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May 10, 2005

Ms. Diane Rhéaume
Secretary General
Canadian Radio-television and Telecommunications
Commission
Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage
Gatineau, QC
K1A 0N2

Dear Ms. Rhéaume:

Re: Application by The Comedy Network to add categories 7(c) and 7(d) to its conditions of licence and to participate in the drama incentives program

This is an application by CTV Specialty Television Inc. ("CTV") on behalf of The Comedy Network to:

- a) amend the conditions of licence for The Comedy Network to add categories 7(c) and 7(d) to the list of programming categories that it can draw from; and
- b) amend The Comedy Network's conditions of licence in accordance with Public Notice 2004-93, *Incentives for English-language Canadian television drama*, 29 November 2004 ("PN 2004-93"), to allow The Comedy Network to broadcast no more than 14 minutes of advertising material in a clock hour, and to permit it to count at-risk equity investments as eligible Canadian program expenditures.

Addition of subcategories 7(c) and 7(d)

CTV requests that the conditions of licence of The Comedy Network be amended to add categories 7(c) (specials, mini-series, made for TV feature films) and 7(d) (theatrical films aired on TV), subject to the restrictions that programming from each of these categories comprise no more than 10% of all programming broadcast averaged over the broadcast week.

The Comedy Network's nature of service condition of licence states that it "shall provide a national English-language specialty television service devoted to comedy programs. The programs broadcast on the service will reflect comedy in its various forms and formats."

Currently, The Comedy Network can draw its programming from the following category 7 subcategories:

- 7(b) Ongoing comedy series (sitcoms)
- 7(e) Animated television programs and films
- 7(f) Programs of comedy sketches, improvisation, unscripted works, stand-up comedy
- 7(g) Other drama

The addition of program categories 7(c) and 7(d) will enable The Comedy Network to round out its schedule with Canadian and non-Canadian specials, mini-series, MOWs and feature films.

Many have decried the state of feature film in Canada as not attracting sufficient numbers of viewers. The addition of category 7(d) will allow The Comedy Network to help drive viewership to our own stories. Whether it's *Phil the Alien*, *Love, Sex and Eating the Bones*, *Moving Malcolm* or *The Delicate Art of Parking*, The Comedy Network will offer Canadian film comedies from the classic to the contemporary and from the satiric to the silly. In addition, many of Canada's brightest comic talents have made careers in films in the U.S. and abroad, including Michael Myers, Jim Carrey, John Candy, Gilda Radner, Martin Short, Dan Ackroyd, Catherine O'Hara and Phil Hartman – to the point where many would say that comedy is among Canada's most famous, and best-loved, exports. By airing films starring Canadian comedians, The Comedy Network will also play a larger part in helping to further develop the Canadian star system.

The Comedy Network's request to add categories 7(c) and 7(d) to its conditions of licence will enrich the service's ability to serve its current audiences. Moreover, it is consistent with the Commission's goals of putting more Canadian drama on the airwaves and helping to build a Canadian star system. At the same time, by limiting the amount of specials and films in its schedule, and by ensuring that they are comic or comedy-related in nature, The Comedy Network will not become competitive with other licensees that have these categories of dramatic programming as their primary focus.

The Comedy Network requests the ability to participate in the drama incentives program

In addition to requesting the addition of new drama subcategories, The Comedy Network requests a condition of licence permitting it to participate in the incentives program set out by the Commission in PN 2004-93. At paragraph 179 of the PN 2004-93, the Commission stated that specialty licensees could apply to amend the limitations on advertising set out in their conditions of licence so as to be eligible to participate in the drama incentives program. In paragraph 169 of PN 2004-93, the Commission also specified that specialty services which wished to include at-risk equity investment as eligible Canadian program expenditures should also apply for an amendment to their conditions of licence.

The Comedy Network therefore asks that the Commission amend its conditions of licence to allow it to broadcast additional advertising minutes, and to allow it to count at-risk equity investment as an eligible Canadian program expenditure. Pursuant to the directives in paragraphs 169 and 180 of PN 2004-93, The Comedy Network proposes the following additions to its condition of licence:

Suggested new condition of licence 3(f):

In accordance with the Commission's position on Canadian programming expenditures as set out in Public Notice CRTC 2004-

93, the licensee shall be permitted to include at-risk equity investment in original Canadian drama in its calculation of eligible Canadian programming expenditures.

Suggested new condition of licence 4(e):

In addition to the 12 minutes of advertising material during any clock hour in a broadcast day pursuant to subsection (a), the licensee may broadcast such additional minutes of advertising material calculated in accordance with *Incentives for English-language Canadian television drama*, Broadcasting Public Notice CRTC 2004-93, 29 November 2004, as may be amended from time to time. .

The Comedy Network appreciates the Commission's consideration of this application and would be pleased to provide any further information upon request.

Yours truly,

A handwritten signature in cursive script, appearing to read "Ed Robinson", followed by a period.

Ed Robinson
President & General Manager
The Comedy Network