



Broadcasting Decision CRTC 2016-458

PDF version

References: 2016-147, 2016-197, 2016-197-1 and 2016-197-2

Ottawa, 21 November 2016

Various licensees

Various locations across Canada

The application numbers are set out in the appendices to this decision.

Public hearing in the National Capital Region

7 September 2016

Licence renewal of broadcasting distribution undertakings – Review of practices relating to the small basic service and flexible packaging options and imposition of various requirements

*The Commission **renews** the broadcasting licences for the terrestrial broadcasting distribution undertakings listed in Appendix 1 to this decision from 1 December 2016 to 30 November 2017. A second licence renewal proceeding to examine a broader range of issues will take place next year.*

All broadcasting distribution undertakings (BDUs), also known as television service providers (TVSPs), are required to offer programming services in a way that is consistent with the Commission's regulations, including provisions that reflect its [policy on choice for Canadian television consumers](#) (the Policy). The aim of this policy is to put control of television back in the hands of Canadians, providing them with the freedom to choose the television content that meets their unique needs and household budgets. This includes the option to choose a small basic service, as well as flexible packaging options when it comes to subscribing to discretionary services.

The Commission is taking this opportunity to reiterate its policy and regulations regarding the small basic service and flexible packaging options and highlight the kinds of practices it considers inconsistent with the Policy. The Commission also highlights the kinds of practices adopted by BDUs that serve to promote choice for Canadians. These practices address the following key issues or concerns:

- *consumer awareness and communication;*
- *limitations for subscribers to the small basic service, including:*
 - *access to services,*
 - *tied selling of TV and Internet services and*
 - *bundling discounts; and*
- *added costs to the basic service.*

Overall, the aim of the best practices described in this decision is to allow Canadians to form their own value proposition for TV services, regardless of what services or products they choose.

While it does not consider that regulatory action is required at this time, the Commission will monitor all of these practices, including how BDUs promote and offer the small basic service and pick-and-pay and small package options, and will take any necessary remedial action when it examines the renewal of the licences for most BDUs again next year. Further, for those licences not expiring in 2017, if it finds that a BDU's practices are inconsistent with the Policy, the Commission may use its powers under section 9(1)(c) of the Broadcasting Act to impose, on its own motion, new conditions of licence prohibiting such practices five years into the BDU's current licence term, even if the term is not expired.

Moreover, while BDUs must take concrete steps to ensure awareness of choices, consumers are responsible for researching the options available to them when shopping for TV services. The Commission encourages consumers to ask questions and to contact competing service providers in order to explore their choices and to demand better service. The Commission has created the following tools to help consumers determine which service providers are operating in their communities and which ones best meet their needs:

- [*a list of best practices by TV providers serving Canadians*](#)
- [*a list of service providers*](#)
- [*a shopping checklist*](#)
- [*a TV options page*](#)
- [*a list of websites that compare services*](#)
- [*a guide on how to negotiate a better deal for your TV services*](#)

Finally, the Commission also addresses the roll-out of full flexible packaging options for pick-and-pay and small packages by 1 December 2016 and the imposition of requirements on all BDUs regarding the Wholesale Code, the TVSP Code and participation in the Commissioner for Complaints for Telecommunications Services Inc., which will administer the TVSP Code when it comes into effect on 1 September 2017. The new TVSP Code is a mandatory code of conduct for TVSPs that will make it easier for Canadians to understand their television service agreements and will empower customers in their relationships with TVSPs.

Introduction

1. Starting in October of 2013,¹ the Commission invited Canadians to share their views on the future of television in Canada. In March of 2015, it published a series of

¹ See Broadcasting Notice of Invitation 2013-563.

policies aimed at ensuring that Canada's television system is in a position to meet today's and tomorrow's challenges and opportunities, including new platforms and Canadians' new viewing habits.

2. One topic that kept coming up during the conversation with Canadians leading up to the Let's Talk TV proceeding² was choice. Canadians have more and more options when it comes to viewing audiovisual content on digital platforms. However, Canadians were clear that they do not have those same choices when it comes to traditional television services. Some consumers felt they were locked into large packages, meaning they had to subscribe to several channels to access the content they really wanted.
3. The Commission took action to ensure that Canadians have more choices when it comes to basic packages and bundles of services:
 - Since March 2016, licensed broadcasting distribution undertakings (BDUs), also known as television service providers (TVSPs), are required to offer a **small basic service³ priced at no more than \$25/month** (excluding equipment). Some services must be included in the package, such as local and regional stations, services designated by the Commission under section 9(1)(h) of the *Broadcasting Act* (the Act), educational services and, if offered, the community channel and the proceedings of the provincial legislature. Others are optional, such as stations affiliated with the four U.S. commercial networks (ABC, CBS, FOX, NBC) and PBS, local AM and FM stations and other Canadian over-the-air stations.
 - Since March 2016, licensed BDUs are also required to offer all discretionary services **either** individually **or** in small packages of up to 10 services. Starting 1 December 2016, they will be required to offer all discretionary services **both** individually **and** in packages of up to 10 services.
4. In introducing these changes, the Commission was clear that its intent was to put control of television back in the hands of Canadians, providing them with more freedom to choose the television content that meets their unique needs and household budgets.
5. The small basic service option is clearly attractive for some Canadians. As of 30 June 2016, 177,000 had signed up for the small basic service. Some providers offered Canadians new options to make it even more beneficial. The Commission received a number of positive comments from Canadians, such as the following:

I like what the skinny package has done. I was able to eliminate channels I don't watch and with money I saved I ordered channels I want. My monthly bill overall has not changed but I have more channels I want and less channels I don't like. I

² See Broadcasting Notice of Consultation 2014-190.

³ This term is used synonymously with "entry-level service."

look forward to individual channel pricing so I can eliminate more channels I don't watch.

I am very happy with [my service provider]'s 'skinny basic' TV package. By switching [...], my cost was reduced by \$18 per month. As a retiree living on a fixed income, this was very important to me. In addition to the Canadian TV channels, the [basic] package also includes the Big 4 US networks (NBC, CBS, ABC, Fox) which was also very important to me [...]. For my own personal viewing, the channel selection included in the [...] package is sufficient and I do not intend to add any more channels.

6. Other Canadians, however, expressed dissatisfaction and frustration with the way some providers are rolling out the small basic package and the new, smaller channel packages. Here are a few representative examples of complaints received from Canadians:

[My service provider] has effectively held me hostage—if I choose to change to the Skinny package, I'm forced to forfeit "background" bundle savings (ones that I don't see on my bill [...] this is "internal" [...] cost-savings logic) and an increase in the PVR rental that I already pay for. Even if I chose to go with the base skinny package (with no add-ons), the total cost will be HIGHER than my current package and rental. Yes, I get more channels now—but I don't WANT more channels. I want 15. And I get punished for that.

Yesterday I called to inquire about the skinny \$25 package. They said that if I chose that service, my telephone bill will increase by \$20 a month and my internet by \$30 a month.

7. Another Canadian stated that the basic package offered by one television service provider "might meet the letter of the law but is clearly designed to be completely undesirable and uneconomical."
8. In Broadcasting Notice of Consultation 2016-197, the Commission stated that it intended to renew the BDU licences expiring on 30 November 2016 from 1 December 2016 to 31 August 2017, provided that no issues arise that would lead it to proceed otherwise. A second licence renewal proceeding to examine a broader range of issues will take place next year.

9. Consequently, in an effort to ensure that all licensees are offering programming services in a way that is consistent with the *Broadcasting Distribution Regulations* (the Regulations) and with the spirit of Broadcasting Regulatory Policy 2015-96 (the Policy), the Commission took this opportunity to initiate a review of licensees' practices relating to the small basic service and flexible packaging options.⁴ This review included a public hearing on 7-8 September 2016. Given that the vertically integrated (VI) licensees Bell, Rogers, Shaw and Videotron⁵ serve more than three-quarters of all subscribers, these parties were called to appear at the hearing to determine if their actions are consistent with the Commission's objective of offering Canadians more choice.
10. During the hearing, the Commission also launched an online discussion forum on the CRTC Facebook page to allow Canadians to participate in the proceeding and share their points of view. The public record of this proceeding, including the comments from Canadians received through the online discussion forum, can be found on the Commission's website at www.crtc.gc.ca.
11. The issues that raised concerns and drew the most criticism from Canadians relate to the following:
- consumer awareness and communication;
 - limitations for subscribers to the small basic service, including:
 - access to services,
 - tied selling of TV and Internet services and
 - bundling discounts; and
 - added costs to the basic service.
12. During the hearing, the Commission examined each of these key issues, as well as the roll-out of further flexible packaging options on 1 December 2016, allowing licensees to defend their practices or to propose solutions and improvements. Accordingly, the Commission addresses these issues below by reiterating its policy on choice for Canadian television consumers and highlighting practices inconsistent with the Policy, as well as best practices serving to promote choice for Canadians.
13. The Commission will take the practices discussed in this decision into account and take any necessary remedial action when it considers the renewal of the licences for the BDUs expiring in 2017 and beyond, as set out in the appendices to this decision. Further, if it finds that a BDU's practices are inconsistent with the Policy, the

⁴ See Broadcasting Notice of Consultation 2016-197.

⁵ Bell Canada & Bell ExpressVu Inc. (the general partner) and Bell Canada (the limited partner), carrying on business as Bell ExpressVu Limited Partnership; Rogers Communications Canada Inc.; Shaw Cablesystems Limited, Shaw Cablesystems (VCI) Limited & Star Choice Television Network Incorporated; and Videotron Ltd. and 9227-2590 Québec inc., partners in a general partnership carrying on business as Videotron G.P.

Commission may use its powers under section 9(1)(c) of the Act to impose, on its own motion, new conditions of licence prohibiting such practices five years into the BDU's current licence term, even if the term is not expired.

14. Finally, the Commission also addresses the roll-out of full flexible packaging options and the imposition of requirements on all BDUs regarding the Wholesale Code, the TVSP Code and participation in the Commissioner for Complaints for Telecommunications Services Inc. (CCTS),⁶ as well as the renewal of BDU licences expiring 30 November 2016.

Consumer awareness and communication

Background

15. As per the Regulations, as of 1 March 2016 all licensed BDUs are required to provide their subscribers with a small basic service. This small basic service must be promoted in a like manner to the distributor's first-tier offering⁷ so that customers are aware of its availability, price and content. This is intended to maximize consumer choice and ensure that Canadians who may wish to select only a small number of services have the option of purchasing a reasonably priced basic package.
16. Further, to make it easier for Canadians to understand their television service agreements and to empower customers in their relationships with BDUs, the Commission announced the creation of the TVSP Code,⁸ a mandatory code of conduct that focuses on key aspects of the relationship between BDUs and their customers, including the clarity of communications, promotions and offers, service agreements and related policies, notification in the event of changes and cancellation and disconnection. The Commission also reviewed the structure and mandate of the CCTS that will administer the new code when it comes into effect on 1 September 2017 to ensure that the CCTS will be able to address complaints related to the delivery of subscription television services.
17. Section III of the TVSP Code specifies that a BDU must ensure that consumers are aware of the availability, price and content of its entry-level service offering or basic service. The TVSP Code also states that a BDU must ensure that any offers made to consumers are clearly explained in all communications with consumers, including informing customers as to whether they will be able to return to their previous packages and whether the same rate(s) will apply.
18. All BDU licensees have agreed to adhere to the TVSP Code by way of condition of licence, with varying effective dates set out in the appendices to this decision.

⁶ See Broadcasting Regulatory Policies 2015-438 and 2016-1 and Broadcasting and Telecom Regulatory Policy 2016-102.

⁷ "First-tier offering" is defined in sections 17.3 and 46.3 of the Regulations.

⁸ See Broadcasting Regulatory Policy 2016-1.

Positions of parties

Comments from the public and consumer groups

19. Several individuals noted that they had found it difficult to obtain information on the small basic service when speaking with a customer service representative (CSR) or consulting a BDU's website. Some suggested that BDUs were actively attempting to discourage consumers from subscribing to the small basic service.
20. One Shaw subscriber indicated that she had not been made aware that her household would lose access to free previews as a result of switching to the small basic service. Another individual, who was not satisfied with the new packaging options he had selected, was later informed that his previous package could not be fully restored.
21. With respect to promoting the small basic service in a like manner to the first-tier offering, the Consumers' Association of Canada and the Public Interest Advocacy Centre (CAC-PIAC) considered that BDUs' websites provided satisfactory information and were a "good start." However, it stated that it did not know enough about how information was being disseminated when customers were reaching out to their providers to determine if they were being up front about what was included in both options. CAC-PIAC pointed out that problems in this regard appear to arise mainly in contacts with CSRs or in person and expressed concern with the practice of requiring consumers to speak to a CSR before subscribing to a TV service, given that CSRs may pressure consumers into taking a different package.
22. CAC-PIAC also proposed various measures to improve transparency, including modifying the TVSP Code to require BDUs to list the minimum additional charges required for the installation and provision of the service. It also noted that there should be some uniformity in the way such charges are presented as some BDUs provide the information in a clear manner, while others require more research. CAC-PIAC therefore proposed that BDUs list the changes when a customer switches to another package and have the minimum cost spelled out clearly.
23. CAC-PIAC further proposed that BDUs provide a comparison chart of changes, including additional charges, lost discounts and services, as well as the total cost of subscribing to the small basic service. It argued that charts would prevent customers from doing onerous work and would allow them to better compare a BDU's offerings with offerings across all BDUs. CAC-PIAC also noted that more effort should be made to promote the small basic service. In keeping with the preceding, CAC-PIAC proposed a series of amendments to the TVSP Code to impose further promotion-related obligations.
24. Like CAC-PIAC, the Union des consommateurs (Union) argued that while BDUs provide information on the small basic service, such information is less prominently displayed than other packaging options. It also submitted that Videotron does not promote bundling discounts applicable to small basic service subscribers and other plans in a like manner.

BDUs

25. Bell, Rogers, Shaw and Videotron all maintained that they meet their obligations with respect to promoting the small basic service and ensuring that consumers are aware of its price, content, and availability. They stated that their CSRs are provided with extensive training in this regard and filed their internal training documents to that effect.
26. Bell added that it was able to minimize much of the confusion between the various offerings by launching both pick-and-pay and small package options from the outset. It noted that its customers have the ability to change their channels or their packages using its online self-serve tool. While there are no direct penalties for customers who choose to switch to a lower-priced package, it acknowledged that there is a potential loss of bundling discounts for small basic subscribers.
27. Rogers stated that it clearly and prominently displays its small basic service and flexible packaging options on its website and promotional material and conducts multiple promotional activities to increase awareness of these options. It added that consumers are required to discuss their packaging options with a CSR or visit a retail store when ordering a TV plan, ensuring that they make informed choices. It submitted that this approach was not paternalistic or restrictive as it ensured that customers' needs were better addressed and allowed them to be better informed and guided given the large number of products, promotional campaigns, bundles and grandfathered packages.
28. Rogers indicated that it maintains its grandfathered packages to minimize customer disruption. Rather than force customers to switch packages, it indicated that it creates incentives for them to do so as it considers that much of the confusion over packaging stems from the large number of its offerings. Given that there are still thousands of legacy packages, Rogers acknowledged that it has had limited success in doing so and was still considering how to address this issue.
29. Shaw noted that it benefited from free promotional press by launching the small basic service earlier than the required implementation date. Shaw clarified that most customers could go back to their former packaging if they decided that the changes they requested were not as advantageous as expected. While it noted that subscribers on older legacy packages would also likely be able to go back, Shaw acknowledged that this would be a more complicated process.
30. Videotron explained that its business strategy revolves around keeping its offering simple to maximize awareness and operational efficiency and indicated that it would like to see more customers using online platforms instead of contacting CSRs to reduce operational costs. It addressed the Union's concerns with respect to the lack of promotion of bundling discounts available to small basic service subscribers by submitting a screen capture of a section on its website where such discounts are briefly explained. Videotron also noted that it allows its customers to switch packages without penalty, even when they opt for lower-priced packages. However, in the case

of grandfathered packages, a subscriber would not be able to revert to a package that is no longer offered after switching, consistent with its strategy of simplifying its operational and promotional strategies.

31. Finally, Bell, Eastlink,⁹ Rogers, Saskatchewan Telecommunications (SaskTel) and Shaw all argued that the amendments to the TVSP Code proposed by CAC-PIAC are unnecessary as its existing terms are sufficient. Eastlink, SaskTel and Shaw also submitted that introducing new terms as part of a licence renewal proceeding would be inappropriate and that CAC-PIAC's proposed amendments to the TVSP Code fell outside the scope of this proceeding. Eastlink added that creating the proposed comparison charts for consumers migrating to the small basic service would be almost impossible due to the amount of grandfathered offerings and the large variety of options available to consumers. For its part, SaskTel stated that CAC-PIAC's proposal would deprive consumers of a broader choice of content by requiring BDUs to prefer the small basic service to other plans, which would be contrary to the Commission's objectives.

Commission's analysis and decision

32. The Commission considers that each VI licensee's approach to creating awareness of the small basic service is generally in keeping with the Policy and the Commission's objectives of fostering greater choice and flexibility for consumers. It also notes that there should be less confusion for subscribers once all licensed BDUs have to operate under the same terms with regard to flexible packaging options starting on 1 December 2016 and once the public familiarizes itself with the makeup of the small basic service and the flexible packaging options offered by BDUs. Moreover, the TVSP Code and participation in the CCTS will also help address the issue of clear communications.
33. Overall, there is no evidence that adding more regulation regarding how BDUs communicate the various consumer options will make the experience any easier to understand for the consumer.
34. Nonetheless, given the number of consumer questions and complaints received by the Commission since the roll-out of the small basic service and initial flexible packaging options on 1 March 2016, the Commission considers that the next phase introducing both pick-and-pay and small package options as of 1 December 2016 needs to be more clearly and effectively communicated.
35. In particular, BDUs should not downplay the small basic service or avoid providing information on the small basic service. Rather, BDUs should clearly communicate all relevant information regarding the small basic service and pick-and-pay and small package options. Further, BDUs should advise customers switching packages if they will not be able to return to a previous package.

⁹ Bragg Communications Incorporated, carrying on business as Eastlink.

36. With respect to the last point, paragraph 2a) of section X of the TVSP Code states the following:

When a TVSP receives a request from a customer to change individual or discretionary channels, the TVSP must:

- a. inform the customer as to whether they will be able to return to their previous set of selected individual channels or their previous package, and whether the same rate(s) will apply.

37. Finally, while BDUs must take concrete steps to ensure awareness of choices, consumers are responsible for researching the options available to them when shopping for TV services. The Commission encourages the public to ask questions and to contact competing service providers in order to explore their choices and to demand better service. The Commission has created the following tools to help Canadians determine which service providers are operating in their communities and which ones best meet their needs:

- [a list of best practices by TV providers serving Canadians](#)
- [a list of service providers](#)
- [a shopping checklist](#)
- [a TV options page](#)
- [a list of websites that compare services](#)
- [a guide on how to negotiate a better deal for your TV services](#)

38. Further, in the event that a consumer opts to switch providers, the Commission has made it easier by putting measures in place that allow a new service provider to cancel service from the current provider on the customer's behalf and by prohibiting 30-day cancellation policies.¹⁰

Best practices

39. The Commission highlights the following as best practices that promote consumer choice and awareness:

- **providing customers with a variety of methods to manage their television services, including the ability to add or remove channels and packages online;**
- **not penalizing customers who switch to a lower-priced package;**
- **keeping offerings simple and transparent; and**

¹⁰ See Broadcasting and Telecom Regulatory Policies 2011-191 and 2014-576.

- **allowing customers to return to previous packages within a certain grace period or assisting them to construct a package that is equivalent to their previous one if a new package does not suit their needs.**

40. Further, **the Commission is supportive of BDUs using fair practices and marketing strategies aimed at reducing the number of legacy packages in order to lessen subscriber confusion.**

Limitations for subscribers to the small basic service

Access to services

Background

41. As noted in the Policy, providing Canadians with the option of selecting a reasonably priced basic service is consistent with the Commission's objective of maximizing choice for Canadians in that they do not have to receive and pay for a large number of channels that they may not want.
42. While BDUs are required under the Regulations to offer all discretionary services either in small packages or on a pick-and-pay basis since 1 March 2016 and both in small packages and on a pick-and-pay basis starting on 1 December 2016, the Commission also permitted BDUs to continue offering programming services in pre-assembled packages as they did prior to these changes so as not to inconvenience their subscribers. However, BDUs are not allowed to require subscribers to buy any services other than those in the small basic service to access any other service or package.¹¹
43. The Commission received several complaints from Canadians regarding how BDUs carried out its policy determinations on 1 March 2016. The main complaint from consumers was that the changes were made in a manner that discouraged them from choosing the more affordable small basic service.

Positions of parties

Comments from the public and consumer groups

44. Some consumers who participated in the proceeding complained about artificial limitations to subscribing to the small basic service, such as differences in what services or packages, including video-on-demand (VOD), free preview channels, "watch anywhere" applications and discretionary services, are available to basic

¹¹ In this regard, section 23(4) of the Regulations states: "Except as otherwise provided under a condition of its licence or these Regulations, a licensee shall not, on or after December 1, 2016, distribute a programming service or package of programming services such that, in order to obtain that service or package, a subscriber is required to subscribe to an additional programming service or package of programming services."

service versus first-tier subscribers. They submitted that this is a strategy by BDUs to discourage consumers from choosing the small basic service.

45. CAC-PIAC argued that small basic subscribers should have access to the same packaging and features as subscribers to the first-tier offering and that any differences would constitute an unjust disadvantage against small basic service subscribers. CAC-PIAC submitted that the Commission should forbid any such practice.

BDUs

46. Currently, Bell subscribers have different options for purchasing discretionary services depending on whether they subscribe to the small basic service or the first tier and whether they live in Ontario, Quebec or the Atlantic Provinces. Specifically, Bell indicated that build-your-own packages of 15 and 30 services are only available to Bell Fibe and Bell Satellite TV subscribers in Quebec. Bell added that FibreOp TV (Atlantic) subscribers to the small basic service do not have access to its small theme packages priced at \$5. Instead, discretionary services are available in a build-your-own package of 10 services for \$20 or on a pick-and-pay basis. Also, FibreOp TV subscribers to the basic service have to pay higher pick-and-pay retail rates for some discretionary services than first-tier subscribers. Bell announced its intention to eventually harmonize its offerings throughout Canada.
47. Rogers indicated that its legacy first-tier subscribers did not have access to its newly created smaller theme packages because allowing access to these packages would cause a consumer to pay twice for the same service. Rogers explained that it had recently replaced its first-tier offering with three new packages. Subscribers to these new packages would have access to the same small package options as small basic subscribers. Rogers added that small basic subscribers with the necessary equipment now also have access to 4K content, which has four times the resolution of HD programming.
48. Shaw subscribers to the small basic service currently do not have access to VOD services, FreeRange (Shaw's "watch anywhere" app), Stingray Music channels or free services such as Game TV and The Shopping Channel. Further, Shaw basic service subscribers are prohibited from purchasing the "Sports 1" and "Best of HD" pre-assembled packages. Shaw explained that the exclusion from its small basic service of VOD and other add-on programming services is due to a technical issue, namely that VOD services and the Stingray Music channels (a service that cannot be offered as part of the small basic service) are technically attached. Shaw indicated that it would explore measures that could be put in place to allow basic service subscribers to have access to VOD services.
49. On the issue of "Sports 1" and "Best of HD" packages not being available to small basic service subscribers, Shaw indicated that this was because, unlike the first-tier offering, the small basic service does not include the main TSN and Sportsnet feeds, which are both prerequisites for access to these packages. Shaw submitted that, in any

event, there existed other more cost-effective ways for small basic service subscribers to access the programming services in these two pre-assembled packages.

50. All the other BDUs submitted that their offerings were in compliance with the Commission's policies and regulations.

Commission's analysis and decision

51. The Commission considers that, generally speaking, all BDU licensees are providing access to programming services in accordance with the Regulations. Specifically, consumers opting for the small basic service or the first-tier offering have access to all discretionary services either in small pre-assembled packages or on a pick-and-pay basis. In some instances, discretionary services are offered in both pre-assembled packages and on a pick-and-pay basis.

52. In addition to the requirement to offer discretionary services both individually and in packages of up to 10 services as of 1 December 2016, BDUs are reminded that the requirement set out in section 23(4) of the Regulations also comes into effect on this date. This section of the Regulations prohibits licensees from distributing a programming service or package of programming services in a manner that would require a subscriber to buy any services other than those in the small basic service to access any other service or package.

53. Further, the Commission considers that it would be inconsistent with the Policy for a BDU to discourage subscriptions to the small basic service by unreasonably withholding value-added services, such as VOD, free preview channels, "watch anywhere" applications and discretionary services, or by offering discretionary services under terms and conditions that differ from those that apply to subscribers to the first-tier offering.

54. Accordingly, the Commission intends to monitor how BDUs offer the small basic service and may, if necessary, impose conditions of licence following the next licence renewals in 2017 to ensure that BDU practices in this regard are consistent with the Policy and compliant with the Regulations.

Best practices

55. The Commission highlights the following as best practices:

- **offering discretionary services under the same terms and conditions regardless of whether a consumer subscribes to the small basic service or the first-tier offering; and**
- **providing basic service subscribers with access to value-added services such as VOD, free preview channels, "watch anywhere" applications and discretionary services under the same terms and conditions as subscribers to the BDU's first-tier offering.**

Tied selling of TV and Internet services

Background

56. Some Internet protocol television (IPTV) services require those who subscribe to their small basic service to also subscribe to their Internet service.
57. Some parties argued that this practice limits the affordability of the small basic service and is therefore contrary to the intent of the Policy.

Positions of parties

Comments from the public and consumer groups

58. Many Canadians complained that it should not be necessary to subscribe to a BDU's Internet service to have access to the small basic service. Most complaints were targeted at Bell. Many argued that this practice rendered the small basic service less affordable. For example, one individual stated that "what initially looks like a good deal for under \$30/month ends up being closer to \$100/month when you add mandatory internet service."
59. Both CAC-PIAC and the Union expressed concern over the practice. They stated that this practice should generally be prohibited, but recognized that it might be appropriate for the Commission to grant an exception to the prohibition to small independent providers in order to encourage competition.

BDUs

60. Bell noted that other BDUs, including independent BDUs such as AEBC Internet Corp., Atop Broadband Corp., Colba.Net Telecom Inc. and 2251723 Ontario Inc. (VMedia), also require their Internet service to be purchased along with the small basic service. Bell argued that preventing IPTV providers from bundling their television and Internet services would limit their viability and consequently limit the deployment of these new competitors in the BDU marketplace. It also noted that this could ultimately entrench the competitive advantage that cable BDUs have held for numerous years and lessen consumer choice.
61. Bell also noted that the revenues generated from both Fibe TV and Fibe Internet make the Fibe TV business case viable given the significant costs to build out the Fibe network and to acquire and provide installation to customers. It added that Fibe TV and Fibe Internet have always been sold together both for technical reasons¹² and

¹² From a technical perspective, Bell argued that Fibe TV requires an Internet connection both to enable the Residential Gateway (i.e., the connection between the subscriber's local network and Bell's IPTV network) and to run apps, customer service apps and the VOD entry point. Bell stated that Fibe TV would require significant software changes to both the set-top box and the Residential Gateway management system before its service could operate without an Internet connection. However, Bell added that existing customers are allowed to later cancel Fibe Internet while still remaining Fibe TV subscribers should they

because this is a cost-efficient approach that minimizes initial installation costs for the customer. Bell explained that if a customer subscribed to Fibe TV and another supplier's Internet, two connections into the home would have to be established, two installs made and the two connections linked together, resulting in significantly higher prices for consumers.

62. While Bell defended the practice of tied selling in its written intervention prior to the public hearing, it announced just before the hearing that Fibe TV will be available to all customers without a Bell Internet subscription by the end of the first quarter of 2017.
63. VMedia argued that prohibiting new entrant Internet service and IPTV providers such as itself from bundling television services with Internet services would render their business models unviable, noting that the cost of bandwidth to the incumbents is a fraction of the cost that they charge independent ISPs under existing tariffs.¹³ Under such circumstances, VMedia argued that it would be impossible for new entrants to compete with incumbents and that this would ultimately lead to less competition in the industry and less choice for consumers.

Commission's analysis and decision

64. Sections 17.1 and 46.1 of the Regulations specify that a licensed BDU shall not charge more than \$25 per month for its basic service. The intent of these sections of the Regulations was to ensure that Canadians have access to a small basic service capped at \$25 per month (excluding equipment), consistent with the policy objective of providing Canadians with a smaller, more reasonably priced entry-point to the system. The Commission notes that customers who are required by their BDUs to also subscribe to an Internet service need to spend significantly more than \$25 (i.e. between approximately \$30 and \$85 more each month) to have access to the small basic service.
65. The Commission is of the preliminary view that the tied selling of TV services and telecommunications services such as Internet by BDUs that are also large telecom service providers¹⁴ does not align with the intent of sections 17.1 and 46.1 of the Regulations and the Policy to ensure that Canadians have access to a small basic service capped at \$25. **Specifically, the Commission considers that it would be contrary to the intent of the Policy for a larger service provider to take advantage of its competitive position to tie its TV services to the subscription of an additional service such as Internet.** In this regard, the Commission determined

wish to do so. In such situations, Bell leaves the Internet active with a low-data quota to facilitate the Residential Gateway management, apps and other functionalities.

¹³ According to VMedia, this allows incumbents to "zero rate" or exempt from data caps the bandwidth used to watch their IPTV offerings, while new entrants must pay significant fees for such bandwidth.

¹⁴ This includes, for example, Bell, MTS, Rogers, SaskTel, Shaw, TELUS and Videotron.

in the Policy that the \$25 maximum price for the small basic service would be sufficient to allow BDUs to recoup their associated network access costs.

Best practices

66. The Commission sets out the following as best practices:

- **not requiring a subscription to another service such as Internet to access the BDU's small basic service;¹⁵ and**
- **offering incentives, but no obligation, to subscribe to other services.¹⁶**

Bundling discounts

Background

67. Several BDUs exclude small basic service subscribers from bundling discounts generally available to consumers who subscribe to more than one service (TV, Internet and/or telephone). A number of parties submitted that the loss of such discounts undermines the value of the small basic service.

Positions of parties

Comments from the public and consumer groups

68. A number of individuals complained that bundling discounts are not always available to small basic subscribers, making the small basic service less attractive than other options.

69. Consumer groups were of the view that all promotional rebates, including bundling discounts, should be available to small basic subscribers. CAC-PIAC argued that the availability of bundling discounts to all BDU customers other than those subscribing to the small basic service creates an undue disadvantage and urged the Commission to make a finding of undue preference regarding this practice.

BDUs

70. Bell argued that the Commission should not regulate bundling and discounting practices but rather should trust the dynamics of the highly competitive BDU marketplace. Bell added that while it chooses not to offer small basic service subscribers the same discounts as it does customers who purchase higher-end products or services, some discounts are available to its small basic subscribers, including promotions on some programming services, such as premium movie

¹⁵ This is the practice, for example, of some IPTV service providers, such as Beanfield Technologies Inc., MTS, Rangatel Inc., SaskTel, TELUS and Zazeen Inc.

¹⁶ For example, Access Communications currently offers the small basic service at \$19.95 per month by itself and at \$9.95 per month when bundled with Internet, while TELUS offers the small basic service at \$25 per month by itself and at \$20 per month with subscription to another TELUS service.

services and multicultural channels, as well as a \$150 rebate on installation fees with a two-year contract.

71. While Rogers initially defended its decision not to offer bundling discounts to small basic subscribers, it announced at the hearing that all its small basic customers who buy a three-product bundle will be eligible for product and hardware discounts starting in the first quarter of 2017. However, Rogers was not yet able to provide details about the specific amounts of the newly applicable discounts.
72. SaskTel and TELUS Communications Company (TELUS) rejected CAC-PIAC's position that making bundling discounts unavailable to small basic service subscribers creates an undue discrimination. TELUS argued that this fails to acknowledge the simple economic principle that bundling discounts are intended to reward and promote the purchase of a larger quantity of goods and services. SaskTel added that there is no undue disadvantage in the creation of a specific pricing plan for a service offering available to all consumers and that the regulation proposed by CAC-PIAC would be a poor substitute for a properly functioning marketplace.

Commission's analysis and decision

73. The Commission does not currently intervene in the existence or availability of bundling discounts offered to subscribers. Such discounts have usually been the result of market forces and have become more significant in recent years with the greater number of services offered by telecommunications service providers and BDUs.
74. With respect to CAC-PIAC's submission that making bundling discounts unavailable to small basic service subscribers creates an undue discrimination, undue preference complaints are usually dealt with on a case-by-case basis and should follow the Commission's usual practices for such complaints. If a formal complaint were filed alleging undue preference, the Commission would then initiate a proceeding and apply its undue preference test to the set of facts filed as part of that proceeding.
75. In general, the Commission agrees with the principle that offering bundling discounts is a commercial practice aimed at rewarding and promoting the purchase of a larger quantity of goods and services. Further, following Rogers' introduction of discounts for all its small basic service subscribers buying a three-product bundle, a significant number of BDUs located across Canada will offer some form of bundling discounts to small basic service subscribers, putting pressure on other BDUs to adjust their offerings to remain competitive.
76. Nonetheless, some of the discount practices described by individuals during the proceeding seemed to be designed to make the small basic service an unviable option as the loss of bundling discounts associated with its purchase results in a significant increase to subscribers' monthly bills.
77. In the Commission's view, discount practices that make subscribing to the small basic service a more onerous option than subscribing to larger tiers amount to penalizing

subscribers for selecting this option. Such practices run counter to the objective of providing Canadians with a smaller, more reasonably priced basic service alternative set out in the Policy.

78. Another related practice that seems to be inconsistent with the objective of providing Canadians with a smaller, more reasonably priced basic service alternative is the exclusion of all small basic service subscribers from discounts even when they subscribe to additional programming services (small packages or pick-and-pay services) to complement the small basic service.
79. Based on the record of this proceeding, Bell, SaskTel and TELUS subscribers who choose to complement a subscription to the small basic service with discretionary services are not eligible for bundling discounts. For example, one Bell subscriber in Quebec noted that by switching from a \$38.95 first-tier offering to a more expensive \$39.95 option (small basic service plus a pick-10 build-your-own package), he would have lost a further \$22 worth of discounts, resulting in an overall increase of \$23 to his monthly TV bill (\$38.95 to \$61.95).
80. Given that bundling discounts are generally designed to reward and promote the purchase of a larger quantity of services, the Commission considers that it makes little sense to exclude small basic service subscribers who subscribe to additional services from bundling discounts, since they may be receiving as many services or spending as much money on their TV subscription as consumers subscribing to a larger tier as an entry-point.
81. **The Commission considers that discount practices that make the small basic service a more onerous option than larger tiers are inconsistent with the Policy.** The Commission intends to monitor how BDUs apply bundling discounts and may, if necessary, impose conditions of licence following the next licence renewals in 2017 and beyond to ensure that the discounts are offered in a manner that is consistent with the Policy.

Best practices

82. The Commission highlights the following as a best practice:

- **offering bundling discounts designed to reward and promote the purchase of a larger quantity of goods and services to all subscribers, including small basic service subscribers.**

Added costs to the basic service

Background

83. Although the price of the small basic service is capped at \$25, it can be offered for less than \$25. The Commission established the price cap for the entry-level service in the Policy to address Canadians' concern over affordability. However, it did not consider that further regulatory intervention on the price of equipment or the retail

price of individual programming services or other packages was warranted to achieve the objective of affordability.

84. Despite the \$25 price cap for the small basic service, some parties submitted that other services, such as equipment, installation fees and flexible packaging options, are not being offered at reasonable prices.

Positions of parties

Comments from the public and consumer groups

85. While some individuals expressed their appreciation of Rogers for lowering monthly costs and offering well-tailored packaging options, others noted that the reduction in monthly costs to receive its small basic service is marginal in comparison to the number of channels lost under the new basic TV plan. Some reported that subscribing to the small basic service and a few stand-alone services or build-your-own-package options is often more costly than subscribing to a large TV package.

86. Individuals also noted the following:

- the price of Bell TV's sports packages is significantly higher (\$25 per month) than those of its competitors (for example, Shaw and SaskTel only charge \$15 per month), and the price of the programming services available on a stand-alone basis is also generally higher (up to \$7 per channel);
- the stand-alone channels should be priced relative to the existing pricing models, such that if a BDU offers a television service plan with 70 channels for \$50 per month, this would roughly amount to \$0.70 per channel per month; and
- the price of equipment should be included in the \$25 price cap and subscribers should not be required to purchase new equipment to access the small basic service.

87. To address the issue of set-top box pricing, CAC-PIAC proposed to amend the TVSP Code to include a formula for calculating the depreciated value of a set-top box and to allow customers to purchase it at that value at any time. For damaged, stolen or lost equipment, the applicable reimbursement would be limited to the depreciated value. CAC-PIAC submitted that this would address the depreciation of equipment and would help relieve consumers who are frustrated with ongoing equipment rental charges. CAC-PIAC also proposed that the TVSP Code should require BDUs to communicate information to customers in their written agreements and on their invoices regarding the equipment's depreciated value and their purchasing options.

BDUs

88. Bell stated that Fibe TV is a high-end TV service that requires a technologically advanced personal video recorder and that this explains why it charges \$15 per month for its rental. Bell noted that the monthly charge remained unchanged after the introduction of the small basic service.

89. With respect to CAC-PIAC's proposal, Bell submitted that it was flawed as it did not take into consideration the fact that rental fees are not only charged to recover the cost of the set-top box but also include a fee for the use of the box, which is owned by the BDU. Bell argued that the usage charge is no different than other rental fees for other products, such as car rentals. Bell also noted that the rental fee typically includes a warranty and set-top box upgrades.
90. Similarly, Rogers submitted that permitting consumers to purchase a set-top box based solely on its depreciated value fails to take into account the value associated with a BDU's commitment to maintain, replace and upgrade the equipment. Rogers also noted that the TVSP Code requirements regarding set-top boxes will ensure that a consumer will have the information to assess the costs and benefits associated with renting or purchasing a set-top box.
91. Shaw noted that BDUs have already taken significant steps toward the implementation of the TVSP Code. While it agreed that it may be necessary to revisit the TVSP Code after implementation, it stated that it would be inappropriate to introduce new terms as part of a licence renewal proceeding and before the implementation of the original ones, which resulted from a lengthy, transparent and comprehensive public process.
92. This view was shared by Eastlink and SaskTel. Eastlink also noted that consumer groups had made the same proposal in the proceeding leading to the TVSP Code and that no new evidence was provided that would suggest the Commission erred when it decided not to include the proposal in the TVSP Code.
93. Finally, in reply to CAC-PIAC's submission that set-top box rental fees continue after the consumer has paid the retail value of the device, Videotron noted that set-top boxes cost it more than the rental and sale price, that most of its customers are entitled to the free use of a set-top box for 24 months, that it offers technological migration for free or at a discount price, that it often offers an additional terminal for free or at a promotional price and that the retail price for damaged, lost or stolen equipment is higher than what the client has to reimburse. Videotron explained that these losses are incurred to retain subscribers. As such, it was of the view that there is no need to amend the TVSP Code. Further, Videotron noted that regulating set-top boxes could have an impact on the competitiveness of BDU licensees by giving set-top box manufacturers greater control because not all BDUs have the same buying power or access to the same technologies.

Commission's analysis and decision

94. All BDU licensees are currently adhering to the requirement set out in the Regulations to charge no more than \$25 for the basic service, and some are offering this service at a lower price.
95. With respect to CAC-PIAC's proposed amendment to the TVSP Code to permit customers to purchase equipment at its depreciated value, the Commission agrees

with those parties who submitted that such an amendment would fall outside the scope of this proceeding. Moreover, the Commission chose not to include such a requirement in the TVSP Code given that BDUs were not required to offer equipment for purchase, which is still the case. As argued by Videotron, the addition of this type of requirement could affect the competitiveness of BDU licensees by giving more control to set-top box manufacturers. Further, as noted by Rogers, the current TVSP Code requirements regarding set-top boxes will ensure that a consumer will have the information to assess the costs and benefits associated with renting or purchasing a set-top box.

96. Finally, the price of equipment and installation fees set by the VI licensees that appeared at the hearing are comparable, with set-top box options being offered at various price points that cater to the different needs and household budgets of consumers.

Best practices

97. The Commission considers that one of the best practices for BDUs with respect to the cost of set-top boxes is to provide customers with several options, such as rent, rent-to-own and purchase. Shaw's rent-to-own model, for example, addresses the issues raised by CAC-PIAC in that a subscriber owns the equipment after a fixed period of time. Accordingly, in keeping with the objective of maximizing choice, the Commission highlights the following as a best practice:

- **offering consumers various options, such as rent, rent-to-own or purchase, for renting or buying set-top boxes so as to accommodate different household budgets.**

Implementation of requirements coming into effect on 1 December 2016

98. Starting 1 December 2016, BDU licensees will be required to offer discretionary programming services both on a pick-and-pay basis **and** in small packages of up to 10 programming services.
99. As it received a significant number of complaints from Canadians regarding BDU practices following 1 March 2016, when the initial requirements for the small basic service and flexible packaging options came into force, the Commission discussed the roll-out of further flexible packaging options on 1 December 2016 with licensees at the hearing.
100. To determine if licensees are putting measures in place to avoid further consumer confusion or dissatisfaction, the Commission questioned licensees as to how they are planning to implement the new flexible packaging options for their subscribers. Further, except for Bell, which has already implemented the full flexible packaging options, VI licensees were asked to provide their strategy for the implementation of pick-and-pay, including details of any promotions or retail pricing for individual discretionary programming services on a stand-alone basis and any updates before 1 December 2016.

101. The current and preliminary retail rates for discretionary services provided by VI licensees are generally comparable. BDUs have already made some changes to pricing since 1 March 2016, and the Commission expects that they will continue to make adjustments to remain competitive.
102. In the Policy, the Commission chose not to regulate the retail price of individual discretionary programming services, only noting that the small packages should be reasonably priced. The Commission is of the view that it would be premature to evaluate whether the prices charged for stand-alone services are reasonable at this time. The Commission reminds consumers that in a pick-and-pay-environment, some channels may be more expensive on an individual basis because they will no longer be part of a large package that is more widely distributed.
103. Notwithstanding the above, the Commission will monitor the industry carefully to determine whether BDUs are using the prices of discretionary services solely to impede the objective of providing consumers with greater choice.

Licence renewal for certain BDUs and imposition of conditions of licence related to the Wholesale Code, the TVSP Code and participation in the CCTS on all BDUs

104. The Commission **renews** the broadcasting licences for the terrestrial broadcasting distribution undertakings listed in Appendix 1 to this decision from 1 December 2016 to 30 November 2017. The Commission intends to initiate a public proceeding in 2017 to consider the full renewal of all licences, including any issues with respect to compliance.
105. Pursuant to Broadcasting Notice of Consultation 2016-147, all of these licensees have confirmed that they will abide by the following **conditions of licence**:
- Effective 1 December 2016, the licensee shall adhere to the Wholesale Code set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, in its dealings with any licensed or exempt broadcasting undertaking.
 - Effective 1 September 2017, the licensee shall adhere to the Television Service Provider Code set out in the appendix to *The Television Service Provider Code*, Broadcasting Regulatory Policy CRTC 2016-1, 7 January 2016.
 - Effective 1 September 2017, the licensee shall be a participant in the Commissioner for Complaints for Telecommunications Services Inc.
106. Accordingly, the Commission has set out **conditions of licence** to this effect in Appendix 1 to this decision.
107. Further, in the regulatory policies regarding the Wholesale Code, the TVSP Code and the CCTS, the Commission stated that it would implement the above-noted conditions of licence of its own motion, where possible. Specifically, the Commission indicated that for those licensees for which five years had not yet passed since the

issuance or renewal of their licence, it would impose the three conditions of licence set out above with a delayed effective date that is at the point where the five years have passed.

108. Pursuant to Broadcasting Notice of Consultation 2016-147, all licensees listed in Appendix 2 to this decision have confirmed that they will abide by the conditions of licence related to the Wholesale Code, the TVSP Code and the CCTS, effective the dates set out in the same appendix. Accordingly, the Commission amends the licences for these undertakings by adding these **conditions of licence**, as set out in Appendix 2 to this decision.

Secretary General

Related documents

- *Notice of hearing – Broadcasting licence renewals of terrestrial broadcasting distribution undertakings (BDUs) that will expire in 2016; implementation of certain conditions of licence and review of practices in regard to the small basic service and flexible packaging requirements for all BDU licensees*, Broadcasting Notice of Consultation CRTC 2016-197, 24 May 2016
- *Review of the structure and mandate of the Commissioner for Complaints for Telecommunications Services Inc.*, Broadcasting and Telecom Regulatory Policy CRTC 2016-102, 17 March 2016
- *The Television Service Provider Code*, Broadcasting Regulatory Policy CRTC 2016-1, 7 January 2016
- *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015
- *Let's Talk TV: A World of Choice – A roadmap to maximize choice for TV viewers and to foster a healthy, dynamic TV market*, Broadcasting Regulatory Policy CRTC 2015-96, 19 March 2015
- *Prohibition of 30-day cancellation policies*, Broadcasting and Telecom Regulatory Policy CRTC 2014-576, 6 November 2014
- *Notice of hearing*, Broadcasting Notice of Consultation CRTC 2014-190, 24 April 2014
- *Let's Talk TV: A conversation with Canadians about the future of television*, Broadcasting Notice of Invitation CRTC 2013-563, 24 October 2013
- *The customer transfer process and related competitive issues*, Broadcasting and Telecom Regulatory Policy CRTC 2011-191, 18 March 2011

This decision and the appropriate appendix are to be appended to each licence.

Appendix 1 to Broadcasting Decision CRTC 2016-458

Terrestrial broadcasting distribution undertakings for which the broadcasting licences are renewed until 30 November 2017

In addition to the terms and **conditions** in effect under the current licences issued for the undertakings, the licensees set out below shall abide by the following **conditions of licence**:

- Effective 1 December 2016, the licensee shall adhere to the Wholesale Code set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, in its dealings with any licensed or exempt broadcasting undertaking.
- Effective 1 September 2017, the licensee shall adhere to the Television Service Provider Code set out in the appendix to *The Television Service Provider Code*, Broadcasting Regulatory Policy CRTC 2016-1, 7 January 2016.
- Effective 1 September 2017, the licensee shall be a participant in the Commissioner for Complaints for Telecommunications Services Inc.

Licensee	Application number and location
Access Communications Co-operative Limited	2016-0464-5 Regina (including White City), Saskatchewan
Cogeco Connexion Inc. ¹⁷	2016-0473-6 Burlington, Hamilton/Stoney Creek, Kingston, Niagara Falls, Sarnia, St. Catharines and Windsor, Ontario
	2016-0474-4 Drummondville, Rimouski, Saint-Hyacinthe, Trois-Rivières and surrounding areas, Quebec
K-Right Communications Limited	2016-0460-4 Halifax and surrounding areas, Nova Scotia
Persona Communications Inc.	2016-0462-9 Sudbury, Ontario

¹⁷ Cogeco was granted the condition of licence relating to the Wholesale Code in a decision letter dated 5 April 2016.

MTS Inc.	2016-0483-5 Winnipeg and surrounding areas, Manitoba
Rogers Communications Canada Inc.	2016-0434-8 Allardville, Clair, Fredericton, Moncton, Rogersville and Saint John, and surrounding areas, New Brunswick; and Deer Lake and St. John's and their surrounding areas, Newfoundland and Labrador
	2016-0435-6 Barrie, Hamilton, Kitchener, London, Newmarket, Oshawa, Ottawa and Toronto and their surrounding areas, Ontario
Saskatchewan Telecommunications	2016-0479-4 Regina (which includes Pilot Butte and White City) and Saskatoon, Saskatchewan
Shaw Cablesystems Limited	2016-0438-0 Calgary, Alberta
	2016-0439-8 Edmonton, Alberta
	2016-0441-3 Fort McMurray, Alberta
	2016-0440-6 Lethbridge, Alberta
	2016-0459-6 Red Deer, Alberta
	2016-0442-1 Coquitlam, British Columbia
	2016-0443-9 Duncan, British Columbia
	2016-0444-7 Kelowna, British Columbia
	2016-0445-5 Langford, British Columbia

	2016-0446-3 Nanaimo, British Columbia
	2016-0447-1 New Westminster, British Columbia
	2016-0448-9 Vancouver (North and West), British Columbia
	2016-0449-7 Vancouver (Richmond), British Columbia
	2016-0450-5 Victoria, British Columbia
	2016-0451-2 White Rock, British Columbia
	2016-0452-0 Winnipeg, Manitoba
	2016-0453-8 Sault Ste. Marie, Ontario
	2016-0454-6 Thunder Bay, Ontario
	2016-0455-4 Saskatoon, Saskatchewan
Shaw Cablesystems (VCI) Limited	2016-0456-2 Edmonton, Alberta
	2016-0457-0 Winnipeg, Manitoba

TELUS Communications Inc., and 1219723 Alberta ULC and Emergis Inc. in partnership with TELUS Communications Inc. in TELE-MOBILE Company, partners in a general partnership carrying on business as TELUS Communications Company	2016-0475-2 Calgary, Edmonton (including St. Albert, Sherwood Park, Spruce Grove and Stony Plain), Fort McMurray, Grande Prairie, Lethbridge, Medicine Hat and Red Deer, Alberta
	2016-0476-0 Kamloops, Kelowna, Nanaimo, Penticton, Prince George, Terrace, Vancouver (including Lower Mainland and Fraser Valley), Vernon and Victoria, British Columbia
Videotron Ltd. and 9227-2590 Québec inc., partners in a general partnership carrying on business as Videotron G.P.¹⁸	2016-0466-1 Gatineau (Aylmer, Gatineau, Hull) and surrounding areas, Quebec
	2016-0467-9 Québec and surrounding areas, Quebec
	2016-0482-7 Montréal, Quebec
	2016-0480-2 Montréal West, Quebec
	2016-0481-9 Terrebonne, Quebec

¹⁸ Videotron was granted the condition of licence relating to the Wholesale Code in a decision letter dated 5 April 2016.

Appendix 2 to Broadcasting Decision CRTC 2016-458

Terrestrial and direct-to-home broadcasting distribution undertakings for which the broadcasting licences are expiring after 30 November 2016

Effective the dates set out in the tables below, the licensees listed in this appendix shall abide by the following **conditions of licence**:

- The licensee shall adhere to the Wholesale Code set out in the appendix to *The Wholesale Code*, Broadcasting Regulatory Policy CRTC 2015-438, 24 September 2015, in its dealings with any licensed or exempt broadcasting undertaking.
- The licensee shall adhere to the Television Service Provider Code, set out in the appendix to *The Television Service Provider Code*, Broadcasting Regulatory Policy CRTC 2016-1, 7 January 2016.
- The licensee shall be a participant in the Commissioner for Complaints for Telecommunications Services Inc.

Licences expiring on 31 August 2017

Licensee	Application number and location	Wholesale Code Implementation date of condition of licence	TVSP Code Implementation date of condition of licence	CCTS Implementation date of condition of licence
2251723 Ontario Inc.	2016-0478-6 Barrie, Greater Toronto Area (including Ajax, Aurora, Bolton, Brampton, Caledon, Claremont, Etobicoke, Georgetown, King City, Markham, Milton, Mississauga, Nobleton, North York, Pickering, Richmond Hill, Scarborough, Toronto, Vaughan and Woodbridge), Hamilton-Niagara, Kingston,	1 September 2017	1 September 2017	1 September 2017

	Kitchener-Waterloo, London, Oshawa, Ottawa, Peterborough, Sudbury, Thunder Bay, Windsor and their surrounding areas, Ontario			
Atop Broadband Corp.	2016-0494-2 Majority of the Greater Toronto Area, Ontario	1 September 2017	1 September 2017	1 September 2017
Videotron Ltd. and 9227-2590 Québec inc., partners in a general partnership carrying on business as Videotron G.P.	2016-0484-3 Granby, Quebec	Granted in a decision letter dated 5 April 2016	1 September 2017	1 September 2017
	2016-0485-1 Saguenay (Chicoutimi), Quebec	Granted in a decision letter dated 5 April 2016	1 September 2017	1 September 2017
	2016-0486-9 Sherbrooke, Quebec	Granted in a decision letter dated 5 April 2016	1 September 2017	1 September 2017

Licences expiring on 31 August 2018

Licensee	Application number and location	Wholesale Code Implementation date of condition of licence	TVSP Code Implementation date of condition of licence	CCTS Implementation date of condition of licence
AEBC Internet Corp.	2016-0504-9 Vancouver and Lower Mainland, British Columbia	1 December 2016	1 September 2017	1 September 2017
Beanfield Technologies Inc.	2016-0503-1 Toronto (East Bayfront and West Don Lands), Ontario	1 September 2018	1 September 2018	1 September 2018

Bell Canada	2016-0469-5 Fredericton and surrounding areas, Moncton and Saint John, New Brunswick; St. John's, Paradise and Mount Pearl, Newfoundland and Labrador; and Halifax, Dartmouth, Bedford and Sackville, Nova Scotia	1 September 2018	1 September 2018	1 September 2018
	2016-0470-3 Greater Sudbury, Hamilton/ Niagara, Kingston, Kitchener, London, Oshawa, Ottawa, Peterborough, Sault Ste. Marie, Stratford, Toronto, Windsor and their surrounding areas, Ontario	1 December 2016	1 September 2017	1 September 2017
	2016-0471-0 Chicoutimi, Drummondville (Centre-du-Québec region), Gatineau, Joliette (Lanaudière region), Jonquière, Montréal, Québec, Saint-Jérôme (Laurentides region), Sherbrooke, Trois-Rivières (Mauricie region) and their surrounding areas, Quebec	1 December 2016	1 September 2017	1 September 2017

TELUS Communications Inc., and 1219723 Alberta ULC and Emergis Inc. in partnership with TELUS Communications Inc. in TELE-MOBILE Company, partners in a general partnership carrying on business as TELUS Communications Company	2016-0477-8 Baie-Comeau, Gaspé, Montmagny, Mont-Tremblant, Rimouski, Sainte-Marie, Saint-Georges, Sept-Îles and their surrounding areas, Quebec	1 December 2016	1 September 2017	1 September 2017
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Licences expiring on 31 August 2019

Licensee	Application number and location	Wholesale Code Implementation date of condition of licence	TVSP Code Implementation date of condition of licence	CCTS Implementation date of condition of licence
Bell ExpressVu Inc. (the general partner) and Bell Canada (the limited partner), carrying on business as Bell ExpressVu Limited Partnership	2016-0472-8 Across Canada	1 November 2017	1 November 2017	1 November 2017

Colba.Net Telecom Inc.	2016-0493-4 Montréal, Drummondville, Trois-Rivières, Gatineau, Sherbrooke, Québec and their surrounding areas, Quebec	20 September 2017	20 September 2017	20 September 2017
Rangtel Inc.	2016-0502-3 Greater Toronto Area, including Ajax, Aurora, Brampton, Brock, Burlington, Caledon, Clarington, Halton Hills, King, Markham, Milton, Mississauga, Newmarket, Oakville, Oshawa, Pickering, Scugog, Uxbridge, Vaughan, Whitby and Whitchurch- Stouffville, Ontario	15 April 2019	15 April 2019	15 April 2019
Star Choice Television Network Incorporated	2016-0465-3 Across Canada	Imposed in Broadcasting Decision 2016-75	1 November 2017	1 November 2017

Zazeen Inc.	2016-0505-7 Toronto, Hamilton/ Niagara, Oshawa, Kitchener, Ottawa, London, Windsor and their surrounding areas, Ontario	1 September 2019	1 September 2019	1 September 2019
	2016-0506-5 Gatineau, Montréal, Québec, Sherbrooke and their surrounding areas, Quebec	1 September 2019	1 September 2019	1 September 2019