



Broadcasting Decision CRTC 2017-337

PDF version

Reference: Part 1 application posted on 2 June 2017

Ottawa, 19 September 2017

Canal Évasion inc.
Across Canada

Application 2017-0441-1

Évasion – Licence amendment

*The Commission **denies** the application by Canal Évasion inc. to decrease the Canadian programming expenditure requirement for the Category A discretionary service Évasion from 46% to 32%.*

Application

1. Canal Évasion inc. (Canal Évasion) filed an application to amend the broadcasting licence for the Category A discretionary service Évasion (formerly Canal Évasion) in order to decrease its Canadian programming expenditure (CPE) requirement from 46% to 32% of previous year's gross revenues over the period from 1 September 2017 to 31 August 2018, at which time the current licence for the service will expire.
2. In support of its application, Canal Évasion submitted that the large French-language ownership groups will benefit from the group-based approach as of 1 September 2017, the licence renewal date for their various services, while it will not enjoy the same advantages, such as a greater flexibility in the allocation of resources. Canal Évasion indicated that it would request that it be treated as a designated ownership group as part of the next licence renewal for Évasion and the related Category B discretionary service Zeste in 2018. However, in the meantime, it proposed to decrease Évasion's CPE requirement.
3. Canal Évasion submitted that the proposed 32% CPE level was consistent with the average CPE requirement for former Astral services prior to their acquisition by Bell and other ownership groups, as well as comparable to the average 31% CPE requirement imposed on MusiquePlus and MusiMax prior to their last licence renewal. Finally, the applicant indicated that if the Commission deemed it necessary, it would agree to change the status of Évasion from that of a protected Category A service to that of a Category B service for the remainder of the licence term in the event that its application were approved.

Commission's analysis and decision

4. As set out in Broadcasting Regulatory Policy 2010-167, the group-based licensing approach gives designated groups the flexibility to share expenditure requirements between their services in order to serve the needs of their audiences and compete with foreign services.
5. When the Commission renewed the television licences held by large ownership groups in May 2017, it implemented many regulatory policies, including the determinations made in Broadcasting Regulatory Policy 2015-86. Consistent with that policy, the Commission maintained the CPE requirements for the services that were already part of a group at historical levels. The Commission also imposed CPE requirements on services that formed a new group based on their historical expenditure levels. As such, the Commission maintained the aggregate CPE requirements for each group, while providing the groups with flexibility in the allocation of their resources between their various services.
6. Further, as indicated in Broadcasting Decision 2017-143, the requirements imposed by the Commission as part of those licence renewals confer both benefits and related obligations on the individual licensees and their groups in order to facilitate the creation of compelling and diverse programming within an increasingly dynamic broadcasting system.
7. In its current application, Canal Évasion seeks a reduction in Évasion's CPE requirements. This request is not consistent with Broadcasting Regulatory Policy 2015-86, in which the Commission indicated that it would maintain CPE requirements for services already subject to such requirements.
8. Moreover, the applicant's rationale to justify the proposed 32% CPE level is questionable since it is based on the CPE requirement imposed on services that belonged to the Astral group prior to their licence renewal under the group-based approach as part of the large French-language ownership groups. This CPE level does not correspond to the more current requirements imposed in May 2017 as part of the most recent renewal decisions for these groups.
9. Finally, given the upcoming licence renewal for Évasion and Zeste and the applicant's stated intention to request that it be treated under the group-based approach, the Commission considers that it would be injudicious to examine the applicant's current request in isolation. Rather, the Commission is of the view that it would be more appropriate to assess the CPE requirements for Évasion at its licence renewal, when it also examines the licence renewal applications for the related service Zeste and other independent discretionary services. If the applicant wishes to be treated as a designated ownership group and be subject to conditions of licence similar to those imposed on the large ownership groups, it can make that case as part of its licence renewal application.

10. In light of all of the above, the Commission **denies** the application by Canal Évasion inc. to decrease the CPE requirement for the Category A discretionary service Évasion from 46% to 32%.

Secretary General

Related documents

- *Renewal of licences for the television services of large French-language ownership groups – Introductory decision*, Broadcasting Decision CRTC 2017-143, 15 May 2017
- *Let's Talk TV – The way forward – Creating compelling and diverse Canadian programming*, Broadcasting Regulatory Policy CRTC 2015-86, 12 March 2015
- *A group-based approach to the licensing of private television services chronological order starting with the most recent document*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010