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Mr. Robert Morin  
Secretary General  
Canadian Radio-television and  
Telecommunications Commission  
Ottawa, ON K1A 0N2

Filed electronically

**Re: Broadcasting Notice of Consultation CRTC 2010-623, *Call for comments on contributions by broadcasting distribution undertakings to local expression***

Dear Mr. Morin,

1. Pursuant to Broadcasting Notice of Consultation 2010-623, *Call for comments on contributions by broadcasting distribution undertakings to local expression*, TELUS Communications Company ("TELUS" or the "Company") hereby files its comments.
2. TELUS recognizes the importance of offering a community programming service and has launched such services in Vancouver, Edmonton and Calgary. With its Optik TV service being offered in many more communities now, TELUS is assessing the feasibility of launching community programming services in those new communities now being served. TELUS is concerned with the decrease in contribution proposed by the Commission for community programming services.
3. When TELUS launched its first three community programming services, it was able to dedicate the full 5% of its contribution requirement to this new initiative

since TELUS had fewer than 20,000 subscribers in those communities when it launched the new community programming services. Since then, TELUS, like the other large BDUs, has been dedicating only 2% of gross revenues to its community programming initiatives. While TELUS' contribution might be on par with other BDUs in percentage value, in actual dollar value, TELUS' current contribution to community programming is far less than the larger BDUs given its lower gross revenues as a new entrant. This means that it can produce far less programming for the same 2% contribution and thus it does not benefit from economies of scale and therefore each program has a higher per unit cost. This puts new entrants and small BDUs at a significant disadvantage and calls into question the feasibility of offering a community programming service in the first place.

4. Accordingly, as argued in its written comments relating to Broadcasting Notice of Consultation CRTC 2009-661, TELUS submits that **the Commission should continue to allow for the full 5% contribution to be dedicated by a BDU to a new community programming service until the BDU reaches 20,000 subscribers in that community.** This measure should be restricted to BDUs which are unaffiliated with the large 5 cable BDUs (Shaw, Rogers, Eastlink, Videotron and Cogeco). Such a measure would not have a negative impact on the current contributions to the Canadian Media Fund (CMF) and yet would go a long way towards ensuring small and new entrant BDUs can dedicate sufficient resources to the large start up costs of a new community programming service.
5. TELUS further submits that in order to provide an incentive for the launch of new community programming services by small and new entrant BDUs, **any BDU which is not affiliated with the large five cable undertakings should be allowed to direct 3% of their overall contribution requirement for the first five years of operation of a community programming service after which time it would be entitled to direct 2% of its overall contribution to its established community programming service.**

6. TELUS submits that these two recommendations regarding the funding of community programming services are essential to providing an incentive for small and new entrant BDUs to continue to provide community programming and to launch new community programming services in the communities they serve. It is all the more important in light of the considerable new regulatory requirements set out in Broadcasting Regulatory Policy CRTC 2010-622: *Community television policy*.

All of which is respectfully submitted on behalf of TELUS.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Mainville-Neeson". The signature is written in a cursive, flowing style.

Ann Mainville-Neeson

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