

9 June 2004

Ms. Diane Rhéaume  
Secretary-General  
Canadian Radio-Television &  
Telecommunications Commission  
Ottawa, Ontario  
K1A 0N2

**Re: PN 2004-31 - Application by Vidéotron Ltée, CF Cable Inc. and Vidéotron (Regional) Ltée (together Vidéotron), to amend BDU licences of these companies to temporarily operate and distribute an HD programming service (Application 2003-1772-8)**

Dear Ms. Rhéaume:

While the CBC/Radio-Canada is very supportive of initiatives to bring High Definition (HD) television services to Canadians, the Corporation cannot support the current Vidéotron proposal for a hybrid, omnibus HD channel, as outlined in this application.

If Vidéotron wants to make HD programming available to its subscribers, we take the position that it must carry an entire signal of an authorized television service, and not just the select set of programs its proposed HD service would offer. In this regard, we would like to emphasize that HD signals of the Corporation's English and French Television networks are in the process of being made available for distribution by all Canadian BDU licensees, including Vidéotron, by late 2004. As a consequence, as far as the CBC/Radio-Canada HD signals are concerned, Vidéotron's proposal is redundant.

While the Vidéotron proposal, if approved, would not have direct consequences for CBC/Radio-Canada, we oppose the concept of hybrid, omnibus HD channels as they would, in general, have serious negative consequences for all originating Canadian broadcasters. Using as an example the case of CBC/Radio-Canada, if this concept were approved, a licensee would be authorized to take HD programs broadcast on a CBC/Radio-Canada television station, and without the CBC's consent, 'cut and paste' these programs into a single hybrid HD channel.

This means that CBC/Radio-Canada would effectively lose control of the distribution of this HD programming, including when the programs are actually shown (i.e., they could, according to the applicant's proposal, be shown at another time of day or even on another day) and what the programs are shown with (i.e., CBC programs could be inserted between TVA, TQS, CTV, Global or other programming services). The careful program scheduling that CBC/Radio-Canada and other licensees undertake would be totally ignored under such a proposal. The proposal would also ignore the importance of branding in the delivery of programming, as it would intersperse programs from a variety of licensees on a single channel.

At the minimum, implementation of such a proposal would lead to considerable confusion among viewers as to what exactly they are watching and this could lead to an undermining of the CBC/Radio-Canada brand. It could also result in CBC/Radio-Canada programs being shown at "unattractive" times, therefore decreasing its value and viewership. The net impact is that it would undermine the CBC's/Radio-Canada's control over its programming, its signal and its brand. The same conclusion applies for other broadcasters.

In its recent renewal of the Star Choice licence the Commission emphasized that a hybrid HD channel would not be permitted without prior approval from the CRTC. If Vidéotron were to be granted permission to establish such a hybrid HD channel, the Commission should expect other cable licensees, as well as Star Choice and ExpressVu, to apply for similar authority. If numerous BDUs were to pursue this route and each create hybrid HD channels, viewer confusion and brand dilution would become much worse and television licensee control over program scheduling would be very seriously impaired.

In the case of the CBC, as the Commission is aware, on 30 January 2004 CBC received CRTC approval for over-the-air HD television signals providing the service of its English and French Television networks to serve Toronto (Decisions 2004-68 and 2004-69). These stations will be operational in Fall 2004. The Corporation has also made application for over-the-air HD stations to provide the English and French Television network signals in HD format in Montreal, and the English network in Vancouver. We await CRTC decisions on these applications. These signals will become priority carriage services within their licensed areas once they become operational.

In addition, CBC/Radio-Canada intends to make two HD television signals (one English –Toronto; one French - Montreal) of its terrestrial transmitters available Canada by satellite later this year. The availability of these CBC/Radio-Canada HD signals by satellite will provide BDU licensees across the country, including Vidéotron, with two CBC/Radio-Canada channels with a significant amount of HD programming.

Indeed, it is CBC/Radio-Canada's position that its English and French network HD signals that are made available via satellite are mandatory carriage services for all Class 1 or 2 cable systems under terms of the BDU Regulations. This follows from: (i) section 17(1)(f) of the BDU Regulations which requires distribution of the CBC/Radio-Canada

television signals received by satellite (subject to duplication exclusions); (ii) PN 2003-61 which requires carriage of digital television signals in accordance with section 17; and, (iii) the Commission's view that HD signals are distinct services (as stated in the recent Star Choice licence renewal decision 2004-130 published on 31 January 2004).

Based on all of the above, we oppose Vidéotron's application and ask that it be denied. We do not oppose the carriage of distant HD signals by Vidéotron. However, we ask the Commission to stipulate in its decision on this application that if Vidéotron wants to make HD programming available to its subscribers, then it must carry the entire unaltered digital signal of authorized Canadian HD television services, including the services of the CBC/Radio-Canada, and not just a select set of programs on a hybrid HD service.

All of which is respectfully submitted.

Lanny Morry  
Director, Regulatory Affairs

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