



Broadcasting Notice of Consultation CRTC 2015-304

PDF version

Ottawa, 9 July 2015

Call for comments on amendments to the *Broadcasting Distribution Regulations* to implement determinations in the Let's Talk TV proceeding

The Commission calls for comments on proposed amendments to the Broadcasting Distribution Regulations to implement certain policy determinations in the Let's Talk TV proceeding.

Among other things, these amendments seek to:

- *provide Canadians with access to a small entry-level service offering (basic service) and pick-and-pay and flexible package options;*
- *eliminate genre protection to allow more programming flexibility, while streamlining the licensing regime for discretionary services;*
- *ensure that a diversity of voices is offered to Canadians by requiring that vertically integrated distributors offer one English- or French-language independent service for every English- or French-language service of their own that they offer; and*
- *ensure that Canadians with disabilities have more access to accessibility features and a seamless experience when accessing their content of choice.*

*The deadline for the submission of comments is **4 September 2015**.*

Introduction

1. On 24 April 2014, the Commission launched a proceeding to review its television policies (Broadcasting Notice of Consultation 2014-190). In keeping with its mission of ensuring that Canadians have access to a world-class communication system, the Commission set out the following three intended outcomes:
 - a Canadian television system that encourages the creation of compelling and diverse programming made by Canadians;
 - a Canadian television system that fosters choice and flexibility in selecting programming services; and

- a Canadian television system that empowers Canadians to access and make informed choices about programming and provides recourse mechanisms in the case of disputes.
2. In March 2015, the Commission released Broadcasting Regulatory Policies 2015-86, 2015-96 and 2015-104 setting out its policy determinations in this respect. The Commission proposes to amend the *Broadcasting Distribution Regulations* (the Regulations) to implement a number of these determinations, including those determinations discussed below.

Small entry-level service offering and pick-and-pay and flexible package options

3. In Broadcasting Regulatory Policy 2015-96, the Commission set out a policy aimed at providing Canadians with “a world of choice.” This includes the ability to create their own value proposition based on the TV services they want to receive and for which they are willing to pay. Specifically, to maximize consumer choice and flexibility, in the near future broadcasting distribution undertakings (BDUs) will be required to offer a \$25 entry-level service offering (basic service), as well as offer programming services on both a pick-and-pay basis and in small, reasonably priced packages. This range of choices will give Canadians greater control over the content and price of their TV services.
4. While the Commission has proposed amendments to the Regulations to implement these measures, its intent is not to apply them to analog services. Accordingly, the Commission has drafted the amendments so that they apply only to digital terrestrial BDUs and direct-to-home satellite BDUs.

Genre and access privileges

5. In Broadcasting Regulatory Policy 2015-86, the Commission determined that it will eliminate genre protection to allow more flexibility in programming. In addition, to reduce the regulatory burden, the licensing regime for discretionary services will be streamlined so that all specialty and pay services fall under a single class. Finally, consistent with this approach, the Commission announced in Broadcasting Regulatory Policy 2015-96 that it would phase out access privileges for Category A services, while implementing a 1:1 ratio between independent and related services (i.e. for each related discretionary service that a BDU distributes, it will be required to distribute at least one non-vertically integrated discretionary service), as well as a similar ratio of Canadian to non-Canadian third-language services to ensure diversity of voices.
6. In order for these changes to proceed in a seamless manner and in the timeframes identified in the policies, the Commission needed to retain certain provisions and definitions in the Regulations. Most notably, the provisions relating to Category A services have been retained in order for those services to benefit from their status as Category A services until their licence renewals. At that time they will cease to be

Category A services pursuant to the definition and will be subject to the same regulations as other discretionary services.

Accessibility

7. In Broadcasting Regulatory Policy 2015-104, the Commission indicated that Canadians with disabilities should have more access to accessibility features and a seamless experience when accessing their content of choice. Accordingly, BDUs will be required to make accessible remote controls, set-top boxes and electronic program guides available to Canadians who are blind or have a visual impairment or fine motor skill disabilities where such technology is available and compatible with the BDUs' distribution systems.
8. While current technology consists of remote controls and set-top boxes, the intention behind this requirement relates to the functionality and accessibility of any equipment that may be used in the future. To allow BDUs and their subscribers to benefit from technological innovation in this area, the Commission has not defined "remote control" or "set-top box" in the Regulations, but rather left the wording in this regard open-ended.

Miscellaneous

9. Finally, in addition to implementing the above-noted policy determinations, the Commission has also taken this opportunity to update the wording and provide clarity on certain provisions in the Regulations, as well as to remove expired provisions such as those relating to the Local Programming Improvement Fund.
10. To give the industry time to adjust to the new requirements, these amendments, with the exception of those related to accessibility, will come into force on 1 March 2016. The amendments related to accessibility will come into force on 1 December 2015.

Call for comments

11. The proposed amendments to the Regulations are appended to this notice. The Commission invites comments on the wording of the proposed amendments. The Commission will accept interventions that it receives on or before **4 September 2015**.

Procedure

12. The *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to the present proceeding. The Rules of Procedure set out, among other things, the rules for content, format, filing and service of interventions, replies, answers of respondents and requests for information; the procedure for filing confidential information and requesting its disclosure; and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and its accompanying documents, which can be found on the Commission's website under

“Statutes and Regulations.” Broadcasting and Telecom Information Bulletin 2010-959 provides information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.

13. The proposed amendments are appended to this notice. The Commission invites comments on the wording of the proposed amendments. The Commission will accept interventions that it receives on or before **4 September 2015**.
14. The Commission encourages interested persons and parties to monitor the record of the proceeding, available on the Commission’s website, for additional information that they may find useful when preparing their submissions.
15. Submissions longer than five pages should include a summary. Each paragraph of all submissions should be numbered, and the line *****End of document***** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
16. Pursuant to Broadcasting and Telecom Information Bulletin 2015-242, the Commission expects incorporated entities and associations and encourages all Canadians to file submissions for Commission proceedings in accessible formats (for example, text-based file formats that allow text to be enlarged or modified or read by screen readers). To provide assistance in this regard, the Commission has posted on its website guidelines for preparing documents in accessible formats.
17. Submissions must be filed by sending them to the Secretary General of the Commission using **only one** of the following means:

by completing the
[\[Intervention/comment/answer form\]](#)

or

by mail to
CRTC, Ottawa, Ontario K1A 0N2

or

by fax at
819-994-0218

18. Parties who send documents electronically must ensure that they will be able to prove, upon Commission request, that service/filing of a particular document was completed. Accordingly, parties must keep proof of the sending and receipt of each document for 180 days after the date on which the document is filed. The Commission advises parties who file and serve documents by electronic means to exercise caution when using email for the service of documents, as it may be difficult to establish that service has occurred.

19. In accordance with the Rules of Procedure, a document must be received by the Commission and all relevant parties by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline. Late submissions, including those due to postal delays, will not be considered by the Commission and will not be made part of the public record.
20. The Commission will not formally acknowledge submissions. It will, however, fully consider all submissions, which will form part of the public record of the proceeding, provided that the procedure for filing set out above has been followed.

Important notice

21. All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, facsimile, email or through the Commission's website at 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, email addresses, postal/street addresses, telephone and facsimile numbers, etc.
22. 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.
23. 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.
24. 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.

Availability of documents

25. Electronic versions of the interventions and of other documents referred to in this notice, are available on the Commission's website at www.crtc.gc.ca by visiting the "Participate" section, selecting "Submit Ideas and Comments," and then selecting "our open processes." Documents can then be accessed by clicking on the links in the "Subject" and "Related Documents" columns associated with this particular notice.
26. Documents are also available from Commission offices, upon request, during normal business hours.

Location of Commission offices

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

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Secretary General

Related documents

- *Filing submissions for Commission proceedings in accessible formats*, Broadcasting and Telecom Information Bulletin CRTC 2015-242, 8 June 2015
- *Let's Talk TV – Navigating the Road Ahead – Making informed choices about television providers and improving accessibility to television programming*, Broadcasting Regulatory Policy CRTC 2015-104, 26 March 2015
- *Let's Talk TV – 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
- *Let's Talk TV – The way forward – Creating compelling and diverse Canadian programming*, Broadcasting Regulatory Policy CRTC 2015-86, 12 March 2015
- *Notice of hearing – Let's Talk TV*, Broadcasting Notice of Consultation CRTC 2014-190, 24 April 2014
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC 2010-959, 23 December 2010

**Appendix to Broadcasting Notice of Consultation
CRTC 2015-304**

**REGULATIONS AMENDING THE BROADCASTING DISTRIBUTION
REGULATIONS**

AMENDMENTS

1. (1) **The definitions “Category B service”, “ethnic Category A service”, “exempt Category B service”, “exempt third-language service” and “Local Programming Improvement Fund” in section 1 of the *Broadcasting Distribution Regulations*¹ are repealed.**
- (2) **The definitions “basic service”, “Category A service”, “discretionary service” and “licence” in section 1 of the Regulations are replaced by the following:**

“basic service” means a package of programming services that is distributed by a licensee in a licensed area for a single fee and that consists of

- (a) in the case of a terrestrial distribution undertaking that distributes programming services on a digital basis, the programming services that are distributed in accordance with section 17 or a condition of its licence;
- (b) in the case of a terrestrial distribution undertaking that distributes programming services on an analog basis, the programming services that are required to be distributed under section 41 or a condition of its licence, and any other services that are included in the package; and
- (c) in the case of a DTH distribution undertaking, the programming services that are distributed in accordance with section 46 or a condition of its licence. (*service de base*)

“Category A service” means

- (a) in respect of a licence that was issued before September 1, 2011,
 - (i) a pay television service, other than a Category C service or a service that was designated as a Category 2 service by the Commission before that day, or
 - (ii) a specialty service, other than a Category C service or a service that was designated as a Category 2 service by the Commission before that day; and
- (b) in respect of a licence that was issued on or after September 1, 2011 and before March 12, 2015, a Canadian programming service that is designated as a Category A service by the Commission. (*service de catégorie A*)

¹ SOR/97-555

“discretionary service” means a programming service that is not included in basic service, other than an on-demand service, an audio programming service, a pay audio service, a specialty audio service or a non-Canadian programming service. (*service facultatif*)

“licence” means

- (a) in the case of a discretionary service, a licence to carry on a discretionary programming undertaking, a pay television programming undertaking or a specialty programming undertaking;
- (b) in the case of an on-demand service, a licence to carry on an on-demand programming undertaking, a pay-per-view programming undertaking or a video-on-demand programming undertaking;
- (c) in the case of a television station, a licence to carry on a television station; and
- (d) in any other case, a licence to carry on a distribution undertaking. (*licence*)

(3) Paragraph (b) of the definition “Category C service” in section 1 of the Regulations is replaced by the following:

(b) a pay television service or a specialty service that is subject to the conditions of licence set out in the appendices to Broadcasting Regulatory Policy CRTC 2009-562-2, dated May 25, 2012 and entitled *Conditions of licence for competitive Canadian specialty services operating in the genres of mainstream sports and national news – Definition of “broadcast day” for mainstream sports services*, as amended from time to time. (*service de catégorie C*)

(4) Paragraph (a) of the definition “high definition version” in section 1 of the Regulations is replaced by the following:

(a) in respect of a discretionary service, the version of that service that is authorized by a condition of licence;

(5) Section 1 of the Regulations is amended by adding the following in alphabetical order:

“discretionary basis” means in respect of the distribution of a programming service, its distribution as other than part of the basic service or the first-tier offering for a fee that is in addition to that charged for the basic service or the first-tier offering. (*base facultative*)

“exempt discretionary service” means a discretionary service that is offered by an exempt programming undertaking that meets the criteria set out in the Appendix to Broadcasting Order CRTC 2015-88, dated March 12, 2015 and entitled *Exemption order respecting discretionary television programming undertakings serving fewer than 200,000 subscribers*. (*service facultatif exempté*)

“exempt programming service” means a programming service that is offered by an exempt programming undertaking. (*service de programmation exempté*)

“first-tier offering” means a package of programming services that is distributed by a licensee in a licensed area for a single fee and that consists of

(a) in the case of a terrestrial distribution undertaking that distributes programming services on a digital basis, the programming services that are distributed in accordance with section 17.3 or a condition of its licence; and

(b) in the case of a DTH distribution undertaking, the programming services that are distributed in accordance with section 46.3 or a condition of its licence.
(*premier volet facultatif*)

“on-demand service” means a pay-per-view service, a video-on-demand service or any other programming service that provides programs that are accessed individually at the request of a subscriber. (*service sur demande*)

2. The Regulations are amended by adding the following after section 4:

OFFER OF BASIC SERVICE

4.1 Except as otherwise provided under a condition of its licence, a licensee shall offer its basic service to its subscribers and to prospective subscribers.

3. Section 5 of the Regulations is replaced by the following:

5. Except as otherwise provided under a condition of its licence or these Regulations, a licensee shall provide a subscriber with its basic service or, if offered, its first-tier offering, if it provides the subscriber with a programming service other than

(a) an on-demand service; or

(b) an exempt programming service, other than an exempt discretionary service.

4. (1) Subsection 6 (1) of the Regulations is replaced by the following:

6. (1) Except as otherwise provided under a condition of its licence, a licensee shall ensure, in respect of each of analog and digital technology, that a majority of each of the video and audio programming services that are offered to a subscriber are devoted to the distribution of Canadian programming services.

(2) Subsection 6 (2) of the Regulations is amended by adding “and” at the end of paragraph (a) and by replacing paragraphs (b) to (d) with the following:

(b) on-demand service.

(3) Paragraphs 6 (3) (b) and (c) of the Regulations are replaced by the following:

(b) discretionary service;

5. The Regulations are amended by adding the following after section 7.2:

ACCESSIBILITY OF PROGRAMMING

7.3 A licensee shall make available to its subscribers such equipment, software or other technology that will allow any individual who is blind, visually impaired or who has fine motor skills disabilities to identify and have access to its programming services – including programs with described video – if that equipment, software or other technology is available for purchase by the licensee and is compatible with its distribution system.

6. The portion of subsection 9.1(2) of the Regulations before paragraph (a) is replaced by the following:

(2) A licensee that is distributing an exempt discretionary service of an exempt programming undertaking or that is negotiating terms of carriage with an exempt programming undertaking for an exempt discretionary service, including any new programming service that is an exempt discretionary service, shall sign and provide to the operator of the exempt programming undertaking an agreement that

7. The heading before section 17 of the Regulations is replaced by the following:

BASIC SERVICE

16.1 Except as otherwise provided under a condition of its licence, a licensee shall not distribute as part of its basic service any programming services other than those referred to in section 17.

8. (1) Paragraph 17 (2) (b) of the Regulations is replaced by the following:

(b) a programming service that consists of the proceedings of the legislature of the province in which the licensed area is located if the licensee elects to distribute that programming service, unless the programming undertaking that provides that programming service agrees in writing to its distribution on a discretionary basis.

(2) Section 17 of the Regulations is amended by adding the following after subsection (5):

(6) Except as otherwise provided under a condition of its licence, a licensee may, in addition to the programming services required under subsections (1) to (5), distribute the following services as part of its basic service in the licensed area:

(a) the programming services of no more than 10 local or regional television stations, including those stations whose programming services are required to be distributed under subsection (1);

- (b) the programming service of any community channel;
- (c) a 4 + 1 package of programming services that originates
 - (i) in the same time zone in which the licensee's local head end is located, or
 - (ii) if no such package originates in that time zone, in a time zone that is adjacent to the one in which the local head end is located; and
- (d) the programming service of any local radio station.

(7) A licensee that distributes a programming service under this section may also distribute the high definition version of that programming service.

9. The Regulations are amended by adding the following after section 17:

17.1 Except as otherwise provided under a condition of its licence, a licensee shall not charge a subscriber more than \$25 per month for the distribution of its basic service.

FIRST-TIER OFFERING

17.2 Except as otherwise provided under a condition of its licence, a licensee may offer its first-tier offering to its subscribers and prospective subscribers.

17.3 (1) Except as otherwise provided under a condition of its licence, if a licensee offers a first-tier offering it shall distribute the following services in each licensed area as part of that offering:

- (a) the programming services that are required to be distributed under subsections 17 (1) to (5); and
- (b) the programming service of at least one Canadian programming service that is in addition to those distributed under paragraph (a).

(2) Except as otherwise provided under a condition of its licence, a licensee may, in addition to the programming services required under subsection (1), distribute as part of the first-tier offering in the licensed area any non-Canadian programming service that may be distributed under subsection 17(6).

10. (1) Subsection 18 (1) of the Regulations is replaced by the following:

18. (1) The following definitions apply in this section.

“ethnic Category A service” means, in respect of a licence that was issued before March 12, 2015, a programming service that is designated as an ethnic Category A service by the Commission or named in paragraph 138 of Broadcasting Public Notice CRTC 2008-100, dated October 30, 2008 and entitled *Regulatory*

frameworks for broadcasting distribution undertakings and discretionary programming services. (service ethnique de catégorie A)

“general interest television pay-per-view service” means a television pay-per-view service whose programming is selected – unrestricted by any condition of licence – from any of the categories listed in column I of item 6 of Schedule I to the *Pay Television Regulations, 1990 (service de télévision à la carte d’intérêt général)*

(2) Subparagraph 18 (2) (a) (iii) of the Regulations is replaced by the following:

(iii) to the extent that such a programming service is available, at least one licensed French-language discretionary service for every 10 English-language programming services that it distributes;

(3) Subparagraph 18 (2) (b) (iii) of the Regulations is replaced by the following:

(iii) to the extent that such a programming service is available, at least one licensed English-language discretionary service for every 10 French-language programming services that it distributes; and

(4) Paragraph 18 (3) (a) of the Regulations is replaced by the following:

(a) the definition “discretionary service” in section 1 does not include a programming service that the licensee is required to distribute under paragraph 9 (1) (h) of the Act; and

11. (1) The definition “exempt distribution undertaking” in subsection 19 (1) of the Regulations is replaced by the following:

“exempt distribution undertaking” means a distribution undertaking the operator of which is exempt under Broadcasting Order CRTC 2014-445, dated August 29, 2014 and entitled *Terms and conditions of the exemption order for terrestrial broadcasting distribution undertakings serving fewer than 20,000 subscribers*, as amended from time to time. (*entreprise de distribution exemptée*)

(2) Subsections 19 (2) to (4) of the Regulations are replaced by the following:

(2) For the purposes of subsection (3), the definition “discretionary service” in section 1 does not include

(a) a programming service that the licensee distributes under section 18;

(b) an adult programming service;

(c) an exempt programming service, other than an exempt discretionary service;
or

(d) a programming service that the licensee is required to distribute under paragraph 9 (1)(h) of the Act.

(3) Except as otherwise provided under a condition of its licence, a licensee shall distribute in its licensed area

(a) for each English-language discretionary service of a related programming undertaking that it distributes in the area, at least one English-language discretionary service of an independent programming undertaking; and

(b) for each French-language discretionary service of a related programming undertaking that it distributes in the area, at least one French-language discretionary service of an independent programming undertaking.

(3) Subsection 19 (6) of the Regulations is replaced by the following:

(6) Subsection (5) does not apply in respect of the distribution of an exempt discretionary service of a related exempt programming undertaking.

12. (1) The portion of subsection 20 (1) of the Regulations before paragraph (a) is replaced by the following:

20. (1) Except as otherwise provided under a condition of its licence, a licensee may, in addition to the programming services required under sections 17 to 19, distribute in its licensed area

(2) Paragraphs 20 (1) (b) and (c) of the Regulations are replaced by the following:

(b) any on-demand service, the operator of which is authorized to provide the service to all or part of the licensed area, that is not distributed by the licensee in the licensed area under section 18;

(c) any discretionary service that is not distributed by the licensee in the licensed area under section 18 or 19;

(3) Paragraph 20 (1) (i) of the Regulations is replaced by the following:

(i) the programming service of any exempt programming undertaking;

13. Sections 23 to 26 of the Regulations are replaced by the following:

23. (1) Except as otherwise provided under a condition of its licence, a licensee shall offer in its licensed area all of its programming services that are not distributed as part of its basic service as follows:

(a) during the period beginning on March 31, 2016 and ending on November 30, 2016, either on a stand-alone basis or in packages of up to 10 programming services; and

(b) on or after December 1, 2016, both on stand-alone basis and in packages of up to 10 programming services.

(2) In addition to the packages required under subsection (1), a licensee may offer any programming services that are not distributed as part of its basic service in packages of more than 10 programming services.

(3) For the purposes of subsections (1) and (2), the licensee may offer either or both of the following:

(a) packages that consist of programming services that are chosen by the licensee, and

(b) packages that consist of programming services that are chosen by the subscriber.

(4) 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.

24. Except as otherwise provided under these Regulations or a condition of its licence, a licensee may only distribute an authorized non-Canadian programming service on a discretionary basis.

25. (1) Except as otherwise provided under a condition of its licence, a licensee shall not distribute an adult programming service in a package in such that a subscriber is required to subscribe to that service in order to obtain any other programming service.

(2) A licensee that distributes an adult programming service shall fully block the reception of both the audio and video portions of the service to subscribers who request that they not receive the service in either unscrambled or scrambled mode.

26. (1) Except as otherwise provided under a condition of its licence, a licensee may only distribute the following programming services on a discretionary basis:

(a) a single point-of-view religious pay television service;

(b) a limited point-of-view religious pay television service;

(c) a religious specialty service;

(d) a religious exempt discretionary service; or

(e) a religious authorized non-Canadian programming service.

(2) Except as otherwise provided under a condition of its licence, a licensee shall not distribute a programming service referred to in subsection (1) in a package of programming services unless all of the services in the package are those referred to in that subsection and they are distributed on a discretionary basis.

14. Section 27 of the Regulations is replaced by the following:

27. (1) In this section, “principal language” means a language in which 40% or more of the programming of a programming service is provided over the course of a broadcast week.

(2) For the purposes of this section, the definition “third-language service” in section 1 includes a programming service that is named in paragraph 138 of Broadcasting Public Notice CRTC 2008-100, dated October 30, 2008 and entitled *Regulatory frameworks for broadcasting distribution undertakings and discretionary programming services*.

(3) Except as otherwise provided under a condition of its licence, a licensee shall, for each non-Canadian third-language service that it distributes to its subscribers, distribute – to the extent that one is available – at least one Canadian third-language service in the same principal language.

(4) Except as otherwise provided under a condition of its licence, a licensee shall, for each non-Canadian third-language service that it distributes to its subscribers as part of a package of programming services, distribute in that package – to the extent that one is available – at least one Canadian third-language service in the same principal language.

15. (1) The portion of subsection 30 (1) of the Regulations before paragraph (a) is replaced by the following:

30. (1) Except as otherwise provided under a condition of its licence, if a licensee elects to distribute community programming under paragraph 17 (6) (b) or 20 (1) (d) in a licensed area, the licensee shall not distribute, on the community channel in the licensed area, any programming service other than the following:

(2) Subsection 30 (3) of the Regulations is replaced by the following:

(3) A maximum of 25% of the time for promotional announcements broadcast in each broadcast week under paragraph (1) (b) may be made available for the promotion of the services of related programming undertakings, services distributed on a discretionary basis, packages of programming services, FM services and additional outlets and for the distribution of information on customer services and channel realignments.

16. Section 35 of the Regulations is repealed.

17. Subsections 36 (1) and (2) of the Regulations are replaced by the following:

36. (1) A licensee shall calculate the contribution that it is required to make under section 34 on the basis of its gross revenues derived from broadcasting activities in the previous broadcast year.

(2) The contribution shall be made by the licensee in 12 equal monthly instalments during the broadcast year, with an instalment being made on or before the last day of each month.

18. Section 37 of the Regulations is replaced by the following:

37. If, as a result of the calculation performed under subsection 36 (1) the contribution made by a licensee for a broadcast year is greater than the amount required under section 34, the licensee may deduct the excess from the amount of the contribution that is required for the subsequent broadcast year; however, if it is less than the amount required, the licensee shall make the balance of the contribution by December 31 of the subsequent broadcast year.

19. The portion of subsection 41 (1) of the Regulations before paragraph (a) is replaced by the following:

41. (1) Except as otherwise provided under a condition of its licence or in subsections 17(3) and (4), a licensee that distributes programming services on an analog basis in a licensed area shall distribute the following as part of its analog basic service in the licensed area in the following order of priority:

20. Section 45 of the Regulations is replaced by the following:

45. Except as otherwise provided under a condition of licence, this Part and sections 19 and 23 to 29 apply to licensees that hold a licence to operate a DTH distribution undertaking.

21. The heading before section 46 of the Regulations is replaced by the following:

BASIC SERVICE

45.1 Except as otherwise provided under a condition of its licence, a licensee shall not distribute as part of its basic service any programming services other than those that are referred to in section 46.

22. Section 46 of the Regulations is amended by adding the following after subsection (7):

(8) Except as otherwise provided under a condition of its licence, a licensee may, in addition to the programming services required under subsections (2) to (7), distribute

to a subscriber as part of its basic service a 4 + 1 package of programming services that originates

- (a) in the same time zone as that of the province in which the subscriber's residence or other premises is located; or
 - (b) if no such package of programming services originates in that time zone, in a time zone that is adjacent to that time zone.
- (9) A licensee that distributes a programming service under this section may also distribute the high definition version of that programming service.

23. The Regulations are amended by adding the following after section 46:

46.1 Except as otherwise provided under a condition of its licence, a licensee shall not charge a subscriber more than \$25 per month for the distribution of its basic service.

FIRST-TIER OFFERING

46.2 Except as otherwise provided under a condition of its licence, a licensee may offer its first-tier offering to its subscribers and prospective subscribers.

46.3 (1) Except as otherwise provided under a condition of its licence, if a licensee offers a first-tier offering it shall distribute the following services as part of that offering:

- (a) the programming services that are required to be distributed under subsections 46 (2) to (7); and
- (b) the programming service of at least one Canadian programming service that is in addition to those distributed under paragraph (a).

(2) Except as otherwise provided under a condition of its licence, a licensee may, in addition to the programming services required under subsection (1), distribute as part of the first-tier offering in the licensed area any non-Canadian programming service that may be distributed under subsection 46(8).

24. Subsection 47 (2) of the Regulations is amended by adding the following after paragraph (a):

- (a.1) to each subscriber whose residence or other premises is located in an anglophone market and to the extent that such a programming service is available, at least one licensed French-language discretionary service – other than a programming service that the licensee is required to distribute under paragraph 9(1) (h) of the Act – for every 10 English-language programming services that it distributes to the subscriber;

25. (1) Subsection 52 (1) of the Regulations is amended by adding “and” at the end of paragraph (a), by striking out “and” at the end of paragraph (b) and by repealing paragraph (c).

(2) Subsection 52 (2) of the Regulations is repealed.

26. Subsection 54 (2) of the Regulations is repealed.

27. The schedule to the Regulations is replaced by the schedule set out in the schedule to these Regulations.

COMING INTO FORCE

28. (1) These Regulations, except for section 5, come into force on March 1, 2016.

(2) Section 5 comes into force on December 1, 2015.

SCHEDULE

(Section 27)

SCHEDULE

(Section 1)

MAJOR OWNERSHIP GROUPS

| Item | Group |
|-------------|---------------------------|
| 1. | Shaw Media Inc. |
| 2. | Bell Media Inc. |
| 3. | Quebecor Media Inc. |
| 4. | Remstar Broadcasting Inc. |
| 5. | Rogers Media Inc. |