

February 16, 2004

Canadian
Association of
Broadcasters

L'Association
canadienne des
radiodiffuseurs

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.

Legal:

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

The civil action in the Federal Court involving the CAB and CCTA continues to progress. During the fall settlement agreements were entered into with the 3 Quebec-based defendants wherein they agreed to voluntary injunctions against any activities in violation of the *Radiocommunication Act*. However, not all the terms of these agreements have been met and Court Orders have been obtained compelling compliance.

In addition, a hearing has been scheduled for February 24, 2004, in Montreal to determine whether one of the defendants will be found in contempt of the voluntary injunction.

As for the actions against the remaining Ontario-based defendants, preparations are well underway to move to the next step in the trial process.

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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.

CASST has just completed the third cycle of its bilingual multimedia campaign with the broadcast of the PSA *Dad you steal / Mais Papa, tu voles* (produced by Shaw Cable and adapted in French by Vidéotron), that ran from October 27, 2003 to January 25, 2004. This campaign has been extended for one month in French as some broadcasters' reception of the video was delayed. Throughout the various cycles of this campaign, private broadcasters have committed millions in airtime. The coalition will also arrange a fourth cycle of the PSA to run in early Summer 2004.

Special mention should go to private radio broadcasters, many of whom have no specific ownership stake in television or specialty services, but whose unwavering support for this initiative ensured Canadians everywhere heard the message *Theft is Theft*. The CAB Television Board and Specialty and Pay Board officially recognized the contribution of CAB radio members to this campaign during the CAB Board meeting in Québec in November 2003.

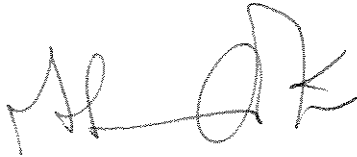
With new ministers in relevant portfolios and new senior officials in related line departments, the Canadian broadcasting industry is committed to keeping this issue at the forefront of the Government's agenda.

In order to maintain visibility, CASST has developed a new communications strategy, elements of which will be initiated following the expected Spring election. In preparation CASST is reviewing the available research in order to update data with respect to signal theft.

In the meantime, all CASST members have been encouraged to highlight this issue at all opportunities, during conferences, speaking engagements, in the media, in customer communications, and when meeting with decision makers. The Shaw/Vidéotron *Dad you steal/ Mais Papa, tu voles* PSA will also be made available to air during receptions and in registration areas at industry events. Web site information, fact sheets and supporting documentation will be updated to reflect current 2004 information. Throughout all these activities ongoing proactive media relations will be maintained.

The CAB thanks you for your ongoing leadership on this crucial file, and would be pleased to respond to any questions or concerns relating to this progress report, and/or the attached reporting template.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G O Farrell', written in a cursive style.

Glenn O'Farrell
President and CEO

- 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, A/President and CEO, CCTA
- CAB Signal Theft Task Force