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Mrs. Diane Rhéaume
Secretary General
Canadian Radio-television and
Telecommunications Commission
Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage
Hull, Québec
J8X 4B1

Dear Mrs. Rhéaume:

Re: Application to Amend the Broadcasting Licence of The Movie Network to Authorize a High-definition Service

Pursuant to Broadcasting Public Notice CRTC 2003-61, Astral Television Networks, a division of Astral Broadcasting Group Inc. ("Astral") requests that the Commission amend the broadcasting licence of The Movie Network, Astral's licensed English-language pay television service, to permit the current distribution of the upgraded high-definition (HD) version of the service.

The Commission noted in PN 2003-61 that, as an interim measure, it would allow for the provision of upgraded versions of existing pay and specialty services by licence amendment. Specifically, the Commission stated that a licensee of a Canadian pay or specialty service would be permitted to make available for distribution an upgraded version of the service, "provided that not less than 95% of the video and audio components of the upgraded and analog versions of the service are the same, exclusive of the commercial messages and of any part of the service carried on a subsidiary signal". This authorization would be effected by means of an amendment to the licence of the corresponding analog service, for a period of three years.

The foregoing approach was confirmed in Public Notice CRTC 2004-58, pursuant to which the Commission confirmed that it would continue to require licensees of pay and specialty services to seek licence amendments pending the implementation of the new HD framework which would contemplate the

authorization of stand-alone HD services offered under "HD-transitional licences".

The Movie Network was a pioneer in broadcast technology in Canada, providing regularly scheduled programming in HD and Dolby Digital 5.1 surround sound beginning nearly three years ago. This has enabled Astral to continue to provide high quality enhanced viewing opportunities for our viewers. Currently, HD programs are offered by The Movie Network as duplicate versions of the existing standard definition channels, offered on a simulcast basis, where available. It is Astral's intention to eventually provide a full-time (24 hour) schedule of HD programming to its viewers.

Astral also notes that the appropriate licence amendment for pay television services needs to take into account the unique attributes of these type of discretionary services, in three key respects. First, the reference in PN 2003-61 to "the video and audio components of the upgraded and analog versions of the service" is somewhat inaccurate as The Movie Network is not currently originated in nor distributed by BDUs in an analog format. Rather, the current version of our pay television service is more accurately characterized as a "standard definition digital version".

Second, any licence amendment for an upgraded HD version of a pay television service must recognize the current practice of pay television services to provide multiplexed channels under its existing licence, which is permitted by the Commission pursuant to the existing regulatory framework for pay television services.

Third, as a licensed pay television service, The Movie Network does not distribute "commercial messages" as defined in the *Pay Television Regulations, 1990.*

In view of the foregoing, Astral proposes the following amendment to the broadcasting licence for The Movie Network:

The licensee may also distribute an upgraded version of its standard definition service in high-definition format, provided that not less than 95% of the video and audio components of the upgraded and standard definition versions of the service are comparable. The upgraded version of the service shall include additional channels containing high-definition versions of the existing standard definition multiplexed channels offered by the licensee.

We thank the Commission for considering this application and would be pleased to provide any further information, if requested.

Yours truly,

Astral Television Networks,
a Division of ASTRAL BROADCASTING GROUP INC.

Alicia Barin
VP Strategic Planning