



[CB-CDA 2023-016]

NOTICE OF THE BOARD

Proceeding: Television Retransmission [Redetermination (2014-2018)]

April 3, 2023

I. PROCEDURAL HISTORY

[1] In Notice 2023-006 (the Notice), the Board sought comments from the Parties on a set of calculations contained in a spreadsheet (Annex C to the Notice). The Notice included a description of the calculations in the spreadsheet.

[2] The Notice also included the Panel's preliminary view on the profit adjustment to be used for US specialty services: 25%. This profit margin adjustment figure is necessary in order to calculate a proxy price. It was provided to permit meaningful comment on the correctness of the Board's calculations.

[3] As stated in the Notice, this preliminary view was based—in part—on a set of calculations, primarily contained in Tab “viii. ProfitCalculation” of the spreadsheet.

[4] A technical meeting between Parties' counsel and Board staff was held on February 17, 2023. During the technical meeting, parties noted that the manner in which the calculations in Tab viii of the spreadsheet were performed did not match the description of those calculations in the text of Notice.

[5] The column labelled “MinProfit%” found in Tab. viii in the spreadsheet divided the profit (\$) by the cost (\$). The text of the Notice stated that the column divided the profit (\$) by the price(\$).

II. REVISION OF PRELIMINARY VIEW REGARDING PROFIT ADJUSTMENT OF US SPECIALTY SERVICES

[6] To resolve this discrepancy, we are modifying the calculations in the spreadsheet to match the text of the Notice. The description of the calculation of profit margin in the text of the Notice is more coherent with the Board’s decision in *Tariff for the Retransmission of Distant Television Signals, 2014-2018*, CB-CDA 2019-056.

[7] This changes the calculation related to estimating profits, in Tab viii. Given this change, the Panel’s preliminary view has changed to 20% profit adjustment being the appropriate figure — and maintains its preliminary view that it should use a 10% profit adjustment for Canadian Category B services. As was the case in the previous Notice, this preliminary view is based—in part—on the calculations in Tab viii.

[8] Consequently, the calculation in Cell D30 in Tab “vi. RateCalculation” now uses the figure of 20% for profit adjustment for US specialty services.

[9] The modified version of Annex C to Notice 2023-006 is attached. The parties are to refer to this version when filing their comments.

III. PARTIES PERMITTED TO ADDRESS ASSUMPTIONS IN CALCULATIONS

[10] In Ruling 2022-038, the Board stated that it will not permit new evidence in relation to the two issues under reconsideration (proxy price and the profit margin adjustment). This ruling continues to apply. More recently, Notice 2023-006 invited parties to make submissions on the Board’s calculations. For greater certainty, these submissions may include new facts, but only to the extent necessary to address any assumptions the Board used in its calculations.

[11] Parties’ comments in response to Notice 2023-006 are now due no later than **Thursday, April 20, 2023**.

Lara Taylor
Secretary General