



## Broadcasting Decision CRTC 2004-2

Ottawa, 7 January 2004

**1403318 Ontario Limited and Stornoway Communications General Partner Inc., the partners of Stornoway Communications Limited Partnership  
Across Canada**

*Application 2003-1211-6  
Public Hearing in the National Capital Region  
17 November 2003*

### **Transfer of assets – Intra-corporate reorganization**

*The Commission **approves** the transfer of assets of one Category 1 and three Category 2 specialty services.*

### **The application**

1. The Commission received an application by 1403318 Ontario Limited (the numbered company) and Stornoway Communications General Partner Inc. (Stornoway GP Inc.), these being the two continuing partners of Stornoway Communications Limited Partnership (Stornoway LP), for authority to acquire the assets of the Category 1 specialty service Issues Channel (ichannel), and of the Category 2 specialty services bpm:tv, The Pet Network and @work.ca, from the three original partners in the ownership of these four broadcasting undertakings, namely Cogeco Diffusion inc. (Cogeco), the numbered company and Stornoway GP Inc.<sup>1</sup> The application requested authority to continue the operation of these undertakings under the same terms and conditions as currently apply.
2. The Commission received no intervention in connection with this application.

### **The Commission's analysis and determination**

3. The Commission notes that the transaction is analogous to an intra-corporate reorganization, in that the partnership units held by one existing partner (Cogeco) would be transferred to another (the numbered company), while control of Stornoway LP would not change, but would continue to be held by Stornoway GP Inc. in its capacity as the general partner in Stornoway LP. Accordingly, the Commission **approves** the application.

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<sup>1</sup> In *The Issues Channel – a new specialty channel*, Decision CRTC 2000-463, 14 December 2000, the Commission approved the application by Cogeco, the numbered company and Stornoway GP Inc., the original partners of Stornoway LP, for authority to operate the Category 1 specialty service, Issues Channel (ichannel). In *The Dance Channel*, Decision CRTC 2000-690, @work.ca, Decision CRTC 2000-691, and *The Pet Network*, Decision CRTC 2000-692, all dated 14 December 2000, the Commission approved the applications by these same three original partners of Stornoway LP for authority to operate the Category 2 specialty services having the brand names bpm:tv (formerly the Dance Channel), the Pet Network and @work.ca.

4. The Commission will issue licences to the two continuing partners of Stornoway LP, in respect of the specialty services ichannel and bpm:tv, upon surrender by the original partnership of the current licences for these two services. The Commission has not yet issued the licences for The Pet Network and @work.ca, nor will it do so at this time, as neither has met the minimum licensing requirements that that it have an agreement with at least one broadcasting distribution undertaking for the carriage of the service; and that the service be prepared to commence operations.
5. The licence for each service, including those for The Pet Network and @work.ca, when issued, will expire 31 August 2007, this being the same expiry date as that set out in the original licensing decisions. Each licence will be subject to the conditions set out in *Introductory statement – Licensing of new digital pay and specialty services – Corrected Appendix 2*, Public Notice CRTC 2000-171-1, 6 March 2001 as well as to the conditions specified for each service in its original licensing decision.
6. However, the licences for the Pet Network and @work.ca will only be issued, in each case, when the licensee has satisfied the Commission, with supporting documentation, that the following requirements have been met:
  - the licensee has entered into a distribution agreement with at least one licensed broadcasting distribution undertaking; and
  - the licensee has informed the Commission in writing that it is prepared to commence operations. The undertaking must be operational at the earliest possible date and in any event no later than 24 November 2004.
7. Only recently, in *Deadline to commence operation of Category 2 specialty and pay television services*, Broadcasting Decision CRTC 2003-599, 16 December 2003 (Decision 2003-599), the Commission approved applications for extensions to the implementation deadline for numerous services, including The Pet Channel and @work.ca. The Commission advises the applicant that, as stated in Decision 2003-599, the extension to 24 November 2004 is the final extension it will grant, and that no licence will be granted for a service unless it has commenced operations by that date.

Secretary General

*This decision is to be appended to each licence. It is available in alternative format upon request, and may also be examined at the following Internet site: <http://www.crtc.gc.ca>*