



## Broadcasting Notice of Consultation CRTC 2010-169

Route reference(s): 2009-411, 2009-614

Ottawa, 22 March 2010

### Call for comments on issues related to the digital television transition

*In this notice, the Commission calls for comments and seeks further information on the number of Canadians that could potentially lose service as a result of the transition to over-the-air digital television (DTV), on its proposal to authorize the provision by broadcasting distribution undertakings of a free package consisting of all local and regional conventional television signals currently available over-the-air in a given market, on possible regulatory measures to educate consumers regarding the DTV transition, on the implementation of one or more trial market(s) for DTV conversion and on other related matters. The deadline for the receipt of comments is **6 May 2010**.*

### Introduction

1. Canadian television is in the process of converting its over-the-air transmitters from analog to digital. The transition to digital television (DTV) will provide significant benefits to Canadians. In addition to providing television viewers with better picture and sound, including high definition programming, and allowing for more services through multiplexing,<sup>1</sup> it will make spectrum available for public safety uses and greater wireless competition and innovation through the repurposing of channels 52 to 69.
2. In Broadcasting Public Notice 2007-53, the Commission established 31 August 2011 as the date for the transition from analog to digital over-the-air television in Canada. In Broadcasting Regulatory Policy 2010-167, also issued today, it confirmed that broadcasters will be expected to convert full-power transmitters to digital in mandatory markets by that date, whereas they can elect to continue operating analog transmitters outside these markets on channels 2 to 51 under certain circumstances.<sup>2</sup> As a result, transmitters operating outside the mandatory markets on channels 52 to 69 will be required to relocate within channels 2 to 51 either in analog or digital or cease over-the-air transmission and depend on broadcasting distribution undertakings (BDUs) for the distribution of their signals.

### Potential loss of service to Canadians

3. The Commission acknowledges that the digital transition will have a direct impact on Canadian viewers. In order to continue to receive the services they currently enjoy, viewers who rely on over-the-air reception will need to purchase digital receiving equipment.

<sup>1</sup> Multiplexing is the use of one digital transmitter by one or more broadcasters to transmit several programs at the same time.

<sup>2</sup> Provided that the technical requirements of the Department of Industry are met, the operation of an analog transmitter outside mandatory markets on channels 2 to 51 may continue beyond 31 August 2011, except where its operation would prevent a digital transmitter from being implemented.

4. With a view to providing the government with a revised estimate of the cost of offering a subsidy to Canadians for the purchase of digital receiving equipment and related matters, the Commission seeks comment on a number of issues discussed below.
5. In Broadcasting Regulatory Policy 2010-167, the Commission revised its list of markets mandated for digital conversion, which include the national capital and all provincial and territorial capital cities, as well as markets either served by multiple originating stations (including CBC stations) or with populations greater than 300,000.
6. Given that broadcasters' plans for the digital transition outside mandatory markets have a strong bearing on the following estimates, it is essential for the Commission to gain a better understanding of their plans in these markets. Accordingly, the Commission requests that broadcasters file their digital transition plans for full-power analog transmitters operating outside mandatory markets, indicating the following, at a minimum, for each transmitter:
  - location, call sign and channel number;
  - intention to convert, continue operating on analog, including by way of a change in channel, or cease over-the-air transmission altogether; and
  - estimated population within the existing analog transmitter's Grade B contour and anticipated digital service contour.<sup>3</sup>

#### **Over-the-air digital converter boxes**

7. Approximately 11.2 million or 82.8% of all Canadian households currently have access to analog over-the-air television in the mandatory markets based on 2006 Census data. Assuming that broadcasters can provide digital coverage that matches their analog coverage, these same Canadians will have access to digital over-the-air services following the transition.
8. Given that in 2008 approximately 8% of Canadian households relied solely on over-the-air reception,<sup>4</sup> the Commission projects that approximately 900,000 of the households in the mandatory markets may require over-the-air digital converter boxes to ensure that viewers in these households maintain access to over-the-air services using older TV sets. That said, other factors such as the implementation of digital transmitters outside the mandatory markets and digital television set penetration could affect this estimate.

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<sup>3</sup> Noise-limited bounding contour as defined by the Department of Industry in *BPR-10: Application Procedures and Rules for Digital Television (DTV) Undertakings*.

<sup>4</sup> In paragraph 40 of its submission in response to Broadcasting Notice of Consultation 2009-411, the Canadian Association of Broadcasters indicated that according to Spring 2008 BBM Canada numbers, 8% of all Canadian households rely on over-the-air reception.

9. The Commission seeks specific comment on the following:
- the above estimates as well as similar estimates from other parties;
  - the current percentage of Canadian households in mandatory markets relying solely on over-the-air television on an aggregate and/or market-by-market basis; and
  - any trends that may indicate how these estimates will change as the conversion date approaches.

**Satellite receiving equipment**

10. Outside the mandatory markets, some broadcasters may cease over-the-air transmission altogether. Based on 2006 Census data, approximately 550,000 Canadian households currently have access to full-power analog over-the-air television stations operating on channels 52 to 69 in these markets. As these stations will not be permitted to continue operating on these channels beyond 31 August 2011, they may cease over-the-air transmission, and these same Canadians would require alternative means, as discussed below, to maintain access to the services they currently enjoy.
11. Given that in 2008 approximately 8% of Canadian households relied solely on over-the-air reception, the Commission projects that over 44,000 of the households outside the mandatory markets may require digital receiving equipment, such as satellite receivers and dishes. The factors noted above or others may affect this estimate.
12. The Commission seeks specific comments on the following:
- the above estimates as well as similar estimates from other parties;
  - the current percentage of Canadian households outside mandatory markets relying solely on over-the-air television on an aggregate and/or market-by-market basis; and
  - any trends that may indicate how these estimates will change as the conversion date approaches.

**Subsidy program eligibility**

13. In order to facilitate the possible establishment and administration of a consumer subsidy program for the purchase of digital receiving equipment, the Commission seeks comment on the size, type and manner of administering such a subsidy program for over-the-air viewers. Specifically, if such a subsidy program were authorized:
- Should all Canadians be eligible for a subsidy towards the purchase of digital receiving equipment?
  - Should such a program be limited to viewers who rely on over-the-air television?
  - Should such a program be limited to markets mandated for conversion by the Commission?

- If such a program were limited to viewers who rely on over-the-air television and/or to certain markets, should eligibility be based on self-identification or should there be a requirement for consumers to certify their eligibility (e.g. that they are not existing BDU subscribers)?
- By what means could this certification be verified (e.g. based on BDU subscriber information), if it were deemed necessary?

### **General authorization to distribute a local package**

14. As noted above, some broadcasters may cease over-the-air transmission outside mandatory markets following the DTV transition. In Broadcasting Regulatory Policy 2010-167, the Commission reiterated its support for initiatives intended to ensure that Canadians do not lose access to free conventional television services as a result of decisions it has been called upon to make in managing the digital transition. In this regard, it indicated its intention to authorize the provision by BDUs of a free package consisting of all local and regional conventional television signals currently available over-the-air in a given market (local package).
15. The Commission is of the preliminary view that BDUs should be authorized to provide a local package on condition that:
  - i) it is provided at no charge,
  - ii) no other television services are provided in conjunction with the local package and
  - iii) access to the local package is not conditional on the purchase of any other services.
16. Accordingly, the Commission hereby seeks comment on:
  - the terms and conditions associated with a general authorization, pursuant to Broadcasting Regulatory Policy 2009-546, that would grant BDUs an exception to section 5 of the *Broadcasting Distribution Regulations* so as to permit them to distribute a local package without providing subscribers with the full basic service; and
  - BDUs' intentions to offer a local package on the terms described above or other terms.

### **Consumer education and awareness**

17. The Commission considers that Canadians' understanding of the DTV transition is crucial to their ability to maintain access to their current service offering. It is the Commission's preliminary view that the broadcast of public service announcements (PSAs) is the most effective and efficient means of ensuring that over-the-air television viewers are adequately prepared for the transition.

18. Noting the requirements for broadcasters in other jurisdictions to undertake on-air efforts in this regard, the Commission invites parties to comment on the possible implementation of similar measures in the Canadian context.
19. Further, noting that PSAs could complement the efforts of a coordinated national consumer education and awareness campaign regarding the DTV transition, the Commission seeks specific comment on the following:
  - Should the broadcast of PSAs be mandated by the Commission and if so, to which broadcasters should such a requirement apply?
  - What specific information should PSAs contain?
  - What should be the duration, scheduling and frequency of the PSAs? Should that frequency increase and if so, when?
  - When should the broadcast of PSAs begin? At what point would their broadcast no longer be necessary?
  - Are other measures, such as call centres, appropriate and if so, should they be mandated?
  - By what means could broadcasters assure the Commission that the adopted measures are having the intended effect?
20. The Commission also notes that BDUs and other licensees can play an important role in creating greater awareness among Canadians regarding the DTV transition. Accordingly, the Commission invites comment on measures that can be undertaken by these licensees to inform their subscribers concerning the DTV transition. Specifically, the Commission seeks comment on the following issues:
  - What measures, such as the use of community television, billing inserts and video-on-demand can be undertaken by BDUs and other licensees to inform their subscribers concerning the DTV transition? Should such measures be mandated?
  - What specific information should be conveyed?
  - When should such measures begin and with what frequency should they occur?
  - By what means could these licensees assure the Commission that the adopted measures are having the intended effect?
21. Finally, the Commission considers that it may be appropriate to require broadcasters, BDUs and other licensees to periodically report to the Commission on their efforts to inform Canadians of the DTV transition, whether related measures are mandated or not. In this respect, it seeks comment on the required frequency and content of such reports.

## **DTV trial market(s)**

22. The Commission considers that the conversion of one or more markets prior to the conversion deadline may enable stakeholders to assess whether measures established to educate Canadians in these markets were sufficient and to implement any necessary changes.
23. The Commission is of the preliminary view that Winnipeg would constitute an appropriate trial market given its size, its distance from other mandatory markets and the fact that most broadcasters in this market have stated their intentions to implement digital transmitters by 2011.
24. Regarding the possible implementation of one or more trial markets, the Commission seeks specific comment on the following:
  - Is the establishment of one or more trial markets appropriate?
  - Should the Commission consider criteria other than those noted above in determining the appropriate trial market(s), such as the selection of a market(s) in which broadcasters have already implemented digital transmitters, the inclusion of a French-language market or any other criteria? Based on such criteria, what would be the most appropriate trial market(s)?
  - What is the most appropriate timing for the conversion of the trial market(s)?
25. Should the Commission decide that the implementation of a trial market(s) is appropriate, it would be the Commission's intention not to renew authorizations for the operation of analog transmitters in the selected trial market(s) beyond the date that is ultimately mandated for their conversion.

## **Call for comments**

26. The Commission calls for comments on the issues set out above. The Commission will accept comments that it receives on or before **6 May 2010**. The Commission cannot be held responsible for postal delays and will not notify a party whose comment is received after the deadline. The comment will not be considered by the Commission and will not be part of the public file.
27. The Commission will not formally acknowledge comments. It will, however, fully consider all comments, and they will form part of the public record of the proceeding, provided that the procedures for filing set out below have been followed.

## **Procedure for filing comments**

28. Interested parties can file their comments 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

29. The Commission advises those who file and serve by electronic means to exercise caution when using e-mail for service of documents or notification, as it may be difficult to establish that service has occurred.
30. 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.
31. Submissions longer than five pages should include a summary.
32. Each paragraph of the submission should be numbered. In addition, where the comment 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.

### **Important notice**

33. 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.
34. 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.
35. 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.

36. 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.
37. 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.

### **Examination of documents**

38. A list of all comments will be available on the Commission's website. An electronic version of all comments submitted will be accessible from this list. To access the list, select "Lists of interventions/comments" under "Public Proceedings" from the Commission's website.
39. The public may examine public comments and related documents at the following Commission offices during normal business hours.

### **Location of Commission offices**

Toll-free telephone: 1-877-249-2782

Toll-free TDD: 1-877-909-2782

Les Terrasses de la Chaudière  
Central Building  
1 Promenade du Portage, Room 206  
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Fax: 604-666-8322

Secretary General

#### **Related documents**

- *A group-based approach to the licensing of private television services*, Broadcasting Regulatory Policy CRTC 2010-167, 22 March 2010
- *General authorizations for broadcasting distribution undertakings*, Broadcasting Regulatory Policy CRTC 2009-546, 31 August 2009

- *Policy proceeding on a group-based approach to the licensing of television services and on certain issues relating to conventional television*, Broadcasting Notice of Consultation CRTC 2009-411, 6 July 2009
- *Policy determinations resulting from the 27 April 2009 public hearing*, Broadcasting Regulatory Policy CRTC 2009-406, 6 July 2009
- *Determinations regarding certain aspects of the regulatory framework for over-the-air television*, Broadcasting Public Notice CRTC 2007-53, 17 May 2007

*This document is available in alternative format upon request and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>.*