CBC Radio-Canada

October 3, 2006

Ms. Diane Rhéaume
Secretary-General
Canadian Radio-Television &
Telecommunications Commission
Ottawa, ON
K1A ON2

Subject: Broadcasting Public Notice CRTC 2006-112 – Item 1: Application by VIDÉOTRON LTD. and CF CABLE TV INC (application no. 2006-0983-6) to amend their cable distribution licences to authorize these cable systems to distribute the services offered by Canada's two satellite subscription radio undertakings on a digital basis

Dear Ms. Rhéaume,

1. The Canadian Broadcasting Corporation/Radio-Canada ("CBC/Radio-Canada") files the following intervention in response to an application by Vidéotron Ltd. and CF Cable TV Inc. ("Vidéotron") for amendments to the conditions of licence of its cable distribution undertakings to authorize these cable systems to distribute one or both of the services offered by Canada's two satellite subscription radio undertakings ("SSR") on a digital basis.

2. CBC/Radio-Canada opposes Vidéotron's request on the following grounds:

   - If granted, the Vidéotron application would fundamentally change the nature of the SSR services authorized by the Commission in Broadcasting Public Notice (BPN) 2005-61, Broadcasting Decision 2005-246 (XM Canada) and Broadcasting Decision 2005-247 (SIRIUS Canada). Such a change would be contrary to the satellite-use policy of the Government of Canada, as well as the Commission's long-standing approach to the licensing of broadcasting undertakings.

   - No policy objectives in the Broadcasting Act (the Act) would be promoted by approving the Vidéotron application, since pay audio and SSR services are complementary services, both of which are offered on a competitive basis and both of which are already available directly to

Canadians living in urban, remote and underserved communities. On the other hand, granting the Vidéotron application would undermine the viability of pay audio services and impair the ability of these services to contribute to the Canadian broadcasting system.

- Approval of the Vidéotron application would make SSR services directly competitive with pay audio services even though the two types of services are subject to radically different regulatory obligations. This would create a situation of severe competitive inequity which would have to be remedied prior to implementation of a decision on the Vidéotron application. In order to resolve this competitive inequity, it would be necessary to address significant policy issues relating to the regulatory obligations of these two types of service and, more generally, the regulatory obligations of all audio services licensed by the Commission.

- Contrary to Vidéotron's submission, it is not necessary to approve its application on the basis of competitive equity since neither cable nor DTH are permitted to distribute the programming of SSR services.

3. For all these reasons CBC/Radio-Canada submits that the Vidéotron application should be denied.

4. As the Commission is aware, CBC/Radio-Canada has intervened in respect of three other applications by BDUs seeking licence amendments that would authorize them to distribute one or both of the services of the two Canadian SSR undertakings: BPN 2006-58 Item 6, Rogers Communications Inc.; BPN 2006-78 Item 1, Bell Canada; and BPN 2006-96 Item 9, TELUS Communications Inc. Copies of those interventions are attached as Appendix A.

5. The grounds identified above for denying the Vidéotron application are discussed in CBC/Radio-Canada's previous submissions, attached as appendices to this intervention. CBC/Radio-Canada will not repeat those arguments in the main body of this intervention, but relies on the arguments set out in those submissions for the purposes of Vidéotron's application as well.

6. The Vidéotron application does not differ in any substantive way from the earlier applications by Rogers Communications Inc., Bell Canada, and TELUS Communications Inc. for similar licence amendments.

7. If the Commission were to grant any of these applications it would radically alter the nature of SSR services in a way that would be directly contrary to the Government's satellite-use policy and that would make SSR directly competitive with pay audio services, despite the dramatically different regulatory obligations of the two types of service. This would not be appropriate

from a legal or policy perspective and would have a direct, negative effect on the Canadian broadcasting system.

8. Consequently, for the reasons canvassed above and in the attached appendices, CBC/Radio-Canada submits that the Vidéotron application should be denied, just as the Commission should deny the applications of Rogers Communications, Bell Canada, and TELUS Communications Inc.

Yours truly,

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Senior Director, Regulatory Affairs

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Attachment: Appendix A

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