



Broadcasting Decision CRTC 2006-131

Ottawa, 5 April 2006

MTS Allstream Inc.
Manitoba

*Application 2005-1270-9
Broadcasting Public Notice CRTC 2006-2
12 January 2006*

MTS Video-on-demand – Licence amendments

*In this decision, the Commission **approves** an application to amend the broadcasting licence for the English-language regional video-on-demand (VOD) programming undertaking known as MTS Video-on-demand, in order to authorize the licensee, by conditions of licence, to distribute programming that contains commercial messages where those messages are already included in a program previously aired by a Canadian programming undertaking and that program is subsequently offered on an on-demand basis at no charge to the subscriber.*

The application

1. The Commission received an application by MTS AllStream Inc. (MTS) to amend the broadcasting licence for the English-language regional video-on-demand (VOD) programming undertaking known as MTS Video-on-demand, in order to add a condition of licence authorizing it to distribute programming that contains commercial messages where those messages are already included in a program previously aired by a Canadian programming undertaking and that program is subsequently offered on an on-demand basis at no charge to the subscriber.
2. One of MTS' current conditions of licence reads as follows:

The licensee shall adhere to the *Pay Television Regulations, 1990*, with the exception of section 4 (logs and records).
3. MTS requested that the Commission amend this condition of licence to read as follows:

The licensee shall adhere to the *Pay Television Regulations, 1990*, with the exception of section 3(2)(d) (commercial messages) and section 4 (logs and records).

4. MTS also proposed to add the following condition of licence:

The licensee shall not include as part of its video-on-demand offering any program including a commercial message except where:

- a) the message was already included in a program previously broadcast by a Canadian programming service;
 - b) the program's inclusion as part of the video-on-demand offering is in accordance with the terms of a written agreement entered into with the operator of the Canadian programming service that broadcast the program; and
 - c) the program is offered to subscribers on an on-demand basis at no charge.
5. MTS stated that a greater variety in its Canadian programming would increase the level of use of its VOD service.
 6. The Commission did not receive any interventions in connection with this application.

Commission's analysis and determination

7. In *Illico sur demande – Licence amendments*, Broadcasting Decision CRTC 2005-498, 18 October 2005 and in *Rogers on Demand – Licence amendments*, Broadcasting Decision CRTC 2005-497, 18 October 2005, the Commission approved applications for amendments to the broadcasting licences for these VOD programming undertakings to permit them to offer programming that includes commercial messages. The commercial messages are restricted to those contained in programs previously broadcast by other Canadian programming undertakings. The programs must be obtained by these licensees under the terms of written agreements with the licensees of those Canadian programming undertakings, and be offered on an on-demand basis at no charge to subscribers. In these decisions, the Commission indicated that the approval of these applications “would not represent a significant departure from the Commission's framework for the licensing of VOD undertakings.”
8. In light of the above, the Commission **approves** the application by MTS Allstream Inc. to amend the broadcasting licence for the English-language regional video-on-demand programming undertaking known as MTS Video-on-demand, in order to add a condition of licence authorizing it to distribute programming that contains commercial messages where those messages are already included in a program previously aired by a Canadian programming undertaking and that program is subsequently offered on an on-demand basis at no charge to the subscriber.

9. The licence will continue to be subject to the **conditions** set out in *Video-on-demand service for Manitoba*, Broadcasting Decision CRTC 2003-590, 21 November 2003, with the exception of condition of licence no. 1, which is replaced by the following **condition**:

The licensee shall adhere to the *Pay Television Regulations, 1990*, with the exception of section 3(2)(d) (commercial messages) and section 4 (logs and records).

10. The Commission also adds the following **condition of licence**:

The licensee shall not include as part of its video-on-demand offering any program containing a commercial message except where:

- a) the message was already included in a program previously broadcast by a Canadian programming service;
- b) the program's inclusion as part of the video-on-demand offering is in accordance with the terms of a written agreement entered into with the operator of the Canadian programming service that broadcast the program; and
- c) the program is offered to subscribers on an on-demand basis at no charge.

Secretary General

This decision is to be appended to the licence. It is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>