



May 16, 2012

Mr. John Traversy
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario K1A 0N2

Filed Electronically

Dear Mr. Traversy:

**Re: Broadcasting Notice of Consultation CRTC 2012-214: Item 1
Application by Bell ExpressVu Limited Partnership (“Bell”) to renew the
broadcasting licence for its satellite relay distribution undertaking (“SRDU”)
serving communities throughout Canada
Application 2011-0950-5**

1. The Canadian Media Production Association (“the CMPA”)¹ appreciates this opportunity to provide the following comments regarding the above-noted application.

Background

2. On 27 May 2011, the Commission issued Broadcasting Notice of Consultation CRTC 2011-350 in which it sought comment on a possible exemption order respecting SRDUs.² The proposed exemption order which the Commission set out as part of the notice included the obligation to contribute a minimum of 5% of the SRDU’s annual gross revenues derived from broadcasting activities to the creation and presentation of Canadian programming. This obligation was already established in the SRDUs’ conditions of licence (“the contribution obligation COLs”).

¹ The CMPA represents the interests of screen-based media companies engaged in the production and distribution of English-language television programs, feature films, and new media content in all regions of Canada. The CMPA’s 400 member companies are significant employers of Canadian creative talent and assume the financial and creative risk of developing original content for Canadian and international audiences.

² <http://www.crtc.gc.ca/eng/archive/2011/2011-350.htm>.

3. On 14 February 2012, the Commission issued Broadcasting Regulatory Policy CRTC 2012-94³ in which it determined it would continue to license SRDUs. Amongst other things, the Commission also confirmed the importance of the on-going financial contributions by SRDUs to Canadian programming.
4. In the comments it filed in response to BNC 2011-350, Rogers Media Inc. (“Rogers”) pointed out⁴ that the current contribution obligation COLs for SRDUs differ from those applicable to other BDUs in that they do not require the SRDU licensees to direct a specified portion of their contributions to the Canada Media Fund or to any other independent production fund. Instead, SRDUs currently have full discretion as to where their 5% contributions may be directed.
5. Rogers expressed concern that leaving all contributions to the complete discretion of the SRDU operators would permit them to direct funding to their affiliated television programming services, creating an unfair competitive advantage in relation to other television licensees. Rogers submitted that, given the expanded role for SRDUs in the delivery of licensed pay and specialty services, they should now be subject to a contribution regime similar to that applicable to the DTH undertakings with which they are associated: specifically, Rogers argued, they should be required to direct at least 4% of their gross revenues derived from broadcasting activities to the Canada Media Fund, with the remainder of their required contributions directed to one or more independent production funds.
6. Accordingly, Rogers recommended that, if the Commission maintained the SRDUs’ contribution obligation and continued to license SRDUs, the current contribution obligation COLs should be amended to read:

The undertaking is required to contribute a minimum of 5% of its annual revenues derived from broadcasting activities to the creation and presentation of Canadian programming. At least 80% of this contribution must be made to the Canada Media Fund or its successor. The remainder of the total required contribution must be made to one or more independent production funds.

Contributions must be made on a monthly basis, within 45 days of each month’s end.

³ <http://crtc.gc.ca/eng/archive/2012/2012-94.htm>.

⁴ See Rogers’ submission in response to BNOC 2011-350 at pars. 31 - 41.

The CMPA's Position

7. The CMPA acknowledges that Bell proposes to retain its contribution obligations COLs. However, we agree with Rogers' arguments noted above and recommend that Bell's contribution obligation COLs be amended as Rogers had proposed.

All of which is respectfully submitted.

Sincerely,

[original signed by]

Norm Bolen
President & CEO

cc bell.regulatory@bell.ca

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