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**Submitted electronically**

Mr. John Traversy,

August 9, 2012

Secretary General  
Canadian Radio-television and  
Telecommunications Commission  
Ottawa, ON K1A 0N2

**Re: Broadcasting Notice of Consultation CRTC 2012-370 regarding the acquisition of Astral Media Inc by BCE Inc.**

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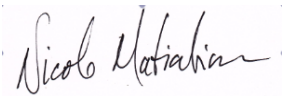
1. On Screen Manitoba wishes to comment on Broadcasting Notice of Consultation CRTC 2012-370 regarding the acquisition of Astral Media Inc. (Astral) by BCE Inc (Bell). Our comments concern the acquisition of Astral's English-language and French-language television holdings.
2. On Screen wishes to appear during the hearing regarding this issue, scheduled to begin on September 10, 2012 in Montreal, Québec.
3. *On Screen Manitoba est l'association professionnelle de l'industrie de production des médias au Manitoba. Nos membres comprennent des scénaristes, des réalisateurs, des producteurs, des guildes, des syndicats, des fournisseurs de service, des festivals de film et autres organismes et individus ayant un intérêt dans ce secteur au Manitoba. Ceci représente plus de 40 compagnies de production et fournisseurs de service, soit quelques 1500 individus.*
4. *Parmi nos membres se trouvent des individus des milieux anglophone, francophone, autochtone et multiculturel. On Screen Manitoba croit que la diversité linguistique et culturelle de la production indépendante au Manitoba est un atout qui enrichi le système de la radiodiffusion au Canada.*
5. On Screen Manitoba is concerned by the level of concentration of ownership that the Bell purchase of Astral represents. Of particular concern in regard to the English-language portion of the business is the loss of an independent buyer of Canadian content. One that is highly valued for its commitment to independent Canadian programming in all genres and in particular in terms of feature film and children's format.
6. On Screen Manitoba joins the CMPA in urging the Commission to require Bell to modify its tangible benefits package to increase its on screen benefits by including all appropriate properties in the valuation of television holdings; by eliminating the proposed use of benefits to make non-incremental, non-broadcast capital improvements and by eliminating other non-broadcast activity from its on screen tangible benefits package.

7. Specifically, On Screen Manitoba believes, as does the CMPA, that the total TV benefits package should, to be consistent with past CRTC decisions, include television holdings where Bell will acquire 50% ownership. The inclusion of these assets increases the tangible benefits to a minimum of \$180.5M. On Screen Manitoba supports the CMPA's position that 85% of that amount (some \$153.4M) should be directed towards on screen initiatives. This includes the \$60M Bell has allocated for "other PNI".
8. In addition, On Screen Manitoba urges the Commission to direct Bell to allocate the \$40M it has indicated it wishes to spend on private non-broadcast improvements to Northwestel's wireless communications infrastructure. This \$40M in tangible benefits should be allocated to on screen benefits.
9. Finally the \$4.9M Bell has allocated for film festivals represents another non-broadcast activity and this amount should be reallocated to on screen benefits
10. On Screen Manitoba agrees with the CMPA that on screen benefits should be split equally between independent Canadian feature film production and new Canadian programs for children and youth. These two areas represent the focus of Astral's programming and the Commission requires that benefits resulting from a transfer of ownership must "yield significant and unequivocal benefits to the communities they serve."
11. While a number of large ownership transactions have occurred recently none have resulted in a direct benefit to independent feature film and children and youth production. The purchase of Astral represents a special opportunity to ensure robust support for these two areas of production.
12. In light of the high value placed on Astral's support of original Canadian programming in the area of feature film and children's and youth programming and the lack of funding in the system to support them, On Screen Manitoba like the CMPA believes the Commission should require Bell to provide a significant and incremental amount of funding to these areas of programming.
13. Bell's tangible benefits for on screen initiatives can be increased by including all appropriate assets in the valuation of television holdings, by redirecting the \$40M proposed for Northwestel infrastructure improvements, by redirecting the film festival allocation and increasing the overall on screen benefits to represent 85% of the total value of television holdings. This represents an additional \$62.5M. On Screen Manitoba supports the CMPA's proposal that this amount be added to the proposed \$24M Bell has proposed and allocated evenly between the Harold Greenberg Fund (HGF) to support the production of independent Canadian feature film and support for new independently produced children's and youth programming.
14. *On Screen Manitoba soutient la bonification de \$7M vers la production de programmation musicale en français.*

15. On Screen Manitoba supports the CMPA's position that an allocation ratio of 2/3 to 1/3 respectively for English language and French language programming based on the formulas established by Telefilm and the CMF would be appropriate in terms of dividing the total on screen benefits package with the exception of the \$7M allocated for French-language music programming.
16. On Screen Manitoba echoes the CMPA in opposing Bell's proposed payment schedule of 10 years. The Canadian broadcast system is in a period of rapid change and currently there is no funding in the system earmarked for independent feature film and children's and youth production. We believe that the benefits package should be paid out in equal instalments over 5 years reflecting the Commission's broadcast licence terms.
17. On Screen Manitoba recognizes that in its proposal regarding the acquisition of Astral, Bell seeks to demonstrate a commitment to support Canadian creators. On Screen Manitoba also notes that both Bell and Astral have entered into the Terms of Trade Agreement and welcomes Bell's commitment to uphold the Terms of Trade Agreement and the Program of National Interest (PNI) levels established for each group during the recent group licence renewals.
18. On Screen Manitoba urges the Commission to impose an annual, transparent reporting requirement on Bell as a condition of licence (COL). This reporting process should clearly demonstrate that benefits flowing from both the recent CTV transaction and the current Astral transaction resulting the acquisition and commissioning of new independently-produced Canadian programming.
19. In its application to the CRTC Bell purports to become "a leading national media player in both languages and on multiple digital platforms". In light of this intention, and in recognition of the basic principles of the Canadian Broadcast system, On Screen Manitoba strongly urges the Commission to direct Bell to include initiatives within its on screen benefits package that support the development and production of independent feature film and children's and youth production in all genres by independent producers who live and work in all regions of Canada, and this in both English and French.
20. We firmly believe that the independent producers of Manitoba can produce programs of national interest that will meet every requirement of quality and efficiency; however, our producers face a geographic handicap and lack regular access to programming executives. We believe that this could be mitigated through strong action by the CRTC. Three potential actions include: a condition of licence that would require television broadcast undertakings to appoint commissioning editors in all regions of Canada; a condition of licence to demonstrate incremental spending on the development and production of Canadian programming in all regions of Canada and the creation of a pre-development fund to be managed by an existing 3<sup>rd</sup> party fund such as the Independent Production Fund.

21. *En ce qui concerne le marché francophone, nous constatons que les producteurs indépendants francophones hors Québec et vivant dans un contexte de CLOSM font face à davantage d'obstacles pour faire entendre leurs voix sur le plan national. Nous demandons vivement à la Commission d'imposer une condition de licence qui exige qu'une portion des bonifications destinées au marché francophone soit dirigée vers le développement et la production de longs métrages indépendants et de nouveaux programmes pour les jeunes (en tous genres) réalisés par des producteurs francophones vivant et travaillant en CLOSM. Les conditions de licence imposées lors de l'achat de TVA par Québecor ont établi un précédent efficace pour déterminer un pourcentage raisonnable de bonifications à diriger vers les productions, en tous genres et tous formats, réalisées par des producteurs francophones vivant et travaillant hors Québec.*
22. On Screen Manitoba wishes to highlight the very important role the Harold Greenberg Fund plays in supporting the development and production of Canadian Feature films. It is an essential asset of the Canadian broadcast system. The HGF has, over time, also become an excellent means for supporting regional production. According to our research the HGF has invested a modest \$1.224M in 18 Manitoba-produced feature films, of those, 9 received both development and production funding. Among the more recent projects is one francophone feature. The HGF, and its investment in Manitoba feature film projects, represents an interesting precedent for a successful funding mechanism for regional production in both official languages.
23. To conclude, On Screen Manitoba is very concerned by the level of ownership concentration the purchase of Astral by Bell represents. We strongly believe that the benefits model put forward by the CMPA would serve to mitigate the effects of vertical integration and ownership concentration. We urge the Commission to also consider our request that a clear directive be given to Bell to ensure that a portion of the tangible benefits package flow to the development and production of original Canadian programming in all genres by independent producers who live and work in the regions, including those who work in English and those who work in French.
24. On Screen Manitoba appreciates the opportunity to provide its comments to the Commission. A copy of this intervention has been provided to the applicants in accordance with the Commission's directives on procedure.

Sincerely,



Nicole Matiation, Executive Director, On Screen Manitoba

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