



Broadcasting Decision CRTC 2009-726

Ottawa, 26 November 2009

Complaint by Quebecor Media Inc. related to Bell TV's practices to combat signal theft

In this decision, the Commission renders its determinations with respect to the complaint filed by Quebecor Media Inc. (QMI) related to Bell TV's practices to combat signal theft. The Commission finds that the measures taken by Bell TV to combat signal theft are appropriate and dismisses the complaint filed by QMI.

The complaint

1. On 23 March 2009, the Commission received a complaint from Quebecor Media Inc. (QMI) related to Bell TV's practices to combat signal theft. QMI explained that in 2003, certain large Canadian broadcasting distribution undertakings, including Bell TV, agreed to implement specific measures to combat signal theft.
2. QMI advised that Bell TV had recently introduced a new sales method that would allow someone to equip themselves with one or several Bell TV receivers and to employ various methods of signal theft without Bell TV being able to track them. According to QMI, the practice of retailing Grab-and-Go receivers calls into question the commitments Bell TV made in 2003. QMI asked the Commission to investigate this Bell TV practice and, if necessary, to remedy the situation as quickly as possible.

Response from Bell TV

3. In response to the QMI complaint, Bell TV indicated that methods used for signal theft have evolved to the point that the preventive measures put in place in 2003 are now outdated. The theft of signals now occurs by exploiting its conditional access system via free-to-air broadcast signal receivers¹ rather than pirating satellite receivers and smart cards distributed by Bell TV. Further, Bell TV listed the measures it has taken to combat the problem of fraud associated with account stacking.²

¹Free-to-air broadcast signal receivers can be used legally to receive unencrypted satellite signals such as third-language programs originating in Europe, the Middle East and Asia or religious programming originating from the United States that are generally unavailable from broadcasting distribution undertakings.

²Fraud by account stacking consists of authorizing several receivers under the same account number at a specific address and then sending the receivers to different addresses. This type of account stacking differs from that considered by the Commission in *Determination with respect to the marketing and billing practice by which a broadcasting distribution undertaking treats the provision of service to separate dwellings owned by the same person as a single subscription*, Broadcasting Public Notice 2006-133, 20 October 2006, in which the Commission examined the circumstances where account stacking could be legitimate.

4. Bell TV explained that, in order to combat signal theft using free-to-air broadcast signal receivers and restore the security of its conditional access system, it began, in 2008, to reuse a series of electronic anti-theft countermeasures and, at a great cost, to replace all of its smart cards. Since then, free-to-air broadcast signal receivers are no longer capable of decoding Bell TV satellite signals.
5. Further, in order to minimize fraud by account stacking, Bell TV stated that it has taken the following measures:
 - Bell TV sends periodic update bulletins to its retailers to encourage them to notify potential buyers that all receivers on a given account must be activated at the same address. All of the receivers sold or rented come with a copy of the Bell TV service contract, which clearly indicates that a receiver can only be used at the address indicated on the account;
 - Bell TV no longer includes satellite antennas in packages sold in stores, thereby reducing the number of customer self-installations. Bell TV's installation service installs the antennas, thereby allowing installers to verify the location of the equipment;
 - To verify the location of receivers that are in use, in 2003, Bell TV launched an account verification calling program that is ongoing. Bell TV is of the view that the program has been very effective in controlling account stacking.
6. In short, Bell TV has submitted that the complaint can be dismissed as it considers that the practices it has adopted allow it to combat signal theft and control account stacking effectively.

Reply by QMI to Bell TV

7. QMI stated that the measures implemented by Bell TV to combat signal theft using pirated equipment are sufficient, but those implemented to combat fraud by account stacking are not.

Commission's analysis and determinations

8. Given that QMI has agreed with the measures taken by Bell TV to combat signal theft using Grab-and-Go receivers, the Commission is of the view that the issue to be resolved is whether the measures taken by Bell TV to combat fraud through account stacking are adequate.
9. The Commission agrees that signal theft methods have changed significantly since 2003, and notes that at present the most effective means to limit fraud by account stacking is electronic verification of the physical location of the equipment via a distribution network connection that is established upon installation. The Commission notes, however, that Bell TV has indicated that it is impossible for it to implement such an electronic verification system at the present time.

10. The Commission notes the measures that Bell TV has taken to limit fraud by account stacking and is aware, in particular, of the details of the Bell TV user account verification program mentioned above. The Commission is of the view that the program is appropriate, though it cannot take the place of an electronic verification of the equipment's location.

Conclusion

11. In light of the above, the Commission concludes that the measures implemented by Bell TV take into account the evolution of methods used for signal theft, that the measures are appropriate and that, at the present time, no corrective action is necessary. Accordingly, the Commission dismisses the complaint filed by QMI related to Bell TV's practices to combat signal theft.

Secretary General

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