



Broadcasting Decision CRTC 2016-125

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Reference: Part 1 application posted on 19 October 2015

Ottawa, 5 April 2016

Rogers Media Inc.
Across Canada

Application 2015-1184-0

Sportsnet 360 – Amendment to tangible benefits

*The Commission **approves** an application by Rogers Media Inc. for authority to expand the tangible benefits of the national English-language specialty Category A service Sportsnet 360.*

As a result, Rogers Media Inc. will be able to direct some of the \$2.5 million in tangible benefits earmarked exclusively for digital media production scholarships to initiatives that support student training and development in digital media at post-secondary learning institutions.

Introduction

1. In Broadcasting Decision 2013-207, the Commission approved an application by Rogers Media Inc. (Rogers) to purchase the national English-language specialty Category A service The Score (now known as Sportsnet 360) from The Score Television Network Ltd. As part of that decision, the Commission expected Rogers to expend \$17,217,405 over 5 consecutive years on initiatives that included a contribution of approximately \$2.5 million on digital media production scholarships for post-secondary learning institutions offering degrees in multimedia or digital media production.
2. Subsequently, Rogers filed the present application for authority to expand Sportsnet 360's tangible benefits. Specifically, Rogers requested to direct some of the \$2.5 million in tangible benefits earmarked exclusively for digital media production scholarships to initiatives that support student training and development in digital media at post-secondary learning institutions. Rogers estimated that this amount would be divided as follows:
 - 40% to scholarships;
 - 40% to equipment; and
 - 20% to new digital media courses.

3. In its discussions with various post-secondary learning institutions, Rogers indicated that it learned that while scholarship funding is always welcomed, there is also a pressing need to provide students with modern training facilities, access to industry-standard equipment and resources, and new course development. According to Rogers, its tangible benefits contributions would have a greater impact on the next generation of content producers if it were permitted to use them for scholarships, as well as for training and development in digital media.
4. Five letters in support from post-secondary learning institutions¹ were filed with this application. The Commission did not receive any interventions regarding this application.

Commission's analysis and decision

5. In Broadcasting Decision 2013-207, the Commission required that a benefits package represent 10% of the value of the transaction and be incremental to expenditures that would generally be considered a licensee's ongoing normal expenses. The Commission also required that such expenditures be directed to projects and initiatives that would not be undertaken or realized in the absence of the transaction and that these should generally flow to third parties, such as independent producers. These requirements were consistent with the tangible benefits policy at the time (outlined in Public Notice 1999-97) and were deemed in the public interest.
6. Since the publication of Broadcasting Decision 2013-207, the Commission has issued Broadcasting Regulatory Policy 2014-459, which sets out its new approach to tangible benefits. In that policy, the Commission stated that to ensure that future tangible benefits for television transactions be streamlined and directed mainly to the production of Canadian programming, it would generally require that at least 80% of such benefits be allocated to the Canada Media Fund (CMF) or various certified independent production funds, unless a compelling case is made that other measures could better meet the public interest. Of that amount, at least 60% must be directed to the CMF.
7. In the above policy, the Commission provided a list of eligible discretionary initiatives, such as direct grants and contributions to schools that offer educational programs focusing on broadcasting-related studies, including communications and journalism, so long as these grants and contributions are unrelated to the training of persons employed by either the purchaser or the undertaking to be purchased.
8. In light of the above, the Commission finds that Rogers' proposed change from only funding scholarships to also funding digital media development and training at post-secondary learning institutions is consistent with Broadcasting Regulatory Policy 2014-459.

¹ namely, from The Northern Alberta Institute of Technology, Kwantlen Polytechnic University, The College of Sports Media, Concordia University and Ryerson University

9. Accordingly, the Commission **approves** the application by Rogers Media Inc. for authority to expand the tangible benefits of the national English-language specialty Category A service Sportsnet 360. As a result, Rogers will be able to direct some of the \$2.5 million in tangible benefits earmarked exclusively for digital media production scholarships to initiatives that support student training and development in digital media at post-secondary learning institutions.

Secretary General

Related documents

- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *The Score – Change in effective control and licence renewal and amendment*, Broadcasting Decision CRTC 2013-207, 30 April 2013
- *Building on success – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999

**This decision is to be appended to the licence.*