



Broadcasting Notice of Consultation CRTC 2011-408

PDF version

Ottawa, 5 July 2011

Notice of application received

Across Canada

Deadline for submission of interventions/comments/answers: 4 August 2011

[\[Submit an intervention/comment/answer or view related documents\]](#)

The Commission has received the following application:

Applicant/Licensee and Locality

1. **Glassbox Television Inc.**
Across Canada
Application 2011-0797-0

Across Canada

Application No. 2011-0797-0

Application by **Glassbox Television Inc.** (Glassbox), seeking authority to effect a change to its effective control, pursuant to section 10(4)(a) of the *Specialty Services Regulations, 1990*.

Glassbox is the licensee of the national English-language Category 2 specialty television services known as AUX TV and Bite Television (formerly Short TV). It is also the parent company of 7506465 Canada Inc., licensee of the national English-language Category 1 specialty television undertaking known as travel + escape.

Glassbox is owned by a large number of shareholders and controlled by its board of directors.

The proposed transaction will be effected through various steps:

- Step 1: Blue Ant Media Inc. (Blue Ant) acquired, on 8 April 2011, 28.9% of the voting shares in Glassbox.
- Step 2: Blue Ant would purchase treasury shares to increase its ownership to 37.8%.
- Step 3: Blue Ant would purchase additional voting shares in Glassbox owned by certain shareholders, which in turn would become shareholders in Blue Ant. Blue Ant's voting equity would increase to 84.3%.

- Step 4 - Remaining shareholders could convert their shares for shares in Blue Ant.

As a result, effective control of Glassbox would be exercised by Blue Ant, a corporation controlled by Mr. Michael MacMillan.

The total purchase price for the various transfers covered in the steps set out above amounts to \$32.5 million, of which \$10 million is assigned to travel + escape and \$5 million is assigned to each of AUX TV and Bite Television.

The applicant proposes to pay \$1 million in tangible benefits, representing 10% of the total \$10 million value of AUX TV and Bite Television.

The applicant submits that benefits should not be imposed on the purchase of travel + escape, given that it was recently acquired by Glassbox (Broadcasting Decision CRTC 2010-792, 26 October 2010). A tangible benefits package of \$1 million was put in place for that transaction, and the applicant has confirmed that it will pay that amount. Should the Commission require further tangible benefits for travel + escape, the applicant proposes to contribute an additional \$1 million to its production fund.

In the event that new benefits are required for travel + escape, the applicant requests permission to allocate 50% of the new benefits money to independent production.

The applicant requests the flexibility to be permitted to allocate these monies between new media and regulated platforms with no cap on stand-alone new media projects.

The applicant proposes to defer by one year the commencement of payments of new tangible benefits as well as the establishment of a method for measuring incrementality.

The Commission invites comments on the proposed transaction.

Applicant's address:

c/o McCarthy Tétrault LLP
TD Bank Tower
Suite 5300
Toronto, Ontario
M5K 1A6

E-mail: gbuck@mccarthy.ca

E-mail to request electronic version of application: babramson@mccarthy.ca

Procedure

Deadline for interventions or answers

4 August 2011

The new *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure*, SOR/2010-277 (the Rules of Procedure), set out, among other things, the rules for filing, content, format and service of interventions, the procedure for filing confidential information and requesting its disclosure, and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and its accompanying documents, which can be found on the Commission's website under "CRTC Rules of Practice and Procedure."

This notice may announce applications that would normally be subject to the written process described in Part 1 of the Rules of Procedure, but that were filed before 1 April 2011. An explanation in this regard is set out in *Implementation of new Rules of Practice and Procedure*, Broadcasting and Telecom Regulatory Policy CRTC 2010-958, 23 December 2010.

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

Interventions and answers from respondents will be considered by the Commission and will form part of the public record of the proceeding without further notification to parties, provided the procedures set out in the Rules of Procedure and this notice have been followed. Parties will be contacted only if their submissions raise procedural questions.

Interventions or answers must be submitted to the Secretary General of the Commission in **only one** of the following formats:

by using the

[\[Intervention/comment/answer form\]](#)

or

by mail to

CRTC, Ottawa, Ontario K1A 0N2

or

by fax at

819-994-0218

A true copy of each intervention or answer from a respondent must be sent to the applicant and, in the case of a respondent to an application, to any other respondent.

The Commission advises those who file and serve by electronic mode to exercise caution when using e-mail for service of documents, 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 was completed. The sender must keep proof of the sending and the receipt of the document for 180 days after the day on which it is filed.

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 altered during electronic transmission.

Interventions and answers 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.

Important notice

All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, facsimile, e-mail or through the Commission's website at 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 parties and interested persons to monitor the record of the proceeding, available on the Commission's website, for additional information that they may find useful when preparing their submissions.

Examination of documents

An electronic version of the application is available on the Commission's website by selecting the application number within this notice. It is also available from the applicant/licensee, either on its website or upon request by contacting the applicant/licensee at its email address, provided above.

A list of all interventions and answers will also be available on the Commission's website. The list is accessible by selecting "View all proceedings open for comment" from the "Public Proceedings" section of the Commission's website and by clicking on the "Interventions/Answers" link associated with this notice.

Documents are also available during normal office hours at the Commission offices and documentation centres directly involved with this application 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

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Secretary General