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April 25, 2014

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

Dear Mr. Traversy:

Re: File Number 8622-B92-201316646 – Rogers' Response to Interrogatory Questions (ABRIDGED)

I. INTRODUCTION

1. Further to the process outlined in the Commission's letter dated April 4, 2014, Rogers Communications Partnership (Rogers) hereby provides our response to the Commission's interrogatories associated with this proceeding. For ease of reference we have repeated each question prior to answering.

2. Pursuant to sections 31 and 32 of the *CRTC Rules of Practice and Procedure* (the Rules) [1] and subsection 39(1) of the *Telecommunications Act*, Rogers respectfully requests confidentiality for portions of this submission highlighted in yellow. This represents financial and commercial information that is competitively sensitive. It has not been publicly disclosed in any other forum and has consistently been treated in a confidential manner by Rogers. The public disclosure of this information would provide our competitors with detailed and sensitive information regarding Rogers' business. It would also interfere with the contractual or commercial negotiations of Rogers with third parties. This would cause direct and specific material harm to Rogers and would place our RAP-TV offering at a competitive disadvantage in the

[1] Broadcasting and Telecom Regulatory Policy CRTC 2010-958, dated December 23, 2010 (http://www.crtc.gc.ca/eng/archive/2010/2010-958.htm).

marketplace. We do not believe that the public interest would be negatively affected by treating this information as confidential.

3. We have submitted these comments in two separate electronic files. We have indicated "CONFIDENTIAL" on each page of this submission and the applicable appendix and incorporated "CONFIDENTIAL" in the name of each file. An abridged version of this letter has also been filed, with the highlighted information removed.

II. RESPONSES TO INTERROGATORIES

Q1- Explain if and how the content available (e.g. channels, VOD, other) on the Rogers Anyplace TV mobile app (RAP-TV mobile service) is different for (i) a customer who only subscribes to Rogers TV and (ii) a customer who only subscribes to Rogers wireless.

A1:

In Rogers' March 5, 2014 Answer (the Answer) to the application filed by the Public Interest Advocacy Centre (PIAC), we included a description of the Rogers Anyplace TV (RAP-TV) app and website. Consumers who wish to access RAP-TV content on mobile devices can download the RAP-TV app, irrespective of whether they subscribe to a wireless service or who their wireless service provider (WSP) is. When they access the Internet with a mobile device using the Rogers wireless network[2] or any wireline connection (e.g. via a Wi-Fi network), or if they access the RAP-TV website using a computer, they will have access to content which is available to them in three layers:

- **Free Layer**: Any Canadian accessing the app using any Internet connection from within Canada can sample a limited selection of on-demand content. Content in this layer is also freely available from other websites (e.g. broadcaster websites). In addition, full access is provided to all rental titles.[3]

- **Rogers Layer**: Any Rogers customer (e.g. wireless, Internet and/or phone) from anywhere in Canada can enjoy free access to additional programming not available in the Free layer (e.g. live streaming events, sneak previews of TV shows and movies, web exclusives). This requires the authentication of the user as a Rogers customer.

- **Cable TV Subscription Layer**: Rogers' cable customers can access any of the programming included in the first two layers, as well as content tied to

[2] As noted in the answer to Q2, only the Rogers wireless network can be used to access this content wirelessly.
[3] Over 9000 new and library titles are available for rental online for between $3.99 and $4.99. Once ordered, the customer can starting watching the title online within 30 days and have access to it for 48 hours.

their underlying cable TV subscription for no additional charge. This requires the authentication of the user as a Rogers cable subscriber.

Like any over-the-top (OTT) video service, wireline access to the programming in any layer of RAP-TV is subject to the individual's data usage plan offered by their Internet service provider (ISP).

The RAP-TV content available on mobile devices for a customer who only subscribes to Rogers' cable TV service and for a customer who only subscribes to Rogers' wireless service is depicted in Appendix A.

(i) a customer who only subscribes to Rogers TV

A customer who only subscribes to Rogers' cable TV service can download the RAP-TV app to their mobile device (e.g. smartphone, tablet) and use a wireline Internet connection (e.g. via a Wi-Fi network) to access up to 39 channels featuring on-demand content. This content can be viewed anywhere in Canada. Some of the content is associated with linear television channels distributed by Rogers Cable (i.e. the customer will only be able to access the on-demand content related to those linear channels that are included as part of his or her cable TV subscription).

(ii) a customer who only subscribes to Rogers wireless

A customer who only subscribes to Rogers' wireless service can download the RAP-TV app to their mobile device. When the customer accesses the app via the Rogers wireless network, it will prompt him or her to subscribe to the RAP-TV mobile service. By agreeing to subscribe to the service,[4] the customer is then able to watch 21 live channels and on-demand content from 15 additional channels on their smartphones and tablets anywhere in Canada over Rogers' 3G or LTE wireless network. To be clear, one need not have a Rogers cable TV subscription to gain access to the content associated with these 36 channels. The on-demand content available from the 15 channels noted above is included as part of the Free and Rogers layers of the RAP-TV offering.

Due to the expiry of certain program rights, the acquisition of new program rights and shifts in the RAP-TV programming strategy, the live and on-demand channels listed in Appendix A to our Answer is no longer accurate. A revised version of that Appendix A, listing the current live and on-demand channels available through the RAP-TV mobile service, is attached (Appendix A – March 5, 2014 [Revised]). The RAP-TV mobile service webpage will also be revised to reflect this update.

[4] 10 hours of programming on their devices with no additional data charges for $5/month, with an overage charge of $1/hour/month.

Q2- Can Fido customers have access to the RAP-TV mobile service?

A2:

Fido customers are not able to use the RAP-TV mobile service to access content wirelessly. Wireless access to this content is only available to Rogers' wireless subscribers using the Rogers wireless network. The RAP-TV mobile service was designed as a value-added feature of the Rogers wireless service. That said, a Fido customer, as well as customers of other WSPs, can download and use the RAP-TV app to access the different layers of RAP-TV content using a wireline connection (e.g. via a Wi-Fi network). Through this connection, they are able to access the on-demand content from the 15 channels listed in Appendix A (the Free and Rogers layers of content), as well as the content included in the Cable TV Subscription layer, if they are a Rogers cable TV customer.

Q3- Describe the specific costs (e.g. content rights and/or data usage) that are being recovered by:

(i) the $5 fee being charged for the first 10 hours of usage of the RAP-TV mobile service and

(ii) the $1 per hour fee being charged for usage beyond the first 10 hours.

A3:

Rogers developed our pricing plan for the RAP-TV mobile service because we recognized that our wireless customers were concerned about exceeding their data caps through the use of data-intensive applications. The fees charged for the RAP-TV mobile service are not cost-based. Rather, they are designed to provide Rogers' wireless customers with cost certainty related to their use of data to access full-length video content. Our objective is to encourage them to try the service and become comfortable with accessing this content over the wireless network.

Rogers has spent billions of dollars to acquire wireless spectrum, as well as to build and maintain our national wireless network. On February 19, 2014, it was announced that Rogers invested an additional $3.29 billion to acquire two 12MHz blocks of contiguous, paired 700MHz band spectrum in Canada's major geographic markets. Rogers will use this spectrum to provide our wireless customers with an enhanced experience when they access video content. However, it is our belief that they will only be likely to do so if they feel comfortable accessing video content in this manner.

The fees we charge for the RAP-TV mobile service were not established to recover the specific costs associated with delivering this content, such as those related to the underlying content rights or the significant fixed costs we have incurred to provision our wireless network in the first place. We will only begin to recover these costs when use

of our wireless network to access video content is ubiquitous. Also refer to the answer to Q10, below.

Q4- Describe the impact on the wireless data plan when a RAP-TV mobile service subscriber watches a) 5 hours of RAP-TV mobile service content and b) 15 hours of RAP-TV mobile service content in the following situation:

(i) on Rogers' wireless network;
(ii) on a competitor's wireless network;
(iii) on a Wi-Fi network at home; and
(iv) on a free Wi-Fi network in a public space.

A4:

The impact on a wireless data plan when using the RAP-TV mobile service under various scenarios is depicted below:

	(A) 5 hours of RAP-TV mobile service content	**(B) 15 hours of RAP-TV mobile service content**
(i) on Rogers' wireless network	The customer incurs a $5 charge for this viewing. No charges will accrue to Rogers' wireless data plan.	The customer incurs a $5 charge for the first ten hours. The pricing plan provides for $1 for each of the additional 5 hours. The total cost incurred by the customer would be $10. No charges will accrue to Rogers' wireless data plan.
(ii) on a competitor's wireless network	RAP-TV mobile service is not available for use on a non-Rogers wireless network. No charges will accrue to the competitors' wireless data plans.	RAP-TV mobile service is not available for use on a non-Rogers wireless network. No charges will accrue to the competitors' wireless data plans.
(iii) on a Wi-Fi network at home	The customer will incur data charges on their wireline Internet data plan based on the number of gigabytes consumed. No charges will accrue to Rogers' wireless data plan.	The customer will incur data charges on their wireline Internet data plan based on the number of gigabytes consumed. No charges will accrue to Rogers' wireless data plan.
(iv) on a free Wi-Fi network in a public space	This viewing would be subject to the terms of the data usage plan offered through the public Wi-Fi network. No charges will accrue to Rogers' wireless data plan.	This viewing would be subject to the terms of the data usage plan offered through the public Wi-Fi network. No charges will accrue to Rogers' wireless data plan.

Under scenario (i), there will be no impact on a Rogers wireless customer's data plan when he or she watches 5 or 15 hours of RAP-TV mobile service content. By

subscribing to the RAP-TV mobile service, the customer will be able to watch up to 10 hours of programming with no additional data charges for $5/month. If the customer only watched 5 hours of content in one month, they would only be charged $5. If the customer watched more than 10 hours of content in one month, our pricing plan provides for an overage charge of $1/hour. At 15 hours of viewing, this would result in a $5 overage charge. As described in the answer to Q5, the data consumption associated with the viewing of RAP-TV mobile service content is not included as part of the data consumption associated with accessing other Internet services. As a result, a customer's data plan to access other Internet services will not be impacted by their use of the RAP-TV mobile service.

Under scenario (ii), and as indicated in the answer to Q2 above, an individual is not able to subscribe to the RAP-TV mobile service when using another WSP's network. As a result, there will be no impact on the individual's wireless data plan with that other service provider.

Under scenario (iii), if a Rogers wireless customer subscribes to the RAP-TV mobile service and only uses his or her Wi-Fi network at home to access RAP-TV content, this will be subject to the individual's wireline data plan offered by their ISP. Whether they watch 5 hours or 15 hours of RAP-TV mobile service content using this home-based Wi-Fi connection, there will be no impact on the individual's wireless data plan.

Under scenario (iv), if a Rogers wireless customer subscribes to the RAP-TV mobile service and only uses a public Wi-Fi network to access RAP-TV content, this will be subject to the data plan offered through the public Wi-Fi network. Whether they watch 5 hours or 15 hours of RAP-TV mobile service content using this public Wi-Fi connection, there will be no impact on the individual's wireless data plan.

Q5- Explain how Rogers Wireless differentiates on the customer's invoice the data consumption associated with the viewing of RAP-TV mobile service content from the data consumption associated with the access to other Internet services.

A5:

Please see Appendix B for a sample invoice. A Rogers wireless customer who subscribes to the RAP-TV mobile service will see a line item on their invoice for "Data Mobile TV Plan" for $5. The data consumed under the customer's wireless data plan, to access other Internet services, is separately listed under the "Wireless usage summary" section of the invoice. Data consumption outside of RAP-TV under the wireless data plan is measured and reported in gigabytes (GB) consumed over the customer's one-month billing period. As noted in the answer to Q4, the data consumption associated with the viewing of RAP-TV mobile service content is not included as part of the data consumption associated with accessing other Internet services.

Q6- In the See Full Details description of the Rogers Anyplace TV app on Rogers' website (https://www.rogers.com/web/content/AnyplaceTV), it is mentioned that "data usage may apply to some advertising appearing with on demand content viewed through the app." Please elaborate on:

1) **the reason why data usage may apply to some advertising appearing with on demand content and**
2) **how the customer can differentiate this consumption from the hours of content included within the $5 package.**

A6:

1) Rogers is able to separately identify the data consumed by a Rogers wireless customer when they access video content through the RAP-TV mobile service. This is done by classifying (or "whitelisting") the URLs[5] associated with the live and on-demand RAP-TV content. As a result, data consumed from these URLs only counts toward the customer's RAP-TV mobile service and not their regular wireless data plan.

An on-demand program that is available through the RAP-TV mobile service typically includes breaks for advertising at the beginning, middle and end of the program.[6] These ads come from a wide variety of sources. There are many more URLs associated with these sources for advertising than the URLs used for the underlying RAP-TV content. As a result, Rogers is not currently able to whitelist this advertising and separate it from the data consumed when our wireless customers access other Internet services.

2) Since Rogers is not currently able to whitelist this advertising, we include the above clause in our terms and conditions for the RAP-TV mobile service. As a result, our wireless customers are advised that the data associated with the advertising will count toward their wireless data plan and not the RAP-TV mobile service.

Q7- Is the content of Rogers Anyplace TV app downloaded, streamed, or progressively downloaded?

A7:

The content accessed through the RAP-TV app is streamed to an individual's device.

[5] Uniform resource locator (i.e. web address).
[6] A half-hour program will typically include three breaks for advertising, with two 30-second ads in each break.

Q8- Network architecture

a) **Provide two diagrams: the first one describing how content (e.g. a TV show) is delivered to a Rogers cable TV subscriber and the second one describing how content (e.g. a TV show) is delivered to a Rogers wireless subscriber. The diagrams should detail all similarities and differences between these two services.**
b) **Please describe the overall network architecture from video source ingestion (live or recorded) to display on smartphone/tablet.**
c) **Is the RAP-TV mobile service content differentiated from any other Internet traffic on Rogers' wireless network? If so, where on the network is it differentiated and separated?**
d) **Does RAP-TV mobile service content watched on a smartphone/tablet get a higher priority than other Internet content on Rogers' wireless network? Are there any optimization or overload mechanisms in place to ensure a better quality of service? If so, please describe.**

A8:

a) See appendices C and D for diagrams describing how video content, such as a TV show, is delivered to a Rogers cable TV subscriber and to a Rogers wireless subscriber, respectively. A description of the similarities and differences between the two networks is provided below:

   Video Distribution over Rogers' Cable TV Network (Appendix C)

   Rogers' cable network has evolved over time but continues to efficiently deliver a wide range of video content to customer television sets in homes and offices. The fundamental characteristic of our cable network is the transparent transport of radio frequency (RF) signals over a hybrid of fiber optic and coax (HFC) cables serving customer homes.

   This HFC network is generally configured to transport RF signals above frequencies of 50MHz (extending to 860MHz) from hub sites to the home, and between 5 and 42MHz in the reverse direction from the home to the processing hub to enable interactive services. The HFC network includes amplifiers to overcome signal attenuation caused by several kilometers of cable and the signal splitting devices used to feed each customer drop cable. In this way, many hundreds of customers can share a common, managed, distribution network, rather than requiring a separate cable link from each customer to the hub.

   Specialized home terminal devices, referred to as set-top boxes, convert the 256QAM RF signals carried over the HFC network into a format that is suitable for processing by customer television sets. This set-top box processing typically includes RF channel tuning (in 6MHz increments), 256QAM signal demodulation, decryption, MPEG2 decompression and video signal formatting for the digital TV

interface (known as HDMI) commonly used today. Customers interact with the set-top box via a remote control to select which program stream they wish to view.

The hubs are connected to a master headend which aggregates the live television programming from multiple sources and formats it for distribution over the HFC network. This formatting process may include MPEG2 compression, encryption, and multiplexing of individual television program streams into high-capacity digital streams compatible with the 256QAM RF transmission channels used on the HFC cable network. The digital streams are further multiplexed into much larger groups for transport over 10 GB/second digital optical links to the hubs. These links typically use SONET or Internet Protocol (IP) for convenient routing over conventional data networks.

The live television sources include satellite-delivered cable channels, off-air reception of television broadcast signals and direct broadcast signal feeds from television studios.

Video Distribution over Rogers' Wireless Network (Appendix D)

Rogers' cellular wireless network has evolved over time from a dedicated voice network for mobile phones to a broadband data delivery infrastructure capable of delivering voice, video and data to a wide range of mobile devices. There have been several significant technology changes over that time, from low-bandwidth analog voice channels through progressively higher-capacity data channels to the current LTE (Long Term Evolution) system capable of delivering up to 150Mbps in a 20MHz radio frequency channel.

Unlike wired cable networks, the wireless connection speed varies considerably as the mobile terminal device moves closer to or further from the cell tower serving it. Therefore, any data traffic destined for a mobile device is typically capable of accommodating this variation in connection speed. Since voice is a very low bandwidth application, it is rarely affected by the speed fluctuation. Video streams, on the other hand, must adapt quickly to changing connection speeds. The wireless video delivery network is designed with this adaptability as a core feature and is, therefore, somewhat different from the cable TV network.

Adaptive bit rate (ABR) stream delivery is achieved by segmenting the video stream into data files each representing 1-2 seconds of content. Each segment is then encoded with several different quality levels which results in a range of file segment sizes. Then, if a high-bandwidth connection to the mobile is available, a high-quality video segment file is delivered. If only a low-bandwidth connection is available, a smaller, low-quality video segment is delivered. The mobile client device monitors connection speeds and requests the appropriate video segment file size to achieve a seamless video experience for the user.

Given the variable nature of the ABR video delivery to each mobile device, it follows that a unique video data stream is delivered to each device, even for live TV content. The speed variation is different for each mobile device, so attempting to share a common live video stream amongst multiple devices would lead to everyone being able to only receive the lowest common quality across all users.

In order to receive RAP-TV content on a mobile device, the customer first downloads the RAP-TV application for their tablet or smartphone. This app enables a connection to the QuickPlay Virtual Set-Top Box (VSTB) server in order to authenticate the customer and select the desired video streams for viewing. The delivery of the video stream and display on the device screen is similar to the cable set-top box and TV described above. Cellular radio signals tuned by the RAP-TV mobile client are demodulated and decrypted, then decompressed from MPEG4 to a viewable and audible signal displayed on the device screen. A small buffer memory is used in the client to store video segments between delivery and display.

The wireless network is shared, much like the cable TV network, by multiple users connecting to each cell tower which mirrors the cable network hub. The cell towers are connected to a core IP network which is also shared. All data traffic, including the video streams, is contending for available capacity on an equal basis, driven by the operation of the Transport Control Protocol (TCP). No data is given preferential treatment in the wireless network, regardless of whether it is a RAP-TV stream, a Netflix stream or a file download.

While the same MPEG2 content sources are used for both cable and wireless delivery, the delivery chain for wireless is considerably different. The ABR segmentation described above is performed in the Quickplay transcoding server, along with conversion from MPEG2 to MPEG4 compression, as well as encryption. A separate Digital Rights Management (DRM) server supplies the encryption keys for each content stream, as well as for the mobile devices used to access and view the RAP-TV content. Multiple ABR versions for each stream are delivered to the Origin Server in order to enter the Content Distribution Network (CDN), which ferries them via the IP network to each cell tower as required. A controller, referred to as the QuickPlay OpenVideo Platform, manages all processing and server functions. It also ensures that only authorized customer devices can access the service. This is facilitated by the Services Oriented Architecture (SOA) interface to Rogers' billing systems as well as the Media Access Gateway (MAG), which appends a unique user ID label to the service requests received from mobile devices.

The live television sources include satellite-delivered cable channels, off-air reception of television broadcast signals and direct broadcast signal feeds from television studios. Movies and other premium content made available on an on-demand basis are similarly processed for delivery as part of the RAP-TV offering.

b) See the above answer to 8(a).

c) No, the RAP-TV mobile service content is not differentiated from any other Internet traffic on Rogers' wireless network.

d) No, RAP-TV mobile service content watched on a smartphone/tablet does not get a higher priority than other Internet content on Rogers' wireless network. There are no optimization or overload mechanisms in place to ensure a better quality of service.

Q9- Is the Rogers Anyplace TV app content sent from the server to each subscriber or is it sent to a group of subscribers?

A9:

The RAP-TV mobile service content is sent from a server to each subscriber (i.e. it is delivered on a unicast basis using point-to-point technology).

Q10- Given that the first 10 hours of RAP-TV mobile service app usage does not count toward the Rogers wireless subscriber's wireless data plan and costs $5, the offer seems more advantageous for the RAP-TV mobile service app compared to other third party apps.

a) Explain how Rogers' wireless subscribers are not subject to an undue preference in regard to their data usage when they access RAP TV mobile service app.
b) Explain how competing content providers (e.g. the National Film Board or the Canadian Broadcasting Corporation) are not unjustly discriminated against or subject to an undue disadvantage.

A10:

a) Rogers' wireless subscribers are not granted an undue preference in regard to their data usage when they access the RAP TV app using the Rogers wireless network. While Rogers understands why some might argue that the RAP-TV mobile service is being offered to wireless subscribers in a manner that constitutes a preference, it is clear that even if there is such a preference, it does not reach the level of being undue.

Mobile television is at a nascent stage in its development. Today, very few consumers actually use their mobile devices to watch significant amounts of full-length video content. The price point that we have established for the RAP-TV mobile service simply reflects the low consumer demand that currently exists for the service.

As noted in the answer to Q3, given the billions of dollars that have been spent on wireless networks, Rogers and other WSPs are trying to find ways to encourage our

customers to use these networks in new and innovative ways. Consuming video content is one such way. We believe that, in time, subscribers will use their mobile devices to access video content in the same way that they have used those devices for voice and texting. Our goal is to make video as ubiquitous on the wireless network as these other services. Once a sizeable number of customers regularly use mobile devices to access and watch video content, the fees we charge for a service like the RAP-TV mobile service will match that growing demand. That is the only way that we will be able to recoup the enormous cost we have incurred to build and operate the network.

The point is that the price we currently charge for the RAP-TV mobile service is not linked to the underlying cost of the content or a customer's use of the network, but rather is part of a strategy to encourage our customers to use their mobile devices to consume more video content.

Encouraging Canadian consumers to access video content from Canadian WSPs is entirely consistent with the policy objectives underlying the *Broadcasting Act* (the Act). In our view, the objectives of the Act are, in fact, furthered by this strategy because mobile TV services provide Canadian consumers with the ability to access a broad variety of Canadian programs that are not widely available through other OTT service providers, like Netflix and Google TV. The RAP-TV mobile service provides our wireless customers with access to 36 live and on-demand channels. A majority of these channels are extensions of Canadian linear programming services, most of which are not affiliated with Rogers. The list of channels includes the CBC, CTV, Treehouse, YTV, TVA and The Weather Network.[7] These and other third-party Canadian programming services are using our wireless platform to market and offer their content to Canadian mobile customers.

Clearly, this strategy benefits the Canadian broadcasting system and furthers the policy objectives set out in the Act. As such, our offering would not constitute an undue preference or disadvantage under the Act. The Commission has indicated that even if there is a preference or disadvantage that results in material harm, it would not be a preference or disadvantage that is "undue" in circumstances where it would benefit the Canadian broadcasting system:

> "In this respect, the Commission notes that generally speaking even if a packaging decision is likely to result in material adverse impact on a programming service, it would not necessarily result in an undue preference finding if the change is consistent with the achievement of broadcasting policy objectives set out in the Act."[8]

[7] See Appendix A.

[8] Broadcasting Decision CRTC 2011-371 – *Complaint by The Cave against Bell Canada alleging undue preference and disadvantage*, dated June 10, 2011 (http://www.crtc.gc.ca/eng/archive/2011/2011-371.htm), paragraph 22.

Finally, each Canadian WSP has the ability to offer its subscribers a mobile television service like the RAP-TV mobile service. Bell Mobile subscribers can already access a mobile television service that is similar to our service. TELUS indicated in its written submission that it is considering offering a similar service that it will make available to its wireless subscribers. TELUS discouraged the Commission from taking any steps that would stifle developing business models in the digital media space in situations where they do not impair the competitiveness of the market. In view of the ability of all Canadian WSPs to offer a comparable mobile television service, it is difficult to see how the RAP-TV mobile service could even be considered a preference for Rogers' wireless subscribers, let alone a preference that is undue.

For all of these reasons, Rogers submits that the data usage plan associated with the RAP-TV mobile service does not confer an undue preference on Rogers' wireless subscribers.

b) Rogers also submits that it would be incorrect to suggest that the data usage plan for the RAP-TV mobile service unjustly discriminates against competing content providers or subjects them to an undue disadvantage.

Foreign OTT services are flourishing in Canada. Canadians are increasingly accessing video content online. That content is, however, largely consumed via apps for foreign OTT services like YouTube, Netflix and Apple. These foreign companies are the major source of competition in the online market today and will inevitably continue to grow their share of the mobile television market as well. The impact that mobile television services, like the RAP-TV mobile service, are having on the growth of these foreign OTT services today is negligible at most.

There is also no evidence that the data usage charge for RAP-TV mobile service has had any impact on our customers' willingness to access online content from the Canadian Broadcasting Corporation (the CBC) and/or the National Film Board (the NFB) on their mobile devices. In fact, the opposite is true. A number of content providers have embraced the RAP-TV mobile platform. The CBC, for example, has its content included in three of the on-demand channels (CBC, ICI Radio-Canada Télé and Sochi 2014) that are currently offered as part of the RAP-TV mobile service. Just like any other content provider, the CBC has an online/app presence to offer some content directly to consumers, but it also works with broadcasting distributors, video-on-demand service providers and WSPs to extend their content to other platforms in order to derive more revenue and to support the Canadian broadcasting system through authentication.

In carrying CBC's on-demand content on RAP-TV, Rogers supports the CBC by paying licensing fees to carry its content and whetting consumer appetite for CBC programming. Ultimately, Rogers is helping the CBC to increase its profile among Canadians who consume content in the mobile wireless space. It is on this basis that

Rogers could be considered an ally of the CBC, and not a competitor subjecting it to an undue disadvantage.

As for the NFB, the content that it offers online includes films and documentaries that are distinct from the content being provided through the RAP-TV mobile service. A consumer who, for example, streams a documentary about the history of Canada pre-1867 from the NFB website will not find this content available on the RAP-TV mobile service. The types of programs made available through the NFB and the RAP-TV mobile service are mutually exclusive and not substitutes in the marketplace. As such, the manner in which Rogers charges for data usage for the RAP-TV mobile service will have no adverse impact on NFB.

Rogers believes that it is significant that no Canadian or foreign content provider, including the CBC and the NFB, has filed a complaint with the Commission regarding mobile television services or even intervened in this process in support of the allegations made by PIAC or Mr. Klass. Clearly, the reason for their absence from this public proceeding is that they do not view a mobile television service like RAP-TV as a threat to their business models and have concluded that these mobile services are not having any adverse impact on them.

There is certainly no evidence that competing content providers have been materially harmed by the data usage charges for the RAP-TV mobile service.[9] As such, any claim made by Mr. Klass or PIAC that these content providers are being subjected to an undue disadvantage or an unjust discrimination is not supported by any evidence and should be dismissed.

As noted above in response to Q10(a), mobile television viewing is still in its infancy. It has not progressed to the point where a service, like the RAP-TV mobile service, could harm any competitor or otherwise damage the Canadian broadcasting system. On the contrary, mobile television services are being offered by WSPs in a way that fully supports and furthers the policy objectives of the Act.

Q11- Provide your view, with supporting rationale, on whether a mobile TV service is a telecommunications or a broadcasting service.

A11:

Mobile television services, like the RAP-TV mobile service, are broadcasting services that operate under the *Exemption order for digital media broadcasting undertakings* (the

[9] The Commission has consistently addressed claims of undue disadvantage under the *Broadcasting Act* by considering whether the alleged action had, or could have, a material adverse impact on another person, and the effect that the preference or disadvantage had, or will have, on the achievement of the Canadian broadcasting policy objectives set out in the *Broadcasting Act*. See Broadcasting Decision CRTC 2012-672, dated December 10, 2012 (http://www.crtc.gc.ca/eng/archive/2012/2012-672.htm).

DMEO). Such services include content that contains a combination of sounds and visual images that falls within the definition of "program" contained in subsection 2(1) of the *Broadcasting Act*. These services are delivered and accessed over the Internet in the manner described in the DMEO.

Q12- At paragraph 24 of its 5 March 2014 Comments, Rogers states that Google, Apple, Netflix and broadcasters branded websites were the dominant sources for over-the-top video content in Canada. Elaborate on how this is relevant to determining the level of competition in the provision of content on wireless phones. Please provide any available statistics that are specific to the mobile TV market.

A12:

The findings by International Data Corporation (IDC), which were included as Appendix B to Rogers' Answer, demonstrate that Canadians overwhelmingly rely on the above-noted sources for OTT video content. In comparison, # #. As noted in paragraph 30 of our Answer, # # of Rogers' 8.1 million[10] postpaid wireless subscribers pay the $5 monthly fee to subscribe to the RAP-TV mobile service.

Rogers acknowledges that the IDC findings in Appendix B summarized the sources of OTT video that were accessed by Canadians over both wireless and wireline platforms. As such, they are not specific to the mobile TV market in Canada. However, we believe the IDC findings can be extrapolated to apply to the Canadian mobile TV market. # #, the vast majority of our wireless customers are using the services of other OTT video providers, such as Google, Apple, Netflix and broadcaster-branded websites, in order to access this type of content over wireless networks in Canada.

As noted above in the response to Q10(b), foreign OTT providers of video content are dominating the online video marketplace. This is because of their ability to acquire the rights to offer programming on all platforms. This includes mobile platforms, as well as the ability to deliver this programming to the largest screen in the home, the TV set. These OTT providers recognize that Canadians prefer to watch video on their televisions.[11] They have been able to embed applications within smart TVs or other devices connected to the Internet (e.g. gaming consoles, Roku, Apple TV) or directly stream this content to TVs through Internet-connected devices without the use of an embedded application (e.g. via Chromecast[12] or AirPlay through an Apple TV box). Canadian broadcasters (e.g. CBC, CTV, Global, City, select pay and specialty services), as well as other providers of Canadian content (e.g. NFB), have all developed

[10] As at December 31, 2013.
[11] *TV Bureau says Canadians still prefer their biggest screen*, CARTT, May 29, 2013 (https://cartt.ca/node/39246).
[12] *Google Chromecast finally comes to Canada*, CBC News, March 19, 2014 (http://www.cbc.ca/news/technology/google-chromecast-finally-comes-to-canada-1.2578416).

websites and apps, and acquired the necessary rights, to enable Canadians to view programming on all platforms as well, including the TV set.

In comparison, the mobile TV services provided by WSPs in Canada typically only allow for the viewing of OTT video content on smartphones or tablets, regardless of whether this content is accessed over a wireless network or through a Wi-Fi connection. The inability to use a mobile TV service to access online video on a TV in the home subjects these services to a competitive disadvantage versus Google, Apple, Netflix and other OTT service providers, such as broadcasters, who have been able to offer a true multiplatform experience by extending their content to all platforms, including the TV set.

III. CONCLUSION

4. Rogers appreciates the opportunity to provide additional information in response to the Commission's interrogatory questions.

Sincerely,

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Encls.

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