



Broadcasting Decision CRTC 2005-380

Ottawa, 3 August 2005

Insight Sports Ltd., on behalf of a corporation to be incorporated Across Canada

*Application 2005-0008-4
Public Hearing at Niagara Falls, Ontario
6 June 2005*

The Soccer Net – Category 2 specialty service

*In this decision, the Commission **approves** the application for a broadcasting licence to operate a new Category 2 specialty programming undertaking.*

The application

1. The Commission received an application by Insight Sports Ltd., on behalf of a corporation to be incorporated, (Insight Sports) for a broadcasting licence to operate a national English-language Category 2¹ specialty programming undertaking to be known as The Soccer Net.
2. The applicant proposed to offer a service that would be devoted to soccer and soccer enthusiasts. The programming would focus on instruction from beginner to advanced play, and for both amateur and professional soccer games. All of the programming would be drawn from the following categories, as set out in Schedule 1 of the *Specialty Services Regulations, 1990*: 1 (News), 2a (Analysis and interpretation), 2b (Long-form documentary), 5b (Informal education/Recreation and leisure), 6a (Professional sports), 6b (Amateur sports), 7c (Specials, miniseries or made-for TV feature films), 7d (Theatrical feature films aired on TV), 11 (General entertainment and human interest), 12 (Interstitials), 13 (Public service announcements), and 14 (Infomercials, promotional and corporate videos).
3. The applicant stated that no more than 5% of all programming broadcast during each broadcast week would be drawn from Category 7 (Drama and comedy) and Category 11 (General entertainment and human interest). The applicant also indicated that all of the programming would be devoted to soccer or soccer-related subjects.

¹ The Category 2 services are defined in *Introductory statement – Licensing of new digital pay and specialty services*, Public Notice CRTC 2000-171, 14 December 2000.

Interventions

4. The Commission received an intervention in opposition to this application by Rogers Media Inc., on behalf of Rogers SportsNet Inc. (Rogers), the licensee of the specialty programming undertaking known as SportsNet. In its intervention, Rogers stated that soccer programming is an important part of SportsNet's programming mandate. The intervener added that, not only does SportsNet focus on the carriage of the very best in international soccer, but it has also dedicated significant resources to cover Canadian matches. Rogers indicated that the revenues generated from international soccer allow it to provide viewers with the very best in Canadian soccer. It contended that Canadian viewers already have access to vast amounts of international soccer.
5. Rogers also expressed concern about the fact that the applicant did not provide any details about the type of international soccer it would broadcast, nor the extent to which it would cover Canadian soccer. According to Rogers, The Soccer Net would merely seek out rights for international soccer and limit its coverage of Canadian soccer.
6. Rogers also reminded the Commission that scheduling problems experienced during the summer months by Fox Sports World Canada (FSW), a Category 2 service devoted to the sports of soccer, rugby and cricket, caused the licensee to file an application for an amendment to its licence, which was approved in *Fox Sports World Canada – Licence amendment*, Broadcasting Decision CRTC 2005-4, 12 January 2005 (Decision 2005-4). Finally, Rogers contended that the proposed service would compete directly with SportsNet and negatively impact its continued ability to provide programs on both Canadian and international soccer.

Applicant's response

7. In response, the applicant reiterated that The Soccer Net would be devoted exclusively to soccer. It indicated that, in Decision 2005-4, the Commission allowed FSW, a launched Category 2 service that devotes 87% of its schedule to soccer and soccer-related programming, 10% flexibility to compete in all sports genres with SportsNet. The applicant added that, at the most, there would be an overlap of less than 6% in the programming broadcast by SportsNet and that offered by The Soccer Net. The applicant also pointed out that the licensees of other sports services such as The Sports Network, and FSW did not file interventions to the present application.

Commission's analysis and determination

8. In *Licensing framework policy for new digital pay and specialty services*, Public Notice CRTC 2000-6, 13 January 2000, the Commission implemented a competitive, open-entry approach to licensing Category 2 services. In *Introductory statement - Licensing of new digital pay and specialty services*, Public Notice CRTC 2000-171, 14 December 2000, and Public Notice CRTC 2000-171-1, 6 March 2001 – *Corrected Appendix 2*, (Public Notice 2000-171-1) the Commission adopted a case-by-case approach in determining

whether a proposed Category 2 service should be considered directly competitive with an analog pay or specialty or existing Category 1 service, although not with an existing Category 2 service. The Commission examines each application in detail, taking into consideration the proposed nature of service and the unique circumstances of the genre in question.

9. In the present case, the Commission is satisfied that The Soccer Net's proposed nature of service is sufficiently specific so as to ensure that it will not be directly competitive with any analog pay or specialty or existing Category 1 service, including SportsNet. The Commission notes that FSW also broadcasts a significant amount of soccer-related programs. The Soccer Net will offer programming exclusively related to soccer. In comparison, SportsNet offers a more broadly-based service. The Commission further notes that the applicant will not devote more than 5% of all programming broadcast during the broadcast week to programs drawn from category 7 (Drama and comedy) and category 11 (General entertainment and human interest).
10. In light of the above, the Commission is satisfied that the application is in conformity with all applicable terms and conditions announced in Public Notice 2000-171-1. Accordingly, the Commission **approves** the application by Insight Sports Ltd., on behalf of a corporation to be incorporated, for a broadcasting licence to operate the national English-language Category 2 specialty programming undertaking, The Soccer Net.
11. The licence will expire 31 August 2011, and will be subject to the **conditions** set out in Public Notice 2000-171-1, as well as to the **conditions** set out in the appendix to this decision.

Issuance of the licence

12. A licence will be issued once the applicant has satisfied the Commission, with supporting documentation, that the following requirements have been met:
 - an eligible Canadian corporation has been incorporated in accordance with the application in all material respects;
 - the applicant has entered into a distribution agreement with at least one licensed distributor; and

- the applicant 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 36 months from the date of this decision, unless a request for an extension of time is approved by the Commission before 3 August 2008. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before that date.

Secretary General

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

Appendix to Broadcasting Decision CRTC 2005-380

Conditions of licence

1. The 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.
2. The licensee shall provide a national English-language Category 2 specialty programming undertaking devoted to soccer and soccer enthusiasts. The programming will focus on instruction from beginner to advanced play and on amateur and professional soccer games. All of the programming will be devoted to soccer or soccer-related subjects.
3. The programming shall be drawn exclusively from the following categories, as set out in Schedule I to the *Specialty Services Regulations, 1990*, as amended from time to time:
 - 1 News
 - 2 (a) Analysis and interpretation
(b) Long-form documentary
 - 5 (b) Informal education/Recreation and leisure
 - 6 (a) Professional sports
(b) Amateur sports
 - 7 (c) Specials, mini-series or made-for-TV feature films
(d) Theatrical feature films aired on TV
 - 11 General entertainment and human interest
 - 12 Interstitials
 - 13 Public service announcements
 - 14 Infomercials, promotional and corporate videos
4. No more than 5% of all programming broadcast during the broadcast week shall be programming drawn from category 7 (Drama and comedy) and category 11 (General entertainment and human interest).

For the purposes of the conditions of this licence, including condition of licence no. 1, *broadcast day* shall have the same meaning as that set out in the *Television Broadcasting Regulations, 1987*, or any other period approved by the Commission.