

1991
(Second Session)

CHAPTER 11
An Act to amend The Saskatchewan Telecommunications Act

(Assented to December 22, 1991)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

Short title **1 This Act may be cited as The Saskatchewan Telecommunications Amendment Act, 1991.**

R.R.S. 1978, c.S-34 amended **2 The Saskatchewan Telecommunications Act is amended in the manner set forth in this Act.**

Section 2 amended **3 Clause 2(a) is repealed and the following substituted:**
"Saskatchewan Telecommunications Holding Corporation"
 “(a) `Saskatchewan Telecommunications Holding Corporation' means the Saskatchewan Telecommunications Holding Corporation established pursuant to The Saskatchewan Telecommunications Holding Corporation Act;
"telecommunication" “(a.1) `telecommunication' means the emission, reception, transmission, switching, storage, compilation, transformation or manipulation of information or intelligence of any nature and includes any means by which communication, video, computer or data services are provided”.

New section 9.1 **4 The following section is added after section 9:**
Payment of dividends “9.1 Notwithstanding any other provisions of this Act or any other Act, the corporation may declare and pay to the Saskatchewan Telecommunications Holding Corporation those dividends that the corporation considers advisable out of the retained earnings of the corporation”.

Section 11 amended **5 Subsection 11(1) is repealed and the following substituted:**
 “(1) The corporation:
 (a) may acquire, by purchase, lease or otherwise, any real or personal property; and
 (b) may sell, lease or otherwise dispose of:
 (i) any of its personal property; and
 (ii) subject to subsection (3), any of its real property”.

New Part I.1

6 The following Part is added after Part I:**"PART I.1****"Reorganization of Saskatchewan Telecommunications**Interpretation of Part
"integral assets"

"11.1 In this Part:

(a) `integral assets' means all the personal property constituting the public switched telephone network of the corporation;

"non-integral assets"

(b) `non-integral assets' means all the property of the corporation other than the integral assets;

"public switched telephone network"

(c) `public switched telephone network' means the transmission and switching facilities constituting the ordinary dial-up telephone system of the corporation, but does not include radio telecommunication facilities or telephone directory assets;

"purchaser corporation"

(d) `purchaser corporation' means the Saskatchewan Telecommunications Holding Corporation;

"SaskTel subsidiary"

(e) `SaskTel subsidiary' means Saskatchewan Telecommunications International Inc., a body corporate incorporated under The Business Corporations Act on May 28, 1985 and includes a subsidiary of that body corporate.

Transfer of non-integral assets

"11.2(1) Notwithstanding any other provision of this Act or any other Act or law but subject to the approval of the Lieutenant Governor in Council, the corporation may enter into transactions that provide, directly or indirectly, for the sale, assignment, transfer or other disposition of all or any part of the non-integral assets of the corporation to the purchaser corporation on any terms and conditions that may be approved by the Lieutenant Governor in Council.

"(2) The Bulk Sales Act does not apply to a transaction entered into pursuant to subsection (1).

Assignment of liability to purchaser corporation

"11.3(1) Notwithstanding any other provision of this Act or any other Act or law but subject to the approval of the Lieutenant Governor in Council, the corporation, as part of a transaction entered into pursuant to section 11.2, may assign to the purchaser corporation any indebtedness, liability or obligation of:

(a) the corporation; or

(b) the SaskTel subsidiary.

“(2) Where the corporation assigns to the purchaser corporation any indebtedness, liability or obligation pursuant to subsection (1):

(a) unless the instrument effecting the assignment otherwise requires, the purchaser corporation is directly liable to the person:

(i) to whom the indebtedness, liability or obligation is due; or

(ii) by whom the indebtedness, liability or obligation is held;

as if the indebtedness, liability or obligation had been incurred by the purchaser corporation on its own behalf; and

(b) the liability of the corporation with respect to the indebtedness, liability or obligation is extinguished.

Rights on sale

“11.4(1) With respect to a transaction mentioned in section 11.2:

(a) all preferential or other rights to acquire the non-integral assets are deemed to have been waived; and

(b) all notices, consents or approvals that are required pursuant to any agreement that relates to the non-integral assets are deemed to have been given.

“(2) Where the purchaser corporation acquires non-integral assets of the corporation as part of a transaction mentioned in section 11.2 with respect to which there are preferential or other rights or with respect to which the notice, consent or approval mentioned in subsection (1) is required, with respect to any matter arising after the closing of the transaction:

(a) the purchaser corporation shall:

(i) observe, fulfil or perform those preferential or other rights; and

(ii) comply with the requirements for:

(A) giving notice; or

(B) obtaining consent or approval; and

(b) any liability of the corporation to:

(i) observe, fulfil or perform those preferential or other rights; or

(ii) comply with the requirements for:

(A) giving notice; or

(B) obtaining consent or approval;

is extinguished.

Waiver of default or breach

“11.5(1) The sale, assignment, transfer or other disposition of the non-integral assets of the corporation pursuant to a transaction mentioned in section 11.2 is deemed not to be a default or breach of covenant under any instrument:

- (a) binding on:
 - (i) the corporation;
 - (ii) the SaskTel subsidiary; or
 - (iii) the purchaser corporation; or
- (b) relating to the sale, assignment, transfer or other disposition.

“(2) The purchaser corporation is responsible for any default or breach of covenant that occurs after the closing of the transaction mentioned in subsection (1).

“(3) Any liability of the corporation or the SaskTel subsidiary for a default or breach of covenant that occurs after the closing of the transaction mentioned in subsection (1) is extinguished.

Crown bound

“11.6 The Crown is bound by this Part”.

Section 33 amended

7 Subsection 32(1) is repealed and the following substituted:

“(1) Neither the Minister of Finance nor the corporation may borrow any moneys by the issue and sale of bonds, debentures or other securities or by way of temporary loans or otherwise, under the authority of this Act, where that borrowing would cause the aggregate principal amount of:

- (a) the outstanding bonds, debentures or other securities; and
- (b) the outstanding temporary loans;

of the corporation and the Saskatchewan Telecommunications Holding Corporation, established pursuant to The Saskatchewan Telecommunications Holding Corporation Act, to exceed the aggregate sum of \$1,300,000,000 unless the borrowing is for the purpose of paying in whole or in part any indebtedness previously incurred for the purpose of this Act or The Saskatchewan Telecommunications Holding Corporation Act”.

Coming into force

8 This Act or any provision of this Act comes into force on a day or days to be fixed by proclamation of the Lieutenant Governor.