

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

OECD COMMUNICATIONS OUTLOOK 2001
Broadcasting Section

Country: CANADA
Date completed: June 29, 2000

BROADCASTING

Broadcasting services available

1. Please provide details of the broadcasting and cable television services available in your country.

| Infrastructure provision for following service | Number of licensed operators (2000) | Number of privately owned companies ¹ | Number of public service organisations ² |
|---|-------------------------------------|--|---|
| Terrestrial TV (National coverage ³) | 4 | 2 | 1 |
| Terrestrial TV (Local coverage ⁴ only) | 130 | 207(*) | 5 |
| Terrestrial radio (National coverage) | 4 | 0 | 1 |
| Terrestrial radio (Local coverage only) | 562 | 207(*) | 1 |
| Cable television service ⁵ | 2,226 | 570 | 0 |
| Analogue direct broadcast satellite (DBS) service | | | |
| Digital DBS service | 2 | 2 | 0 |

*: TV and radio combined.

¹ Defined as private sector companies holding one or more licences for service provision.

² Including state-owned corporations or institutions holding one or more licences for service provision.

³ A service with national coverage is defined as a service by a group of television or radio stations distributing a majority of the same programming, that are licensed on a national or regional basis but collectively provide nation-wide coverage. Affiliating companies of the nation-wide broadcast network are included in this category. If new operators have been licensed to provide national coverage in the last three years but are at the stage of rolling out networks please include these operators in the total.

⁴ A service with local coverage is defined as a service by a group of television or radio stations that are licensed on a national or regional basis but distribute the programming in the local area only. If new operators have been licensed to provide local coverage in the last three years but are at the stage of rolling out networks please include these operators in the total.

⁵ Please indicate if more than one organisation is permitted to own and operate cable television infrastructure in the same area.

2. Please provide details on the major terrestrial TV broadcasting companies which have national coverage in your country⁶.

| Name of national terrestrial broadcaster | Ownership status (private or public) | Analogue or digital service or both | If digital | | Relationship with transmission network owner ⁷ |
|--|--------------------------------------|-------------------------------------|--|--------------------|---|
| | | | Free to Air (FTA) ⁸ or subscription | Number of channels | |
| CBC | Public | Analogue | | | a(*) |
| CTV | Private | Analogue | | | a(*) |
| TVA | Private | Analogue | | | a(*) |

*: These broadcasting companies also have privately owned affiliate stations.

⁶ A service with national coverage is defined as a service by a group of television or radio stations distributing a majority of the same programming, that are licensed on a national or regional basis but collectively provide nation-wide coverage. Affiliating companies of the nation-wide broadcast network are included in this category. If new operators have been licensed to provide national coverage in the last three years but are at the stage of rolling out networks please include these operators in the total.

⁷ Options include:

- (a) broadcaster owns network
- (b) broadcaster has a commercial relationship with a privately owned network
- (c) broadcaster has a commercial relationship with state owned network
- (d) broadcaster has non-commercial relationship with state owned network
- (e) other; please describe.

⁸ A free to air (FTA) service is one which is available to viewers without paying a direct fee.

3. Please provide details on the major cable and satellite broadcasters and transmission networks in your country.

| | Name of broadcaster | Number of channels in premium service(*) | | Does the broadcaster own the transmission network? If not, who does? | Is the transmission network used to deliver more than one broadcasting service? |
|------------------|---------------------|--|--------------------|--|---|
| | | Analogue service | Digital service | | |
| CABLE | Rogers | 77 | Data not available | Yes | Yes |
| | Shaw | 73 | Data not available | Yes | Yes |
| | Vidéotron | 62 | Data not available | Yes | Yes |
| SATELLITE | Bell ExpressVu | | 135 | Yes | Yes |
| | Star Choice | | 95 | No, owned by Telesat | Yes |
| | | | | | |

Includes all basic, specialty and premium services

4. What was the price of a subscription service in the largest city of your country on 1st January 2000? Basic service corresponds to the least expensive option to a customer and premium service the most expensive option. (Local currency, current prices)

| | Name of operator | Connection fee | Basic service | | Premium service | |
|---|---------------------------------|-------------------------------|---------------------------|---|---------------------------|---|
| | | | Monthly subscription fees | Number of cable channels included in the basic option (excluding free services) | Monthly subscription fees | Number of cable channels included in the premium option (excluding free services) |
| Cable Television services | Rogers (Toronto) | \$75.95 | \$21.16 | 22 | \$64.23(*) | 55 |
| Satellite television service | Bell ExpressVu | \$349.00(+) | \$8.95 | 34 | \$52.99(*) | 101 |
| | Star Choice | \$279.00(+) | \$14.99 | 43 | \$69.99(*) | 74 |
| Digital terrestrial television service | **LookTV (Ottawa) | \$139.95(+) | \$17.95 | 30 & 30 Music | \$37.95 | 77 & 30 Music |
| | ***Shaw Digital Cable (Calgary) | \$349.00 or \$10.00 per month | \$49.95 | 76 video & 40 Music | \$140.65* | 87 video & 40 Music |

*: Maximum price for all premiums plus basic and all other specialty (discretionary) services

+: Price for the most basic receiving system, excluding programming. Installation (price varies) extra.

**Look's services are channeled through a digital multipoint distribution system (MDS). With this technology, television, audio and data signals are received at Look's headend, and digitally transmitted via fibre optic links to broadcast sites. The signals are then broadcast over the air from one of several transmission towers to receiving antennas at subscribers' homes and businesses. More info: <http://www.look.ca/about/index.html>

***More info on Shaw can be found at: http://www.shaw.ca/cable/digital_cable/index.htm

Communication services available on broadcasting networks

5. Please provide details on the communication services available from broadcasting transmission networks in your country.

| | Terrestrial | Cable | Satellite |
|--|--|---|---|
| Services provided over the network, e.g. FTA broadcasting, Subscription broadcasting, Telephony, New digital services, Internet access | -FTA -Digital radio -Many terrestrial TV companies also own or co-own specialty (subscription) services | - FTA - Subscription broadcasting - New digital services - Internet access - Digital audio | - FTA - Subscription broadcasting - New digital services - Internet access - Digital audio |
| How many cable and satellite operators are providing telephony and internet access services? | | 6 largest cable companies, serving 80% of all subscribers, provide Internet access. | 2 satellite companies provide Internet access. |
| Regulatory restrictions Does the owner/manager of the transmission network face regulatory requirements in the following areas. If so, please give details. -Access to infrastructure or transmission services -Providing access to conditional access systems -Ownership restrictions -Restrictions on services which can be provided | - Foreign ownership is permitted effectively up to 46% (33% at the holding company level and 20% at the licensee level), but majority of ownership of the licensees must be owned and controlled by Canadians. | - Foreign ownership is permitted (effectively up to 46% (33% at the holding company level and 20% at the licensee level), but majority of ownership of the licensees must be owned and controlled by Canadians. - There must be a predominance of Canadian services. - Linkage rules define how cable and DTH providers are permitted to package foreign satellite services with Canadian pay and specialty services. | - Foreign ownership is permitted (effectively up to 46% (33% at the holding company level and 20% at the licensee level), but majority of ownership of the licensees must be owned and controlled by Canadians. - There must be a predominance of Canadian services. - Linkage rules define how cable and DTH providers are permitted to package foreign satellite services with Canadian pay and specialty services. |

Digital television

6. (a) Please indicate on which transmission networks digital television is (or will be) available and whether it is provided as a subscription service or FTA. Also indicate the year in which the service first became available (or will become available).

| | Terrestrial | Cable | Satellite |
|---------------------|--|---|---|
| FTA | No definite date, but CDTV has suggested lagging the USA by 18 to 24 months-probably in late 2001 or 2002. | | No |
| Subscription | No | This service is already available from major cable companies throughout Canada. Shaw has said in the past that 7.5% of its customers are digitally hooked-up. For Rogers, it's about 2 to 3%. | This service has been provided digitally since it was first made available to the public in 1997. |

| | |
|---|---|
| (b) Please provide data indicating the take-up rate of digital television by consumers, such as percentage of households with a digital television receiver. | This data are not available at this point. However, it is very limited. |
| (c) Do regulations restrict the type of services which digital broadcasters can provide? If so, please provide details. | The CRTC has not regulated DTV yet. Over the last few months, it has indicated that DTV is now one of its priorities. |
| (d) Are digital terrestrial broadcasters required to provide a simulcast service in analogue and digital? If so, please describe the requirement. | No regulation has been laid down by the CRTC at this point on this issue. It is likely that simulcasting will be an option when DTV issues are discussed at the CRTC. |

Broadcasting regulatory framework

7. Which organisation(s) administer the following services (carriage and content) in your country and what are their main responsibilities? Please mention agencies dealing with spectrum allocation and management, and providing licences.

| | |
|---|---|
| Terrestrial broadcasting service | The Department of Industry allocates and manages spectrum and issues transmitter licences. The Canadian Radio Television and Telecommunications Commission issues broadcasting licences and regulates the broadcasting system. The Department of Canadian Heritage establishes the overall broadcasting policy and legislation. |
| Cable Television service | Same as above. |
| Direct broadcast satellite (DBS) service | Same as above. |

8. How would a carriage network which delivered television, telephony and internet services be regulated in your country?

It would be regulated by the CRTC as a broadcaster under the Broadcasting Act for the broadcasting functions it provides and would be regulated as a telecom under the Telecommunications Act for the telecommunications functions it provides. There is no Internet regulation.

9. Please provide a description of significant recent policy changes affecting the provision of broadcasting services, as well as any draft laws, or regulatory proposals to be implemented in 2000-2001.

New Broadcasting Distribution Regulations (Public Notice CRTC 1997-150 of December 22, 1997) Effective as of 1 January 1998. They now include wireless systems as well as DTH satellite distributors. All broadcasting distribution undertakings with more than 2,000 subscribers must contribute at least 5% of their gross annual broadcasting revenues to the creation and presentation of Canadian programming. The community channel is no longer mandatory for cable systems.

New Media (Public Notice CRTC 1999-84 of May 17, 1999) The CRTC will not regulate new media services on the Internet under the *Broadcasting Act*.

Launch of new Digital Audio Broadcasting - Digital Audio Broadcasting started regularly scheduled service in four Canadian cities and will expand in other cities in the coming years.

A licensing framework for new digital pay and specialty services (Public Notice CRTC 2000-6 of January 13, 2000). Two license categories: 1) *Category 1* - limited to approximately 10 services with no more than one service per format and guaranteed distribution on most distribution undertakings; 2) *Category 2* - No limit on the number of services. No guaranteed access to distribution undertakings. May be directly competitive with other category 2 services but not with any category 1 licensee or existing pay and specialty service. The CRTC has received 452 applications for new digital television services: 446 for pay and specialty services (91 category 1; 355 category 2); 2 for pay-per-view; and 4 for video-on-demand. These applications will be considered at a public hearing to be held in August. A decision is expected at the end of 2000. The new digital services are expected to be available to Canadians by the first half year 2001.

Public Notice CRTC 2000-74 of May 31, 2000 - Call for comments concerning: Order in Council P.C. 2000-51 which requests that the Commission seek comments from the public on various matters pertaining to French-language broadcasting services available in French linguistic minority communities, and report no later than the end of December 2000; and CRTC's draft policy on increasing the availability of specialty services in the official language of the minority. Deadline for comments: July 31, 2000. Regional consultations throughout Canada and a public hearing in the fall.

10. Please indicate whether public service obligations in broadcasting regulations have changed since 1998 and provide details of any changes.

On January 6, 2000, the CRTC issued decisions (2000-1, 2000-2, 2000-3) renewing all of the major broadcasting licences of the Canadian Broadcasting Corporation (CBC), Canada's national public broadcaster, for a seven-year term (2000-01 to 2006-07). In these decisions, the CRTC emphasized the need for the CBC to concentrate on its core television and radio services. The CRTC decisions also stressed the need to ensure that CBC programming is more reflective of all parts of the country by emphasizing, in particular, the presentation of regional programming in the broadcast schedules of the English and French television networks.

11. Please indicate whether regulations concerning content have changed since 1998. Please provide details of any changes in relation to:

| | |
|-----------------------------------|--|
| Local content requirements | No change since 1998. |
| Must-carry requirements | TVA, a French-language private network, and APTN, an aboriginal service, must be carried by cable, MDS and DTH services. |
| Community standards | No change since 1998. |

12. Please indicate whether regulations concerning ownership and market entry (for terrestrial, cable and satellite) have changed since 1998. Please provide details of any changes in the following areas:

| | |
|--|--|
| Limitations on number of stations | CRTC radio policy (Public Notice CRTC 1998-41, April 14, 1998): in markets with less than 8 commercial stations in a given language, common ownership of up to 3 stations in that language is permitted, with a maximum of 2 stations in any one frequency band (AM or FM). In markets with 8 or more commercial stations in a given language, common ownership of up to four (2 AM & 2 FM) is permitted. Previously, the limit was one AM and one FM in a given language in any market. |
| Foreign ownership | No change since 1998. |
| Cross media and cross sector provisions | No change since 1998. |

| | |
|---|--|
| <p>Other restrictions on ownership</p> | <p>The Commission's new Local Management Agreement (LMA) policy (CRTC-1999-176)</p> <p>The regulations have now been amended to provide a mechanism that will allow the Commission to assess the appropriateness of an LMA in a given market. The amendment to the regulations will allow licensees to enter into or operate their stations pursuant to an LMA, provided that it is authorized by the Commission by condition of licence. As a result of the amendment, any radio broadcaster wishing to enter into an LMA with another radio licensee will be required to seek Commission approval to amend its radio licence by adding a condition of licence to that effect. The application would be evaluated in the context of a public process.</p> |
|---|--|

Convergence

- 13. Under the communication regulation existing in your country how would services provided over the Internet, which some have likened to broadcasting services (e.g. audio and video services transmitted over the Internet) be defined and treated?**

A broadcasting service as defined in the Broadcasting Act distributed on the Internet is exempted from regulation.

- 14. Would a video-on-demand service be treated differently in terms of regulations, according to the transmission methods (for example, PSTN, cable or satellite)?**

The Broadcasting Act is technology neutral. Under the Act, video on demand is considered to be broadcasting, regardless of the method of transmission.

- 15. Under the communication regulation existing in your country how would conditional access services, such as in digital DBS services, be treated?**

The Broadcasting Act is technology neutral. If a service falls within the definition of broadcasting in the Act, it would be treated as a broadcasting service.