



## Broadcasting Decision CRTC 2016-77

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Reference: Part 1 application posted on 31 August 2015

Ottawa, 1 March 2016

### **8946337 Canada Limited and Blue Ant Media Solutions Inc., partners in a general partnership carrying on business as Blue Ant Television General Partnership**

Across Canada

*Application 2015-0983-7*

### **Cottage Life – Licence amendment**

*The Commission **denies** an application by 8946337 Canada Limited and Blue Ant Media Solutions Inc., partners in a general partnership carrying on business as Blue Ant Television General Partnership (Blue Ant), to reduce the Canadian programming exhibition requirement for the Category A service Cottage Life from 80% to 50% for the broadcast day.*

*Blue Ant's exhibition requirements should instead be reviewed at licence renewal in conjunction with other programming commitments.*

### **Introduction**

1. 8946337 Canada Limited and Blue Ant Media Solutions Inc., partners in a general partnership carrying on business as Blue Ant Television General Partnership (Blue Ant), filed an application to amend the broadcasting licence for the English-language Category A service Cottage Life to reduce the Canadian programming exhibition requirement from 80% to 50% for the broadcast day.
2. The applicant stated that the proposed amendment is necessary to ensure the viability of the service. In its application, Blue Ant argued that a high Canadian programming exhibition requirement leads to low viewership and less revenue to be invested in Canadian productions. It submitted this application in light of the policy changes relating to exhibition requirements announced in Broadcasting Regulatory Policy 2015-86.

### **Intervention and applicant's reply**

3. The Commission received a comment from the Canadian Media Production Association (CMPA), to which the applicant replied. The public record for this application can be found on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) or by using the application number provided above.

## Commission's analysis and decisions

4. Blue Ant acquired Cottage Life early in the 2012-2013 broadcast year. The service has been profitable since the acquisition and saw an increase in revenues in the 2013-2014 broadcast year. In its application, Blue Ant submitted financial projections for the service under both approval and denial scenarios, but did not provide any assumptions to support the projections.
5. The Commission finds that the applicant has not demonstrated that the proposed amendment is necessary to ensure the financial viability of the service.
6. The Commission typically reviews Canadian programming commitments at licence renewal to assess a service's regulatory obligations as a whole. The broadcasting licence for Cottage Life was last renewed in Broadcasting Decision 2013-465. In that decision, the Commission approved a request by Blue Ant to reduce the exhibition requirements for the evening period from 80% to 50%. Blue Ant did not seek to reduce its exhibition requirements for the broadcast day at that time. Instead, it stated that maintaining the broadcast day requirements would ensure that no less Canadian content is shown overall. Had Blue Ant felt that its exhibition requirements for the broadcast day were too steep and detrimental to the overall health of the service, it could have made the request then and the Commission could have taken the overall impact of the proposed reduction into account at that time.
7. In Broadcasting Regulatory Policy 2015-96, the Commission announced that access privileges for Category A services would be eliminated but that this change would be implemented at licence renewal. Until their next licence renewal, Category A services will continue to benefit from certain access privileges in return for their high Canadian programming exhibition and other requirements. As a Category A service, Cottage Life should continue to make the higher regulatory contributions in return for its access privileges.
8. In Broadcasting Regulatory Policy 2015-86, the Commission announced a number of policy changes relating to Canadian programming exhibition and expenditure requirements as well as other changes. The Commission stated that changes to exhibition requirements would occur at licence renewal to allow the Commission to monitor the impact of the other policy changes resulting from the Let's Talk TV proceeding. Blue Ant's exhibition requirements should therefore be reviewed in conjunction with other obligations at licence renewal.

## Conclusion

9. In light of the above, the Commission **denies** the application by 8946337 Canada Limited and Blue Ant Media Solutions Inc., partners in a general partnership carrying on business as Blue Ant Television General Partnership to amend the broadcasting licence for the English-language Category A service Cottage Life.

Secretary General

## **Related documents**

- *Let's Talk TV: A World of Choice – A roadmap to maximize choice for TV viewers and to foster a healthy, dynamic TV market*, Broadcasting Regulatory Policy CRTC 2015-96, 19 March 2015
- *Let's Talk TV: The way forward – Creating compelling and diverse Canadian programming*, Broadcasting Regulatory Policy CRTC 2015-86, 12 March 2015
- *Various specialty Category A and B services – Licence renewals and modified group-based licensing approach*, Broadcasting Decision CRTC 2013-465, 30 August 2013