

23 December 2008

Mr. Robert Morin Secretary General CRTC Ottawa, Ontario K1A0N2 Filed via email and facsimile

Dear Mr. Morin,

Re: Shaw Report to CRTC Respecting Sponsorship Messages Compliance

As part of Shaw's cable licence renewal applications submitted to the CRTC in December 2007, Shaw committed to submit a report to the CRTC on 31 December 2008 regarding the measures Shaw would implement to ensure the continued compliance of sponsorship messages on our community channels. This letter describes the compliance measures taken by Shaw and constitutes Shaw's promised report to the Commission.

- Pursuant to the CRTC's rulings in December 2007 (CRTC Letter Decision dated 7 December 2007) and Broadcasting Decision 2008-234, Shaw has filed monthly compliance reports to the CRTC respecting the distribution of sponsorship messages on Shaw TV. These reports provide a list of all sponsorship messages run in each Shaw market, the dates of the run, the title of the sponsorship message, and the name of the Shaw TV program on which the message was carried.
- Following these Decisions, we met with our Program Managers and Program
  Directors to review Shaw's internal guidelines, and to discuss the meaning and
  interpretation of the CRTC's sponsorship message regulations and policies.
- We have removed messages from Shaw TV that were identified as potentially being problematic.
- In October 2008, following Broadcasting Decision CRTC 2008-234, Shaw met with the CRTC policy staff to seek greater clarity and advice on determining and identifying what is a "description", as prescribed in the Regulations.
- Given that there is a degree of subjectivity in determining what is a "description",
  Shaw met with the Advertising Standard Council of Canada to seek their views
  and expertise. Specifically, Shaw discussed the potential of developing a preclearance process using the expert opinion of the Advertising Council to determine
  and ensure that each sponsorship message would reasonably confirm to the
  CRTC's sponsorship message requirements.

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- In November 2008, Shaw has become a member of the Advertising Standards Council
- In November 2008, Shaw made a wholesale change to sponsorship messaging and implemented a new action plan. Specifically on 14 November 2008, Shaw removed from the air all sponsorship messages that were currently running on Shaw TV in all Shaw markets. This was a major action. Essentially, all programs continued to air but were edited to remove the sponsorship messages. All current program organizations and sponsorship clients were contacted to void current contracts and make adjustments to renew their sponsorship messages at a later date, subject to new base format sponsorship message criteria.
- All current sponsorship messages on Shaw TV have been required to conform to a
  basic format that provides a straightforward identification of the sponsor and a
  minimal description of the good or service. This is intended to maximize the
  ability of Shaw to maintain compliance with the Commission's current regulations
  by providing only a very basic sponsorship attribution, or a minimal description.

## Review of the Community Channel

Shaw has taken significant measures to ensure compliance with the existing sponsorship message requirements set out in section 27 of the BDU Regulations. At the same time, Shaw is aware that the CRTC has on several occasions in the past year indicated its intention to issue a call for comments on its policies regarding community-based television media, including the rules and policies respecting the community channel.

Shaw strongly supports the Commission's proposed review. We believe the full potential of the community channel respecting programming, funding, access, and maximizing its revenue potential should be explored and new policies adopted. Specifically, Shaw considers that limited forms of community advertising should be permitted to be distributed on the community channel as a means to increase the funding and production of community programming.

We trust we have fulfilled the commitment to provide a report the CRTC concerning measures Shaw has implemented respecting sponsorship message compliance. Please do not hesitate to contact us if you have any questions or concerns.

Yours truly,

Michael Ferras

Vice-President, Regulatory Affairs

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Shaw Communications Inc.