



## **1. General information**

Part 1 of the Rules of Practice and Procedure, Broadcasting and Telecom Regulatory Policy CRTC 2010-958, provides the basic structure for a written proceeding that is initiated by an applicant who files an application with the Commission and serves any respondents. The Commission posts these applications on its website. The public is given an opportunity to file submissions as Interveners or Respondents within 30 days, and the applicant is given an additional 10 days to respond. The Commission examines all of the written submissions and issues a decision. These proceedings are generally referred to as "Part 1 proceedings."

Applicants that have any questions related to this application form may contact a Commission specialist at 1-866-781-1911.

### **1.1 Type of application**

**Select the type of undertaking**

Other

**Please specify:**

English Language Corus Group of Television Stations and Discretionary Services

### **1.2 Identification of applicant**

**Select the type of applicant:**

Corporation

**Name of legal entity who is authorized by the Commission to operate this undertaking:**

Corus Entertainment Inc.

**Call sign or name of service:**

See Appendix "3"

**Address:**

25 Dockside Drive

**City / Town:**

Toronto

**Province / Territory:**

Ontario

**Postal Code (A1A 1A1):**

M5A 0B5

**Telephone (999-999-9999):**

416-479-7000

**Facsimile (999-999-9999):**



**1.3 Contact person representing the applicant (if there is no designated representative under 1.5)**

**Name:**

Matt Thompson

**Title:**

Director, Regulatory Law and Public Policy

**Email (yourname@yourdomain.com):**

matt.thompson@corusent.com

**Telephone (999-999-9999):**

416-479-7000

**1.4 Sent By**

**Name:**

Asha Ross

**Telephone (999-999-9999):**

416-479-6555

**Email (yourname@yourdomain.com):**

asha.ross@corusent.com

**1.5 Designated representative**

**Is there a designated representative?**

No

**1.6 Declaration of the applicant or its designated representative**

**I, solemnly declare that:**

- a. I am the designated representative of the applicant named in this application and as such have knowledge of all matters declared therein.
- b. The statements made in this application, or any document filed pursuant to any request for further information by the Commission, are (will be) to the best of my knowledge and belief true in all respects.
- c. The opinions and estimates given in this application, or any document filed pursuant to any request for further information by the Commission, are (will be) based on facts as known to me.
- d. I have examined the provisions of the Broadcasting Act, the broadcasting regulations and policies relevant to this application.

**Name:**

Matt Thompson

**Signature date**

2019-09-05

**Witnessed by:**

**Name:**

Asha Ross

**Signature date**

2019-09-05

**At: (Example: city, province)**

Toronto, Ontario

**2. Procedural Request**

The Rules of Procedure allow an interested person to request that the Commission exercise a power under the Rules of Procedure or change the Rules of Procedure for a specific proceeding (sections 5 and 7). This is generally called a procedural request. You may consult the Guidelines on the CRTC Rules of Practice and Procedure, Broadcasting and Telecom Information Bulletin CRTC 2010-959 for more information.

**Is the applicant requesting that the Commission make an exception to its Rules of Procedure in the treatment of this application?**

No

**3. Application**

The Commission will return the application if it has not been duly completed. The onus will be on the applicant to submit a complete application that provides all of the relevant information, identify all regulatory issues raised in the application and provide supporting documentation.

**Submit a website address or email address where an electronic copy of the application may be requested: (required)****Website**[www.corusent.com](http://www.corusent.com)**3.1 Description of application****a. Provide a description of your application:**

Corus Entertainment Inc. ("Corus") requests amendments to a condition of licence attached to its English-language group of television stations and discretionary services. The condition in question – condition of licence #12(a), Broadcasting Decision CRTC 2017-150, Appendix 2 and Appendix 3 – specifies the amount and manner by which Corus may under-expend on Canadian programming in a broadcasting year. Corus specifically requests an increase of its maximum allowable under-expenditure limit from 5 percent to 10 percent, conditional on full payment of the total required Canadian Programming Expenditures ("CPE") being made by the end of the current licence term. To be clear, Corus is not requesting a reduction of its total CPE, which will be maintained over the current license term.

**b. Provide the rationale for the proposed amendment(s) including a clear and concise statement of the relevant facts as well as the grounds of the application:**

Corus has experienced significant revenue swings over the last two broadcasting years. Because CPE requirements are tied to licenced broadcasters' previous year's gross annual revenues, the swings of the last two years will drive a dramatic, unanticipated spike in Corus' CPE requirements for the 2019-2020 broadcasting year. That spike would require Corus to dramatically increase its investment in Canadian programming in a very short time frame. This



would require Corus to make sub-optimal programming investments and impede progress on our debt repayment strategy. Both events would leave our company in a more vulnerable financial position in coming years. Currently, the Commission permits us to under-expend our required CPE by up to 5 percent in a broadcasting year, provided that amount be made up in the following broadcasting year. However, that level of under-expenditure would be insufficient to moderate a revenue swing on the dramatic scale Corus has recently experienced. Accordingly, Corus seeks an increase in its permitted under-expenditure limit to 10 percent, and the flexibility to repay the amount of the under-expenditure by the end of the licence term, rather than the end of the following broadcasting year. To be clear, Corus will commit to repaying its full under-expenditure amounts by the end of its current license term on August 31, 2022, and these amendments would result in no net decrease in CPE investments over the current licence term. For further detail, please refer to Corus' supplementary brief attached as Appendix "1".

**c. Provide the nature of the decision sought:**

Corus requests amendments to a condition of licence attached to its English-language group of television stations and discretionary services imposed in Broadcasting Decision CRTC 2017-150. For further detail, please refer to Corus' supplementary brief attached as Appendix "1". We further request that this application be processed on an expedited basis.

**d. Specify the decision number which last renewed your licence (or issued the licence) and any other relevant CRTC decisions in relation to your amendment:**

Broadcasting Decision CRTC 2017-150

Broadcasting Decision CRTC 2018-335

**e. If this amendment is approved, will there be any programming changes as a result of this amendment?**

No

### **3.2 Accordance with Acts, Regulations and Policies**

It is important to remember that no matter what type of application you are filing, it will be reviewed not only in light of the Acts and their regulations, but also in light of the Commission's policies. Therefore, you must research any policies that might apply to your type of application and explain how the application addresses the policy. If your application proposes something that is not in line with the policy, you must explain why the policy is not appropriate in your circumstances. You may consult the related documents of your application under Forms and My CRTC Account for a list of Commission policies and regulations.

**a. Is this application for an amendment to a condition of licence to implement a regulatory policy of the Commission or to incorporate a standard condition?**

No

**b. Are there any Commission regulations, policies or practices that are relevant to your application?**

No

### **3.3 Other application(s) before the Commission**

**Are there one or more applications before the Commission regarding this undertaking?**

Yes



**Specify the application number(s) and provide a short description of the application(s) (e.g. technical amendment, amendment to conditions of licence, ownership transaction).**

Part 1 Application (2018-0974-0) – Application to Removing Advertising Time Limits on Discretionary Services as set out in Condition of Licence 18 of Appendix 2 to BRP 2016-436

Broadcasting Notice of Consultation CRTC 2019-67 – Call for comments on an amendment proposed by Bell Media Inc., Corus Entertainment Inc. and Rogers Media Inc. to their condition of licence that requires prime time programming to be broadcast with described video.

## **4. Financial analysis and considerations**

### **4.1 Will the proposed amendment result in a change to existing financial projections?**

Yes

### **4.2 Do you consider that your proposed amendment is necessary for the financial viability of your station?**

Yes

#### **a. Please provide a summary of what competitive challenges your station faces:**

Please see Appendix “1”

#### **b. What steps have you already taken to improve financial performance:**

Please see Appendix “1”

### **4.3 Please provide three years of financial projections (revenues and expenses), with and without approval of the proposed amendment(s) for:**

Commercial television

You must complete Appendix 1 (Commercial television) and append it in section 7 of this application.

### **4.4 Will the proposed amendment have a financial impact on other stations in the market?**

No

## **5. Respondents**

Pursuant to section 22(1)b) of the CRTC Rules of Procedure (“The Rules”), an application must be served on any respondent. A respondent is defined in section 1 of the Rules as “a person that is adverse in interest to an applicant”.

The onus is on applicants to clearly identify and provide service of the application to all respondents.

Determining who is a respondent to a particular application depends on the specific facts of the application. You can find additional information in the Guidelines on the CRTC Rules of Practice and Procedure, Information Bulletin CRTC 2010-959 that could greatly assist you in the determination of who could potentially be a respondent.

The table below lists the most common examples of respondents who must be served with an application. This list is not exhaustive, nor is it determinative, as the type of respondents may vary according to the particular circumstances of each application (e.g. technical, economic or other).



A person that believes it should have been served as a respondent may file a procedural request with the Commission requesting that they be considered as such. Such request may however cause delays in processing certain applications.

### Persons generally considered respondents

<b>Broadcasting</b>	
<b>Type of application</b>	<b>Respondents</b>
Radio amendments to remove specialty format	Existing radio stations (low-power or otherwise) licensed to serve the proposed market
Television and radio technical amendments	All television or radio stations whose originating or rebroadcasted signal would suffer interference or that would be required to vacate their frequency or be impacted economically
Television and radio amendments to add, remove or amend a condition of licence requiring expenditures to a specifically named initiative (i.e. Canadian content development contributions, tangible benefits)	The persons responsible for the named initiative(s) where the expenditures would be reduced or payment schedule altered
Amendment to the nature of service of a pay or specialty service	Category A television services with which the proposed service could be considered competitive
Broadcasting distribution undertaking amendments to distribute a distant signal	The local television station whose distant signal is proposed to be carried
Addition to the list of non-Canadian programming services authorized for distribution	Licensed Canadian pay and specialty television services with which the proposed service could be considered competitive

**In light of this table, have you provided service of your application on all respondents?**

N/A

## **6. Request for documents to be designated as confidential**

Sections 30 to 34 of the Implementation of new Rules of Practice and Procedure, Broadcasting and Telecom Regulatory Policy CRTC 2010-958, set out a process by which parties to Commission proceedings may file information on the record of a public proceeding in confidence.

A party filing information can "designate" it as confidential at the time it is filed with the Commission (section 31) if it falls into one of the following categories:

1. Information that is a trade secret;
2. Financial, commercial, scientific or technical information that is confidential and that is treated consistently in a confidential manner by the person who submitted it; or
3. Information the disclosure of which could reasonably be expected
  - i. To result in material financial loss or gain to any person;



- ii. To prejudice the competitive position of any person; or
- iii. To affect contractual or other negotiations of any person.

At the time that the party files the information it designates as confidential, it must provide an abridged version of the document along with an explanation of how the information falls into a category of information listed in section 31. The party must provide a detailed rationale to explain why the disclosure of the information is not in the public interest (section 32(1)).

The confidential version of the document must be filed separately and must be marked "CONFIDENTIAL" on each page. If the document is filed electronically, each file containing confidential information must include "confidential" in the file name.

The abridged version of the document and the reasons for the designation of information as confidential will be placed on the public record of the proceeding.

Please consult the Procedures for filing confidential information and requesting its disclosure in Commission proceedings, Broadcasting and Telecom Information Bulletin CRTC 2010-961 for complete process for filing confidential information.

**Are you requesting for some information to be designated as confidential?**

Yes

**Provide a detailed rationale to explain why the disclosure of the information is not in the public interest:**

Corus believes that certain information in Appendix 1 (Supplementary Brief) and Appendix 2 (Financial Projections and Analysis) to this application should not be placed on the public record. Accordingly, we respectfully request that it be treated as confidential pursuant to sections 31 and 32 of the CRTC Rules of Practice and Procedure and Broadcasting and Telecom Information Bulletin CRTC 2010-961, Procedures for filing confidential information and requesting its disclosure in Commission proceedings.

The information identified in these documents is commercially-sensitive and we consistently treat it as confidential. It includes forward-looking financial projections and references to budgetary performance, which are never disclosed publicly. Indeed, if this information were to be disclosed it could seriously prejudice our competitive position by revealing specific costs and strategies for our programming services to our competitors. We have included it here in order to provide the Commission with additional context for our application. We do not believe disseminating it more broadly would be in the public interest.

Corus has provided abridged versions of these documents for the public record.

**7. Documents to be appended to the application and naming convention of electronic documents**

Documents should be submitted in an accessible format (Broadcasting and Telecom Information Bulletin CRTC 2015-242)

The following documents should be submitted as separate electronic documents using the naming convention specified below. The document number (Doc#) indicates the ascending order in which the documents should appear on the public file.



The document name should not exceed 100 characters or include any special characters (% , \$ , & , / , () , # , etc).

The document should not be submitted in .xhtml format.

### **Additional documents (if necessary)**

All additional documents must use the following naming convention: Doc# - "Specify name of document" .

#### **Attached file(s)**

- Doc 3 - Appendix 3 - List of Corus English-language Basic Television and Discretionary Services.docx

### **Appendix 1 - Financial projections**

Appendix 1 document must use the following naming convention: Doc1 – Appendix 1 – Financial projections.

#### **Attached file(s)**

- Doc 1 - ABRIDGED VERSION - Appendix 1 Financial Analysis - 1.xlsx

### **Confidential document(s)**

All confidential documents must use the following naming convention: NOT WEB - Doc # - CONFDOC - "brief description of the document"

#### **Attached file(s)**

- NOT WEB - Doc 1 - CONFDOC - Appendix 1 Financial Analysis.xlsx
- NOT WEB - Doc 2 - CONFDOC - Appendix 2 Supplementary Brief.docx

### **Abridged version of each confidential document**

All abridged confidential documents must use the following naming convention: Doc # - ABRIDGED VERSION - "same description of document for which confidentiality is requested"

#### **Attached file(s)**

- Doc 1 - ABRIDGED VERSION - Appendix 1 Financial Analysis.xlsx
- Doc 2 - ABRIDGED VERSION - Appendix 2 Supplementary Brief.docx