

30 September 2014

Mr. John Traversy Secretary General Canadian Radio-television and Telecommunications Commission Ottawa, Ontario K1A 0N2

Filed electronically

Dear Mr. Traversy:

Re: Conversion of Shaw Media's non-mandatory market transmitters from analog to digital - Progress Report

As per Broadcasting Decision CRTC 2010-782, Shaw Communications Inc. is hereby filing the attached progress report regarding the conversion of Shaw Media's analog transmitters in the non-mandatory markets to digital.

As always, should the Commission require additional information concerning this matter, please do not hesitate to contact me directly.

Sincerely,

Paul Cowling

Vice President, Regulatory Affairs

<u>Conversion of Shaw Media's non-mandatory market transmitters from analog to digital - Progress report - 30 September 2014</u>

- 1. In Broadcasting Decision CRTC 2010-782, the Commission approved the acquisition of Canwest Global Communications Corp. ("Canwest") by Shaw Communications Inc. ("Shaw"), as well as a tangible benefits package which proposed, *inter alia*, the allocation of \$23 million to convert 67 analog transmitter sites outside the mandatory markets to digital over a 5-year period, beginning in the 2011/2012 broadcast year.
- 2. In that decision, the Commission also required Shaw to file biannual progress reports on this tangible benefits initiative. This report is the second of three that will be filed with the Commission, and summarizes our progress to date.

Progress to Date

3. Since the Commission approved the Shaw/Canwest acquisition, we have made consistent progress toward converting our analog transmitters in the non-mandatory markets to digital, and are on track to meet our obligations by the end of the 2015/2016 broadcast year.

Thus far, we have completed conversions in 32 locations, primarily comprised of large and medium-sized non-mandated markets. Of the remaining 35, Shaw has regulatory applications and/or work in progress at 20 sites, with options analysis underway for the remaining 15 locations. As a result of the conversions to date, an estimated 82% of viewers in the non-mandatory markets have access to Global's over-the-air digital signal.

4. As set out in the Appendix to Broadcasting Decision 2010-782, Shaw committed to spending the \$23 million DTV benefit commitment at an annual pace of \$4.6 million in each of five (5) broadcast years, beginning September 1, 2011. At that pace Shaw should have spent \$13.8 million by August 31, 2014. In fact, as of that date, Shaw has spent \$14.8 million.

Looking Ahead

5. Two fiscal years remain for Shaw to meet its DTV transmitter benefits obligation. In the 2014/2015 broadcast year, 18 sites will be completed, or substantially completed, at a total budgeted cost of \$4.6 million. The remaining sites will be completed in the 2015/2016 broadcast year at a cost of \$3.6 million. Shaw is on track to meet its DTV transmitter commitment within the required time frame.

¹ One of these locations, Fort Erie, did not require a conversion of its transmitter, since the addition of the post-transition digital transmitter in Toronto, CIII-DT-41, increased the digital coverage contours such that the Fort Erie market is now serviced by CIII-DT-41. The Fort Erie transmission, on analog Channel 55, was discontinued. See Broadcasting Decision CRTC 2010-608, paragraph 3.

APPENDIX 1: Completed Digital Conversions in Non-Mandatory Markets

TRANSMITTER MARKET	CALL LETTERS	DTV ON-AIR
Midland	CIII-DT-7	August 2011
Fort Erie ²	CIII-DT-41	August 2011
Kelowna	CHKL-DT	October 2012
Penticton	CHKL-DT-1	October 2012
Vernon	CHKL-DT-2	October 2012
Kelowna	CHBC-DT	October 2012
Penticton	CHBC-DT-1	October 2012
Vernon	CHBC-DT-2	October 2012
Sarnia - Oil Springs	CIII-DT-29	November 2012
Owen Sound	CIII-DT-4	December 2012
Peterborough	CIII-DT-27	January 2013
Sudbury	CFGC-DT	January 2013
North Bay	CFGC-DT-2	February 2013
Sault Ste. Marie	CIII-DT-12	February 2013
Timmins	CIII-DT-13	February 2013
Red Deer	CITV-DT-2	August 2013
Prince George	CIFG-DT-2	October 2013
Kamloops	CHKM-DT	December 2013
Minnedosa	CKND-DT-2	April 2014
Mulgrave	CIHF-DT-16	May 2014
New Glasgow	CIHF-DT-8	June 2014
Yarmouth	CIHF-DT-10	June 2014
Antigonish	CIHF-DT-15	June 2014
Sydney	CIHF-DT-7	July 2014
Shelburne	CIHF-DT-9	July 2014
St. Stephen	CIHF-DT-12	July 2014
Miramichi	CIHF-DT-14	August 2014
Bridgewater	CIHF-DT-6	August 2014
Truro	CIHF-DT-4	August 2004
Woodstock	CIHF-DT-11	August 2014
Chilliwack	CHAN-DT-1	August 2014
Wilson Creek	CHAN-DT-6	August 2014

² See Note 1.