

Additional information on the roadmap to maximize choice and affordability

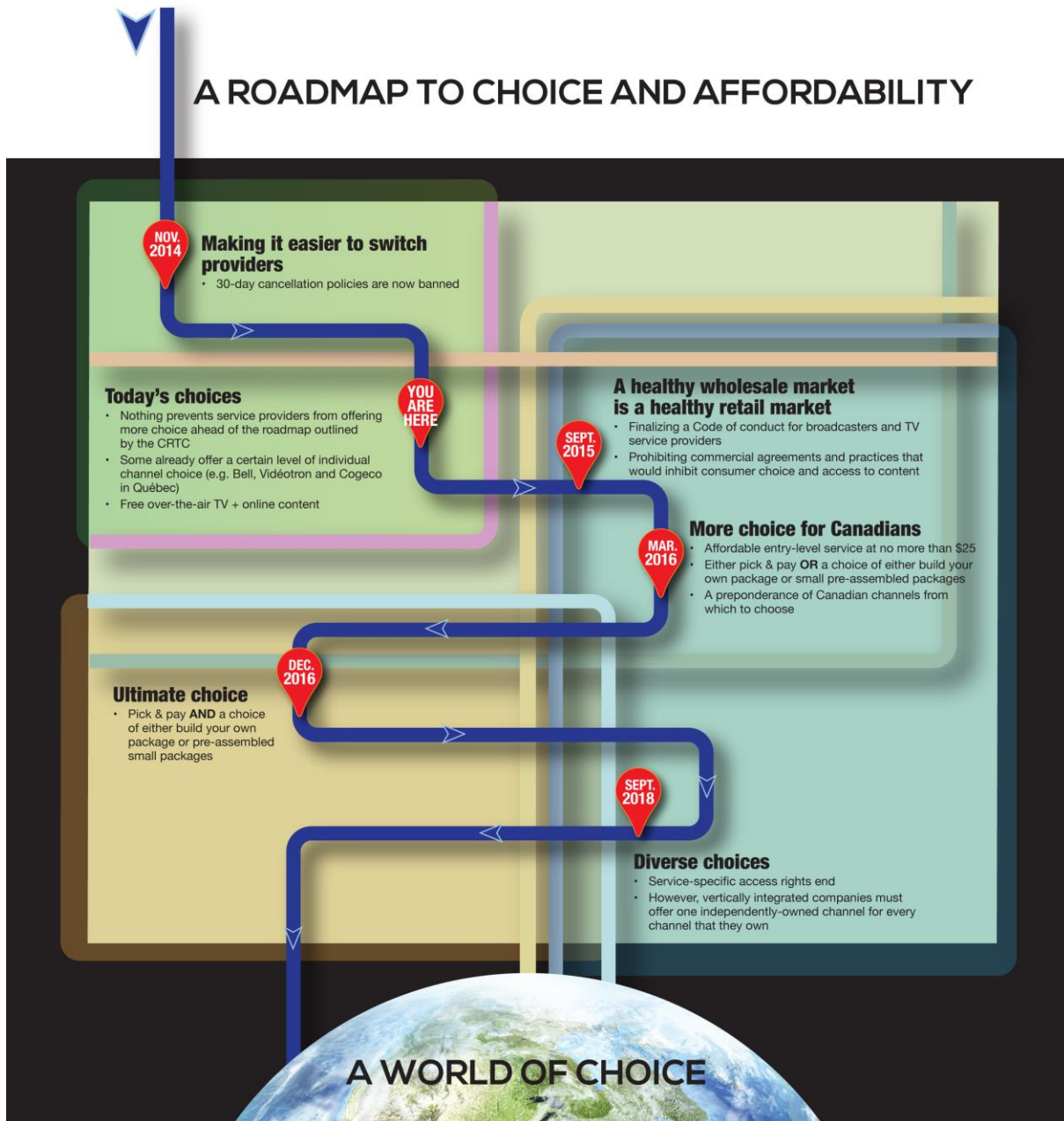
The Canadian Radio-television and Telecommunications (CRTC) has created a roadmap to maximize choice and affordability for Canadian television viewers. This is part of the important measures the CRTC is introducing to ensure the Canadian television system adapts to a World of Choice, in which viewers are increasingly in control and shifting to on-demand viewing. Given that these are significant changes, the CRTC is implementing them in a measured and responsible way. Below is additional information on the CRTC's roadmap.



Canadian Radio-television and
Telecommunications Commission

Conseil de la radiodiffusion et des
télécommunications canadiennes

Canada



1. Small and affordable entry-level TV service

During Let's Talk TV: A Conversation with Canadians, many citizens spoke about the importance of news and information programs, while consumers said that the basic package of channels offered by cable and satellite companies had become too large and costly. The CRTC is introducing an affordable entry-level television service that cable and television companies must offer by March 2016, at no more than \$25 per month.

The new entry-level service will ensure all Canadians have affordable access to local and regional Canadian television stations, which are important sources of news and information. The entry-level service will include:

- all local and regional television stations
- public interest channels such as the Cable Public Affairs Channel and Aboriginal Peoples Television Network
- educational channels, and
- community channels and the services operated by provincial legislatures (if offered).

Cable and satellite companies will also have the option of adding the following channels, at no additional charge to subscribers, to the entry-level service:

- other, non-local Canadian over-the-air stations (in markets where there are fewer than 10 local or regional stations)
- stations affiliated with the American networks ABC, CBS, Fox, NBC and PBS, and
- local AM and FM radio stations.

AS OF MARCH 2016	
Television service providers MUST offer an entry-level service at \$25 or less per month	
THIS ENTRY-LEVEL SERVICE...	
MUST include	MAY include
All local and regional television stations	Other Canadian stations, where less than 10 local stations are available (up to a maximum of 10)
Provincial educational channels	Educational channels of another province or territory, in each official language, if no educational channel is offered
Community and provincial legislative assembly channels, if offered	Local AM and FM stations
Channels designated for mandatory distribution	Affiliates of U.S. networks (ABC, CBS, FOX, NBC and PBS)

2. A World of Choice

In a World of Choice, Canadians will be able to supplement their entry-level television services with the additional channels they want.

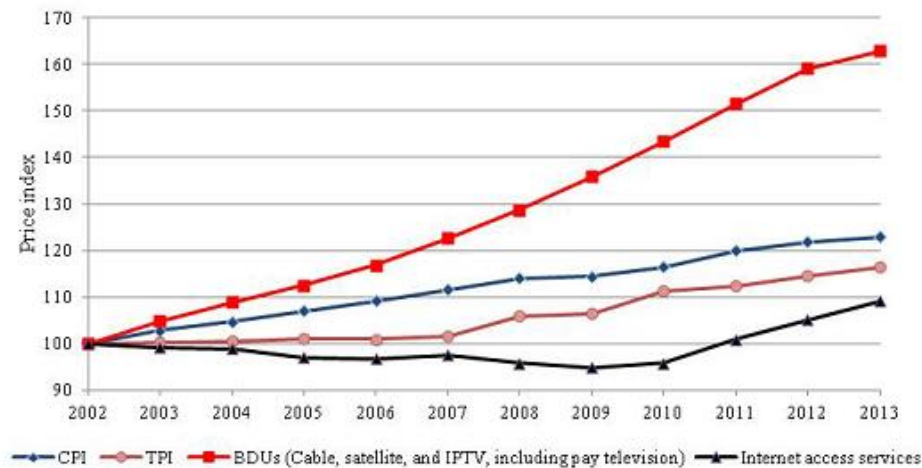
By March 2016, Canadians will be able to buy individual channels **either** on a pick-and-pay basis **or** through small, reasonably priced bundles (for example, they could select 5 or 10 channels). Cable and satellite companies may also continue to offer theme-based packages—such as sports, lifestyle or comedy.

PICK AND PAY/SMALL PACKAGES	
STARTING MARCH 2016...	STARTING DECEMBER 2016...
Depending on their service provider, Canadians must be able to subscribe to channels	Regardless of their service provider, Canadians must be able to subscribe to channels
<ul style="list-style-type: none"> • on a pick-and-pay basis OR • in small, reasonably priced packages, which may either be created by the subscriber (for example, pick-5 or pick-10) or pre-assembled (for example, theme packs). 	<ul style="list-style-type: none"> • on a pick-and-pay basis AND • in small, reasonably priced packages, which may either be created by the subscriber (for example, pick-5 or pick-10) or pre-assembled (for example, theme packs).

By December 2016, Canadians will be able to subscribe to channels on a pick-and-pay basis, **as well as** through small, reasonably priced bundles. In addition, Canadians will have the option of keeping their current television services without making any changes.

Cable and satellite companies will need to ensure that they offer their subscribers more Canadian than non-Canadian channels. Previously, television service providers had to ensure that each subscriber received a preponderance of Canadian channels.

During Let's Talk TV, many Canadians said that they paid for channels they never watched, and asked for more choice and flexibility. In addition, the price of television services grew by 2.4% in 2013—nearly three times the rate of inflation.



The CRTC's roadmap will enable Canadians to customize their television services to meet their different needs and budgets. They will be able to subscribe to only a few channels, to many channels or keep their current offering. They can even watch free, over-the-air television and use online video services to access more content.

3. A healthy and dynamic market

The CRTC will introduce a code of conduct to clarify the wholesale relationship between cable and satellite companies and broadcasters, and ensure the fair negotiation of terms and conditions for the distribution of channels. As a result of a healthy wholesale market, viewers will continue to have access to, and will be able to discover, a diversity of programs.

The code will ensure that cable and satellite companies can offer their subscribers increased choice and flexibility. For example, the code will prohibit terms that:

- prevent the distribution of channels on a pick-and-pay or build-your-package basis
- impose bundling requirements on cable and satellite companies or prevent changes to the bundles, or
- set minimum penetration or revenue guarantees.

The code will also ensure that Canadians have access to a range of channels, including independently-owned channels, by:

- requiring cable and satellite companies to offer independently-owned channels in at least one pre-assembled bundle, in addition to offering them on a standalone basis
- requiring vertically integrated companies to ensure that independently-owned channels are given packaging and marketing support that is comparable to that given to their own services, and
- ensuring that all channels are able to more fully exploit their program rights on all platforms and that cable and satellite companies are able to develop and implement innovative multiplatform strategies.

The CRTC is prepared to intervene, through its dispute-resolution process, in situations where cable and satellite companies and broadcasters are unable to reach fair and reasonable agreements in a timely manner. If parties are unable to reach an agreement, they will need to submit to the dispute-resolution process 120 days before the expiry of an affiliation agreement.

The code will be implemented by September 2015 at the latest.

4. Access to a diversity of voices

To ensure that Canadians have access to a diversity of voices, the CRTC is requiring vertically integrated companies to offer one English and French-language independently-owned channel for each of their own English and French-language channels. This new rule will take effect on September 1, 2018, when the current service-specific access rules come to an end.

The CRTC is also making changes to ensure that Canadians living in official-language minority communities have access to channels that meet their needs. Satellite companies will have to offer one French-language channel for every 10 English-language channels, which is the current obligation for cable companies.

In provinces and territories where there are no educational channels, cable and satellite companies will be able to distribute an educational channel from another province. This is intended to provide Canadians living in official-language minority communities with access to television channels in their own language, including programs for children and youth.

In addition, Canada's multicultural communities will have more flexibility in choosing Canadian ethnic and third-language channels, as they will need to be offered on either a pick-and-pay basis or in small bundles. Cable and satellite companies will also need to offer one Canadian ethnic or third-language programming service for every non-Canadian ethnic or third-language channel.

5. Unbundling multiplexed services

Currently, some broadcasters spread their content across multiple channels and, as a result, certain premium channels (known as multiplexed services) cannot be marketed and sold on an individual basis. For example, a television viewer cannot subscribe to HBO Canada without also subscribing to the associated movie service—TMN in Eastern Canada and Movie Centre in Western Canada.

The CRTC will lift the requirement to offer these types of channels in a bundle, so that pay-television services can offer their feeds on an individual basis to viewers.

6. Fostering greater choice of service providers

During Let's Talk TV, many Canadians spoke about the need for greater competition between television service providers. To provide Canadians with a greater choice of providers, the CRTC will allow cable companies with fewer than 20,000 subscribers to enter and compete in new markets without having to first obtain a licence.