



28 September 2012

Mr. John Traversy
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Filed electronically

Dear Mr. Traversy,

Re: Conversion of Shaw Media's non-mandatory market transmitters from analog to digital - Progress Report

As per Broadcasting Decision CRTC 2010-782, Shaw Communications Inc. is hereby filing the attached progress report regarding the conversion of Shaw Media's analog transmitters in the non-mandatory markets to digital.

As always, should the Commission require additional information concerning this matter, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink that reads "Jean Brazeau". The signature is written in a cursive, flowing style.

Jean Brazeau
Senior Vice-President, Regulatory Affairs
phone: 416-649-5211

Conversion of Shaw Media's non-mandatory market transmitters from analog to digital - Progress report - 28 September 2012

1. In Broadcasting Decision CRTC 2010-782, the Commission approved the acquisition of Canwest Global Communications Corp. ("Canwest") by Shaw Communications Inc. ("Shaw"), as well as a tangible benefits package which proposed, *inter alia*, the allocation of \$23 million to convert 67 analog transmitter sites outside the mandatory markets to digital over a 5-year period, beginning in the 2011/2012 broadcast year.
2. In that decision, the Commission also required Shaw to file biannual progress reports on this tangible benefits initiative. This report is the first of three that will be filed with the Commission, and summarizes our progress to date.

Progress to Date

3. Since the Commission approved the Shaw/Canwest acquisition, we have laid the groundwork and begun to convert our analog transmitters in the non-mandatory markets to digital, and are on track to meet these obligations by the end of the 2015/2016 broadcast year.
4. We have dedicated staff resources to this initiative, including a full-time Director of DTV Transition, who successfully planned and implemented the conversion of Shaw's transmitters in the mandatory markets to digital by 31 August 2011. The Director has the expertise necessary to plan and implement conversions in the non-mandatory markets, and to ensure completion of all conversions by 31 August 2016.
5. In developing and implementing our plans, we have prioritized the conversion of transmitters in the largest non-mandatory markets in order to provide Global's over-the-air digital signal to more Canadians sooner. Thus far, we have received approvals from both the Commission and Industry Canada to convert a total of 14 transmitters from analog to digital in some of the largest non-mandatory markets across the country -- six (6) in British Columbia, and eight (8) in Ontario. For more detail on the applications submitted, please refer to the table in **Appendix 1**. Following the conversion of these 14 transmitters, an estimated 39% of viewers in the non-mandatory markets will receive Global's over-the-air digital signal. In both the mandatory and non-mandatory markets, the Global signal will then be available to an estimated 89% of viewers across the country.
6. As set out in the Appendix to Broadcasting Decision 2010-782, Shaw committed to spending \$4.6 million annually to convert its non-mandatory market transmitters to digital over five (5) broadcast years, beginning in 2011/2012. Shaw's ability to meet this commitment depends, in large part, on the availability of suppliers and contractors, and the timing of regulatory approvals, which impacts on equipment orders, delivery and construction. Due to unexpected delays in receiving regulatory approvals for sites in British Columbia, our expenditures at the end of the 2011/2012 broadcast year totaled \$3.66 million; however, we expect to compensate for this shortfall early in the 2012/2013 broadcast year, as construction and

implementation on those sites have now begun. As of 24 September 2012, we have placed an additional \$2.10 million in orders for equipment and services, which brings our total commitment to date to \$5.76 million. Of that additional \$2.10 million, approximately \$1.5 million will be spent by the end of the 2012 calendar year, and the remainder in Winter 2013. We have also planned an additional \$3.5 million in expenditures for the current broadcast year, which will bring our total tangible benefits expenditures in line with our original commitments by the end of the 2012/2013 broadcast year.

7. In a letter to the Commission dated 25 January 2011, Shaw had committed to completing the Midland conversion by January 2012. We are pleased to report that the conversion was completed ahead of schedule, and that the Midland digital transmitter went on-air on 25 August 2011.
8. Construction and implementation for six (6) transmitter sites in British Columbia and seven (7) transmitter sites in Ontario are currently underway. Although the sites in British Columbia are expected to be completed by the end of October 2012, they are vulnerable to early winter weather, which could delay construction. Please also note that unexpectedly long wait times for regulatory approvals impacted the timing of order placements, delivery of equipment, and timely vendor availability. Nevertheless, we anticipate that these conversions will be completed by the end of October 2012, weather permitting. We also anticipate the conversion of the seven (7) Ontario sites to digital in the months between November 2012 and April 2013. For more detail on the status of conversions on these sites, please refer to **Appendix 1**.

Looking Ahead:

9. As noted above, construction and implementation are currently underway on 13 transmitter sites in British Columbia and Ontario, and we expect that these conversions will be completed between October 2012 and April 2013. We also expect our expenditures to be in line with our original commitments by the end of the 2012/2013 broadcast year as we complete work on this initial round of conversions, and begin work on the next round.

APPENDIX 1: Status of Digital Conversions in Non-Mandatory Markets

TRANSMITTER LOCATION	CALL LETTERS	DATE APPLICATION SUBMITTED TO/APPROVED BY CRTC	DATE APPLICATION SUBMITTED TO/APPROVED BY INDUSTRY CANADA	STATUS OF CONVERSION	EXPECTED DATE OF COMPLETION
Midland	CIII-DT-7	28 March 2011/ 12 April 2011	22 March 2011/ 8 June 2011	Completed	N/A
Peterborough	CIII-DT-27	6 June 2011/ 13 October 2011	12 April 2011 / 1 September 2011	In progress	By January 2013
Sudbury	CFGC-DT	8 May 2012/ 24 May 2012	30 April 2012/ 21 August 2012	In progress	By April 2013
North Bay	CFGC-DT-2	11 June 2012/ 13 September 2012	30 May 2012/ 13 September 2012	In progress	By April 2013
Sault Ste. Marie	CIII-DT-12	13 June 2012/ 19 September 2012	30 May 2012/ 19 September 2012	In progress	By April 2013
Timmins	CIII-DT-13	8 May 2012/ 24 May 2012	30 April 2012/ 21 August 2012	In progress	By April 2013
Sarnia - Oil Springs	CIII-DT-29	9 May 2012/ 24 May 2012	27 April 2012/ 7 August 2012	In progress	By January 2013
Owen Sound	CIII-DT-4	25 May 2012/ 15 June 2012	9 May 2012/ 27 July 2012	In progress	By January 2013
Kelowna	CHKL-DT	2 April 2012/ 26 April 2012	17 February 2012/ 5 July 2012	In progress	October 2012
Penticton	CHKL-DT-1	2 April 2012/ 27 July 2012	21 February 2012/ 15 August 2012	In progress	October 2012
Vernon	CHKL-DT-2	30 March 2012/ 27 July 2012	21 February 2012/ 15 August 2012	In progress	October 2012
Kelowna	CHBC-DT	2 April 2012/ 27 July 2012	17 February 2012/ 25 June 2012	In progress	October 2012
Penticton	CHBC-DT-1	30 March 2012/ 27 July 2012	21 February 2012/ 15 August 2012	In progress	October 2012
Vernon	CHBC-DT-2	30 March 2012/ 27 July 2012	21 February 2012/ 15 August 2012	In progress	October 2012