



**Canadian
Association of
Broadcasters**

**L'Association
canadienne des
radiodiffuseurs**

August 16, 2004

VIA E-MAIL

Mr. Charles Dalfen
Chair
Canadian Radio-television and Telecommunications Commission
1, Promenade du Portage
Gatineau, Québec
K1A 0N2

Dear Mr. Dalfen,

The CAB, as representative of the vast majority of Canada's privately-owned television, radio and specialty, pay and pay-per-view services, is pleased to provide a progress report on the legal and public affairs activities undertaken by the CAB over the past several months, with respect to signal theft.

The Chair of the CAB Signal Theft Task Force, M. Luc Perreault, continues to act as co-Chair to CASST, and continues to spearhead the CAB's anti-piracy activities.

Legal:

Since the last update, the CAB and its members have continued to pursue businesses that deal in illegal satellite reception equipment.

Further to our last report, we were successful in bringing a contempt charge against one Quebec-based defendant who ignored the injunction arising from a settlement agreement. We continue to monitor his activities to ensure compliance with the Minutes of Settlement and associated injunction.

A settlement on identical terms as the Quebec defendant has been reached with one Ontario-based defendant who is no longer in the business, and a second Ontario-based defendant will be approached in the near future to ascertain if a settlement is possible, based on circumstances surrounding that case. We are investigating the validity of claims made by a third Ontario-based defendant to the effect that they are now out of the "black and grey market business." We are investigating whether a fourth Ontario-based defendant is carrying on business in violation of an injunction of the Federal Court, including possible sales of the "Blackbird" decoder.

Also, on 17 June 2004, I, and a number of other broadcasting industry witnesses, gave testimony in a prosecution against two Drummondville defendants, who raised a Charter argument in their defence. As this is the first case in which a court will rule based on the Government of Canada filing a full Charter argument, the CAB will monitor the outcome of the proceeding carefully (a ruling is expected on October 1, 2004).

Finally, on July 8 2004, a Quebec judge sentenced two dealers of illegal satellite reception equipment to 60 days in jail, and a \$25,000 fine. The CAB, through CASST, applauded this decision in its August 9th press release, attached for your reference.

Public Affairs:

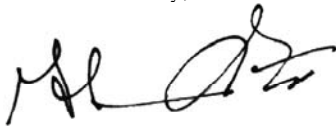
The CAB continues to work through CASST on public affairs activities designed to increase the awareness of the public and decision makers on this issue with respect to the need for enforcement, legal actions and increased penalties under federal legislation.

With new ministers in relevant portfolios and new senior officials in related line departments, the Canadian broadcasting industry is committed to keeping this issue at the forefront of the Government's agenda.

The introduction to the Canadian market of the "Blackbird" decoder underscores the need for this issue to remain a top priority on the Government's legislative agenda, and the need for continued diligence on the file by all government stakeholders.

The CAB would be pleased to respond to any questions or concerns relating to this progress report.

Yours sincerely,



Glenn O'Farrell
President and CEO

Encl.

- cc. Louis Audet, President and CEO, COGECO Inc.
Ian Greenberg, President and CEO, Astral Media Inc.
Tim McGee, President, Bell ExpressVu
Pierre Karl Péladeau, President and CEO, Québecor Inc.
Ted Rogers, President and CEO, Rogers Communications Inc.
Michael Sabia, President and CEO, BCE Inc.
Jim Shaw, CEO, Shaw Communications Inc.
Jay Switzer, President and CEO, CHUM Ltd.
Michael Hennessey, President and CEO, CCTA
CAB Signal Theft Task Force

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CASST CCVSS

Canadian Association of
Broadcasters / Association
canadienne des radiodiffuseurs

Canadian Cable Television
Association / Association canadienne
de télévision par câble

Canadian Film and Television
Production Association / Association
canadienne de production de films et
de télévision

Canadian Television Fund / Fonds
canadien de télévision

Canadian Motion Pictures
Distributors Association /
Association canadienne des
distributeurs de films

Canadian Retransmission Collective/
Société collective de retransmission
du Canada

Bell ExpressVu

Canadian Motion Picture Distributors
Association (CMPDA) - Anti-Piracy
Operations / Association Canadienne
des Distributeurs de Film - Division
des Enquêtes

North American Broadcasters
Association

Society of Composers, Authors,
Music Publishers of Canada / Société
canadienne des auteurs,
compositeurs et éditeurs de musique

Star Choice

A & E Television Networks

Directors Guild of Canada / La guilde
canadienne des réalisateurs

DIRECTV

CBC / Radio-Canada

Vidéotron Ltée

Broadcasting Industry Applauds Sentencing of Dealers in Illegal Satellite Equipment

OTTAWA, 9 August, 2004 – The Coalition Against Satellite Signal Theft (CASST) applauds a recent sentencing of two dealers in illegal satellite equipment. Delivered on July 8th by a Quebec judge, the sentence for Joshua and Hanan Lis includes an order for each of them to pay a fine of \$25,000 and serve 60 days in jail, beginning August 9, 2004, pending an outstanding appeal.

“We are pleased with the judge’s precedent-setting sentencing for these two dealers who have been running an illegitimate business trafficking in illegal satellite equipment used to steal TV signals,” said Chris Frank, co-director, CASST.

The scheme run by the Lis brothers was one of the most significant operations dealing in illegal satellite equipment in Canada with more than \$500,000 in illegitimate inventory and equipment with a potential retail sales value of more than \$1 million.

“The Canadian broadcasting industry is encouraged by the increasing efforts of law enforcement agencies to prosecute those dealing in illegal satellite equipment,” said Glenn O’Farrell, President and CEO of the Canadian Association of Broadcasters. “We applaud the stiffer punishments imposed by the judicial system against these illegal dealers and will again be calling on government to increase the penalties under the *Radiocommunication Act*.”

Television signal theft diverts funds away from tens of thousands of Canadian writers, actors, directors and producers employed in Canada’s TV broadcasting industry, as well as our domestic broadcasters and distributors. It is estimated that as many as seven hundred and fifty thousand Canadian households may be receiving satellite television illegally, costing the Canadian broadcasting system about \$400 million each year.

CASST is made up of the Canadian Association of Broadcasters, Canadian Cable Television Association, Canadian Film and Television Production Association, Canadian Television Fund, Canadian Motion Picture Distribution Association and their members. It also includes A&E Television Networks, Bell ExpressVu, CBC/Radio-Canada, Canadian Motion Pictures Distributors Association - Anti-Piracy Operations, Canadian Retransmission Collective, Directors Guild of Canada, DIRECTV, North American Broadcasters Association, Society of Composers, Authors, Music Publishers of Canada, Star Choice and Vidéotron Ltée.

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For more information visit www.casst-ccvss.ca or contact:

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