

Code of Conduct key to value and choice for consumers

In less than six months, the broadcasting industry and viewers across Canada will be reminded in spades of the impact of digital technology on the way we watch TV and what we watch. Come September 2001, Canada's digital TV subscribers will begin to reap the benefits of the largest-ever launch of digital specialty and pay services in the country. They will have access to more quality, affordable Canadian programming than ever before. For programmers and distributors, the launch means a solid foundation for the continued growth and success of Canadian programming. The specialty and pay services sector is off and running, but between now and then there is much work to be done.

Last November, the CRTC announced its new digital licence decisions, which include 16 English-language and five French-language Category 1 services, and 262 Category 2 services. In a public notice accompanying these decisions, the CRTC addressed recommendations presented during the Digital Licensing Hearing late last summer and in submissions by the CAB, SPTV, CCIA and Bell Express Vu to establish a Code of Conduct that sets enforceable industry-wide standards for all new and existing programming services in the digital environment.

While the CRTC has left it to the industry to work together to come up with a mutually beneficial Code, it has stated the Code should address:

- equitable terms of carriage such as pricing and packaging;

- provisions that ensure digital service subscribers are able to take advantage of the interactive components offered by some of the new services;
- launch arrangements such as promotion, launch costs/marketing fees, and free preview periods;
- what could constitute acceptable preference versus undue preference or disadvantage; and
- a dispute resolution process in the event of conflicts arising from different interpretations of the code during negotiations of agreements between programmers and distributors.

As the September digital launch date draws closer, getting this Code approved and in place has to happen sooner rather than later. A Code that reflects the perspectives, expectations and requirements of both programmers and distributors will allow for fair negotiations between these groups and will ensure the success of the digital launch. What's more, Canadian television audiences will get the new services they were promised when they were told they would.

In the CAB's negotiations with distributors in recent months to develop a Code, all parties have acknowledged that we are on different pages when it comes to issues such as where the balance of power sits within the industry, and what constitutes equitable access.

What we have agreed on is that we all share risks and we need to all share the benefits of a successful digital launch.

The CRTC is looking to the industry to move forward together to ensure the launch is a success. Digital technology is a reality. Television viewers are becoming more demanding of the kind of programming they watch and commit to pay for. We need to establish principles and guidelines that will allow programmers and broadcasters to run their businesses successfully within this new environment, and to conduct negotiations on an equal footing. In working towards achieving this, our focus must always be on the



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consumers and providing them with quality, affordable programming.

The CAB's proposed Digital Code of Conduct meets the specifications of the CRTC noted earlier. The objectives of this Code are two-fold:

- to provide both distributors and Category 1 and Category 2 licensees with comprehensive guidelines that will ensure the fair and equitable distribution of all services in a digital environment; and
- to provide directives to help guide the negotiations of affiliation agreements for the launch and distribution of digital programming services.

The CAB has made it clear that the success of the digital launch and the success of the Canadian broadcasting system hinges on these guidelines being adhered to by programmers and distributors and being rapidly and effectively enforced by the CRTC.

A strong Digital Code of Conduct will establish a common ground for all industry players. Rapid filing of a strong Code with the CRTC will ensure the digital launch goes forward in September as planned.

A strong Code will ultimately benefit all Canadian consumers, providing them with the best choice and value in their programming options. We must not lose sight of these key objectives.