



LET'S TALK

TV A CONVERSATION
WITH CANADIANS

Copy of version available at http://www.crtc.gc.ca/images/eng/TVRadio_connect.jpg. The reproduction is not represented as an official version of the material reproduced, nor as having been made in affiliation with or with the endorsement of, the CRTC.

In this issue

- 1 Let's Talk TV
- 2 Skinny Basic
- 3 OTA
- 3 Life Lines
- 4 TVSP Code
- 5 CanCon

Television Gets an Overhaul

The entire industry is taking on a new look and PIAC helped shape that look throughout the process.

Television broadcasting is about to see some huge changes and consumers are leading the way. The CRTC initiated the 'Let's Talk TV' proceeding in September 2014. The first phase of the process sought comments from Canadians on what they thought of the current television system. These comments came from consumers who corresponded with the CRTC via e-mail, letter, and phone calls. The CRTC also received feedback from a series of 26 "flash conferences" across Canada, one of which PIAC hosted in Ottawa. In Phase 2, Canadians also were invited to fill out a "choicebook" created by the CRTC to help weigh some of the tough decisions which needed to be made.

The current landscape of broadcasting is shifting quickly. The internet has introduced new methods of delivering content and, in terms of control, has left subscription television playing catch-up. With this idea in mind, the CRTC wanted subscription television to be a viable and more competitive and compelling service for years to come. The Let's Talk TV campaign was the tool to update the model. In the final phase, the CRTC conducted a formal review of the television system, which included a public hearing. PIAC represented consumers' views throughout all phases.

"Consumers made it clear in the flash conferences: they wanted control, they wanted choice, and they wanted affordability," John Lawford, Executive Director of PIAC said. "PIAC has been working on these issues for over a decade and we're finally seeing some substantial change."

The CRTC took the information gathered in these phases and made some important changes to broadcasting regulation. In February, the CRTC announced many improvements to the current television system. The CRTC kept Over-The-Air Broadcasting going, introduced a 'pick and pay' system to subscription TV, changed how Canadian content will work for broadcasters, and set the stage for a new Television Service Provider Code. These changes were built on the ideas of Canadians who spoke up to the CRTC, stating what they thought was fair. This issue of The Public Advocate will look at the major changes that these four decisions introduced and are coming to TV broadcasting, thanks to Canadian consumers speaking up.



Choice Cuts

Alternatives to overblown subscription packages in television finally avoidable: a much smaller basic package and a lot more choice.

A recent decision by the CRTC has made a 'skinny basic' cable package a mandatory starting point by March of 2016. The 'skinny basic' will be an entry level basic television package featuring local broadcasts, as well as cultural channels, the weather network, and the CBC. The capped price for this service is \$25. PIAC has been pushing for a skinny basic service for over 10 years. The CRTC's decision went further to say that as an alternative to the many bloated and costly packages that TV providers now offer, they must, in future offer consumers the opportunity to choose which channels they want to pay for.

"PIAC did a poll in 2012 which found that about half of Canadian television subscribers weren't happy with their inability to pick and pay for certain channels and they were upset with the choice of packages available to them," said Alysia Lau, counsel to PIAC. "In the last few years, PIAC has been pushing hard for more choice and more flexibility and more affordable options in television."

The process for this drastic change began in the Let's Talk TV hearings conducted by the CRTC. PIAC hosted an event for the CRTC during this process where consumers voiced their opinions on broadcasting in Canada. It was a common theme throughout these "flash conferences" that Canadians felt they had little choice when it came to managing their subscription TV bills. The direct feedback from consumers has had major effects on broadcasting in a very short time.

The Let's Talk TV process has yielded some other big results for consumers, such as the elimination of "30 Day Notice Cancellation Fees", but likely no other change will affect Canadians' wallets more than the skinny basic package and the option to pick and pay for TV channels.

"The CRTC noted that Canadians increasingly didn't want to pay for the total expense of a package when they only wanted to watch a handful of channels. They wanted to be more in control of their viewing. Consumer control is what this whole proceeding was about."

With 1 in 3 Canadian households now subscribing to Netflix, the direction of the industry appears to be moving away from the massive pre-selected packages of programming and more towards viewing what you want, when you want. The CRTC decision may seem like a blow to subscription TV providers but, in fact, switching to a more choice-based interface may actually increase demand and convince consumers who wanted certain channels but were turned off by the packaging schemes to stay in the subscription TV system.

"The CRTC was proactive in proposing that consumers are able to unbundle their cable packages. Prior to the latest decision those packages were ranging from 50-100 channels just for the basic entry level cable subscription," Geoff White, counsel to PIAC, observed. "The CRTC noted that Canadians increasingly didn't want to pay for the total expense of a package when they only wanted to watch a handful of channels. They wanted to be more in control of their viewing. Consumer control is what this whole proceeding was about."

It is now conceivable that consumers who were locked into a package for certain channels could see their cable bill cut by half, or even more. Additionally, Canadians will have direct control over which stations they're paying for on their TV subscription. This level of choice was unprecedented just a year ago. Thanks to direct input from consumers and a strong case from groups representing the public interest, it appears Canadians will once again have control over their viewing experiences.

Life Lines

Basic Service Objective Hearing

The CRTC has launched a proceeding they hope will ensure all Canadians have reliable access to telecommunications services. During this process, the CRTC will be addressing many issues such as what services should be identified as necessary for Canadians to participate in the digital economy.

The internet has become an everyday necessity to stay connected to the world. There are still many who either can't afford it or can't access it to begin with in some areas. PIAC wants affordable internet access for all Canadians.

In these hearings, PIAC will be pushing for even hard-to-serve

areas of Canada to get reliable, fast internet service. For those who can't afford broadband internet, PIAC would like to see subsidies to help them connect and participate fully in digital society. With better access to the many amazing tools that are online, just having access could mean a world of difference

The first phase of this proceeding is happening right now. You can participate by filling out their online form at <https://services.crtc.gc.ca/pub/CommentForm/Default-Default.aspx?lang=e&EN=2015-134&ET=N&S=O&PA=T&PT=NC&PST=A>.



on the CRTC as they decided that OTA is an "appropriate and efficient way" for certain broadcasters to provide programming, and confirmed it is an obligation under the Broadcasting Act. CRTC Chairman Jean-Pierre Blais went so far as to say OTA broadcasting "provides an essential public service". With strong support from the CRTC and Canadians alike, OTA broadcasting remains a strong alternative for Canadians who don't want the hassle or high bills associated with paid subscription TV (delivered by cable, Internet Protocol television, or satellite).

"OTA is a great thing. It's part of giving consumers control over their broadcasting system, whereas they had very little before," said Lawford. "For those people that use it, it puts them back in the same sort of seat as in the old days, when TV just came over the air. You still have to watch ads, so you're paying for it. Digital OTA broadcasting now looks just as good if not better than internet content. In some locations, you can get quite a few channels. This is great news for Canadians."

Canadians who want to stay away from subscription TV contracts, or simply supplement their internet streaming options, now have a base of channels to watch, effectively, cost-free. These channels provide vital local and weather information to Canadians across the country at no cost. OTA may be an old-fashioned concept, but it has a definite place in modern broadcasting.

OTA Is Here to Stay!

Old Technology Gets New Life Thanks to the CRTC's Decision.

Over the Air (OTA) broadcasting's place as a subscription television alternative was reinforced thanks to emphatic support from Canadians. OTA broadcasting is the now-digital signals which provide consumers with basic channels through an antenna. Before subscription television, this was what everyone used to watch television, and even now, it still has amazing reach and millions of Canadians watching. That support resulted in a decision by the CRTC rejecting proposals by the CBC and CTV to shut down their OTA transmitters. Cable bills can easily go over \$100 for consumers in the current market. This decision presents a nearly free alternative for television viewers.

"The CRTC looked like it was going to get rid of Over the Air broadcasting, but there were many public comments in the hearing, including our submissions, that changed their mind," John Lawford, Executive Director at PIAC stated. "The public comments made a huge difference. There were hundreds of people who wrote in telling the CRTC that they want to keep OTA broadcasting alive in Canada."

Nearly all Canadians (97%) live within range of a transmitter; this reality weighed heavily



CONTACT INFO

PUBLIC INTEREST ADVOCACY CENTRE

1 NICHOLAS STREET
SUITE 1204
OTTAWA, ONTARIO
K1N 7B7

www.piac.ca
piac@piac.ca
613-562-4002

ABOUT PIAC

PIAC is a non-profit organization and registered charity that provides legal and research services on behalf of consumer interests, and, in particular, vulnerable consumer interests, concerning the provision of important public services. Charitable registration number:

BN: 130592405RR0001

OUR TEAM

John Lawford
Executive Director/General Counsel

Michael Janigan
Special Counsel, Consumer and
Regulatory Affairs

Geoff White
Barrister & Solicitor/Counsel to PIAC

Jean-François Léger
Barrister & Solicitor/Counsel to PIAC

Alysia Lau
Legal Counsel

Jonathan Bishop
Research & Parliamentary Affairs
Analyst

Cynthia Khoo
Articling Student

Donna Brady
Office Administrator

Code Makers

The proposed new code for broadcasters could give consumers some much needed protection when subscribing to television services.

The CRTC's proposed Television Service Provider (TVSP) Code of Conduct has been drafted, and PIAC is hoping it leads to more power for consumers. The Code, which in many ways resembles the Wireless Code released in December 2013, was drafted with the same ideals: giving consumers some leverage and certainty when dealing with their television services.

The CRTC recently had an open forum on their website soliciting comments from consumers about what they would want to see in this new code.

"It's a question of who has the power in the negotiating relationship and there was no negotiating before this new code."

One of the biggest changes proposed is that there finally would be a place where consumers can take their broadcasting complaints. It is proposed that all complaints will go through the Commission for Complaints for Telecommunications Services and that its mandate be widened to accept broadcasting complaints alone or in conjunction with telecom complaints.

This new TVSP Code addresses many issues which consumers face when they subscribe to a TV provider, such as the old trope of 'waiting for the cable guy', for instance. The code has set a 4 hour window in which service must be provided on a service call. The code also places a mandatory 45-day notice of any changes to a customer's programming package, specifically if providers are changing what channels are in the package, or the price of that package changes. There are broader issues featured in

the code, such as plain language agreements, equality in promotion of their offered packages, including 'skinny basic', and an explanation of disconnection policies.

"We were seeing a consumer reaction to bad behaviour on the part of the TV service providers. Consumers were facing unfair contract terms, unfair penalties, contracts which are too

confusing, and basically consumers not having any relative bargaining power, with the cable companies," Geoff White, Counsel for PIAC said. "It's a question of who has

the power in the negotiating relationship and there was no negotiating before this new code."

While there remain issues which PIAC would like to see addressed within the code, this is a big step forward for consumers. Broadcasting in Canada was lacking any formal rules, and if a consumer had a problem with their provider, there was no established network to investigate and resolve that complaint. PIAC would like to see other contentious issues, such as the privacy concerns involved with set-top boxes, as well as how they are handled monetarily in the contract, addressed by the Code. The TVSP Code is available in draft form at the CRTC website. The actual Code is likely to be enacted this Fall.



Culture Shock

The CRTC is aiming at big game with their changes to Canadian content funding and exhibition requirements.

The CRTC is taking a new approach to Canadian content (CanCon), and it's opening up the market for new channels and, hopefully, making Canadian programming more competitive.

Their goal is to shift the emphasis away from channels showing Canadian shows 'just to fill schedules'. Much of the money put towards producing CanCon by stations was used to produce cheaper reality shows or shows with low production values.

The CRTC is shifting its approach by reducing 'exhibition' requirements for CanCon and increasing funding of bigger-budget CanCon. They have loosened some of the morning and daytime CanCon exhibition requirements, for example, but kept other requirements during key viewership times; most notably in the evenings. The hope is that, by encouraging these larger-budget Canadian-made productions, prime-time television could be filled with quality Canadian television shows.

The CRTC also decided to end a practice called 'genre exclusivity' which gave channels with a certain 'theme' to them (e.g. Food network) an exclusive hold on that theme. This

means there was formerly no competition in these areas once a genre was 'taken'. It also means that stations which, before, were locked into a certain genre, can now change the content that they show. The Golf Channel, for example, could expand to other sports. This change could open the door for some channels which were formerly locked out by genre exclusivity. The CRTC is hoping this change also will encourage new entrants and greater competition among existing channels.

"Overall, we supported the Commissions' direction towards promoting consumer choice and competition when it comes to Canadian programming," Alysia Lau, Counsel for PIAC said. "We had a poll in our written submissions and a huge majority of Canadians continue to support CanCon requirements on broadcasters. They agree that broadcasters should support Canadian programming in different ways, and that is where we stand as well."

For consumers, it's not quite clear how these CanCon decisions will affect broadcasting. These changes could create a thriving Canadian television industry which produces hit television shows with large budgets, or it could lead to major restructuring in the television industry. The CRTC's decision will weigh heavily on the future of Canadian Broadcasting and as this drama plays out, PIAC will continue to watch out for consumers' interest.

UPDATE: PIAC continues application against Rogers/Shaw 'shomi' service

Rogers' and Shaw's 'shomi' service remains a hot issue going into its proposed 'full' launch this Summer. Shomi is a service offered to customers of Rogers or Shaw that works somewhat like Netflix, except the content can also be accessed via a set-top box and a Rogers/Shaw internet or TV subscription is required, at least for now, to use the service.

Shomi recently sent out a press release stating it was opening up its service to 'all' Canadians. However, the press release gave no firm launch date, nor did it give any details regarding restrictions or any other strings which may be attached. There is still no assurance that shomi is not tying the selling of its streaming service to their TV or internet service. The streaming has been offered only to Rogers/Shaw's own customers for many months now.

"Canadian consumers watch more and more over-the-top programming," said Geoff White, Legal Counsel to PIAC. "We want the rules to be clear so that all internet users can benefit equally from new offerings in this market. PIAC wants to see the CRTC a rule on this issue."

PIAC filed a part 1 application along with the Consumers' Association of Canada (CAC) against shomi contesting the fact that customers need an active subscription to Rogers or Shaw's cable or internet service in order to access it. Even after the press release claiming its grand opening to everyone, the fact remains it was tied to other services for many months during its so-called 'beta' launch. PIAC believes that if broadcasters, in particular vertically-integrated broadcasters, want to start what is essentially an over-the-top streaming service, that service should be available to all Canadians, and not tied to their other internet or broadcasting products.

"Consumers should be able to, where it's offered on a certain platform, buy a service stand alone," John Lawford, Executive Director at PIAC stated. "They shouldn't have to freight train another service onto their monthly bill."

The issue is currently before the CRTC. PIAC and several other ISP and TV services have told the CRTC that shomi unjustly promotes Shaw's and Roger's services. PIAC expects a decision from the CRTC before the Fall.

With Your Support

The Public Interest Advocacy Centre works hard to bring consumer rights to the forefront when big decisions, such as those discussed in this newsletter, are being made. PIAC is able to do this work because consumers, through their actions and their help, have supported the many cases we've worked on on Canadians' behalf. Throughout these stories there is a common theme; consumers made it happen.

We want an engaged public participating with us as we work to make big changes like the ones we are seeing in broadcasting now. If you'd like to connect more with PIAC please visit our website at www.piac.ca. There, you can also sign up for our mailing list to receive future newsletters and other updates as they arise. You can also follow us on Twitter: [@CanadaPIAC](https://twitter.com/CanadaPIAC).

If you'd like to help our financially, you can fill out the attached form below or go to our Canada Helps page at <https://www.canadahelps.org/dn/14349>.

We couldn't do our work without the engagement and participation of the public. Only with your support can we make a difference.

I would like to stay up to date on PIAC's work and campaigns to support consumers across Canada:

- Please add me to your e-newsletter mailing list
- Please send me information on your campaigns and appeals
- Please add me to your mailing list for your events
- I would like to make a donation to support PIAC's valuable work. Please contact me.
- Send me everything!
- Please do not contact me.

My contact details:

Title: _____ First Name: _____ Last Name: _____

Address: _____

City: _____ Province/Territory: _____

Postal Code: _____

Tel: _____ Mobile: _____

Email: _____

This information will be collected and used in accordance with the boxes ticked above and in relation to processing your donation(s). If you have any questions regarding this please contact us at piac@piac.ca or by phone at 613-562-4002.