

All private Sask TV to Baton Broadcasting

OTTAWA — In a landmark decision July 4, the Canadian Radio-television and Telecommunications Commission (CRTC) approved "effective control of all private, originating television stations in Saskatchewan" by Baton Broadcasting Inc. of Toronto, controlled by the Eaton family.

The take-over affects 26 Saskatchewan television stations, except for CJFB-TV Swift Current and new Regina and Saskatoon third-service stations expected to be in operation no later than September 1987.

In its 21-page decision, the Commission described the ownership changes as "essentially an intra-corporate restructuring of assets already effectively controlled by Baton."

Baton's Saskatchewan holdings, through Russwood Broadcasting, already included Saskatoon radio and TV licensee CFQC and its rebroadcasting stations in Stranraer and North Battleford; as well as equal partnership in the ownership of CKBQ-TV Melfort.

Transfer of assets from Russwood to a Baton-controlled limited partnership in Saskatoon, another in Regina, and a third set of asset-transfers to a Russwood-controlled numbered Saskatchewan company place, as the Commission decision recognized, "ownership of most of the province's private television undertakings is in the hands of one company" with "increased concentration on a provincial and national level." These were, the Commission decision also stated, the key issues at the three-day public hearing late in April in Saskatoon.

In hearing applications of such magnitude, the Commission applies a guideline, known as "the test of clear and unequivocal benefits" in which the applicant must demonstrate to the Commission's satisfaction that such benefits will accrue to the various stations in question, to the Canadian broadcasting system, and to the public interest.

Baton argued that the larger and financial base resulting from economies of scale would permit "a dramatic increase" in local and regional Saskatchewan TV production — specifically 4.5 hours per week of regional programming, including a 15-person, province-wide TV news service; a weekly Sunday variety series; local public affairs programs for Yorkton and Prince Albert — in all, capital expenditures of \$620,000, programming expenses of \$745,000 and 44 new jobs in

the first year following approval.

Additionally Baton promised just over \$1 million in Saskatchewan drama over four years covering years 2-5 of the five-year new licenses, in addition to the half-million dollars already committed to CKCK-TV and CFQC-TV in year one, as well as any additional amounts these stations may require to contribute to the Western Canadian Drama Project.

As well Baton committed to expanding weekly CBC net-

work programming on CKOS-TV Yorkton and CKBI-TV Prince Albert by eight and nine hours respectively.

Other commitments included management and expertise pooling, a new microwave system and capital expenditures to improve signal and rebroadcasting quality — for a total expenditure commitment of some \$16 million.

"Based on the Commission's assessment of Baton's commitments, both those that can be qualified in monetary terms

and others not measurable in terms of their dollar value," the decision stated, "the Commission is satisfied that their implementation will bring significant and unequivocal benefits to the many communities served... to the province of Saskatchewan, and to the Canadian broadcasting system as a whole."

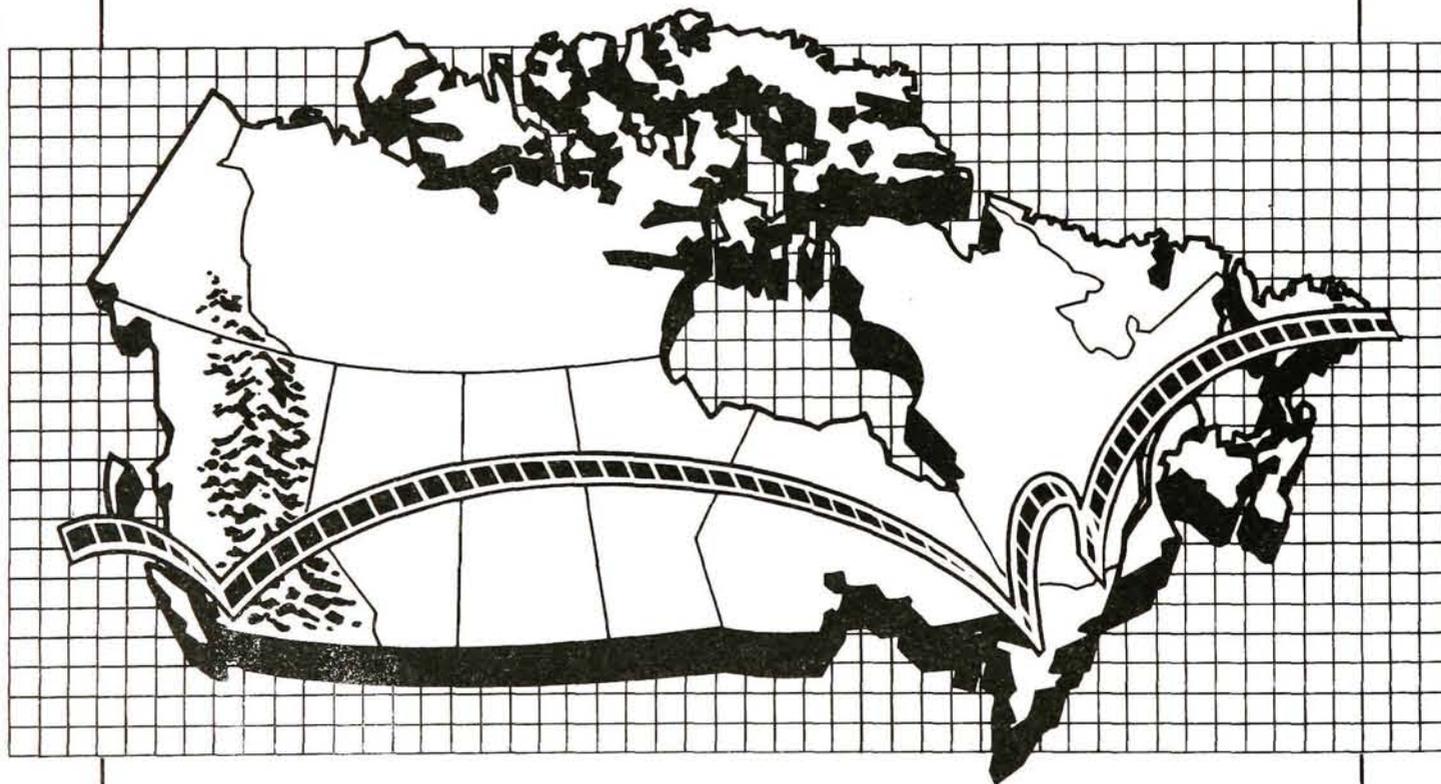
On the question of concentration of ownership, the CRTC decision appeared to accept the applicant's contention that "in today's highly competitive broadcasting environment, concentration of ownership should perhaps be viewed as inevitable, or even as a positive phenomenon... in cir-

cumstances such as are at present in Saskatchewan with its relatively small urban centres and widely dispersed rural population."

The applicant also argued that "increased concentration is in the public interest, because it provides the larger economic unit that makes it possible to produce... clear and unequivocal benefits."

Baton's commitments to "local management autonomy," as well as an entente with the non-Baton-owned Swift Current licensee so as not to intrude upon its local advertising market, appeared to satisfy the Commission on this score.

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