CRTC gives reasons for choosing First Choice for pay TV

The Commission approves the application by **First Choice Canadian Communications Corporation** (First Choice), for a licence to carry on a national pay-television network operation. This general interest licence will expire 1 March 1987 and is subject to the conditions set out in Appendices B and C to this decision, and in the licence issued.

The Commission has decided to award First Choice the only national general interest pay-television network licence after carefully weighing all aspects of its application in comparison with those of competing national applicants. The Commission was favourably impressed by First Choice's overall English and French language programming proposals, the experience and abilities of personnel associated with the application, its ownership structure, the absence of cross-ownership with potentially conflicting interests, its Canadian production funding proposals and its marketing plans. Based on these factors and the Commission's favourable perception of the approach and credibility of the representatives of First Choice at the hearing, the Commission is satisfied that its application was the best of those for a national general interest licence.

The Commission is confident that the licensee will provide Canadians with a diversified and attractive pay-television service in both official languages which will maximize opportunities for the production and exhibition of distinctive Canadian programs and will provide new opportunities for creative talent to participate in the production of pay-television programming.

In describing its application, First Choice indicated it intended to provide two basic services, 24 hours a day, seven days a week. It proposed to use three transponders on the Anik D satellite, two for the delivery of an English-language service and the other for a combined French and English language service. The two English-language transponders would distribute an identical program schedule but make allowances for time differences between eastern and western Canada. This service would originate from a studio in Toronto. First Choice indicated that its bilingual service would originate from a studio in Montreal. All services would be distributed to local exhibitors in unscram-bld form. The applicant proposed to charge a single wholesale rate to exhibitors of $7.50 per subscriber per month for the services.

In addition to first-run, uninterrupted Canadian and foreign feature films, the applicant indicated that its programming will focus on special presentations of high production value. Approximately 90% of such presentations would be Canadian, of which close to 40% would consist of drama and live theatrical performances.

The applicant indicated it would establish a fund of $1.5 million at the outset to stimulate the early production of Canadian programming and would invest, during the last three years of its licence term, 5% of its gross revenues in script, concept and interim financing arrangements.

The applicant further proposed to provide opportunities for regional production by acquiring approximately 25% of its Canadian material from regional sources and by establishing regional offices across Canada with experienced personnel "to assist in generating program proposals and to respond to regional needs." In this regard, the Commission notes the applicant's willingness to seek out creative talent from all across Canada and expects it to co-operate with regional licensees in concept development, co-production and program exchange arrangements and to keep the Commission advised of its progress in this regard.

In considering the proposed ownership and management of the licensee company, the Commission notes that the shareholders have no significant present involvement in broadcasting, program production or cable television. However, the directors and the shareholders, who are drawn from across the country, have a wide variety of talent and experience in the fields of broadcasting, production and financial management.

The French-language program service proposed by First Choice will, like its English-language service, provide a mixture of Canadian and foreign feature films and special high production value presentations. The applicant noted that eight out of 40 Canadian feature films proposed to be shown in any representative year would be originally produced in the French-language and that approximately 20% of the hours allocated to special presentations would be originally produced in French. First Choice said it expected to program 35 hours of all French-language programming and 35 hours of programming intended for use in both English and French in addition to its feature films.

The Commission was impressed with the overall commitment and approach to the development of French-language programming proposed by the applicant and by the nature of the content proposed for this programming. The Commission has some concerns, however, with the scheduling format proposed by First Choice for such programming. The applicant has proposed to schedule its French-language programming on one channel on a shared basis with an equal amount of English-language programming of the same type as would be shown on its two English-language channels. First Choice further proposed that it would provide both its English-language service and its shared or bilingual service across the country, except in Quebec where only the bilingual service would be available.

The Commission considers that in proposing this scheduling format, the applicant has genuinely attempted to be responsive to the complexities of offering, in the context of a national pay-television operation, an attractive two-language service which responds to the linguistic, cultural and economic realities of Quebec. However, the Commission has reservations as to the desirability of the licensee's proposal to schedule its French-language programming in a "checkerboard" bilingual format, particularly in view of the absence, at this time, of a regional pay-television service in the French-language. Such a proposal could fall short of satisfying either the French or English-speaking population in Quebec, since neither could be assured that programming would be available in their own language at their chosen viewing times.

With these considerations in mind, the Commission was faced with a choice of several options. First, taking into account that the Commission had decided that the licensing of a national service, together with the other services licensed in this decision, was the best means of achieving its objectives for pay-television, the Commission chose not to delay the introduction of the national service by engaging in a further public process on the French-language scheduling matter. The Commission came to this conclusion because it had determined that the French-language program content proposed by First Choice was compelling and that that aspect of its application outweighed in significance the scheduling problem. The Commission also decided not to award the national interest licence to one of the applicants that was less qualified overall, simply because it had proposed a better scheduling format for its French-language programming.

Accordingly, while the Commission has decided to issue a licence to First Choice, the applicant will be required to reschedule its French-language programming. It will be a condition of licence that the applicant schedule its proposed French-language programming during the initial two years of operation, or such further time as the Commission may determine, on a national, 24 hour-a-day basis, distinct from its English-language service.

The Commission notes that, at the hearing, the applicant indicated it could provide such a 24 hour-a-day French-language without additional cost by repeating some of its programs. This approach is consistent with its English-language scheduling format. Moreover, at the hearing, the applicant emphasized the explatory nature of this concept noting the "proposal is a flexible one and we would be prepared to accept any Commission regulation relating to the offering of a French service, including channel and time allocation." Accordingly, the Commission has determined that the applicant should provide service in English on two satellite transponders, and in French on one. Both French and English language services should therefore be available via satellite throughout the country.

Conditions of licence for First Choice Canadian Communications Corporation

1. The licensee shall, from the date of commencement of service until 30 June 1983, and in each semester commencing 1 July 1983, and until 31 December 1985, devote not less than 30% of the total time (i) during which programming is distributed on its undertaking and (ii) during evening viewing hours in each of the time zones as hereinafter defined to the distribution of Canadian programs.

2. The licensee shall, in each semester commencing 1 January 1986 and during the remainder of the term of this licence, devote not less than 50% of the total time (i) during which programming is distributed on its undertaking and (ii) during evening viewing hours in each of the time zones, as hereinafter defined, to the distribution of Canadian programs.

3. Not less than 50% of the time allocated by condition of licence to the distribution of Canadian programs shall be devoted to the distribution of dramatic programs including, but not limited to, dramatic feature films.

4. The licensee shall, in each year during the term of this licence commencing 1 July 1982, expend on the investment in, or acquisition of, Canadian programs:
(i) not less than 45% of total revenues from its operations under this licence; and
(ii) not less than 60% of total expenditures made by it to invest in or acquire programming.

5. Not less than 50% of the monies required by condition of licence to be expended by the licensee on the investment in, or acquisition of, Canadian programs shall be expended on dramatic programs.

6. The licensee shall, for a period of two years from 1 April 1983, or for such longer period as the Commission may direct, distribute its French-language program service on a national, 24 hour-a-day basis distinct from its English-language program service.

7. In these conditions:
"evening viewing hours" means, in relation to any location within
(a) the Pacific time zone, the hours between 6:00 P.M. and 10:00 P.M.;
(b) the Mountain time zone, the hours between 7:00 P.M. and 11:00 P.M.;
(c) the Central time zone, the hours between 8:00 P.M. and Midnight;
(d) the Eastern time zone, the hours between 6:00 P.M. and 10:00 P.M.;
(e) the Atlantic time zone, the hours between 7:00 P.M. and 11:00 P.M.; and
(f) the Newfoundland time zone, the hours between 7:30 P.M. and 11:30 P.M.; and
"semester" means a period of six consecutive months ending on the last day of June and December in each year.

Minority reports sees blue-print for trouble, dislikes "universal"

To launch pay-television in a country as large and as thinly-populated as Canada, a country with two official languages, is a challenging task, particularly when pay-television must be integrated into the Canadian broadcasting system so as to complement rather than compete with existing broadcasting services. In attempting to meet this challenge, the Commission has chosen to create a pay-television structure which is innovative, an almost heroic effort to reconcile competing goals. It has its own internal logic. Yet we find ourselves convinced that specific, crucial elements of the licensing decision taken by the Commission will add dangerously to the difficulties of the pay-television enterprise which it seeks to introduce at this time.

NATIONAL GENERAL INTEREST SERVICE

It is our view that the decision to license First Choice on the basis of a substantially changed French-language service than that proposed in the application is unfair to competing, unsuccessful applicants, particularly where the changes have been made by the Commission itself.

The details of the bilingual, "checkerboard" channel, proposed in the application of First Choice and discussed at great length at the public hearing, are set out elsewhere in this decision. The bilingual channel proposal was put forward by First Choice in response to what it, as an applicant, perceived as the realities and limitations in providing a French-language pay-television service on a national basis. No other applicant proposing a national, French-language pay-television service responded in a manner similar to First Choice.

The Commission has found the solution proposed by First Choice in the form of the "checkerboard" bilingual channel to be unacceptable. We, of course, share that view. Such a proposal would have provided a satisfactory service neither to the French-speaking public in all parts of Canada nor to the significant English-speaking population within the province of Quebec where only the "checkerboard" service was to be made available to exhibitors. But having found the application of First Choice to be unacceptable in this respect, it does not, in our opinion, now come within the competence of the Commission to refashion so vital an element of this application in such a way as to make acceptable and therefore, licensable, what would otherwise have been found unacceptable and unlicensable.

We cannot agree with the Commission's assumption that its alteration of the "checkerboard" is merely an interim measure pending the licensing of a regional French-language pay service for Quebec, Ontario and Atlantic Canada and that once licensed, such a regional service would then be the principal instrument through which a high-quality, French-language pay service coud be offered. The Commission would apparently become free at that point to allow First Choice to revert back to the "checkerboard", or some other equivalent form of attenuated French-language service, so as not to compete with that regional licensee.

We must reject such a scenario. Even should an application to serve francophones in Quebec, Ontario and Atlantic Canada be received, and there is nothing to indicate that such an application is actually pending, the contemplated regional service would be no substitute for a strong, comprehensive national network. French and English-speaking Canada extends beyond the envisaged territory. The concept of territorial bilingualism has been discredited and should not now be reintroduced by a regulatory decision. Furthermore, such a regional service, even if it were to come into existence, cannot be allowed to supplant a national service, particularly if the effect were to weaken the quality of French-language service offered to French-speaking viewers outside of Quebec, Ontario and Atlantic Canada who have the same right to receive a separate and distinct French-language service as do English-speaking Quebecers to a complete English national service.

MAKING PAY MANDATORY

The matter of a universal and mandatory pay-television service was not the subject of the licensing hearing from which this Decision comes. Indeed, in its call for licences, the Commission explicitly expressed its strong preference for a pay-television service which individuals would be intirely free to buy or not to buy. Yet the decision now holds out mandatory pay-television as a "desirable" means of providing what it sees as "balance" and calls for a hearing to discuss ways and means in which such a service might be imposed upon every single cable subscriber in Canada.

The very concept of a mandatory pay system raises substantial questions of policy and law. Should Canadians be required to pay for programs for which they may have no desire merely because they want basic cable services? Does the Commission have the authority to impose what could well be construed as a tax by another name in forcing a payment for made-in-Canada pay-television? Are the problems of securing financial and program accountability of such a system so severe as to be overwhelming? Is a mandatory, universal pay-television system, if that is what the public wants, something that Parliament, not a regulatory agency, should bring into being?

We see a mandatory, universal pay-television system as a new CBC without commercials: an ill-timed, expensive luxury in two languages for which no public demand has been demonstrated.

We further take the view that a mandatory, universal pay-television system would have a deleterious, if not devastating, effect upon the discretionary systems licensed by this Decision. In being able to derive revenues from every single cable subscriber in Canada, over 4,000,000 households at this time, a universal pay-television licensee will have enormous financial resources to draw upon to acquire "blockbuster" films for its exclusive use. Such a licensee will be able to outbid competing discretionary systems for such programming which is going to be one of the major attractions of discretionary pay systems for years to come.

Even if the universal licensee were to be limited in terms of how much foreign content it could exhibit, the siphoning way of the top 10 to 20 foreign films from discretionary pay licensees will force those licensees to exhibit less attractive programming which will make their services less, if not totally, unmarketable.

Were such the result of fair competition between various pay licensees, all vying for the limited number of highly-prized feature films available at any given moment for pay-television exhibition, we would remain less concerned. In the situation foreseen, however, the competition between discretionary and universal pay licensees will be unfair.

The discretionary licensees, those who, unlike universal licensee, will have to market their service and make a return on their considerable investment, will be left without the best product as a result of the superior, built-in, and protected financial resources which will be handed to a universal licensee through the indirect method of taxing all cable subscribers to this licensee's benefit.

TOO MUCH PAY

As a result of the present Decision, we see Canada transformed within a short time from a no-pay-television situation to a country with national discretionary pay-television, a full system of regional pay-television, specialty pay-television, multilingual pay-television, not to mention universal pay-television. It is system overload.

(cont. on page 20)

LAMB talks of combined price for viewers with 2 or 3 pay options

TORONTO – Talks between the pay-television licensees and the cable operators may result in consumers in some provinces being offered a package providing three pay-TV services at a lower price than the monthly aggregate cost of each individual service, according to Edgar Cowan, president of Lively Arts Market Builders, Inc. (LAMB), a national special interest pay-TV licensee.

Cowan made he remarks at a LAMB press conference March 19 in Toronto, one day after the Canadian Radio-Television and Telecommunications Commission (CRTC) announced LAMB's license to operate C-Channel, a national special-interest pay-TV licensee.

Cowan made the remarks at a applicants' next step was to meet with the cable operators to discuss how the new services would be carried and how much they would cost. Most applicants estimated the cost of their service at $12 per month, but Cowan felt a package offering the three services available in most major markets – one regional, and two national – could be offered "for well under $25."

Depending how soon the necessary equipment is in place, C-Channel could be available to viewers by early 1983 or sooner, said Cowan. C-Channel will use the new Canadian ANIK C satellite, which will be launched in November and should be ready to transmit signals by January, 1983. Cowan expects C-Channel should attract 15-17% of the current cable converter subscription market, or 350,000 viewer homes, by 1987.

Cowan said LAMB expects to spend $35 million on licensing and financing Canadian productions, plus spend an additional $30 million obtaining other programming, during the first five-year period of their license. He said LAMB would purchase programming from Canadian independents, but also intends to finance co-productions with the National Film Board, the Canadian Broadcasting Corporation, TVOntario, and Radio Quebec. "We are absolutely committed to the Canadian independent producers," said Cowan. "But if we can't get the kinds of programming we want from there, then we'll get together with the more traditional producers."

Asked how much financing Canadian producers could expect from LAMB, Cowan replied that given a target figure of 50% of production costs covered by the domestic market, producers could expect LAMB to pay 15-20% of that 50% (or 7.5-10% of the total cost of production.) He envisioned that for some Canadian productions, there would be three television windows, two in pay and one in conventional broadcasting, rather than the single market which exists now.

Cowan felt there was enough quality Canadian material to sustain a 36% Canadian content level during C-Channel's first broadcast year, above the 30% minimum level imposed by the CRTC license requirements. He admitted there might be some overlap with the other pay-TV licensees on certain Canadian film properties, but felt that C-Channel, First Choice Communications (the national popular entertainment licensee), and the regional licensees could exist "in a complementary situation," each pursuing their own markets but also able "to find a way to make motion picture packaging work."

As well as purchase Canadian productions for programming, LAMB also intends to secure worldwide distribution for its programming by helping Canadian independent producers sell abroad. "We hope to be the springboard for all these initiatives into the lively arts," said Cowan. "We intend to use our good offices to help producers sell their product, but there will be no conditions on buying."

Cowan also announced a committee of prominent francophones, headed by former broadcaster Jean Loiselle, plans to file an application with the CRTC within the next few months for a distinctive French language lively arts service. To be known as Canal C, the French service would operate independently of C-Channel, although LAMB would have a minority financial interest.

CRTC (cont. from p. 3)

achieved, and the promises of performance would not be kept. Eckert felt that sufficient money would not be generated for production, and that the CRTC would not have the muscle to deal with the promises of performance.

In Montreal, Robert Lantos stated that he would be happy with First Choice "provided that they adhere to their commitments and numbers," but Lantos like others had heard Don McPherson, head of First Choice, announce on the evening news that his company would have to scale down its estimates, due to the numbers of licenses awarded. McPherson reportedly said that instead of paying $350,000/hour for Canadian programs, estimates are now at $125,000/hour.

Victor Solnicki and Vivienne Leebosh both echoed the general feeling that McPherson is a "very experienced and capable man," but were reticent elaborate until they had studied the CRTC decision in detail.

In Montreal, many reacted to First Choice's stand on French language programming. It was the only applicant which wanted to beam a bi-lingual channel into Quebec instead of two channels (one French, one English). Finally, the CRTC awarded First Choice the license upon the condition that it alter its plans and provide for two separate channels in Quebec. Several filmmakers thought this condition on the part of the CRTC ran contrary to the bidding system in which the applicants compete against each other upon the merits of their proposals. They were also sceptical as to the enthusiasm which which First Choice will implement the two channels.

"The whole decision reads like a recipe for disaster," commented Harry Gulkin. His attitude was echoed, off the record, by many.

Of special concern was the absence of any conditions concerning the source of programming or any protection of Canadian distributors. "This decision is the worst blow we could receive," said Gilles Bériault, speaking for the Quebec distributors association. If the licensees are allowed to buy programs from foreign sellers (without going through a Canadian distributor), then the distributors feel their last chance at salvation is gone.

Once the initial impact of the decision subsided, opinions became more reasoned. "If anybody is going to fight this decision, they are going to doom the industry. We haven't got time," suggested Bill Macadam of Norfolk Communications. Added Stephen Roth, "For the moment, everyone's busy jockeying for position. Let's hope we can all settle down to business as soon as possible."

Call for additional applicants

Pay-television were not received from all regions of Canada. In particular, the Commission notes the lack of a regional French-language service for Quebec, Ontario and Atlantic Canada. Furthermore, it is not prepared to license either of the general interest service applications proposed for British Columbia. The general interest service application of George E. Spracklin provided insufficient evidence of adequate Canadian programming experience or financing. The J.R. Peters' proposal, while supported by a substantial representation from the British Columbia arts community, was predicated on an inadequate Canadian content exhibition level of only 14.3% of total hours, a substantial portion of which consisted of regional sports.

In light of the above, the Commission will call for applications for two further regional general interest pay-television services: a French-language service to serve Quebec, Ontario and Atlantic Canada, and an English-language service to serve British Columbia and the Yukon Territory. It will also consider means to provide pay-television to other parts of the country, including the extension of the service areas proposed in the applications of regional pay-television services licensed by this decision.

Conditions of licence for Lively Arts Market Builders Inc.

1. The licensee shall, from the date of commencement of service until 30 June 1983, and in each semester commencing 1 July 1983, and until 31 December 1985, devote not less than 30% of the total time (i) during which programming is distributed on its undertaking and (ii) during evening viewing hours in each of the time zones as hereinafter defined to the distribution of Canadian programs.

2. The licensee shall, in each semester commencing 1 January 1986, and during the remainder of the term of this licence, devote not less than 40% of the total time (i) during which programming is distributed on its undertaking and (ii) during evening viewing hours in each of the time zones, as hereinafter defined, to the distribution of Canadian programs.

3. The licensee shall, in any semester, devote not less than 30% of the total programming time both in respect of all hours during which programming is distributed and during evening viewing hours in each of the time zones as hereinafter defined to the distribution of programs either consisting of the presentation of the performing arts or related to the performing arts.

4. The licensee shall, in each year during the term of this licence commencing 1 July 1982, expend on the investment in, or acquisition of, Canadian programs:
(i) not less than 20% of total revenues from its operations under this licence; and
(ii) not less than 50% of total expenditures made by it to invest in or acquire programming.

5. The licensee shall devote not more than 40% of total programming time during which programming is distributed to the distribution of feature films.

6. The licensee shall devote not more than 5% of the total programming time during which programming is distributed on its undertaking to the distribution of feature films which were among the 30 films receiving the highest gross theatrical receipts in Canada during any of the three years immediately preceding its distribution by the licensee. This provision does not apply to feature films the subject-matter of which relates directly to the performing arts.

7. Not more than 50% of non-Canadian feature films distributed over the licensed undertaking shall have originated in any one country.

8. In these conditions:
"evening viewing hours" means, in relation to any location within
(a) the Pacific time zone, the hours between 6:00 P.M. and 10:00 P.M.;
(b) the Mountain time zone, the hours between 7:00 P.M. and 11:00 P.M.;
(c) the Central time zone, the hours between 8:00 P.M. and Midnight;
(d) the Eastern time zone, the hours between 6:00 P.M. and 10:00 P.M.;
(e) the Atlantic time zone, the hours between 7:00 P.M. and 11:00 P.M.; and
(f) the Newfoundland time zone, the hours between 7:30 P.M. and 11:30 P.M.; and
"semester" means a period of six consecutive months ending on the last day of June and December in each year.

Two specialty networks get nod : nat'l LAMB, B.C. World View

SPECIALTY (PERFORMING ARTS)

Lively Arts Market Builders Inc. Toronto, Ontario – 812191500

The Commission approves the application by **Lively Arts Market Builders Inc. (LAMB)** for a licence to carry on a national pay television network operation. This specialty (performing arts) licence will expire 1 March 1987.

The Commission was favorably impressed with the potential of this application to enhance the diversity in the programming offered by the Canadian broadcasting system and to provide substantial new exposure for Canadian performing artists. LAMB is committed to encourage innovation, expansion and diversification of the performing arts on television and to contribute significantly to the financial support of Canada's cultural industries. The applicant indicated that the service would offer viewers some 42 hours a week of both Canadian and foreign performing arts programming.

The service will originate in facilities in Toronto and be distributed to licensed local exhibitors throughout Canada in scrambled form via the East and West spot beams of Anik C. The applicant proposed to charge a wholesale rate to exhibitors of $8.00 per subscriber per month during the first licence period.

The Commission notes LAMB's intention to distribute complete opera, symphony, dance and theatre performances and programming that will "explore the full range of lively arts", including folk concerts, jazz festivals, experimental works, individual creative compositions and performances, and popular entertainment presentations.

In the area of children's programming, LAMB indicated that it would offer a two-hour weekly young people's theatre presentation on Saturdays and thirty minutes of children's magazine format programming, Monday through Friday, of which approximately 80% would be Canadian material. In addition, it will schedule feature films, with particular emphasis on international, classic and youth-oriented feature films.

The Commission notes that LAMB proposed that 20% of its schedule will consist of regional productions. In addition, it will also use a variety of financial mechanisms to assist writers, composers and choreographers throughout Canada to develop new and experimental programming.

LAMB proposed to create a program advisory committee which will review and select programming proposals and screen pilots and completed projects for the specialty service.

The Commission notes that LAMB proposed to devote a significant portion of its total presentation time, at least 39% or 16.5 hours of its weekly schedule, to feature films. Of these, some 12 hours (28%) would be from the "International Award Cinema" category. At the hearing, LAMB stated that the popular recent film Kramer vs Kramer was an example of what might be included in this category. In the Commission's view, a specialty service such as LAMB should add significantly to the diversity of programming available on pay television and therefore should not only have a lower level of feature films than general services but should also concentrate on films of a classic or experimental nature and those related to the performing arts, or otherwise differentiated from the film fare offered by the general interest national and regional services.

Accordingly, the conditions of licence outlined in Appendix G limit the proportion of the programming schedule that can be devoted to feature films to 40%. In addition, they limit, to not more than 5% of the licensee's total programming schedule, the showing of feature films which were included in the top 30 grossing films in the Canadian market during the three years immediately preceding the licensee's distribution of such films on its undertaking. Other conditions of licence designed to ensure that the programming provided by the holder of the specialty (performing arts) licence complements rather than duplicates that of the holders of general interest licences are outlined in Appendix G to this decision.

The Commission notes that the directors of LAMB have long experience in production, broadcasting and financial management and particularly in the production of Canadian performing arts works. In this regard, the applicant indicated its willingness to ensure that the Commission's concerns regarding vertical integration of production and distribution were met and stressed that there was "no intention of going into any production at all." As indicated in part 4 of this decision, the Commission's proposed pay television regulations will generally preclude the licensee from producing pay television programming for its own use or from acquiring such programming from a person related to it.

MULTILINGUAL SERVICE

Bernard T.C. Liu representing a company to be incorporated under the name of World View Television Ltd. Vancouver, British Columbia – 812210300

The Commission approves the application by Bernard T.C. Liu representing a company to be incorporated under the name of **World View Television Ltd.** (World View), for a licence to carry on a regional pay television network operation. This multilingual licence, which will expire on 1 March 1987, will be issued upon receipt of documentation establishing that World View has been incorporated in accordance with the application.

In approving this application, the Commission has given particular consideration to the diversity of the multilingual programming proposed, particularly in the evening viewing hours. In this regard, it notes that the applicant's proposed multilingual service is designed to meet the needs of various linguistic communities in Vancouver by providing a diverse mix of programming in Chinese, Japanese, Italian, Scandinavian, and East Indian languages, among others. The applicant indicated that it would provide some 92 hours a week of programming originating from production facilities in Vancouver for distribution to local exhibitors in British Columbia. The service will consist of feature films, children's programming, public affairs, variety, performing arts, sports, drama and educational programs, and would be offered to local distributors for a wholesale rate of $10.00 per subscriber per month in year one, rising to $12.00 in years three to five.

Alberta, Ontario and Atlantic Canada get regional pay systems

ALBERTA

Allarco Broadcasting Limited carrying on business under the name Alberta Independent Pay Television

The Commission approves the application by Allarco Broadcasting Limited carrying on business under the name of **Alberta Independent Pay Television** (Allarco) for a licence to carry on a regional pay television network operation. This general interest licence will expire 1 March 1987.

The Commission considers that Allarco's application was the best of those for a regional network licence to provide pay television service in Alberta. In the Commission's view, Allarco's proposals for pay television will provide Alberta viewers with an attractive mix of programs. The applicant indicated that its pay television service will provide some 50 hours a week of English-language programming, both Canadian and foreign, 70% of which would consist of a variety of feature films. The balance of the programs will offer a mix of theatrical, musical variety, comedy specials and sports.

The Commission was favourably impressed by Allarco's proposals for the production and exhibition of Canada programs and for the development of scripts and projects drawing on the Canadian experience. Further, it has noted the applicant's plans for the development of quality programs which the Commission expects will, for the most part, be reflective of the region it proposes to serve, using regional creative talent and production facilities. The Commission notes that the applicant proposed to allocate 20% of its production budget to regional projects for the development of a variety of programs that reflect the various cultural and linguistic groups in Alberta.

The programming will originate from a production centre in Edmonton and be carried on the Anik C satellite, West spot beam, for distribution to local exhibitors throughout Alberta in scrambled form. The applicant indicated it would charge a wholesale rate to exhibitors of $8.75 per subscriber per month during the first year of operation, rising to $10.35 in the fifth year.

ONTARIO

Steven Harris and Jon Slan representing a company to be incorporated under the name of Ontario Independent Pay Television

The Commission approves the application by Stephen Harris and Jon Slan representing a company to be incorporated under the name of **Ontario Independent Pay Television** for a licence to carry on a regional pay television network operation. This general interest licence, which will expire on 1 March 1987, will be issued upon receipt of documentation establishing that the company (Ontario Independent Pay Television) has been incorporated in accordance with the application.

The Commission considers that the Ontario Independent Pay Television application was the best of those for a regional network licence to provide pay television service in Ontario. In the Commission's view, this pay television service will provide Ontario viewers with an attractive and diversified programming mix.

It will offer some 50 hours a week of both Canadian and foreign English-language programming, of which approximately 70% will consist of a variety of feature films. The balance will include a mix of theatrical, musical, variety and comedy specials and sports. The applicant also proposed innovative approaches to programming which include experimental films and video, live and experimental theatre, dance and combinations of video and musical performances, many of which will reflect Ontario life. Significant funds will be allocated for the development of these projects.

The programming will originate from production facilities in Toronto and be carried on the Anik C satellite, east central spot beam, for distribution in scrambled form to local exhibitors throughout Ontario. The applicant indicated that the wholesale rate to exhibitors would be $8.75 per subscriber per month during the first year of operation, rising to $10.35 in the fifth year.

ATLANTIC REGION

Finlay M. MacDonald representing a company to be incorporated under the name of Star Channel Services Ltd.

The Commission approves the application by Finlay M. MacDonald representing a company to be incorporated under the name of **Star Channel Services Ltd.** (Star Channel) for a licence to carry on a regional pay television network operation. This general interest licence, which will expire 1 March 1987, will be issued upon receipt of documentation establishing that Star Channel has been incorporated in accordance with the application.

In considering Star Channel's proposals, the Commission was favourably impressed by the applicant's creative approach to regional programming which draws heavily on Atlantic Canada's diverse and distinctive experiences. It also notes the applicant's plans and financial commitments for the development of regional creative and production resources, both human and technical.

The applicant indicated that the pay television service will offer viewers some 47 hours a week of programming, both Canadian and foreign consisting of feature films, theatre presentations, variety shows, music specials, magazine-type documentaries and sports.

The applicant proposed to charge a wholesale rate to exhibitors in its licensed area of $12.00 per subscriber per month during the first year of operation, gradually increasing by $0.50 yearly during the term of the licence.

The applicant proposed to invest "$1 million in the production industry prior to commencement of operations," and 50% of its programming budget during the five-year licence term on productions originating in Atlantic Canada. It also undertook to distribute on its undertaking all programming funded by this regional production fund.