



## Broadcasting Notice of Consultation CRTC 2009-70-1

Additional references: 2009-70, 2009-113 and 2009-113-1

Ottawa, 27 March 2009

### Licence renewals for private conventional television stations

#### Clarification of scope of the proceeding – Distant signals and contributions to the LPIF

The Commission has received letters relating to the financial state of the conventional television sector and/or the scope of the licence renewal hearing for private conventional television stations from the three following parties:

- the Canadian Association of Broadcasters (CAB);
- Rogers Cable Communications Inc. (Rogers); and
- CTVglobemedia Inc. (CTVgm).

Two key issues are raised in these letters:

- distant signals; and
- fee for carriage.

#### Distant signals

The CAB argued that the Commission should take immediate action to make the required amendments to the *Broadcasting Distribution Regulations* in order to implement its policy regarding the distribution of Canadian television stations in distant markets, citing, among other things, the deteriorating financial situation of conventional broadcasters.

The Commission considers that there may be merit in advancing the date for the implementation of the new distant signal regime in light of the deteriorating economics for conventional broadcasters and that this issue should be discussed as part of the licence renewal hearing for private conventional television stations.

#### Fee for carriage

In their letters, CTVgm and Rogers refer to the issue of a fee for carriage for conventional television stations in the context of the conventional television licence renewal hearing. CTVgm requested that in view of the continuing deterioration in the conventional television environment, the Commission address the implementation of a

compensation for carriage at the April 2009 public hearing. Rogers submitted that if the issue of a fee for conventional television carriage is to be considered at the hearing, it will require a substantial adjournment in order to prepare the studies required to present its interest adequately as an affected party.

*In Scope of licence renewal hearings for private conventional television stations*, Broadcasting Notice of Consultation CRTC 2009-70, 13 February 2009, the Commission stated that in light of the current economic uncertainty, it was predisposed to issue short-term one-year licences, which will allow it to consider group-based (conventional and discretionary) licence renewals in the spring of 2010. Given the impact that the adoption of a fee for carriage for conventional television stations would have on the Canadian broadcasting system, the Commission is of the view that this issue should be addressed as part of the group-based licence renewal process.

### **Appropriate contributions to the LPIF**

As indicated in Broadcasting Notice of Consultation CRTC 2009-70, the Commission will also examine the terms of administration and delivery of the Local Programming Improvement Fund (LPIF).

Given that the economic situation of conventional broadcasters continues to deteriorate, the Commission invites parties to provide comments as to:

- a) whether the 1% of broadcasting distribution undertaking (BDU) gross revenues to be contributed to the LPIF will provide sufficient support for local programming in non-metropolitan markets, either on a short-term or longer-term basis;
- b) what should be the terms of eligibility for access to the funds; and
- c) what are the appropriate commitments regarding the production of local content and local news, on a station by station basis, that the Commission should insist upon.

### **Deadlines for new issues only**

In order to allow sufficient time for parties to prepare comments regarding the timing for implementation of the distant signal regime and the appropriate level of LPIF contributions, the deadline for submitting comments on these two issues is hereby set to **23 April 2009**. Requests for appearance on the new issues must be received by **8 April 2009**.

[Broadcasting interventions/comments form]

### **Deadline for existing issues**

The deadline for interventions and requests to appear for all other issues and the renewal applications remains **30 March 2009**.

Secretary General

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