



## Broadcasting Notice of Public Hearing CRTC 2007-10-3

Ottawa, 5 November 2007

### **Review of the regulatory frameworks for broadcasting distribution undertakings and discretionary programming services**

#### **Expansion of scope, extension of filing deadlines and revised hearing date**

*The Commission announces that it is expanding the scope of this proceeding to include consideration of a fee-for-carriage for over-the-air television signals. The deadline for proposals and comments with respect to the fee-for-carriage issue is **25 January 2008**.*

*The deadline for replies to comments filed by 19 October 2007 with respect to Review of the regulatory frameworks for broadcasting distribution undertakings and discretionary programming services has been extended to **25 January 2008**.*

*The public hearing will be now held commencing on **7 April 2008** at 9:00 a.m. at the Conference Centre, Phase IV, 140 Promenade du Portage, Gatineau, Quebec, for an approximate duration of three weeks.*

*Finally, given the impact that the determinations in this review may have on conventional television broadcasters, their licence renewal hearings will be scheduled for 2009, and their current licences will be extended by one year, to 31 August 2009.*

#### **Introduction**

1. In Broadcasting Notice of Public Hearing 2007-10-2, the Commission announced that further to Broadcasting Notice of Public Hearing 2007-10, dated 5 July 2007, relating to a public hearing initially scheduled to be held commencing on 28 January 2008, it was extending the deadline for the filing of comments to 19 October 2007 and the deadline for the filing of replies to 16 November 2007. In addition, the Commission announced it would commence the oral public hearing one week later, on 4 February 2008 at 9:00 a.m. at the Conference Centre, Phase IV, 140 Promenade du Portage, Gatineau, Quebec.
2. Further to Broadcasting Notice of Public Hearing 2007-10-2, the Commission announces an expansion of the scope, an extension of the filing deadlines and a revised hearing date for the above-noted proceeding.

## Expansion of scope

3. As most parties are aware, in the TV Policy proceeding concluded earlier this year (Broadcasting Public Notice 2007-53), a major issue was the possibility of permitting over-the-air (OTA) television stations to charge broadcasting distribution undertakings (BDUs) a “fee-for-carriage” for the distribution of their signals.
4. In Broadcasting Public Notice 2007-53, the Commission stated that it was not convinced that a case had been made for such a fundamental change to the revenue structure of the broadcasting system at this time.
5. In their comments submitted in response to Broadcasting Notice of Public Hearing 2007-10, the licensees of major English- and French-language OTA television groups have called upon the Commission to reconsider the issue of a fee-for-carriage for conventional television stations. They contend that such a fee is essential for OTA television stations to remain financially viable and/or to continue to fulfil their regulatory obligations.
6. Given the importance of OTA television in the creation of Canadian programming and the impact that the introduction of such a fee could have on BDUs, BDU subscribers, and pay and specialty services, the Commission is of the view that any further consideration of this issue should take place within a broad context, such as that afforded by the upcoming review initiated by Broadcasting Notice of Public Hearing 2007-10. Accordingly, the Commission finds it appropriate to expand the scope of this proceeding to include consideration of the fee-for-carriage issue.
7. The Commission wishes to examine the following in its consideration of this issue:
  - Whether the payment of a fee by BDUs is essential for the ongoing viability of conventional television stations and their ability to fulfil regulatory obligations.
  - Empirical evidence as to the impact such a fee would have on:
    - overall fees paid by subscribers and, in particular, fees for basic service;
    - the ability of discretionary services to fulfil their regulatory obligations;
    - broadcasting distribution undertakings.
  - Whether the introduction of such a fee should warrant changes in the distribution status of OTA television stations. For example, should stations receiving such a fee retain priority distribution status as part of the basic service of terrestrial BDUs.

- If such a fee were to be implemented:
  - whether it should be a specific amount or a negotiated rate;
  - what proportion of the fee should be dedicated to incremental expenditures on Canadian programming, including local programming.

8. In order to facilitate the above examination, any party advocating the introduction of a fee for the distribution of OTA television stations should provide a specific proposal as to what that fee should be, with full and specific supporting details, assumptions and rationale.

### **Revised process**

9. Parties are to provide their proposals and comments with respect to the fee-for-carriage issue by **25 January 2008**.
10. Pursuant to the schedule announced in Broadcasting Notice of Public Hearing 2007-10-2, parties to the *Review of the regulatory frameworks for broadcasting distribution undertakings and discretionary programming services* filed their comments on 19 October 2007. Replies to those comments were to be submitted by 16 November 2007. In order to facilitate a coordinated consideration of all relevant issues, the deadline date for the submission of those replies has been changed to **25 January 2008**.
11. The public hearing in connection with this proceeding will now be held commencing on **7 April 2008** at 9:00 a.m. at the Conference Centre, Phase IV, 140 Promenade du Portage, Gatineau, Quebec, for an approximate duration of three weeks.

### **Other matters**

#### **Licence renewals for conventional television broadcasters**

12. Furthermore, given the impact that the determinations in this review may have on conventional television broadcasters, their licence renewal hearings will be scheduled for 2009, and their current licences will be extended by one year, to 31 August 2009.

Secretary General

#### **Related documents**

- *Review of the regulatory frameworks for broadcasting distribution undertakings and discretionary programming services*, Broadcasting Notice of Public Hearing CRTC 2007-10, 5 July 2007, Broadcasting Notice of Public Hearing CRTC 2007-10-1, 12 September 2007, and Broadcasting Notice of Public Hearing CRTC 2007-10-2, 26 September 2007
- *Determinations regarding certain aspects of the regulatory framework for over-the-air television*, Broadcasting Public Notice CRTC 2007-53, 17 May 2007

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*