



## Broadcasting Notice of Consultation CRTC 2010-498

PDF version

Ottawa, 22 July 2010

### Notice of hearing

**20 September 2010**

**Location to be determined**

**Deadline for submission of interventions/comments: 23 August 2010**

The Commission will hold a hearing commencing **20 September 2010** at a **location to be determined at a later date**, commencing immediately following the hearing for the applications referenced in Broadcasting Notice of Consultation CRTC 2010-497.

[\[Broadcasting interventions/comments form\]](#)

### Applicant and Locality

1. **CanWest Global Communications Corp.**  
Across Canada  
Application No. 2010-0854-0
2. **Shaw Communications Inc.**  
Across Canada  
Application No. 2010-0550-5

#### 1. **Across Canada** **Application No. 2010-0854-0**

Application by **CanWest Global Communications Corp.** (Canwest Global), on behalf of Canwest Television GP Inc. (Canwest GP) (the general partner) and Newco (the limited partner) in a limited partnership that will carry on business as Canwest Television Limited Partnership (CTLP), and on behalf of the licensees of Fox Sports World Canada, MenTV, Mystery and TVtropolis, for authority to acquire, as part of a multi-step corporate reorganization, the assets of the television broadcasting undertakings and specialty services currently indirectly held by Canwest Global.

The applicant also requests new licences to continue the operation of the undertakings under the same terms and conditions as those in effect under the current licences.

The proposed transaction is for corporate reorganization purposes within Canwest Global as well as within certain of its subsidiaries, and would not affect the effective control of any of the regulated broadcasting undertakings.

As contemplated in the Plan of Compromise and Arrangement of the Canwest entities pursuant to the *Companies' Creditors Arrangement Act (Canada)* (CCAA), the present corporate reorganization involves a change of ownership within CTLP and would result in the issuance of new broadcasting licences.

The proposed steps of the said reorganization are as follows (see Appendix 1):

1. Canwest Media Inc. (CMI) would liquidate and dissolve 4501063 Canada Inc. (4501063 Canada), a wholly-owned subsidiary of CMI and currently parent corporation of (Canwest GP. Following the dissolution of 4501063 Canada, Canwest GP would become a wholly-owned subsidiary of CMI.
2. CMI would transfer all its partnership interest in CTLP to Newco, a newly-created corporation that would be a wholly-owned subsidiary of CMI.
3. CMI would transfer to Newco all of its shares (which represent a 100% voting interest) in the capital of Canwest GP.
4. Canwest GP would continue to own its 0.1% partnership interest in CTLP.
5. Following the transfer by CMI of its partnership interest in CTLP to Newco, all of the assets and property currently held by CMI for and on behalf of CTLP would be transferred to Newco. Newco would have, indirectly through its 99.9% partnership interest in CTLP, ownership of the following:
  - the broadcasting undertakings' assets;
  - 100 common shares of Canwest Global Broadcasting Inc.;
  - 1,000 units of TVtropolis General Partnership (66.67%);
  - 490,000 units of Men TV General Partnership (49%);
  - 50 units of Mystery Partnership (50%);
  - 1 common share of Fox Sports World Canada Holdco Inc.; and
  - 99.9% partnership interest in Fox Sports World Canada Partnership.

*Applicant's address:*

121 Bloor Street East  
Suite 1500  
Toronto, Ontario  
M4W 3M5  
Fax: 416-386-2779  
E-mail: [cbell@canwest.com](mailto:cbell@canwest.com)

*Examination of application:*

At the applicant's address

## **2. Across Canada**

### **Application No. 2010-0550-5**

Application by **Shaw Communications Inc.** (Shaw), on behalf of CanWest Global Communications Corp. (Canwest Global) and its operating subsidiaries/licensees, for authority to transfer the effective control of Canwest Global's broadcasting entities to Shaw, through a wholly-owned subsidiary of Shaw known as 7316712 Canada Inc. (7316712 Canada).

On 6 October 2009, Canwest Global, along with its operating subsidiary Canwest Media Inc. (CMI) and certain other subsidiaries, filed for creditor protection under the *Companies' Creditors Arrangement Act (Canada)* (CCAA).

At the beginning of November 2009, Canwest Global, with the assistance of RBC Capital Markets, commenced an equity solicitation process to identify potential new Canadian investors.

On 19 February 2010, after arm's length negotiations between Shaw, Canwest Global and the Ad Hoc Committee (comprised of holders of over 70% of the 8% senior subordinated notes issued by CMI due 2012), Canwest Global's board approved Shaw's offer.

On 31 March 2010, Shaw filed an application for approval of its acquisition of effective control of the conventional and specialty television undertakings indirectly owned by Canwest Global. Under that original offer, Shaw was to subscribe for Class A Voting shares representing a 20% equity and 80% voting interest in Restructured Canwest for a minimum \$95 million in the aggregate.

On 3 May 2010, Shaw acquired from Goldman Sachs & Co. affiliates (Goldman Sachs entities) 29.9% of the voting shares and 49.9% of the common non-voting shares in the capital of CW Investments Co. (CWI). The Commission notes that this transaction was subject to the notification requirement pursuant to the Commission's regulations.

On 4 May 2010, Shaw advised the Commission that, pursuant to an amendment to the 31 March 2010 application, Shaw's indirect equity interest would be 100% of Restructured Canwest. Shaw also advised that, in addition to acquiring the shares of CWI indirectly held by Canwest Global it would acquire, by way of an option, the remaining shares, held by Goldman Sachs entities in the capital of CWI, immediately following Commission approval of the application.

On 18 May 2010, Canwest Global filed an application (2010-0854-0) for authority to effect a multi-step corporate reorganization for restructuring purposes as contemplated in the document entitled "Plan of Compromise, Arrangement and Reorganization" of the Canwest entities pursuant to the CCAA and resulting in the issuance of new broadcasting licences. This application is also being considered at this public hearing.

Finally, on 23 June 2010, the consolidated “Plan of Compromise, Arrangement and Reorganization” pursuant to the CCAA and the *Canadian Business Corporations Act* was filed with the Ontario Superior Court of Justice.

Following the proposed transaction, Shaw, through its wholly-owned subsidiary 7316712 Canada, would become the sole owner of Restructured Canwest and of CWI, and would acquire control of all broadcasting undertakings currently controlled by Canwest Global (see Appendix 2).

Shaw has ascribed a total value for the acquisition of all broadcasting assets owned by Canwest Global of \$2.005 billion and has proposed a tangible benefits package in the amount of \$23 million.

Considering the size and scope of the proposed transaction, the Commission may discuss, among other things, the following:

#### **Ownership**

In the context of the proposed consolidation involving two major broadcasters, the Commission may wish to discuss the potential impact on the television market (i.e., market power that Shaw could enjoy and the potential to adopt anti-competitive behaviour), and may examine various related ownership issues.

#### **Value of the transaction and the proposed benefits package**

The Commission may wish to discuss the value of the transaction applied to the assets and how these values have been allocated between the broadcasting undertakings.

The Commission may also wish to discuss the proposed benefits package in terms of incrementality, acceptability, and proposals in respect of any benefits that may be found to be unacceptable to the Commission. The Commission, in applying its benefits test, has been consistent and rigorous in requiring that (1) expenditures proposed as tangible benefits be truly incremental; (2) such expenditures be directed to projects and initiatives that would not be undertaken or realized in the absence of the transaction; and (3) as generally required, applicants demonstrate that expenditures proposed as tangible benefits flow predominantly to third parties, such as independent producers.

Additional information may be placed on the public examination file as it becomes available. The Commission encourages interested parties to monitor the public examination file and the Commission’s website for additional information that they may find useful when preparing their comments.

*Applicant's address:*

Shaw Communications Inc., on behalf of  
CanWest Global Communications Corp.  
630 – 3<sup>rd</sup> Avenue South West  
Suite 900  
Calgary, Alberta  
T4P 1L4  
Fax: 403-716-6544  
E-mail: [Cynthia.rathwell@shawdirect.ca](mailto:Cynthia.rathwell@shawdirect.ca)

*Examination of application:*

40 Elgin Street  
Suite 1400  
Ottawa, Ontario

181 Bay Street  
Suite 4210  
Toronto, Ontario

630 – 3<sup>rd</sup> Avenue South West  
Suite 900  
Calgary, Alberta

1067 West Cordova Street  
Suite 900  
Vancouver, British Columbia

## **Public participation**

### **Deadline for interventions 23 August 2010**

The intervention must be received by the Commission and by the applicant on or before the above-mentioned date. The Commission cannot be held responsible for postal delays and will not notify a party whose intervention is received after the deadline date. The intervention will not be considered by the Commission and will not be part of the public file.

The intervention must include one of the following statements in either the first or the last paragraph:

1. I request to appear at the public hearing.
2. I do not want to appear at the public hearing.

Interventions will be considered by the Commission and will form part of the public record of the proceeding without further notification to intervening parties, provided the procedure set out below has been followed. Parties will be contacted only if their submissions raise procedural questions.

Written interventions should be submitted to the Secretary General of the Commission in **only one** of the following formats:

**by using the**  
[\[Broadcasting interventions/comments form\]](#)

or

**by mail to**

CRTC, Ottawa, Ontario K1A 0N2

or

**by fax at**  
819-994-0218

A true copy must be sent to the applicant, and proof that this has been done must accompany the intervention sent to the Commission.

The Commission advises those who file and serve by electronic mode to exercise caution when using e-mail for service of documents or notification, as it may be difficult to establish that service has occurred.

Parties must ensure that, before initiating service through electronic mode, they will be able to satisfy the Commission, upon request, that service of the notification was completed.

Submissions longer than five pages should include a summary.

Each paragraph of the submission should be numbered. In addition, where the intervention is filed by electronic means, the line **\*\*\*End of document\*\*\*** should be entered following the last paragraph of the document, as an indication that the document has not been damaged during electronic transmission.

Interventions should clearly identify the application referred to and indicate whether parties support or oppose the application, or, if they propose changes to it, include the facts and grounds for their proposal.

In the event that the application is brought to the oral phase of the hearing, and if parties wish to appear, they must provide reasons why their written interventions are not sufficient and why an appearance is necessary.

Parties may participate from the Commission's regional offices via videoconferencing. Parties interested in doing so are asked to indicate the regional office where they wish to appear at the time they file their comments. A list of the Commission's regional offices is included in this notice.

Persons requiring communications support such as assistance listening devices and sign language interpretation are requested to inform the Commission at least twenty (20) days before the commencement of the public hearing so that the necessary arrangements can be made.

### **Important notice**

All information that parties provide as part of this public process, except information granted confidentiality, whether sent by postal mail, facsimile, e-mail or through the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), becomes part of a publicly accessible file and will be posted on the Commission's website. This information includes personal information, such as full names, e-mail addresses, postal/street addresses, telephone and facsimile numbers, and any other personal information parties provide.

The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.

Documents received electronically or otherwise will be put on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.

The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its own search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

The Commission encourages interested parties to monitor the public examination file and the Commission's website for additional information that they may find useful when preparing their interventions.

## **Examination of documents**

An electronic version of the applications is available from the Commission's website by selecting the application number within this notice.

A list of all interventions will also be available on the Commission's website. An electronic version of all interventions submitted will be accessible from this list. To access the list, select "Lists of interventions/comments" under "Public Proceedings" from the Commission's website.

Documents are also available during normal office hours at the local address provided in this notice and at the Commission offices and documentation centres directly involved with these applications, or, upon request, within two (2) working days, at any other Commission offices and documentation centres.

## **Location of Commission offices**

Toll-free telephone: 1-877-249-2782  
Toll-free TDD: 1-877-909-2782  
Les Terrasses de la Chaudière  
Central Building  
1 Promenade du Portage, Room 206  
Gatineau, Quebec  
J8X 4B1  
Tel.: 819-997-2429  
Fax: 819-994-0218

### ***Regional offices***

Metropolitan Place  
99 Wyse Road  
Suite 1410  
Dartmouth, Nova Scotia  
B3A 4S5  
Tel.: 902-426-7997  
Fax: 902-426-2721

205 Viger Avenue West  
Suite 504  
Montréal, Quebec  
H2Z 1G2  
Tel.: 514-283-6607

55 St. Clair Avenue East  
Suite 624  
Toronto, Ontario  
M4T 1M2  
Tel.: 416-952-9096

Kensington Building  
275 Portage Avenue  
Suite 1810  
Winnipeg, Manitoba  
R3B 2B3  
Tel.: 204-983-6306  
Fax: 204-983-6317

2220 – 12<sup>th</sup> Avenue  
Suite 620  
Regina, Saskatchewan  
S4P 0M8  
Tel.: 306-780-3422

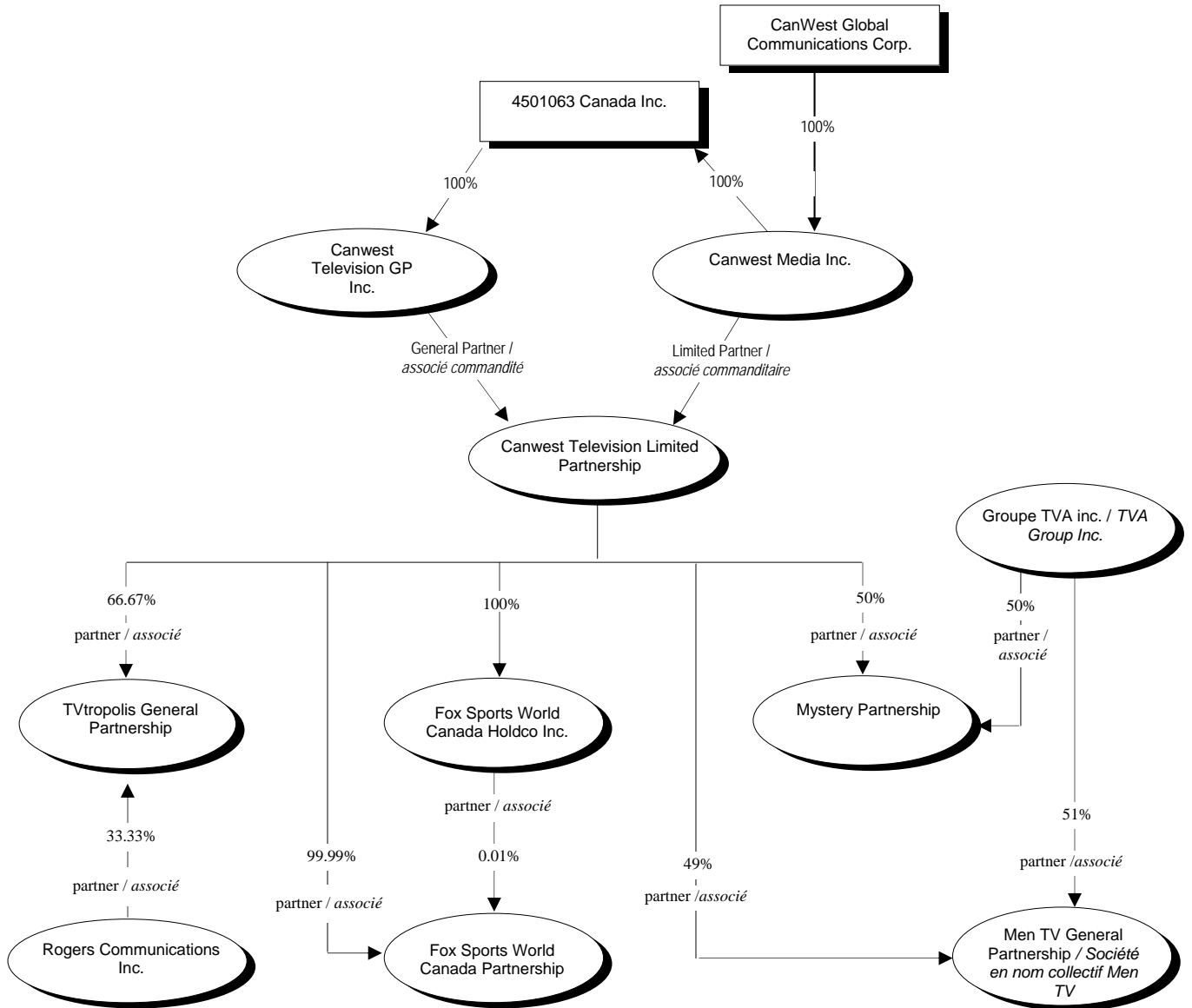
10405 Jasper Avenue  
Suite 520  
Edmonton, Alberta  
T5J 3N4  
Tel.: 780-495-3224

580 Hornby Street  
Suite 530  
Vancouver, British Columbia  
V6C 3B6  
Tel.: 604-666-2111  
Fax: 604-666-8322

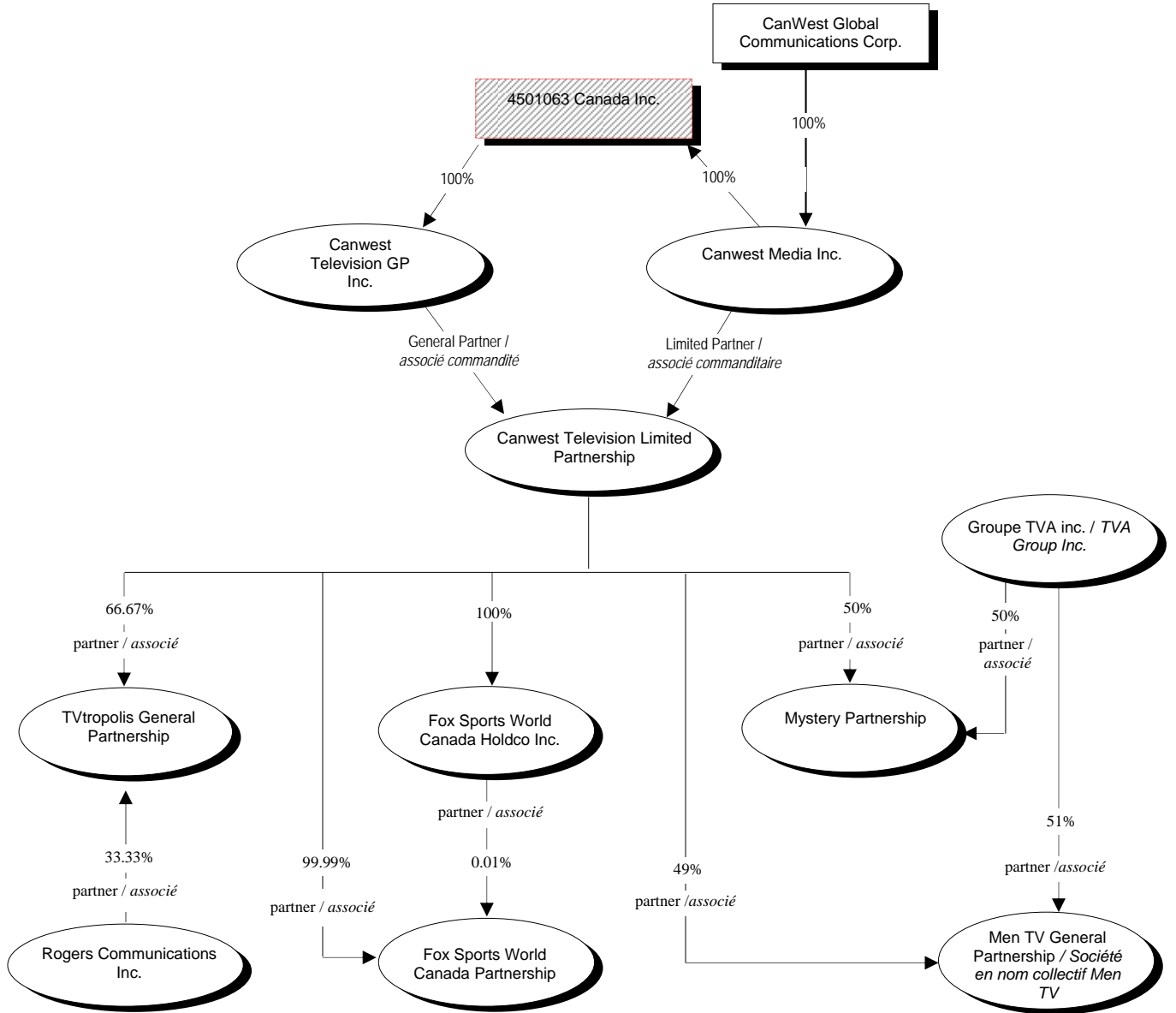
Secretary General

**Appendix 1 to Broadcasting Notice of Consultation  
CRTC 2010-498  
(Application 2010-0854-0)**

**Canwest Media Inc.  
Current structure / Structure actuelle**

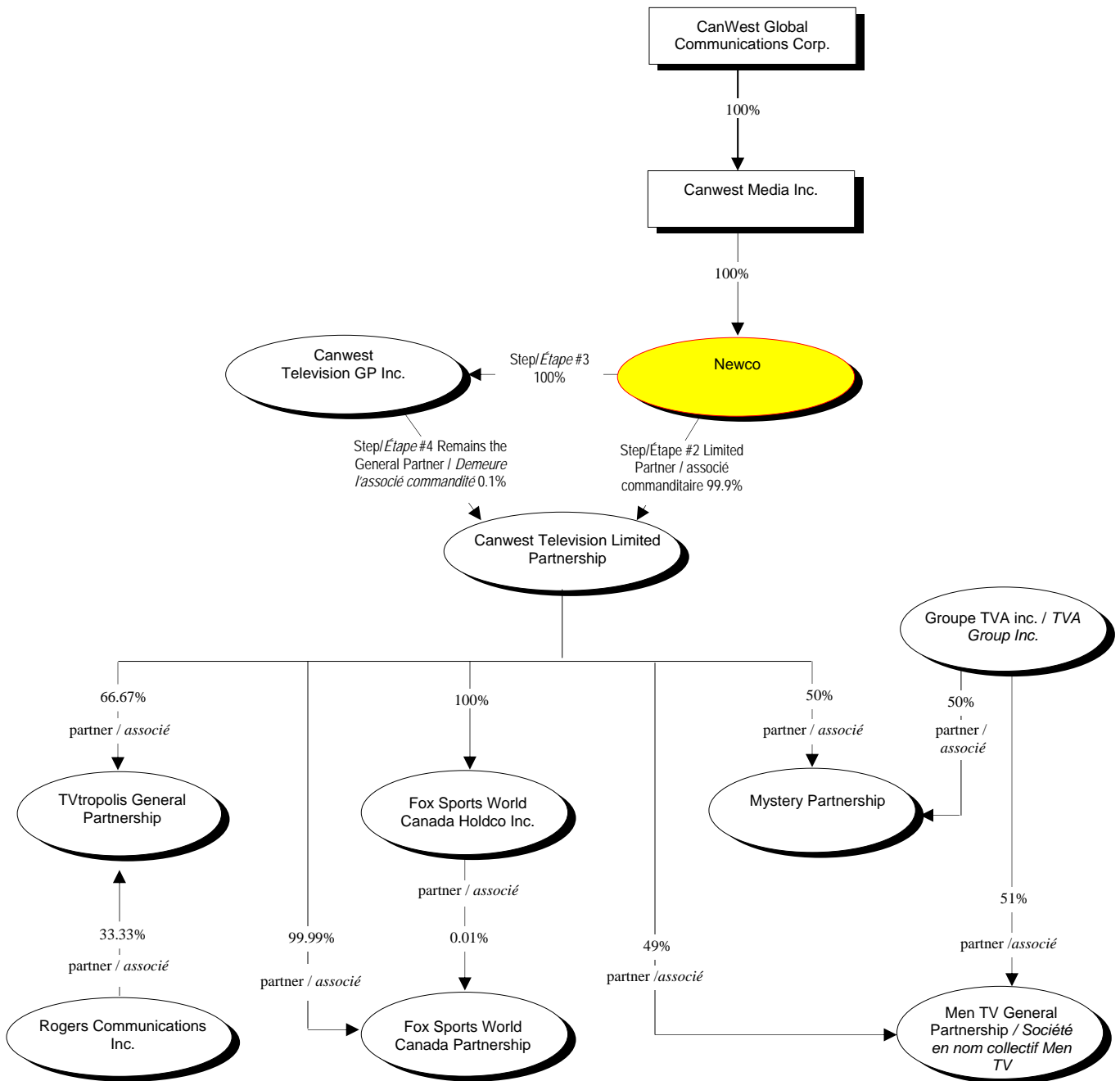


## Canwest Media Inc. Step #1/Étape #1



**Step #1/ Étape #1:** Dissolution of 4501063 Canada Inc. Following the dissolution, Canwest Television GP Inc. would become a wholly-owned subsidiary of Canwest Media Inc. / Dissolution de 4501063 Canada Inc. Suite à la dissolution, Canwest Television GP Inc. deviendra une filiale à part entière de Canwest Media Inc.

## Canwest Media Inc. Steps #2, 3 & 4 / Étapes #2, 3 & 4

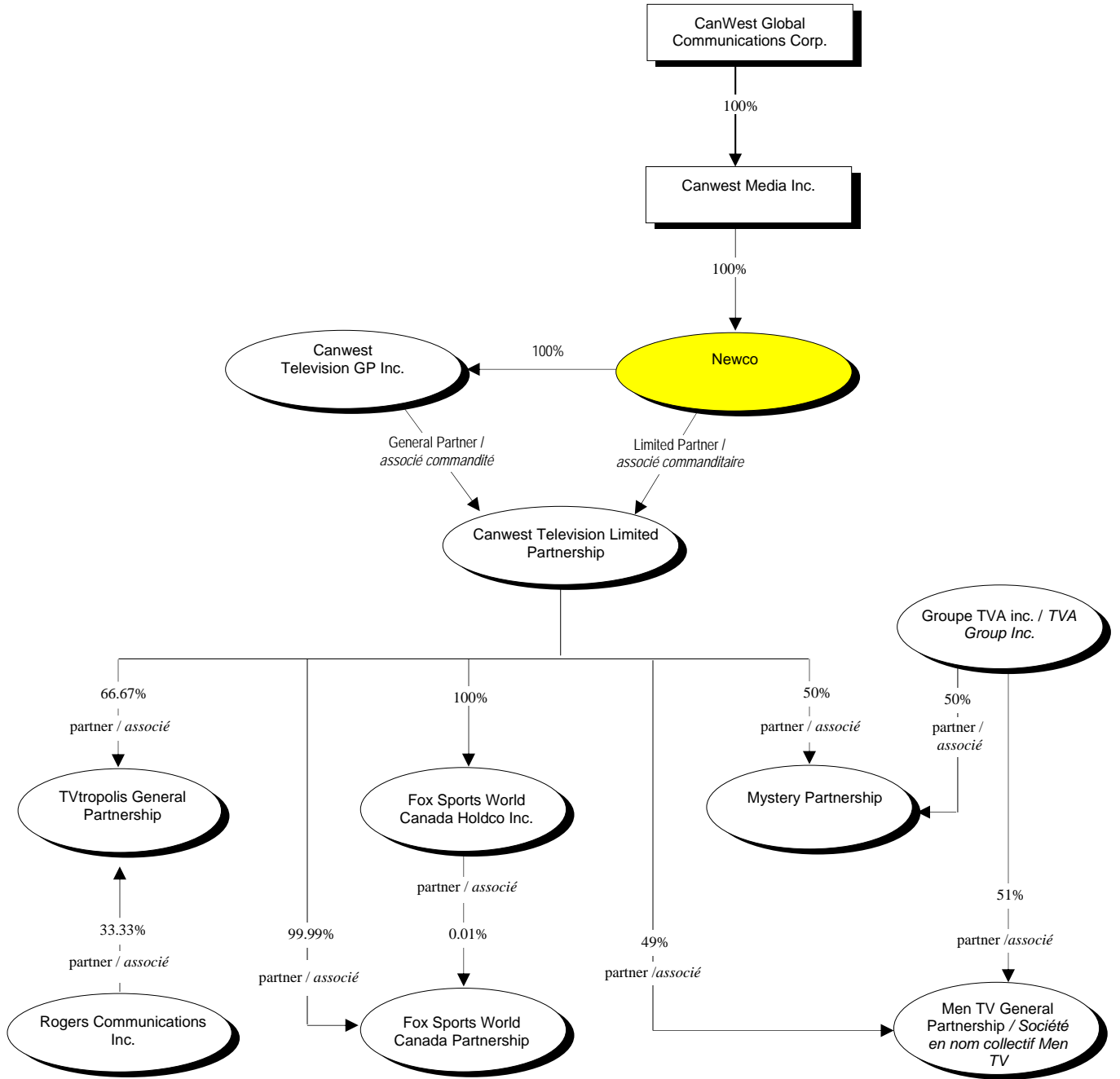


**Step #2/Étape #2:** Transfer of Canwest Media Inc.'s partnership interest in Canwest Television Limited Partnership to Newco / Transfert à Newco des unités de Canwest Media Inc. dans Canwest Television Limited Partnership

**Step #3/Étape #3:** Transfer of Canwest Media Inc.'s shares in Canwest Television GP Inc. to Newco/ Transfert à Newco des actions détenues par Canwest Media Inc. dans Canwest Television GP Inc.

**Step #4:** Canwest Television GP continues to own 0.1% partnership interest in Canwest Television Limited Partnership / Canwest Television GP continue de détenir 0.1% des unités dans Canwest Television Limited Partnership

**Canwest Media Inc.  
Final structure/Structure finale (Step #5 / Étape #5)**



**Appendix 2 to Broadcasting Notice of Consultation  
CRTC 2010-498  
(Application 2010-0550-5)**

**Final structure following Shaw's acquisition of Newco (a subsidiary of Canwest Media Inc.) and of CW Investments Co. / Structure finale à la suite de l'acquisition par Shaw de Newco (une filiale de Canwest Media Inc.) et de CW Investments Co.**

