

**COMMENTS IN RESPONSE TO**  
**INDUSTRY CANADA CONSULTATION ON A POLICY AND TECHNICAL**  
**FRAMEWORK FOR THE 700 MHZ BAND AND ASPECTS RELATED TO**  
**COMMERCIAL MOBILE SPECTRUM**

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**ASTRAL MEDIA INC.**

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## **ASTRAL SUBMISSION TO INDUSTRY CANADA CONSULTATION**

1. Astral Media Inc. ("Astral") is a leading Canadian media company, fully engaged in the development of a thriving digital economy. Astral owns and operates 83 radio stations in over 50 markets in all regions of Canada, and 19 pay and specialty television services, including some of the country's most popular services such as The Movie Network, TELETOON, Canal D and VRAK.TV.
2. We run over 100 consumer websites attracting millions of Canadian visitors each month, Internet and mobile networks. Astral also operates major out-of-home advertising platforms including Canada's first and only national digital out-of-home advertising network.
3. While Astral has no plans to acquire commercial mobile spectrum, as Canada's largest non-vertically integrated broadcasting company, Astral has a strong interest in this consultation as a user of future mobile telecommunications services. We will, however, restrict our comments to policy considerations arising from the potential liberalization of foreign ownership rules in the telecommunications sector, more specifically to potential consequences for the broadcasting sector.
4. The extent of the interrelationship between broadcasting and telecom in Canada - arising from technological and structural convergence - has significantly complicated the issue of telecommunications foreign ownership. The repurposing of the 700 MHz band, and its use as a platform for advanced mobile multimedia and new media broadcasting, will further exacerbate these complications.
5. Given this context, Astral supports the Government's cautious approach to liberalizing foreign ownership in telecommunications, and in particular, commends its view expressed in the June 2010 Consultation Paper on options for the foreign investment restrictions in the telecommunications sector that "*[w]ith respect to broadcasting content and culture, the government will not consider any action that could impair its ability to pursue Canadian culture and content policy objectives.*"<sup>1</sup>
6. In our written response to the June 2010 Consultation, Astral recommended the appointment of a Broadcasting Policy Review Panel, which would make general recommendations concerning broadcasting in the digital economy and specifically would be charged with analyzing in detail the impact of changes in telecommunications

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<sup>1</sup> p. 8, "Opening Canada's Doors to Foreign Investment in Telecommunications" June 2010

ownership on broadcasting. It would make recommendations on how unintended consequences of changes in the foreign ownership of telecommunications companies can be prevented from eroding Canadian control of broadcasting. It would look at a comprehensive set of consequential scenarios and recommend appropriate measures.

7. More specifically we indicated:

*"21. Astral notes the government's criterion that it will "not consider any action that could impair its ability to pursue Canadian culture and content policy objectives". This is a high standard: it demands that the consideration of the impact on broadcasting be undertaken now, and not deferred to the future, after decisions have been taken regarding foreign ownership in telecom.*

*22. The discussion of the impact of telecom ownership changes on broadcasting is not new, though it cannot yet be considered comprehensive or thorough. Astral and others have put forward submissions to the Telecommunications Policy Review, the Competition Policy Review, and before the Parliamentary Standing Committee on Industry, Science and Technology.*

*23. The consideration of unintended consequences in the broadcasting sector is complex, and will require special expertise to determine how appropriate remedial actions could be adopted. There are different kinds of broadcasting undertakings – which actions are appropriate to which entity? Where can conduct remedies be preserved or re-introduced? And what should they consist of?*

*24. Astral therefore proposes the establishment of a Broadcasting Policy Review Panel to undertake this task. Astral previously proposed such a Panel in the context of the Digital Economy consultation; this work would extend that Panel's mandate. The panel would conduct a searching examination and recommend consequential solutions before modifications to telecommunications ownership rules are adopted.*

*25. In addition, Astral submits that the time required for such an examination is available, since the evidence placed on the record in recent months indicates that there is no current crisis requiring foreign capital. Canadian sources appear to be sufficient to supply capital for well-founded competitors. The nearest event that could cause a demand for foreign capital in telecommunications is likely the upcoming government spectrum auction of frequencies in the 700 MHz band, and it would not be fair to those who participated in the recent spectrum auction to change the rules for their potential competitors shortly after they have launched."*

8. We reiterate in the context of the current consultation our view that no action should be taken with regard to foreign ownership in the telecommunications sector without first completing a thorough study of those actions' potential impact in broadcasting, and without the adoption of safeguards to ensure that control of broadcasting will remain in Canadian hands, as required by the *Broadcasting Act*. We have attached copy of our response to the June 2010 Consultation in order to provide further details about our position on this key issue.
9. We appreciate the opportunity provided by the Department to speak to this important issue.

Regards,



Sophie Émond  
Vice president, Regulatory and Government Affairs  
Astral Media Inc.

Encl.

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