

OTTAWA MEETING

During the recent meeting in Ottawa, the Board discussed (a) the procedures to hear representations on conditions and regulations governing network operations and applications for approval of networks; and (b) the conditions and regulations which the Board might wish to propose as a basis on which representations would be heard:

(a) The Board was impressed with representations it had received suggesting that the procedures proposed in the earlier press release would not permit sufficient time for full consideration of the problem and for applications to be prepared and presented. Consequently, the Board now proposes:

(i) A public hearing on September 1 and 2 to hear oral representations on the conditions and regulations set out in their statement. At this hearing the Board will hear representations from those who have submitted written briefs, which must be in the hands of the Board by August 15.

(ii) Subsequent to the hearing on September 1 and 2, the Board will announce the conditions and regulations to apply to networks and will have for distribution a form on which applications may be made.

(iii) The Board will receive applications for approval to operate a television network, which applications must be in the hands of the Board by November 1, 1960.

(iv) The Board will hear representations in support of applications at a public hearing on a date to be set toward the end of November, or early in December.

(b) The Board wishes to point out that The Broadcasting Act enables the Board to *require* television stations to operate as part of a network of the Canadian Broadcasting Corporation and the Board will continue to recommend licences subject to this condition where this is necessary to the national service. On the other hand, The Broadcasting Act enables the Board to *permit* television stations to operate as part of a network other than a network of the Corporation. The Board does not have and will not seek the authority to require stations to affiliate with or to prevent stations from disaffiliating from a private network.

In directing the development of television networks, the Board must be guided by the general objects and purposes of the broadcasting system and the broadcasting service as prescribed in Section 10 of The Broadcasting Act, and must seek to devise its regulations so as to ensure a service to viewers consistent with these objects and purposes.

PUBLIC HEARING

For the purpose of hearing representations at the public hearing on September 1 and 2, the Board sets out the following proposed conditions to govern the establishment and operation of television networks in Canada.

The proposed conditions may be modified as a result of representations made to the Board at the public hearing:

1. A company seeking the approval to operate a television network must provide the Board with proof of its ability to obtain microwave connection with affiliated stations and must give assurance of a minimum amount of time of actual microwave connection to carry live or taped programmes.

2. Subject to the minimum time of actual microwave connection, a network shall have the right to distribute programmes by any appropriate means.

3. Approval of a television network may be given for an initial period of not less than five years, after which approval may be extended for periods of not more than five years.

4. It now appears to the Board that a private television network should include a provision that (a) at least six "second" television stations should hold voting stock in the company; but the stock held by all stations may not exceed 49 per cent of the voting stock authorized or issued; (b) it is provided that one-half of the directors of the company are to be elected by the six or more basic stations holding stock in the company.

5. No transfer of shares in a network company may be effected without approval by the Board.

6. A network must provide for the distribution of programmes produced in the studios, or by the remote facilities, of its basic member stations and of such other affiliated stations as it may choose to include under this condition.

7. In order to operate as part of a network, there must be an affiliation agreement between a station and the network company. Affiliation agreements between networks and stations are subject to approval by the Board.

NETWORK AFFILIATION

8. No television station may be affiliated with more than one Canadian network; but the affiliation agreement between a network and a station may not prevent the station from securing particular programmes or series of programmes from another network in Canada. This condition does not apply to temporary networks that may be approved by the Board under Section 13 (4) of The Broadcasting Act.

9. A network shall offer all programmes produced by it or contracted for it to affiliated stations; but if an affiliate does not take a programme within 30 days, the programme may then be offered to any other station covering the same area or other areas.