



Broadcasting Decision CRTC 2021-51

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Ottawa, 5 February 2021

WOW! Unlimited Networks Inc.

Across Canada

Application 2020-0416-7, received 2 July 2020

Comedy Gold – Revocation of licence

*The Commission **approves** an application by WOW! Unlimited Networks Inc. (WOW Networks) to revoke the broadcasting licence for the national, English-language discretionary service known as Comedy Gold. This revocation nullifies the requirement for WOW Networks to pay any outstanding tangible benefits stemming from the acquisition of Comedy Gold from Bell Media Inc., which was approved by the Commission in Broadcasting Decision 2018-230.*

Background

1. In *Comedy Gold – Acquisition of assets*, Broadcasting Decision CRTC 2018-230, 9 July 2018 (Broadcasting Decision 2018-230), the Commission approved an application by WOW! Unlimited Networks Inc. (WOW Networks) to acquire from Bell Media Inc. (Bell) the assets of the national, English-language discretionary service Comedy Gold, and to obtain a new broadcasting licence to continue the operation of the service. In that application, WOW Networks stated that it would rebrand the service such that it would be dedicated to children's and youth programming.
2. As set out in that decision, the Commission determined that the value of the transaction, used to determine the amount of tangible benefits, was \$6,866,892. Further, the Commission approved WOW Networks' proposed tangible benefits package of \$687,000, of which 60% (\$412,200) would be allocated to the Canada Media Fund and 20% (\$137,400) to the Shaw Rocket Fund. In regard to the remaining 20% (\$137,400), the Commission directed WOW Networks to file a revised proposal by 9 August 2018. As of the date of this decision, the licensee has not paid any of the above tangible benefits, and has not filed a revised proposal in regard to the remaining 20% of that tangible benefits package.

Application

3. Pursuant to its authority under sections 9(1)(e) and 24(1) of the *Broadcasting Act* (the Act), the Commission may revoke a licence on application of the licensee.
4. WOW Networks filed an application in which it has requested the revocation of its broadcasting licence for Comedy Gold. The licensee indicated that it has not launched the proposed service, citing its inability to secure funding and distribution to allow the

service's launch. WOW Networks submitted that despite its efforts to develop a viable business model, it had no choice but to abandon the project to rebrand the service, which resulted in the service going off air in August 2019 and the licensee writing off the value of the acquired broadcasting assets in 2019.

5. WOW Networks added that in light of the current uncertainties due to the COVID-19 pandemic and the growing dominance of digital media services, it does not anticipate a new attempt to launch the rebranded service in the near or distant future. It has therefore requested the revocation of the broadcasting licence for Comedy Gold, along with relief from the requirement to pay the full amount of the tangible benefits imposed in Broadcasting Decision 2018-230.

Commission's analysis

6. Approval of the application to revoke the broadcasting licence for Comedy Gold would in turn revoke for WOW Networks all of the rights attached to holding a broadcasting licence (including the authorization to carry on a broadcasting undertaking issued by the Commission under the Act¹), and would relieve WOW Networks of the regulatory requirements imposed by condition of licence or set out by regulation.
7. Further, given that Comedy Gold is the only broadcasting undertaking of which WOW Networks is the licensee, the revocation of the service's broadcasting licence would result in WOW Networks losing its status as a licensee. Should the Commission approve WOW Networks' application, the Commission would no longer have an entity against which it would be able to require the payment of the tangible benefits stemming from the ownership transaction approved in Broadcasting Decision 2018-230. Consequently, revoking the broadcasting licence for Comedy Gold would nullify WOW Networks' obligation relating to the payment of those tangible benefits.
8. Given that Comedy Gold is off air, that the licensee does not intend to launch the rebranded service and return to air in the near or distant future, and that the value of the acquired broadcasting assets has been written off, the Commission finds that it would be appropriate to revoke the broadcasting licence for the service.

Conclusion

9. In light of the above and in light of the licensee's request, and pursuant to sections 9(1)(e) and 24 of the Act, the Commission **revokes** the broadcasting licence issued to WOW! Unlimited Networks Inc. for the national, English-language discretionary service known as Comedy Gold. This revocation nullifies any requirement for WOW Networks to pay any outstanding tangible benefits stemming from the acquisition of Comedy Gold from Bell, as approved in Broadcasting Decision 2018-230.

Secretary General

¹ In this regard, the Commission notes that WOW Networks does not meet the requirements to operate its broadcasting undertaking under an exemption order.