



## Broadcasting Notice of Consultation CRTC 2011-6

PDF version

Ottawa, 7 January 2011

### Notice of hearing

**7 March 2011**

**Gatineau, Quebec**

**Deadline for submission of interventions/comments: 7 February 2011**

[\[Submit an intervention/comment or view related documents\]](#)

The Commission will hold a hearing commencing on **7 March 2011 at 9:00 a.m., at the Conference Centre, Phase IV, 140 Promenade du Portage, Gatineau, Quebec**, to consider the following applications:

### Applicant and Locality

1. **Canadian Satellite Radio Inc. and Sirius Canada Inc.**

Across Canada

Applications 2010-1723-6 and 2010-1769-0

1. **Across Canada**

**Applications 2010-1723-6 and 2010-1769-0**

Applications by **Canadian Satellite Radio Inc. (CSR) and Sirius Canada Inc. (Sirius)** (collectively the applicants) for authority to change the effective control of CSR and Sirius as part of a merger transaction.

The applicants stated that the two services, Sirius Canada and XM Canada, will remain distinct from one another and will continue to operate pursuant to the same terms and conditions as those in effect under their current licences.

At the hearing, the Commission will focus on issues directly related to the proposed transaction. Issues relating to conditions of licence, including Canadian content and French-language channels, will be addressed at the time of the next licence renewal proceedings for the two services. Under separate cover, CSR and Sirius both requested a one-year administrative renewal of their respective licences from 1 September 2011 to 31 August 2012.

CSR is currently a wholly owned subsidiary of Canadian Satellite Radio Holdings Inc. (CSRHI), a publicly-traded corporation controlled by John Bitove. XM Satellite Radio Inc., a non-Canadian, holds 10.82% of the voting interest in CSRHI.

Sirius is a corporation controlled by its board of directors, whose voting shares are held by the Canadian Broadcasting Corporation (CBC) (40%), Slight Communications Inc., a

corporation controlled by J. Allan Slaight (Slaight) (40%) and Sirius XM Radio Inc. (Sirius XM), a non-Canadian (19.99%).

As contemplated by the Share Purchase Agreement dated 24 November 2010, CSRHI will acquire 100% of the shares of Sirius in exchange for shares in the capital of CHSRI to be issued to Sirius' shareholders.

In addition, CSRHI will provide Slaight, CBC and Sirius XM additional payments in the form of cash, promissory notes and/or shares based on the balance sheets of Sirius and CSRHI at closing. These payments compensate for the relative investments of Slaight, CBC and Sirius XM.

Following the closing of the proposed transaction the voting shares in CSRHI will be held by CSRI Inc. (30%) - a corporation owned and controlled by John Bitove - CBC (20.2%), Slaight (20.2%), and Sirius XM (25%), with the remaining shares held publicly.

The board of directors of CSRHI will exercise effective control of both CSR and Sirius.

The applicants submitted that the average profit before interest and taxes of each service over the past three years is negative, and as such, no benefits are payable.

Based on the terms and scope of the proposed transaction, the Commission may discuss, among other things, the following:

- in the context of the proposed merger involving the only two providers of subscription satellite radio in Canada, the potential impact on the market and various related ownership issues;
- the compliance of the licensees with their conditions of licence relating to contributions to Canadian Content Development; and
- the licensees' technical plans, including the compatibility of receivers for both satellite radio services, as well as the satellite coverage of both networks.

Additional information may be placed on the public examination file as it becomes available. The Commission encourages interested parties to monitor the public examination file and the Commission's website for additional information that they may find useful when preparing their comments.

*Applicants' addresses:*

Canadian Satellite Radio Inc.  
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Fax: 416-408-6005  
E-mail: [oliver.jaakkola@xmradio.ca](mailto:oliver.jaakkola@xmradio.ca)

And

Sirius Canada Inc.  
135 Liberty Street, 4<sup>th</sup> Floor  
Toronto, Ontario  
M6K 1A7  
Fax: 416-513-7489  
E-mail: [skerr@siriuscanada.ca](mailto:skerr@siriuscanada.ca)

*Examination of application:*

At the applicants' addresses

## **Public participation**

### **Deadline for interventions**

**7 February 2011**

The intervention must be received by the Commission and by the applicant on or before the above-mentioned date. The Commission cannot be held responsible for postal delays and will not notify a party whose intervention is received after the deadline date. The intervention will not be considered by the Commission and will not be part of the public file.

The intervention must include one of the following statements in either the first or the last paragraph:

1. I request to appear at the public hearing.
2. I do not want to appear at the public hearing.

Interventions will be considered by the Commission and will form part of the public record of the proceeding without further notification to intervening parties, provided the procedure set out below has been followed. Parties will be contacted only if their submissions raise procedural questions.

Written interventions should be submitted to the Secretary General of the Commission in **only one** of the following formats:

**by using the**  
[\[Broadcasting interventions/comments form\]](#)

or

**by mail to**  
CRTC, Ottawa, Ontario K1A 0N2

or

**by fax at**  
819-994-0218

A true copy must be sent to the applicant, and proof that this has been done must accompany the intervention sent to the Commission.

The Commission advises those who file and serve by electronic mode to exercise caution when using e-mail for service of documents or notification, as it may be difficult to establish that service has occurred.

Parties must ensure that, before initiating service through electronic mode, they will be able to satisfy the Commission, upon request, that service of the notification was completed.

Submissions longer than five pages should include a summary.

Each paragraph of the submission should be numbered. In addition, where the intervention is filed by electronic means, the line **\*\*\*End of document\*\*\*** should be entered following the last paragraph of the document, as an indication that the document has not been damaged during electronic transmission.

Interventions should clearly identify the application referred to and indicate whether parties support or oppose the application, or, if they propose changes to it, include the facts and grounds for their proposal.

In the event that the application is brought to the oral phase of the hearing, and if parties wish to appear, they must provide reasons why their written interventions are not sufficient and why an appearance is necessary. Only those parties whose requests to appear have been granted will be contacted by the Commission and invited to appear at the public hearing.

Persons requiring communications support such as assistance listening devices and sign language interpretation are requested to inform the Commission at least twenty (20) days before the commencement of the public hearing so that the necessary arrangements can be made.

### **Important notice**

All information that parties provide as part of this public process, except information granted confidentiality, whether sent by postal mail, facsimile, e-mail or through the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), becomes part of a publicly accessible file and will be posted on the Commission's website. This information includes personal information, such as full names, e-mail addresses, postal/street addresses, telephone and facsimile numbers, and any other personal information parties provide.

The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.

Documents received electronically or otherwise will be put on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.

The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its own search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

The Commission encourages interested parties to monitor the public examination file and the Commission's website for additional information that they may find useful when preparing their interventions.

### **Examination of documents**

An electronic version of the applications is available from the Commission's website by selecting the application number within this notice.

A list of all interventions will also be available on the Commission's website. An electronic version of all interventions submitted will be accessible from this list. To access the list, select "Lists of interventions/comments" under "Public Proceedings" from the Commission's website.

Documents are also available during normal office hours at the local address provided in this notice and at the Commission offices and documentation centres directly involved with this application, or, upon request, within two (2) working days, at any other Commission offices and documentation centres.

### **Location of Commission offices**

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Secretary General