



Broadcasting Decision CRTC 2017-288

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Reference: 2016-392

Ottawa, 17 August 2017

CHZ Business News Net Inc.
Across Canada

Application 2016-0421-5, received 29 April 2016
Public hearing in the National Capital Region
7 December 2016

Bloomberg TV Canada – New discretionary service licence

*The Commission **approves** an application for a broadcasting licence to operate the currently exempt discretionary service Bloomberg TV Canada as a licensed discretionary service.*

Application

1. Channel Zero, on behalf of CHZ Business News Net Inc., filed an application for a broadcasting licence to operate the currently exempt national, English-language discretionary service known as Bloomberg TV Canada as a licensed service. The Commission did not receive any interventions regarding this application.
2. Bloomberg TV Canada launched on 17 November 2015 as an exempt service in accordance with Broadcasting Order 2015-88, and will enter its third broadcast year of operation beginning 1 September 2017. In a letter dated 29 April 2016, Channel Zero confirmed that during the previous three months, the service exceeded the subscriber threshold for the operation of an exempt service. In accordance with Broadcasting Order 2015-88, it filed the present application.
3. In Broadcasting Regulatory Policy 2015-86, the Commission indicated that all licensed English-language discretionary services will be subject to a minimum Canadian programming expenditure (CPE) requirement of 10% of the service's revenues from the previous broadcast year. Channel Zero stated that it would adhere to a minimum 10% requirement for Bloomberg TV Canada as a licensed service.
4. Further, as set out in Broadcasting Regulatory Policy 2015-86, licensed discretionary services will be required to devote 35% of the broadcast year to the broadcast of Canadian programs. Channel Zero requested that, until 31 August 2017, Bloomberg TV Canada continue to be subject to the lower Canadian programming exhibition requirement of 25% of the broadcast year and of the evening broadcast period, after which this requirement would increase to the standard 35% for licensed undertakings, for the broadcast year only. It noted, however, that it would immediately adhere to the

standard 35% requirement should the Commission decide that it should apply to exempt services that transition to licensed services before their third year of operation.

5. Pursuant to the Commission's elimination of the genre exclusivity policy (see Broadcasting Regulatory Policy 2015-86), the Commission no longer enforces conditions of licence relating to nature of service, with certain exceptions, such as the condition of licence relating to the broadcast of live professional sports programming by services other than mainstream sports services. As such, new or existing discretionary services that wish to offer programming from formerly protected genres may do so immediately. However, to ensure that both Canadians and the Commission continue to have basic information about discretionary services in operation, deleted conditions of licence relating to nature of service will be replaced with the requirement to provide the Commission with the name and a brief description of the service, and to update this name and description any time it changes. In accordance with this requirement, the applicant provided the following brief description for Bloomberg TV Canada:

The service will provide business news and information and related programming in English.

Commission's analysis and decisions

6. Given that the currently exempt national, English-language discretionary service Bloomberg TV Canada has exceeded the subscriber threshold for the operation of an exempt service for more than three consecutive months, in accordance with Broadcasting Order 2015-88, the Commission **approves** the application by Channel Zero, on behalf of CHZ Business News Net Inc., for a broadcasting licence to operate Bloomberg TV Canada as a licensed service. The terms and **conditions of licence** are set out in the appendix to this decision.
7. After examining the application in light of applicable regulations and policies, the Commission finds that the issue it must address is whether it should approve the applicant's request to devote, until 31 August 2017, 25% of the broadcast year and evening broadcast period to the broadcast of Canadian programs.
8. In Broadcasting Order 2015-88, the Commission set out a staged approach for the broadcast of Canadian programs by exempt services. Pursuant to that order, exempt services in their second year of operation must devote not less than 25% of the broadcast year and of the evening broadcast period to the broadcast of Canadian programs. This increases to 35% in their third year of operation.
9. Channel Zero submitted that maintaining this staged approach for Bloomberg TV Canada would be more appropriate than imposing an immediate 35% requirement. It argued that maintaining the staged approach would create certainty and allow the new service time to grow and invest in its operations, and ultimately be able to provide Canadians with high quality Canadian content and not just Canadian content "in volume."

10. The Commission notes that, as an exempt service, Bloomberg TV Canada's Canadian programming exhibition requirement would have, in any case, increased to 35% as of 1 September 2017, i.e., the beginning of its third year of operation. As a licensed service, Bloomberg TV Canada will be subject to the new *Discretionary Services Regulations*,¹ which will come into effect on the same date. Until that time, Bloomberg TV Canada will be subject to the requirements set out in the *Specialty Services Regulations, 1990*. In light of the short period of time between the date of the present decision and 1 September 2017, the Commission **approves** Channel Zero's request to maintain Bloomberg TV Canada's current 25% Canadian programming exhibition requirement until 31 August 2017. A **condition of licence** to that effect is set out in the appendix to this decision.

Reminder

11. The Commission reminds the applicant that the distribution of this service is subject to the requirements set out in the *Broadcasting Distribution Regulations*.

Secretary General

Related documents

- *Discretionary Services Regulations*, Broadcasting Regulatory Policy CRTC 2017-279, 4 August 2017
- *Exemption order respecting discretionary television programming undertakings serving fewer than 200,000 subscribers*, Broadcasting Order CRTC 2015-88, 12 March 2015
- *Let's Talk TV – The way forward – Creating compelling and diverse Canadian programming*, Broadcasting Regulatory Policy CRTC 2015-86, 12 March 2015

This decision is to be appended to the licence.

¹ See Broadcasting Regulatory Policy 2017-279.

Appendix to Broadcasting Decision CRTC 2017-288

Terms, conditions of licence, expectations and encouragements for the discretionary service Bloomberg TV Canada

Terms

A licence will be issued once the applicant has satisfied the Commission with supporting documentation that the following requirements have been met:

- the applicant has entered into a distribution agreement with at least one licensed distributor; and
- the applicant has informed the Commission in writing that it is prepared to commence operations and has provided the Commission with a launch date for the service. The undertaking must be operational at the earliest possible date and in any event no later than 48 months from the date of this decision.

The licence will expire 31 August 2023.

Conditions of licence

1. The licensee shall adhere to the standard conditions of licence for discretionary services set out in Appendix 2 to *Standard requirements for television stations, discretionary services, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.
2. Until 31 August 2017, the licensee shall be deemed to be carrying on a specialty service and, therefore, shall be subject to the *Specialty Services Regulations, 1990*.
3. Until 31 August 2017, the licensee shall devote not less than 25% of the broadcast year and of the evening broadcast period to the broadcast of Canadian programs.
4. In order to ensure that the licensee complies at all times with the *Direction to the CRTC (Ineligibility of non-Canadians)*, the licensee shall file for the Commission's review a copy of any programming supply agreement and/or licence or trademark agreement it has entered into with a non-Canadian party within 30 days of its execution. In addition, the Commission may request any additional document(s) that could affect control of the programming or management of the service.
5. The licensee shall, in each broadcast year, devote not less than 10% of the previous year's gross annual revenues of the undertaking to the acquisition of or investment in Canadian programming. For the first year of the licence term, the calculation of the 10% shall be based on the previous year's gross annual revenues of the previously exempt service.

Expectations

The standard expectations applicable to this licensee are set out in Appendix 2 to *Standard requirements for television stations, discretionary service, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.

Encouragements

The standard encouragements applicable to this licensee are set out in Appendix 2 to *Standard requirements for television stations, discretionary service, and on-demand services*, Broadcasting Regulatory Policy CRTC 2016-436, 2 November 2016.