



Canadian  
Association of  
Broadcasters

L'Association  
canadienne des  
radiodiffuseurs

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Via e-mail: [dsir@ic.gc.ca](mailto:dsir@ic.gc.ca)

Ms. Chantal Beaumier  
Director, Space and International Regulatory Activities  
Radiocommunications and Broadcasting Regulatory Branch  
Industry Canada  
Room 1564C - Jean Edmonds Tower North  
300 Slater Street  
Ottawa ON K1A 0C8

Dear Ms. Beaumier:

**Re: CAB comments respecting applications filed under *Call for Applications to License Satellite Orbital Positions, Canada Gazette Notice DGRB-001-06, July 2006***

1. The Canadian Association of Broadcasters (CAB) is the national voice of Canada's private broadcasters, representing the vast majority of Canadian programming services, including private television and radio stations, networks and specialty, pay and pay-per-view television services.
2. This submission provides the CAB's comments with respect to applications filed in response to Industry Canada's *Call for Applications to License Satellite Orbital Positions* (Ref: Canada Gazette Notice DGRB-001-06, July 2006). On August 15, 2006, the CAB registered with the Department as a "representative organization", whose members have a direct interest in the outcome of this satellite licensing proceeding.
3. Our comments are confined to the applications filed by Ciel Satellite Limited Partnership (Ciel) and by Telesat Canada (Telesat). It is our understanding that the applications filed by Canadian Satellite Radio Investments Inc (CSRI) have been returned by Industry Canada, due to non-compliance with pre-established application conditions and procedures.

4. The CAB commends both Ciel and Telesat for their diligence in conducting consultations with the broadcasting industry in the period leading up to, and immediately following, the filing of their applications. We also believe that the Department's new process, whereby satellite users are allowed to comment formally on the specific proposals, has been beneficial and should be continued in future proceedings.
5. The CAB is pleased that this call for applications has created the possibility for increased competition in the provision of satellite services in Canada. We view competition in the marketplace as a desirable objective, provided that:
  - it can be achieved in a manner that does not compromise the technical integrity of existing systems; and,
  - any new licensing results in Canadian customers continuing to receive favourable pricing for existing and future satellite requirements.
6. During the user consultation phase, much of the discussion revolved around anticipated requirements for the delivery of high definition digital television (HDTV) services to Canadians on a local, regional and national basis. In fact, the domestic HDTV market appears to be crucial to the financial success of the satellite systems that both applicants are proposing in the 17 GHz BSS and Extended Ku bands. The CAB and its television, specialty and pay members have endeavoured to provide Ciel and Telesat with as much information as possible concerning broadcasters' future satellite capacity and coverage requirements.
7. Our ability to respond has been constrained, however, by lack of certainty about the overall television broadcasting environment that will exist in this country post 2007. Specifically, the Canadian Radio-television and Telecommunications Commission (CRTC) has just completed public hearings relating to a review of certain aspects of the current policy and regulatory framework for over-the-air television<sup>1</sup>. A number of these topics are linked very closely to the demand forecasts for satellite coverage and capacity that have been presented by Ciel and Telesat. Examples include:
  - the desirability of setting a firm termination date for analog TV in Canada;
  - the need to provide for interim delivery of both NTSC and HDTV versions of programming services during the transition period;
  - partial or complete elimination of VHF/UHF terrestrial TV delivery systems and their replacement by broadcasting distribution undertaking delivery systems, including DTH satellites, in the post-transition period; and,
  - the need to ensure DTH delivery of all local TV stations.

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<sup>1</sup> Ref: Broadcasting Notice of Public Hearing CRTC 2006-5, June 12, 2006.

8. It is anticipated that the CRTC will not render determinations on these matters until the second quarter of 2007, at the earliest. In fact, some issues may require additional time for resolution, especially if the CRTC concludes that these are questions of broad national policy that extend beyond its own purview. Meanwhile, the Department's satellite licensing process must continue, to ensure that required orbital slots and frequency bands can be secured in a timely fashion, within the ITU process.
9. Given the considerable element of uncertainty, as well as the fact that anticipated broadcaster commitments constitute a large part of each applicant's business plan, the CAB requests that Industry Canada take special care in its assessments, for all bands and orbital slots, to ensure that:
  - the confidential business plans filed by the applicants incorporate pricing structures that are flexible enough to ensure that Canadian private broadcasters will actually be able to afford to implement these new satellite delivery systems as part of HDTV roll-out plans that may not be fully defined until the CRTC's policy review is completed; and,
  - these pricing structures are based upon realistic performance expectations with respect to advanced video compression (e.g. MPEG-4) and modulation (e.g. DVB-S2) techniques that both applicants evidently intend to employ.
10. In considering the present proposals, the Department is also urged to ensure that:
  - the applicant complies, both *de jure* and *de facto*, with requirements respecting Canadian ownership and control of the undertaking;
  - once the licensee begins marketing satellite capacity, Canadians will be granted the first right of refusal for all capacity on the approved satellite system;
  - as a condition of licence, a predominant portion of the capacity of the new satellite system will be retained for first-come first-served take-up by Canadian users, at least until the date of launch; and,
  - the applicant has provided firm evidence of adequate plans for service continuity in the event of transponder failures, unanticipated power reductions or catastrophic losses.
11. The CAB believes that a key consideration in the present licensing process must be to secure, for Canadian use, all useful frequency bands in all orbital slots within Canada's existing DTH "neighbourhoods" (i.e. those positions utilized by satellites carrying Star Choice/Cancom and Bell ExpressVu services). Canadian television broadcasting is now highly dependent upon the programming delivery achieved via these satellite distribution systems. Clearly, protecting current services against interference from other domestic and foreign space-to-earth systems in nearby orbit positions should be a major preoccupation for the Department.

12. Moreover, Industry Canada should strive to ensure that these delivery services are able to access the spectrum and orbit positions needed to expand their present standard definition television and HDTV services and, where appropriate, effect a complete transition to HDTV at an appropriate time in the future.
13. Having given careful consideration to these crucial points, it is the CAB's view that the Department should place paramount consideration on the ability of the chosen licensee to maximize opportunities for the expansion of Star Choice/Cancom and Bell ExpressVu satellite services in the 17 GHz BSS and Extended Ku bands, within their existing DTH orbital neighbourhoods. The CAB concurs with the opinion of the Canadian Satellite Users Association (CSUA) that this would best be ensured through an extension of the relationships that Star Choice/Cancom and Bell ExpressVu currently have with Telesat. In the CAB's view, it is preferable that the facilities required in the critical DTH neighbourhoods in the 17 GHz and Extended Ku bands be capable of being integrated into future Telesat spacecraft that will replace those already flying in these orbital slots.
14. Since it is unlikely that a separate Ka-Band-only satellite at 91° would be viable, the CAB would also support Telesat's proposal associated with Licence 8. Likewise, the Extended Ku-Band facilities proposed by Telesat at 111.1° would best be paired with its (non-mutually-exclusive) proposal for 17 GHz BSS facilities at that orbital slot.
15. To summarize, the CAB believes that the interests of the Canadian broadcasting system will best be served if the applications by Telesat for the licences specified in the following table:

<b>Licence Number</b>	<b>Orbital Slot (° W Lon)</b>	<b>Band</b>
8	91.0	Ka
9	91.0	17 BSS
14	107.3	17 BSS
17	111.1	Ext Ku
18	111.1	17 BSS

16. On the matter of the mutually exclusive applications for 17 GHz BSS/ Ka-Band facilities at 118.7°, as well as all the non-competing applications, the CAB encourages the Department to take decisions aimed at providing additional choices for users, as well as competitive pricing. We urge the Department to take into account the basic principles recommended in paragraphs 5, 9 and 10 of this submission, should it decide to award any of these licences.

17. All of which is respectfully submitted this 15<sup>th</sup> day of December 2006.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Glenn O'Farrell". The signature is fluid and cursive, with the first name "Glenn" and last name "O'Farrell" clearly distinguishable.

Glenn O'Farrell  
President and CEO

cc: Mr. David Lewis, Ciel Satellite Communications Inc. ([dave.lewis@cielsatellite.ca](mailto:dave.lewis@cielsatellite.ca))  
Mr. Paul Bush, Telesat Canada ([p.bush@telesat.ca](mailto:p.bush@telesat.ca))  
Mr. Don Braden, CSUA ([dbraden@csua.ca](mailto:dbraden@csua.ca))

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