



Canadian
Association of
Broadcasters

L'Association
canadienne des
radiodiffuseurs

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April 5, 2006

SENT VIA EMAIL

Ms. Diane Rhéaume
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Ms. Rhéaume:

Re: Broadcasting Public Notice CRTC 2006-24 – Application No. 2005-1504-1 to reorganize the corporate structure of Bell Globemedia Inc. (BGM)

1. The Canadian Association of Broadcasters (CAB) – the national voice of Canada's private broadcasters, representing the vast majority of Canadian programming services, including private television and radio stations, networks and specialty, pay and pay-per-view television services – is pleased to submit these comments in relation to the above-noted application.
2. The CAB's interest in this application is limited to one policy issue raised by the Commission in its deficiency questions, namely, the applicability of the Commission's benefits policy in the circumstances of this particular corporate reorganization.
3. In its application, BGM has argued that the normal requirement for tangible benefits in the context of an application that results in a change in control of a programming undertaking does not apply in the current situation. In support of this position, BGM has noted a number of relevant factors including the following:
 - approval of this application would result in a corporate reorganization of the existing shareholding and the introduction of two new minority shareholder;

- while BCE Inc. would no longer be the controlling shareholder of BGM, no other entity is acquiring control; and
 - the majority of shares following the reorganization remain with the existing shareholders.
4. The CAB supports BGM's position that, in these circumstances, the Commission's normal policy requiring tangible benefits equivalent to 10% of the value of the transaction should not apply.
 5. The CAB agrees that the benefits policy should not be applicable where no other shareholder or entity is acquiring control of the programming undertaking. The CAB notes BGM's analysis of Commission decisions respecting numerous transfers of control applications that support this position.
 6. Furthermore, the CAB submits that to impose benefits in a circumstance where new minority shareholders become involved would act as a disincentive for new players, and in particular new minority investors, in the Canadian broadcasting system.
 7. For these reasons, the CAB believes that additional benefits should not be payable or required in the above-noted application.

Sincerely,



Glenn O'Farrell
President and CEO

c.c. Bell Globemedia Inc. (dspodek@ctv.ca)

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