



Canadian Media Guild

La Guilde canadienne des médias

CWA/SCA CANADA

**Oral Remarks
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Hello Mr. Chairman, Commissioners and CRTC staff. Thank you for taking the time, once again, to hear from the Canadian Media Guild on the very important issues before you. My name is Lise Lareau and I am the national president of the Guild. I am joined by Karen Wirsig, our communications co-ordinator. The Guild represents 6,000 media workers across the country, including employees at CBC/Radio-Canada, TVO, TFO and APTN.

The consumers at the heart of the hearings this week are the citizens that the Commission is mandated to serve.

So it is troubling that the Commission is contemplating cutting off some 600,000 Canadian households from their TV after the transition to digital. These are the people whose TVs will go dark once analogue transmitters are shut down. These are the people who won't be getting free over-the-air digital signals, unlike their fellow citizens who live in big cities. Based upon your list of communities mandated for the transition to digital, viewers in regions such as the interior of BC, Northern Ontario, Southeastern Ontario, Cape Breton and Newfoundland and Labrador will be particularly hard hit.

Under your current plan, these 600,000 households ... with more than a 1.2 million people ... are both second-class citizens and abandoned consumers. We know that some 2,000 Canadians sent comments to you on this issue, and most live in these communities that will be left out.

In our view, the future of OTA TV and the future of local TV are inextricably linked. To survive, local TV will have to demonstrate that it provides something that people ... yes, citizens ... can't get anywhere else: quality local programming, including news; national and international productions that are "event" television, and live programming of local events and during local emergencies. To survive, local TV will have to make sure people know how and where to find it.

And local TV must survive. It continues to be one of the best means of informing citizens of what is happening in their communities, their province or territory, their country and their world. It continues to be one of the best ways for people to see themselves reflected in our culture. Local TV is also a good employer offering good local jobs, providing a key entry point for people of colour, Aboriginal people, and people with disabilities into the industry. And all surveys show local TV is what Canadians value most about TV.

As one of the written interventions to this proceeding pointed out, if there's not local TV left in Sudbury, how will people know that AIDS is as much an issue in that Northern Ontario city as it is in Toronto and Montreal?

There is a popular notion that over-the-air TV is passé. In fact, what you are saying with your current plan ... what major broadcasters are saying with their plans ... is that it is only passé in small-town Canada. That's strange because the Commission's research on Digital Transition Models, placed on the public record a day before the last round of

hearings began, says that a higher proportion of small-town and rural Canadians watch over the air than their big-city counterparts. So what's the real deal?

In major markets, such as Toronto, Vancouver and Montreal, OTA TV is certainly not passé. Broadcasters are so enthusiastic about it ... or at least about the spectrum they tap for it ... that they have been providing BOTH analogue and digital signals over the air there for several years. And guess what? Consumers seem to be catching on, despite that there is so little information about getting TV over the air. We phoned around to a few antenna retailers in the Greater Toronto Area and found out that:

- One major independent retailer estimates they've helped 10,000 customers switch to OTA from cable or satellite in the past year. Save and Replay in Mississauga has been selling 8 to 9 hundred antennas per month this fall, up from 2 to 3 hundred per month at this time last year. After some media coverage last spring, sales jumped to 25 hundred per month for a time. Interestingly, they are currently lining up about one conversion to OTA per month in multi-residential buildings.
- A smaller Scarborough retailer, who now installs 3 to 4 rooftop antennas per week and sells another 3 to 5 over the counter, says his sales increased 47% between October 2008 and September 2009. Sal's TV and Radio says that 90% of their customers are switching to OTA from cable or satellite.
- AND ... Able TV and Antenna, in Whitby, installs 10 antennas per week and sells another 8 to 10 every week over the counter. They now make appointments for installations over a week ahead and are having a hard time getting the digital converter boxes people want. They say business had started slowing down 5 years ago but it's been through the roof over the last 18 months.

People are sick of paying ever-rising cable bills, yes. And they also like their OTA options. Does it really make sense for people in Toronto to have the choice to switch to OTA when people in Kingston, Sault Ste Marie and Kelowna won't? It is not good public communications policy to establish a rule that only benefits people living in the biggest cities.

If this policy stands, you are, in fact, opening yourselves up to the possibility of a Charter challenge if it results in cutting off OTA signals in all but Canada's major cities. It is blatantly discriminatory to Canadians living in smaller communities.

South of the border, digital over-the-air TV is also not passé. In the UK, Freeview's standard definition service is so successful – used on 37.7% of primary TV sets – that it is being upgraded to HD.

The Freeview figure is interesting. In the Canadian Media Guild poll of Kamloops residents last summer, which we presented to the CRTC earlier this fall, 33% of people said they would choose six free channels over paying for cable or satellite. The number jumped to 42% for people under the age of 35. The UK Freeview experience is in line with these findings.

The last time we appeared before the Commission, we were told that 80% of the 90% of Canadians who subscribe to a BDU take more than the basic package. As if to point out how irrelevant basic viewing is. But look again at the math. 80% of 90% is 72%. That's the number of Canadian households who subscribe to a BDU and pay above the basic tier.

That leaves some 28% of Canadian households who either watch OTA or have a basic cable package. Canadian governments have been elected on a lesser proportion of the total population. This 28% is actually a good base upon which to build a proper local TV model that involves public, private and community elements.

And we've suggested a model to make a decent amount of FREE local digital TV available over the air in communities across the country, precisely to serve this significant proportion of Canadians that is interested in a modest selection of local and Canadian channels. It is called multiplexing, which would allow up to six broadcasters to share a single transmitter and frequency to send out up to six standard definition signals. With incremental investments and no disruption to viewers, successful multiplexes here could also be upgraded to HD, as is happening in the UK.

We believe digital multiplexing is the most effective and affordable way to provide OTA TV in communities where the broadcasters don't see the immediate business case for securing their own OTA frequencies, ie. in smaller communities, where there is no scarcity of spectrum. It would be the way to make sure Canadians' public broadcasters – CBC, Radio-Canada and the provincial broadcasters – continue to be widely available to Canadians for free, over the air. We think it's also a good option for independent small-town stations to help pay for the upgrade and improve the choice of free TV in their communities ... and therefore, we believe, their viewership.

So what are we asking you to do?

- Work to ensure that digital OTA TV is available throughout Canada by endorsing shared multiplexing for smaller communities, and especially those served by repeaters. If your final decision stands to leave inequities in digital OTA coverage, we implore you to communicate those realities, and the reasons for them, clearly to all Canadians, and particularly to those who will be most affected.
- Urge the government to participate actively in the digital transition, including providing funding for the upgrade in smaller communities. We have estimated the cost of the upgrade in the repeater areas to be a total of between \$140 million and \$227 million. This represents a very small portion of the proceeds from the last spectrum action ... and therefore likely also from the next.
- Confirm to the government that that CBC and Radio-Canada's role in local television is crucial and urge the government to provide additional funding to the national public broadcaster for this purpose.

You have heard – and will continue to hear – a lot this week about how people are tired of paying ever higher cable and satellite bills. You will also continue to hear how much

people value their local and their Canadian TV. Our proposal would help you ensure that virtually all Canadians would have a viable and affordable alternative to the 500-channel universe and a part in the local, regional and national conversations that continue to involve TV. This viable alternative also provides a crucial check on price increases by cable and satellite providers.

You, the Commission, and the government are all that stand between totally privatized and fragmented public airwaves and a universal TV system that truly serves Canadian citizens no matter where they live.