



Canadian  
Association of  
Broadcasters

L'Association  
canadienne des  
radiodiffuseurs

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May 25, 2006

*Sent via Email*

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

Dear Ms. Rhéaume:

**Re: Broadcasting Notice of Public Hearing CRTC 2006-4, Item 21 –  
Application No. 2005-0470-6 by Saskatchewan Telecommunications  
(SaskTel) for a broadcasting licence to carry on a national English-  
language terrestrial pay-per-view (PPV) programming undertaking**

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 comments pertain only to that portion of the PPV service that is linked to SaskTel's proposed outlet for local expression. Specifically, SaskTel intends to offer live events at no charge to the subscribers of its broadcasting distribution undertaking (BDU) under the auspices of the proposed PPV licence, as part of the programming provided by its outlet for local expression. All other programming provided by its outlet for local expression would be offered under the auspices of its licensed video-on-demand (VOD) service, which would provide its BDU subscribers with community programming available on demand 24 hours per day, seven days per week. All programming offered through this service would be subject, by way of condition of licence, to policy and regulatory requirements similar to those applicable to programming provided on cable community channels.

3. The CAB previously addressed SaskTel's proposal to offer an outlet for community expression in its intervention dated March 23, 2006 concerning applications to amend its VOD and BDU licences (Broadcasting Public Notice CRTC 2006-18). As noted in that intervention, the CAB stated that it does not oppose in principle the provision of an on-demand local community programming service by SaskTel, should the Commission determine that it is appropriate to authorize such a service, provided it complies with all relevant policy and regulatory requirements generally applicable to community channels. These requirements include, but are not limited to, adherence to the Commission's policies and guidelines pertaining to sponsorship messages contained within community channel programming.
4. The CAB also wishes to reiterate its concern about a fundamental element of SaskTel's proposal that departs significantly from the established community channel policy framework. SaskTel has proposed that funding for its outlet for local expression would consist not only of 2% of the gross revenues derived from the broadcasting activities of the BDU with which it is associated, but would also include 2% of the gross revenues of its VOD undertaking and 2% of the gross revenues of the PPV service proposed in this application.
5. The CAB again submits that, in keeping with the principle that the proposed community programming service should be subject to the relevant policy and regulatory requirements generally associated with cable community channels, it would be inappropriate to authorize funding for this service over and above 2% of the gross revenues derived from the broadcasting revenues of SaskTel's BDU. To authorize additional funding from the proposed PPV service would unduly decrease SaskTel's contribution to independent production funds. Furthermore, it would create a precedent that would encourage other BDUs with integrated PPV services to adopt a similar funding model for their own outlets for local expression, again to the detriment of the independent production sector.
6. The CAB appreciates the opportunity to participate in this proceeding.

Yours sincerely,



Wayne Charman  
Vice-President  
Television and Specialty & Pay Services

c.c. SaskTel ([document.control@sasktel.sk.ca](mailto:document.control@sasktel.sk.ca))

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