the Commission will issue a new broadcasting licence to the new licensee. The licence will be subject to the terms and **conditions** in effect under the current licence.
26. Bell Media Calgary GP will then be dissolved.

Pre-step 3 – Amalgamation of Bell Media and 7550413

27. Following completion of pre-steps 2A, 2B and 2C, Bell Media and 7550413 will amalgamate to continue as Bell Media, or will proceed with this amalgamation at a later time, after the acquisition of Astral by BCE.

Post-closing reorganizations

28. As described in the Arrangement Agreement, BCE Subco, a new wholly owned subsidiary of BCE, will acquire all of the Astral shares and the shares of any single-purpose holding corporations (Holdcos) created by Astral shareholders under the “Holdco Alternative,” defined in section 2.11 of the Arrangement Agreement, that are to be acquired in exchange for cash. BCE Subco will also acquire all the shares of Astral that are to be acquired from tax-exempt entities. BCE will acquire all of the remaining Astral shares and the shares of the Holdcos that are to be acquired in exchange of new BCE shares, if any.
29. BCE will proceed with post corporate reorganizations that will not affect the effective control of the broadcasting undertakings.

Post-step 1 – Various radio and specialty television undertakings

30. BCE will transfer all of its Astral shares and all of its Holdcos shares to BCE Subco.
31. BCE will wind-up the Holdcos and Astral into BCE Subco or amalgamate the entities.
32. If the wind-up or amalgamation of Astral licensees has not been completed as part of the Astral pre-reorganization approved in Broadcasting Decision 2013-308, BCE will also wind-up Astral Media Radio Inc., Astral Broadcasting Group Inc., MusiquePlus inc. and The Family Channel Inc. into BCE Subco, or amalgamate the Holdcos, Astral and the other Astral entities to form Amalco, which in turn will amalgamate with BCE Subco to form New Amalco.²
33. The wind-up of licensees requires the issuance of new licences to continue the operation of the undertakings. Upon surrender of the licences of the wound-up licensees, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.

Post-step 2

34. BCE will transfer its New Amalco shares to Bell Canada, which in turn will transfer them to Bell Media.

² New Amalco could also result from the wind-up of one or more corporations into BCE Subco.

Post-step 3 — Various radio and specialty television undertakings

35. Bell Media will either wind-up New Amalco and acquire its assets, including its shares in partly owned licensees, or amalgamate with New Amalco to continue as Bell Media.
36. Should BCE choose to wind-up New Amalco, new licences would need to be issued to continue the operation of the undertakings. Upon surrender of the licences of the wound-up licensees, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.
37. If the amalgamation of Bell Media with 7550413 has not been completed as part of the pre-reorganization (Pre-step 3) above, Bell Media will then be amalgamated with 7550413.

Post-step 4 – TELETOON Canada Inc. and Historia & Séries+, s.e.n.c.

38. The newly amalgamated Bell Media will undertake share and partnership interest transfers in contemplation of proposed divestitures to be overseen by a trustee.³
39. If the former The Family Channel Inc.'s (now Bell Media's) interest in TELETOON Canada Inc. is transferred to Halftoon Partnership or if the former Astral Broadcasting Group Inc.'s (now Bell Media's) interest in Historia & Séries+, s.e.n.c. is transferred to Demi-Historia-Séries+ Partnership, as approved in Broadcasting Decision 2013-308, those interests will be reorganized prior to transfer to the trustee.
40. In the case of TELETOON, the reorganization would take place in either of the following two ways:
 - a. Bell Media, having wound-up or amalgamated The Family Channel Inc. into it, would transfer to Halftoon Partnerco, a wholly owned subsidiary previously created by The Family Channel Inc., all but 0.0001% points of its 99.9999% partnership interest in the Halftoon Partnership. Halftoon Partnerco would then hold a 99.9999% partnership interest, and Bell Media, the remaining 0.0001% interest; or
 - b. Halftoon Partnership would be liquidated, distributing a *pro rata* undivided interest in 50% of 4116381 Canada Inc.'s shares and 40% of TELETOON Canada Inc.'s shares to Halftoon Partnership's partners, Bell Media and Halftoon Partnerco. Bell Media and Halftoon Partnerco may then partition each asset received so that each of their respective undivided interests in the particular asset becomes a divided interest.

³ Approval of the Voting Trust Agreement and the nomination of the trustee are approved in a decision letter of today's date.

41. Similarly, in the case of Historia & Séries+, the reorganization would take place in either of the following two ways:
- a. Bell Media would transfer to Demi-Historia-Séries+ Partnerco, a wholly owned subsidiary previously created by Astral Broadcasting Group Inc., all but 0.0001% points of its 99.9999% partnership interest in the Demi-Historia-Séries+ Partnership; or
 - b. Demi-Historia-Séries+ Partnership would be liquidated, distributing a *pro rata* undivided interest in the shares of Demi-Historia-Séries+ Newco to the partners Bell Media and Demi-Historia-Séries+ Partnerco. Bell Media and Demi-Historia-Séries+ Partnerco may then partition each asset received so that each of their respective undivided interest in the particular asset becomes a divided interest.
42. The Commission notes that this step could require the issuance of new broadcasting licences to continue the operation of the undertakings. Upon surrender of the licences of the wound-up licensees, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.
43. BCE is required to inform the Commission once each step of the pre-closing and post-closing transactions has been completed.
44. The Commission also directs the applicant to file, within 30 days of this decision, executed copies of all corporate documents (including but not limited to partnership agreements, partnership registrations, certificate and articles of incorporation, bylaws, certificate and articles of dissolution, and certificate and articles of amalgamation).

Secretary General

Related documents

- *Notice of hearing*, Broadcasting Notice of Consultation CRTC 2013-106, 6 March 2013
- *Astral broadcasting undertakings – Change of effective control*, Broadcasting Decision CRTC 2013-310, 27 June 2013
- *Various radio stations and specialty services – Acquisition of assets (corporate reorganization within Astral Media inc.)*, Broadcasting Decision CRTC 2013-308, 27 June 2013

**This decision is to be appended to each licence.*