



Canadian Radio-television and Telecommunications Commission

Performance Report

For the period ending
March 31, 2000

Canada

Improved Reporting to Parliament Pilot Document

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis the *Part III of the Estimates* document for each department or agency into two separate documents: a *Report on Plans and Priorities* tabled in the spring and a *Departmental Performance Report* tabled in the fall.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

The Fall Performance Package is comprised of 83 Departmental Performance Reports and the President's annual report, *Managing for Results 2000*.

This ***Departmental Performance Report***, covering the period ending March 31, 2000 provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Report on Plans and Priorities* for 1999-00 tabled in Parliament in the spring of 1999.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine its management systems and performance framework. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site: <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

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Canadian Radio-television and Telecommunications Commission

Performance Report

For the period ending
March 31, 2000

Sheila Copps
Minister of Canadian Heritage

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Executive Summary

- Canadians have benefited from the actions of the Canadian Radio-television and Telecommunications Commission (CRTC). The Commission has ensured that Canadians have access to programming that reflects their voices and their values. It continues to work on making competition a reality for Canadians, markedly increasing the choice of communications services and suppliers.
- Access to content is growing exponentially with full digitization of the various signals. The challenge for the CRTC is to ensure a Canadian presence in a digital environment that knows no bounds. The CRTC has come up with a framework to bridge the changeover from analog to the more open-entry, competitive world of digital distribution. This framework will allow a Canadian digital presence to be established while offering Canadian consumers access to the best programming in the world.
- The CRTC has encouraged the presence of Canadian companies and exposure of Canadian talent in the communications media by building on the success of Canadian companies and creators. Among other things, the Commission has developed a new framework for Canadian television that offers more flexibility to broadcasters, more opportunities for independent producers and wider choices for viewers. It has also renewed the licences of CBC-SRC, recognizing its vital contribution to Canadians' sense of identity.
- Canadians are already starting to benefit from increased competition in telecommunications services, with reasonable prices, and a broad range of telephone service providers in the long distance market. While competitive local service is still in its early stages, some progress has been made. The CRTC continues to address these issues in collaboration with industry players, consumer associations and public interest groups.
- Canada is considered to be one of the best connected countries in the world. While the CRTC continues to ensure a transition to competition through effective and efficient regulation, it is committed to working to extend and improve telephone service for all Canadians, including those living in rural and remote areas.
- Finally, the CRTC has developed a forward thinking approach to regulation by developing and implementing innovative new models for alternative dispute resolution and collaborative processes with Canadians, industry players and consumers.

- Overall, the CRTC's decisions and actions have made significant contributions to the achievement of the Government's priorities¹ of creating a strong and united Canada, and a dynamic economy, building stronger communities and enhancing Canada's place in the world. This is demonstrated by our various decisions that: a) promote a Canadian cultural infrastructure through increased support for Canadian content, cultural expression, the use of new media, diversity of cultural expression and the promotion of Canadian talent around the world; b) encourage the introduction of new broadcasting stations that have helped new Canadians adapt to life in Canada; and c) advance the development of an information infrastructure by ensuring that all Canadians have access to telecommunications services, including those services which are vital to connecting Canadians and putting them "on-line" to the Internet.

¹ Government priorities announced in the October 1999 Speech from the Throne.

Section I: Messages

Minister
of Canadian Heritage



Ministre
du Patrimoine canadien

Ottawa, Canada K1A 0M5



This Performance Report flows from the commitments made by the CRTC in its 1999-2000 *Report on Plans and Priorities*. The results also reflect the CRTC's contribution to the shared priorities of the Canadian Heritage Portfolio.

The CRTC has ensured that Canadians have access to programming that reflects their voices and their values. The Commission also continues to work on making competition a reality for Canadians, markedly increasing the choice of communications services and suppliers.

The Canadian Heritage Portfolio contributes to a common national purpose. We help to advance Canadian culture in an era of globalization. We provide Canadians with opportunities to learn and understand more about our country and each other. We protect Canada's natural and cultural heritage for the benefit of current and future generations.

It is up to all of us, individually and collectively, to nurture the diversity that is such a hallmark of Canadian identity.

The contribution of the Canadian Heritage Portfolio reflects the diversity of our Canadian values and heritage.

Sheila Copps

Canada¹³³

The Canadian Heritage Portfolio

Department of Canadian Heritage
Canada Council for the Arts
Canada Science and Technology Museum
Canadian Broadcasting Corporation
Canadian Film Development Corporation (Telefilm Canada)
Canadian Museum of Civilization
Canadian Museum of Nature
Canadian Race Relations Foundations
Canadian Radio-television and Telecommunications Commission
National Archives of Canada
National Arts Centre
National Battlefields Commission
National Capital Commission
National Film Board of Canada
National Gallery of Canada
National Library of Canada
Parks Canada Agency
Status of Women of Canada

The Chairperson's Message



Three years ago, the CRTC articulated its Vision of 'World-class communications with a distinct Canadian presence.' As we move toward this Vision, I am proud to say that we have achieved the objectives we established in our first three-year strategic plan, in only thirty months. I am also honoured that the Institute of Public Administration of Canada recently recognized our innovative and forward thinking approach to regulation by awarding the Gold Award for innovative management to the CRTC Interconnection Steering Committee.

We have had numerous successes as a result of the valuable contributions made by Canadians who have participated in shaping the future of Canadian communications. These contributors include industry players, consumer groups and associations, and members of the general public. Together, we will continue to build a solid foundation for the Canadian communications sector of the future.

The CRTC has the interests of all Canadians at heart. As a result, Canadians now benefit from enhanced programming that reflects the linguistic duality and cultural diversity of Canada. They also have access to an ever-expanding range of communications services, at reasonable prices.

There are still many opportunities ahead as we move toward convergence and more open competition. We will take the necessary steps to implement the required changes in a timely fashion, so that Canadians can reap the maximum number of benefits. As we have done over the course of the last year, we will pursue these issues with energy and determination so that the positive effects of this transformation will flow to Canadians.

The road ahead presents many new challenges, including the explosive growth of new media and communications services in an increasingly converging digital environment, as well as accelerated industry restructuring and globalization. As we enter the second phase of our planning cycle, we will enthusiastically address these challenges and continue to support the development of a world-class Canadian communications sector, which will continue to provide substantial benefits for generations to come.

Françoise Bertrand
Chairperson
Canadian Radio-television and Telecommunications Commission

Section II:
CRTC
Performance

Societal Context

Objectives

The objectives of the CRTC are:

- to regulate and supervise all aspects of the Canadian broadcasting system to implement the broadcasting policy set out in the *Broadcasting Act*; and
- to regulate telecommunications in Canada to implement the policy set out in the *Telecommunications Act*.

Strategic Priorities

The CRTC's priorities are to:

- optimize the presence of Canadian undertakings and talent in the communication media (both analog and digital), by implementing regulatory policies, examining acquisitions and mergers of undertakings, issuing and renewing licences, certifying Canadian content and monitoring compliance;
- encourage the provision of communications services that reflect Canadian values, including those of linguistic duality and cultural diversity, and meet the needs of consumers;
- encourage the provision of a large choice of communications services (analog and digital) and of national and foreign programming;
- ensure that Canadians have access to a broad range of communications services and suppliers by implementing access to infrastructures;
- make competition a reality for Canadians through equitable contribution collection mechanisms, among other things;
- ensure a transition to competition through effective, efficient regulation, by examining, the price cap regime and regulating rates when the public interest is not being served, among other things;
- ensure that Canadians living in remote and rural areas have access to high-quality communications services at reasonable rates;
- adopt a simplified regulatory framework for small telecommunications companies;
- continue to develop regulatory frameworks and regulate when the public interest is not being served in the competitive environment; and
- assume new legislative responsibilities as a result of changes to the *Telecommunications Act*.

Social and Economic Factors

Technology, Globalization and Socio-cultural Issues

The communications industries operate in a daunting environment, defined by the necessity of huge investment, investors seeking quick and high returns, global competition, short-lived innovations, and the uncertain future of certain businesses. Businesses are in a constant state of change, responding rapidly to new technologies and consumer demands. As a result of this rapidly changing environment, consumers face an element of risk when they select a product or service related to telecommunications/broadcasting, the Internet or e-commerce.

Globalization has brought greater consolidation and concentration of ownership as corporations are broadening their geographical reach through alliances. Convergence and the integration of companies in the form of mergers and diversification, result in blurring of boundaries that were previously well defined. These changes also result in new cultural, social and consumer concerns, specifically related to the diversity of voices, fair access to distribution systems, availability of local content and increased choices.

Convergence and Competition

Competition has in recent years markedly increased the choice of communications services and service suppliers for Canadians. But the transition from a monopolistic industry to a competitive one has also introduced new challenges, related to an increasingly complex communications environment and a rapidly developing information economy. The role of the regulator remains crucial but requires new competitive frameworks and faster resolution of such issues as interconnection and access to infrastructures.

Much remains to be accomplished. If Canadians are to reap all the possible benefits of convergence and more open competition, there is a need to move faster toward full deployment. Convergence, born of digital technology, is the gradual merging of the telecommunications, broadcasting and information processing sectors. Full digitization allows the creation of new hybrid products and services that combine voice, data, text and/or images – in short, multimedia products. Not only does this new interaction platform allow much greater access to information than before, it also affects the cultural, social and economic environment of Canada's people.

The constant challenge for the CRTC is to establish a balance between cultural, social and economic objectives. Among other things, this

involves fulfilling cultural aspirations in a digital environment that knows no bounds, while finding solutions adapted to the times. It also means promoting fair competition. It is essential to realize that allowing the market free rein will not in itself achieve all the public interest objectives of the *Broadcasting Act* and the *Telecommunications Act*. Social requirements and guarantees for consumers that are already fundamental to our legislative texts and regulatory policies – including the availability of communications services across Canada – will assume even greater importance as competition becomes established.

Performance Results Expectations and Chart of Key Results Commitments

Assurance that Canadian communications contribute fairly and equitably to Canada's economic, social and cultural prosperity through regulation, supervision and public dialogue.

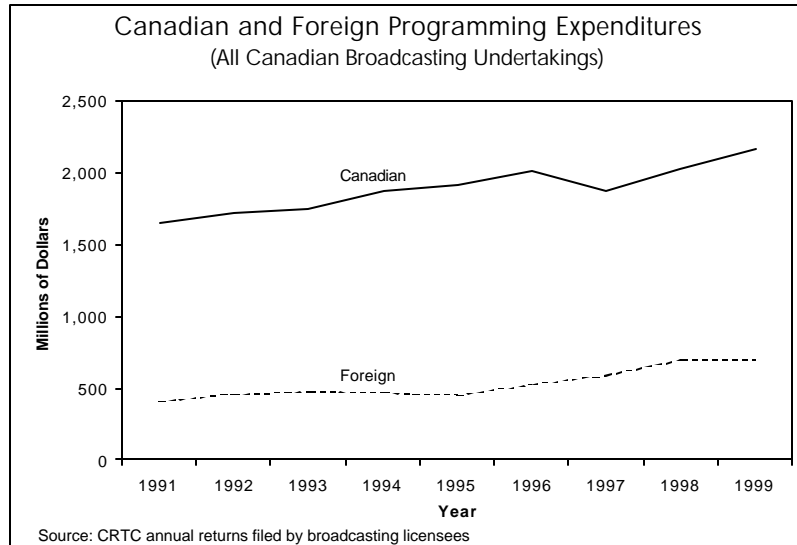
	To provide Canadians with:	To be demonstrated by:	Achievement reported in pages:
Canada's Voices	1. A place for Canadian voices in national and, thus, global communications	a. content that reflects the linguistic duality, cultural diversity and social values of Canada;	13, 15, 16, 17
		b. Canadian content in communications services;	11, 13, 14, 15, 16, 17
Choices for Canadians	2. A broad range of communications services through competitive communications industries	c. programming that reflects national, regional and community voices;	15, 17
		d. programming that features Canadian creative talent; and	12, 15
		e. meaningful investment in Canadian audio and video content.	11, 12
		a. competitive Canadian communications industries;	19, 20
		b. availability of a broad range of Canadian communications services;	13, 14, 18, 19, 20
Service to Canadians	3. Credibility and value of the governance process	c. reliable, high-quality communications services that are responsive to consumer needs and social values;	20, 24, 25
		d. core communications services that are reasonably priced; and	23, 24
		e. a communications infrastructure that is innovative and supports evolving communications services.	20, 23
		a. fair and impartial decisions;	26
		b. collaborative processes with many players;	26, 27
		c. teamwork, trust, openness, pride and respect at the CRTC; and	28
		d. effective, efficient, timely and clear actions (processes and services).	26, 27

Note: The numbering system for the results commitments will be used in tying our performance accomplishments to specific results commitments. These will be indicated beside the headings as 1a, 2a, and so on.

Performance Accomplishments

Canada's Voices

CRTC Policies and Regulations Promote Canadian Content



Results
1 b, e

CRTC regulations have contributed through various mechanisms to the availability of Canadian content on television and radio. These mechanisms include content requirements and licensing conditions related to investment in Canadian programming as well as devoting a portion of tangible benefits of ownership transfers to Canadian production.

CRTC regulations include special requirements to exhibit Canadian programming. In 1999:

- *Conventional television stations* showed a total of 567,493 hours of Canadian programs during the broadcast day, representing 68% of the total amount of television hours broadcast. This amount exceeds the Commission requirement of 60% for the broadcast day, thus demonstrating the industry's commitment to providing Canadian content.
- For *specialty services*, requirements vary from 30% to 100%.
- For *radio*, the requirement for Canadian content is 35%. There is a special requirement for French language broadcasters for 65% of the music to be in French.

As a result of CRTC requirements, there has been a steady increase in Canadian programming investment. In 1999, expenditures in Canadian programming totalled \$2,170 million dollars.

- Growth in expenditures in Canadian programming totalled \$297 million from 1997 to 1999.
- Investment in Canadian programming has been, on average, more than three times the investment devoted to foreign programming from 1991 to 1999.

Licensing conditions include some requirements for investment in Canadian programming² for television. Also, all distributors, with the exception of Class 3 licensees, must contribute at least 3% of gross revenues to an independently administered production fund. Of this, 80% must go to the Canadian Television Fund to provide some effective and stable funding mechanisms to support the production of distinctive Canadian programming. Other factors contributing to the availability of Canadian programming are the various types of public financing available to public and private broadcasters and to television film companies.

Finally, a significant portion of tangible benefits in ownership transfers must be devoted to Canadian productions. For instance, in the CTV/Netstar transaction, tangible benefits amounted to \$35 million, in Canwest/WIC \$84 million and in the case of Astral/Radiomutuel \$24 million.

Content Regulations Promote Canadian Talent

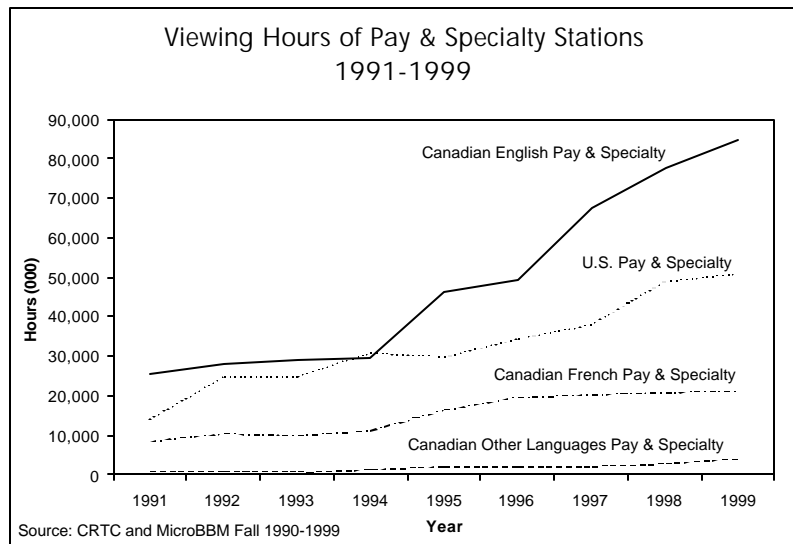
- Results
1 d, e
- Canadian content regulations have created a demand for Canadian programs that have further developed the skills and talent of those working in the Canadian industry. For instance:
- Pay, specialty and private conventional licensees' spending on Canadian independent production increased from \$123 million in 1993 to \$276 million in 1999, a 124% increase.
 - Private conventional licensees spent \$97 million in 1999 to acquire independent programs.
 - Canadian television licensees almost tripled their expenditures on script and concept development from \$4.3 million in 1997 to \$11.7 million in 1999.
 - Canadian radio licensees contributed \$2.18 million to develop Canadian talent in 1999, a 21% increase since 1996.

² As part of the new Television policy, effective in September 2000 or at licence renewals, multi-station groups will be allowed, instead, to show a commitment to exhibit eight hours of priority programming per week during peak viewing periods. Priority programs include Canadian long-form documentaries, entertainment magazine programs, regionally produced programs in all categories (other than news and sports), in addition to the existing categories - Canadian drama, music and dance, and variety programs.

Success of Canadian Television

Results 1 a, b Canadian productions have been steadily attracting a larger share of total viewing over the past several years, indicating that viewers are finding appeal in programming that reflects their values. From 1991 to 1999, the percentage of Canadian programming to total viewing has increased from 39.5% to 43.8% for English-language television and from 73.6% to 77.6% for French-language television.

There has also been strong demand for programming offered by pay and specialty stations, compared to conventional television where audiences have been declining. In 1996, Canadians watched close to 50 million hours of English Canadian pay and specialty programming. This grew considerably to almost 85 million hours in 1999, for an average growth of approximately 11 million hours per year. The demand for programming offered by Canadian English pay and specialty stations increased by over 72% between 1996 and 1999.



Bridging the Changeover from Analog to Digital Services

Results 1 a, b 2 b Analog distribution capacity in Canada is almost full. The industry is moving toward digital distribution, which will provide increased capacity and more openings for new Canadian services.

The CRTC has come up with guidelines for digital distribution of pay and specialty television. The new framework aims to bridge the changeover from traditional analog to the more open-entry, competitive world of digital distribution. The new licensing framework will ensure that the Commission achieves the Canadian programming

"This framework will allow a Canadian digital presence to be established while offering Canadian consumers access to the best programming in the world." *Françoise Bertrand, CRTC Chairperson, January 13, 2000*

goals of the *Broadcasting Act* in a digital world. It also reflects viewership statistics, which show a strong attachment to Canadian programming on specialty services.

The CRTC is currently reviewing 452 applications for new digital services, of which 446 are for pay and specialty services. There are two licence categories that the Commission is considering as part of this process:

- *Category 1* licences will show a strong commitment to the development, diversity and distribution of Canadian programming. They will ramp up to a minimum of 50% Canadian content by the last year of the licence term. The Commission will license approximately 10 Category 1 services using a competitive process on a one-per-genre basis. Canadian distributors employing digital technology will be required to distribute all Category 1 services appropriate to their markets.
- *Category 2* licences aim to encourage a wider choice of programming services for Canadians in the digital system. As there will be services prepared to take the risks of launching on a digital-only basis, the Commission will license an unlimited number of the Category 2 services on an open-entry basis as long as they meet basic criteria, such as a minimum of 35% Canadian content and do not compete with any Category 1 licensee or existing pay and specialty service. Distributors will not be required to distribute Category 2 licences, except in cases where they distribute Category 2 services in which they hold equity.

The CRTC Will Not Regulate the Internet

Results
1 b, 2 b

After an extensive process on the state of new media in Canada and their domestic and global potential, the CRTC concluded that the new media services on the Internet are achieving the goals of the *Broadcasting Act* and are vibrant, highly competitive and successful without regulation.

“The CRTC is the first regulator in the world to clarify its position on the Internet.”

*Françoise Bertrand,
CRTC Chairperson,
May 17, 1999*

The CRTC also concluded that most of the information on the Internet is alphanumeric and is therefore excluded from the definition of broadcasting. However, while some audio and visual products and services carried out on the Internet constitute broadcasting, they will be exempt from regulation because the Commission is satisfied that to license these services would not contribute in a material manner to the implementation of the broadcasting policy for Canada.

CBC Offers a Distinct Canadian Presence

Results 1a, b, c The CRTC renewed for a seven-year term the licences of the CBC-SRC television and radio networks, the 22 affiliated television stations, and le Réseau de l'information (RDI) as well as Newsworld.

The CRTC 's decision is based on the legislative mandate of the CBC and on all of the testimony received during the public consultations held in 11 Canadian cities last spring and at the public hearings last May and June, as well as on the commitments made by the licensee itself. The CRTC recognized that as a public institution the CBC-SRC has been a trailblazer and a role model in many fields.

"The CBC plays a unique and vital role in the Canadian broadcasting system. At the dawn of the new millennium, it should give an even greater voice to all our citizens." *Françoise Bertrand, CRTC Chairperson, January 6, 2000*

For instance, CBC-SRC radio is, for many Canadians, a vital aspect of the public broadcaster's service. It offers an incomparable service unlike anything offered by commercial broadcasters and has engendered a sense of attachment among Canadians.

Some highlights of the decision are that the CBC-SRC should:

- Remain a general interest broadcaster;
- Place its priority on the existing basic radio and television services;
- Provide, in prime time, more programming originating from all parts of the country;
- Provide a better balance between program genres;
- Maintain its leadership role in children's programming;
- Continue radio without advertising;
- Continue to provide leadership in cultural diversity and social values; and
- Encourage the production and broadcast of independent Canadian productions.

A New Framework for Canadian Television

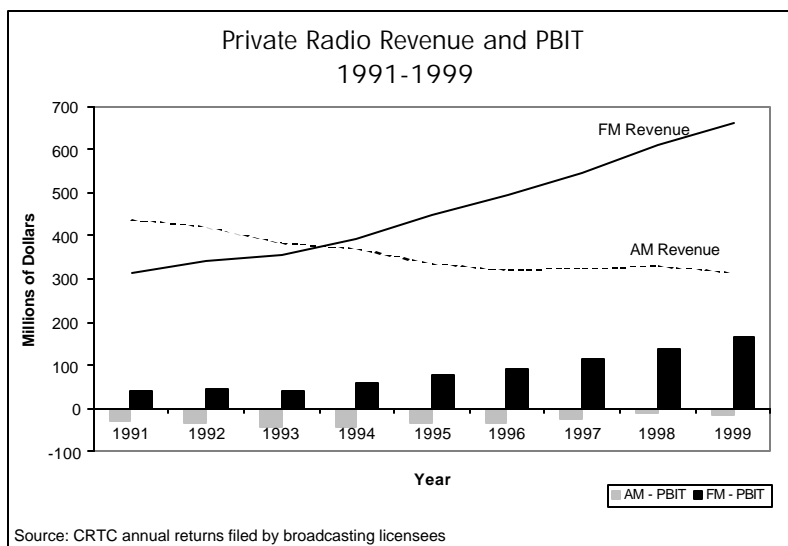
Results 1 b, c, d The CRTC has completed its first major review of Canada's television policy in 15 years. The new policy offers more flexibility to broadcasters, more opportunities to independent producers and wider choices for viewers. It does so by simplifying existing requirements, introducing flexible guidelines designed to stimulate Canadian production and encouraging the development of a home-grown star system similar to the one existing in Quebec, as well as by promoting foreign sales.

The structure of the television industry has greatly changed. There has been a clear shift in ownership patterns that has resulted in the creation of multi-station groups. Some groups such as CTV and Global reach audiences throughout the country, whereas others such as Craig, CHUM

and TQS reach audiences on a regional basis. The CRTC recognized this reality and will now consider the licence renewals of all stations owned by the same corporate entity at the same time, allowing the owner to submit a comprehensive strategic plan for all of its stations. To provide greater equity, conditions of licence will be the same for large broadcasters.

The new policy also encourages greater diversity in programming and more flexibility for broadcasters to determine what type of programming they will provide.

Changes in Radio Sector



Results
1 a, b

The radio industry has gone considerable changes in the past 10 years, with marked differences between AM and FM radio. AM radio has experienced a substantial decline in revenues and profits (-28% and -42% respectively), while the FM sector has enjoyed considerable growth (108% and 300%). There has recently been some improvement in the financial situation for AM radio.

There has been an acceleration of mergers, consolidations and concentration of ownership in the radio sector since the advent of the 1997 radio policy. The objective of this policy and its cultural and economic goals was to create conditions that support consolidation of the industry, as well as a rise in the standard for French-language musical content and Canadian content overall.

More Diversified and Bilingual Programming in Television

Results
1 a, b, c Four new French-language specialty channel licences were launched early in 2000. These four new channels (Canal Z, Canal Historia, Canal Évasion and Canal D) supplement 11 other French specialty services the CRTC has approved since 1987, gradually rebalancing the line-up of French-language specialty services in relation to English specialty services.

Further to its report to the Governor in Council, the CRTC issued a call for licence applications and conducted a public hearing. The Commission will make a decision shortly on the creation of a national French-language arts specialty television channel.

Changes to Ethnic Broadcasting Policy, Campus and Community Radio Policies

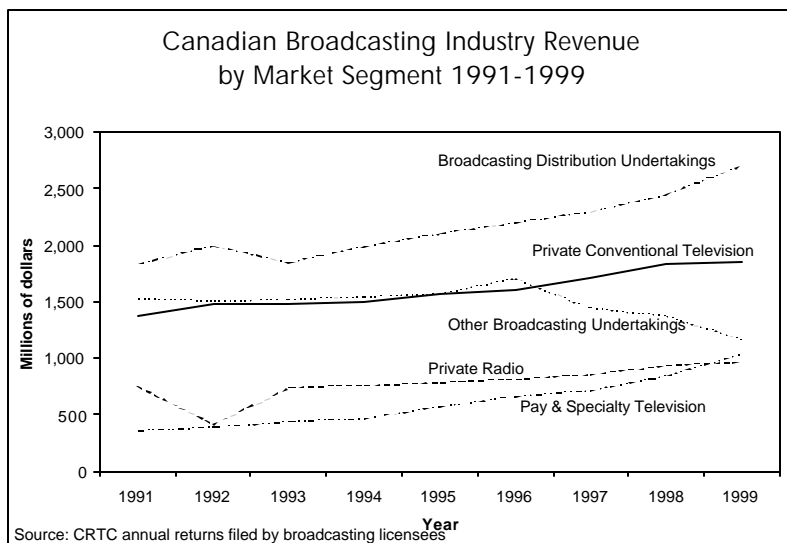
Results
1 a, c The Ethnic Broadcasting Policy review revealed that the implementation of the policy has led to a substantial diversity of the broadcasting system through the emergence of many new broadcasting stations. Many participants in the review noted how valuable these stations were to them, their families, their communities, and to their successful integration into Canadian society. Changes in the policy include simpler rules. It will also be easier for mainstream stations to produce ethnic programming in either French or English if they wish to do so.

After a series of consultations across the country, the CRTC revised its policies for campus and community stations. One goal is to simplify the regulatory process, while ensuring that these stations continue to provide programming relevant to the communities they serve. In the case of campus stations, the policy reaffirms their role in providing distinct programming that differs from that provided by commercial radio stations and the CBC-SRC.

Choices for Canadians

A Dynamic Communications Sector

Broadcasting



Note:

Broadcasting Distribution Undertakings: cable, DTH, Star Choice, ExpressVu and MDS

Other Broadcasting Undertakings: CBC-SRC, other not-for-profit undertakings and networks

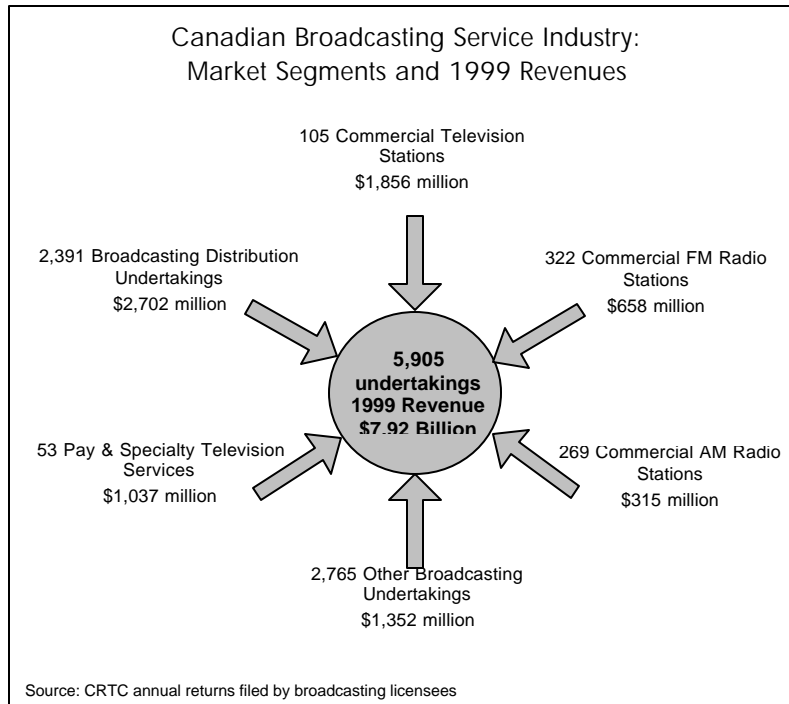
Results 2 b

Policies and licensing initiatives have encouraged industries to provide a broad range of communications services to Canadians. They have also allowed the broadcasting sector to flourish over the past 10 years. The main exception to this trend is public broadcasting, where revenues and profits have shown a constant decline since 1996.

The private broadcasting sector experienced significant growth since 1991. Examples of recent financial performance include:

- Revenues of conventional television broadcasters were \$1,856 million in 1999 and profits were \$282 million. Between 1996 and 1999, revenues increased by 16% and profits by 32%.
- Pay and specialty television revenues and profits were \$1,037 million and \$150 million respectively in 1999, a 56% growth in revenues, mirrored by an increase of 52% in profits since 1996.
- Finally, broadcasting distribution undertakings, with revenues of over \$2.7 billion (net of affiliation payments) in 1999, experienced an annual average growth rate of close to 7% for all services, while revenues for basic service increased 2% per year from 1996 to 1999.

An overview of broadcasting industry revenues is provided in the chart below.



Note:
Broadcasting Distribution Undertakings: cable, DTH, Star Choice, ExpressVu and MDS
Other Broadcasting Undertakings: CBC-SRC, other not-for-profit undertakings and networks

Telecommunications

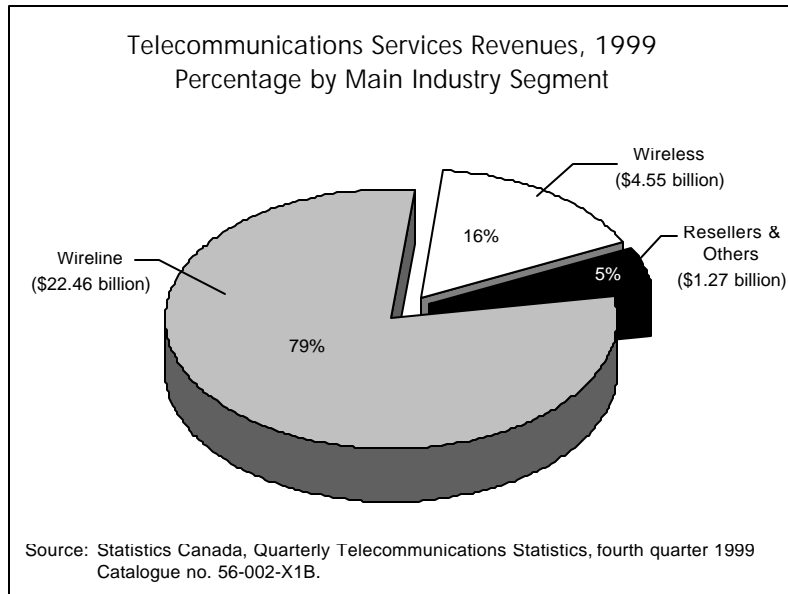
Results 2 a, b Telecommunications are a critical part of the information economy and one of the most rapidly changing industries in Canada. Canadian consumers, businesses, and the non profit organizations have access to a broad range of telecommunications services. These services include wireline local and long distance services, analog and digital cellular and personal communication services, and dial-up and dedicated services providing access to the Internet.

There are various players in the telecommunications market:

- Incumbent companies include local and long distance telephone service providers Bell Canada, TELUS Communications (B.C.) Inc., Island Telecom Inc., MTS Communications Inc., Maritime Tel&Tel Ltd., NB Tel, New Tel Communications Inc., NorthwTel, Quebec-Telephone, SaskTel³ and approximately 45 independent telephone companies operating mostly in Ontario and Quebec.

³ On June 30, 2000, SaskTel fell under CRTC jurisdiction and will adopt a similar regulatory framework to that of Canada's major telephone companies. The CRTC will forbear from regulating many of SaskTel's competitive services such as long distance and wireless services.

- New wireline entrants include all telecommunications service providers that compete with the incumbent telecommunications companies in various markets, such as Sprint Canada. This category also includes resellers.
- Wireless service providers of traditional cellular and personal communications services (PCS), such as Rogers Cantel, Mobility Canada, Microcell Connexions Inc.; and
- Overseas and domestic satellite carriers.



Note:

Resellers are primarily engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling telecommunications services to their clients. Others include the satellite industry and companies providing telecommunications services not included in other categories, such as radar stations operations.

In 1999, the Canadian telecommunications services industry had operating revenues of over \$28 billion:

- The wired telecommunications carriers industry remains the largest, with revenues of almost \$22.5 billion, or 79% of total revenues.
- Wireless companies are second in terms of revenue with close to \$4.6 billion, or 16% of total revenues, representing more than double the share of revenues reported five years earlier.
- The resale industry is a growing sector, with close to \$1.3 billion or 5% of total revenues.

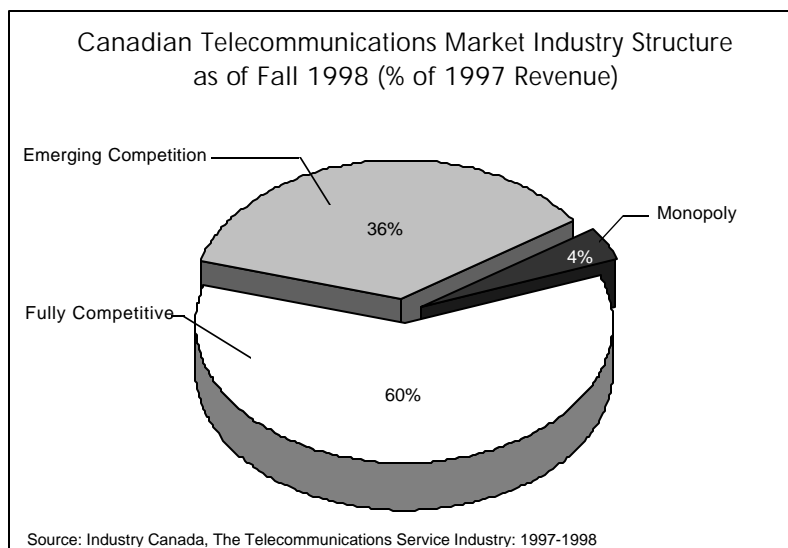
On the Way to Competition

Results
2 a, b,
c, e

The CRTC has facilitated the rapid development of competition in Canadian communication markets. Some highlights include:

- competition in mobile radio communications, in telephone equipment, and in private line resale in 1980;

- facilities-based competition in the public long distance telephone market in 1992;
- agreement on basic telecommunications services under the World Trade Organization in 1997;
- forbearance of Stentor telecommunication companies' leased line and long distance services in 1997;
- establishment of rules for local telephone service and price cap regime in 1997;
- licensing of telephone companies for multimedia broadcasting trials to facilitate convergence in 1997;
- licensing of competitive multi-point distribution systems and competitive direct-to-home satellite services in 1997-98;
- competition in public pay telephone service in 1998; and
- deregulation of Telesat's fixed satellite services in May 1999.



Note:

Emerging Competition: Local service

Monopoly: Domestic and Canada-U.S. Fixed satellite transmission services until March 1, 2000, some independent telephone companies (monopoly status on local service under review)

Fully Competitive: Long distance, wireless, other telecom related services (terminal equipment, wholesale internet services)

Competitive local service is still in its early stages. Most competitive local exchange carriers (CLECs) are principally targeting business customers. There are currently 15 fully registered CLECs, with over 35 companies in the process of being registered. The CLEC roll-out is slower than envisaged in 1997. Some of the reasons are:

- Co-location issues. There are delays in general implementation due to rule clarification, dispute settlement related to co-location and to expensive infrastructure investments.
- Rules and arrangements for competitive entry took longer to settle than envisaged. These are being resolved through the CRTC Interconnection Steering Committee (CISC), an ongoing collaborative

process involving industry players, consumer and public interest groups.

- Finally, major barriers exist for new entrants who intend to be facilities-based carriers. These barriers involve rights of way and building access.

Long distance service — Canadian long distance traffic has grown an average of 12% a year since 1995. Canadian long distance rates have fallen rather drastically. Consumers are now benefiting from reasonably priced packages such as monthly flat rate packages offered by several carriers. Lower rates can be attributed to competition as well as to a substantial decline in transmission costs resulting from improvements in fibre optic technology.

Internet access — In 1999, the CRTC directed cable carriers to offer higher speed Internet services to other Internet service providers at a discounted rate. This will provide Canadians with increased choice and permit other Internet service providers to compete in the higher speed segment of the Internet market.

Rights of way, inside wire and building access — The CRTC is currently reviewing the issue of access by Leducor and other communications providers to municipal property in Vancouver, to construct, maintain and operate transmission lines. The principles developed in the proceeding will be relevant to future issues that may arise elsewhere in the country.

Also, in the context of CISC with input from real estate associations, the CRTC developed a Code of Conduct for access to buildings by telecommunications carriers. The code sets out guidelines to be followed when local exchange carriers request access to a building to provide service to its tenants.

Northwestel — The CRTC has conducted an extensive public process and is currently reviewing, among other things, appropriate terms and conditions needed to introduce sustainable toll competition in Northwestel's territory, as well as its regulatory framework.

Independents — The CRTC has implemented a regime that will improve conditions for competitors to enter the independent's territories in Ontario and Quebec by lowering the amount competitors must pay the independents to provide long distance in these markets.

Contribution regime — The current contribution regime is being reviewed by the CRTC. In most areas of Canada, basic local residential service is priced below costs. Contribution charges were first introduced with the advent of long distance competition in 1992 to ensure that an adequate

source of subsidy was available to maintain affordable basic local service in the former Stentor regulated companies' territories. The review examines whether the permanent collection mechanisms need to be replaced or modified in light of current and expected technological, market and competitive conditions, and if so, what should they be and how should they work.

Other decisions — Finally, the CRTC issued other decisions to facilitate the development of local and long distance competition:

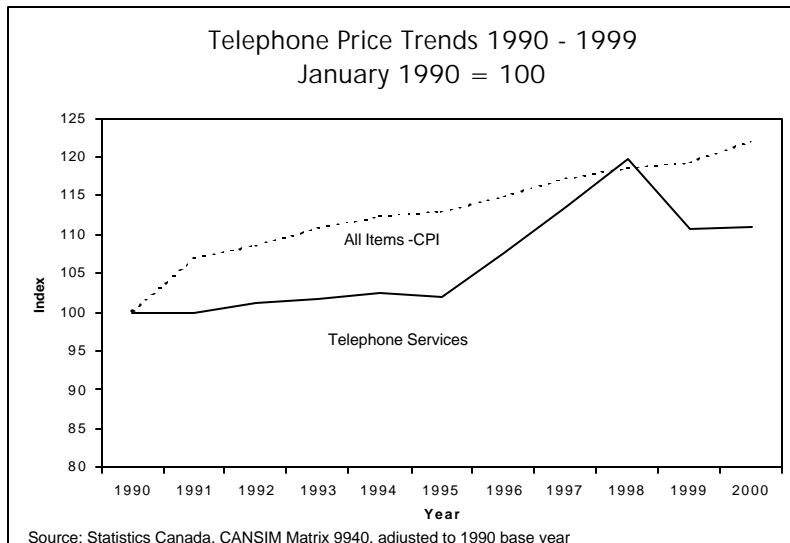
- the Commission approved reduced service charges by local competitors in September 1999, and
- the Commission approved a lower rate for Direct Connection service, a service used by long distance carriers to originate and terminate long distance calls, in March 2000.

Telephone Numbering to Keep Up with Demand

Results
2 e

With the coming in to force of Bill C-17, the CRTC assumed administrative responsibility for domestic numbering, including Canada's portion of the North American Numbering Plan. This issue is becoming critical, as the demand for numbers in Canada is increasing exponentially as a result of the rapid expansion of communications services.

Reasonably Priced and Accessible Telephone Service



Source: Statistics Canada. CANSIM Matrix 9940, adjusted to 1990 base year.
 Note: Telephone services index includes basic local service, installation and repair, telephone equipment, and long-distance.

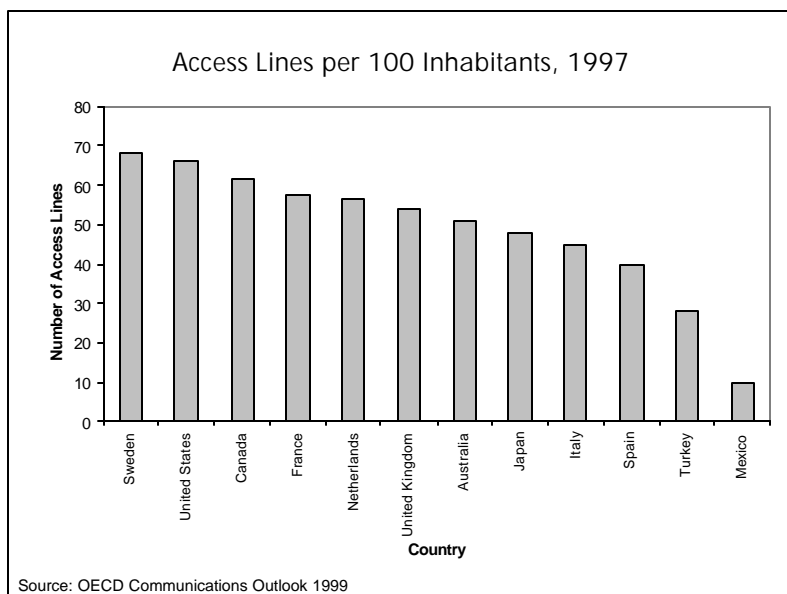
Results
2 d

Over the past several years, the rate of increase in the price of telephone services (see above) has generally remained below the rate of increase in the Consumer Price Index. Furthermore, the national penetration rate of telephone service, one of the measures the CRTC uses to monitor affordability, has been in excess of 98% for the past few years.

Results
2 c, d

Improved telephone service in high-cost areas — Canada is considered to be one of the best connected countries in the world (see graph below on access lines per 100 inhabitants). With a population of approximately 30 million, Canada has 18 million telephone access lines 99% of which are single-party lines; of these more than 97% can access the Internet locally. In remote, rural areas and far north regions, however, there are pockets where no telephone service exists or where it needs to be upgraded. The CRTC made a decision to extend and improve telephone service to Canadians in high-cost areas.

"The CRTC is confident that this decision will give more Canadians access to the knowledge-based economy of the future ... This decision will promote the government's agenda of connectedness and help more Canadians move forward into the information age."
*Françoise Bertrand,
CRTC Chairperson
October 19, 1999*



The new framework will focus on the following:

- making available to all Canadians a basic level of telephone service that includes the ability to connect toll-free to the Internet;
- requiring telephone companies to submit service improvement plans while maintaining their obligation to serve; and
- tackling the unique challenges faced by NorthwesTel.

The basic level of telephone service to Canadians reflects the level of telephone service now available to most Canadians, that is:

- single-line, touch-tone service with local access to the Internet;
- access to enhanced calling features, including 9-1-1, voice message relay service for those with hearing difficulties and features that protect privacy;
- access to operator and directory assistance services;
- access to long distance; and
- a copy of the current local phone directory.

CRTC Ensures Service Responds to Consumer Needs and Standards

Results
2 c

- The CRTC directed NewTel to ensure that its subscribers have access to emergency services without encountering congestion problems.
- Payphone service providers must meet CRTC standards and consumer safeguards, including provision of coinless/cardless 9-1-1 and accessibility of phones to those who are physically disabled.
- Telephone companies need to submit quarterly reports to the CRTC on 16 quality-of-service indicators. These standards make it easier for the Commission to work with telephone companies to implement corrective measures where necessary. There are three new service indicators, including speed and accuracy of directory assistance and the number of customer complaints that have not been satisfied within 10 working days.
- Subscribers cancelling cable service were protected from aggressive marketing, when the Commission imposed 90-day restrictions on incumbent cable companies, preventing them from direct marketing to such customers.
- Finally, subscribers to large cable companies (more than 6,000 subscribers) now have 30 days to comment to the CRTC on proposed monthly fee increases to basic cable service before the CRTC issues its decision.

“For Canadians to benefit from a truly competitive broadcasting environment, the Commission must impose rules that both encourage and sustain competition.”
Françoise Bertrand,
CRTC Chairperson April 1,
1999

Service to Canadians: Good Governance

Results
3 a

The CRTC:

- is committed to being effective and efficient in serving the often conflicting demands and desires of the public and in meeting public interest objectives;
- pays particular attention to enhancing the public process with a view to ensuring effective citizen engagement and productive dialogue with many partners; and
- ensures that its practices and processes are transparent, inclusive, results-oriented, efficient, timely and carried out by due process.

In 1999-2000, no CRTC decisions have been overturned by the courts on the basis of lack of fairness.

A selection of major decisions, public notices, and orders made during the last 18 months is contained in Appendix A.

CISC Recognized by IPAC as Innovative and Forward-thinking

Results
3 b, d

The Institute of Public Administration of Canada (IPAC) has recognized the CRTC's innovative approach to regulation by awarding its Gold Award for Innovative Management to the CRTC Interconnection Steering Committee (CISC).

CRTC had forged CISC as an alternative to the formal and at times lengthy process of formal hearings in order to create a practical environment for the introduction of competition in local telephone services across Canada. CISC is instrumental in putting Canada in the international forefront in implementing local competition. CISC has brought together competing telecommunications companies, industry experts and public interest groups to find solutions, through collaboration, to difficult technical and sometimes contentious issues surrounding local competition in Canada.

CISC has proven to be more efficient, effective and better geared to our competitive environment. At the end of the day, consumers benefit from the quicker entry of local telephone services into the market.

Because of CISC's success in dealing with telecommunications issues, the CRTC has also started using the CISC approach in broadcasting distribution as well.

Alternative Dispute Resolution

Results
3 b, d

In 1999-2000, the Commission actively used an alternative dispute resolution (ADR) process to better resolve issues raised by various parties in the context of a competitive marketplace. The ADR process is designed to provide an informally structured and efficient means to expeditiously identify the issues, clarify the pertinent facts required to resolve these issues and find appropriate solutions.

The Commission has developed a framework for ADR to further accelerate the process of dispute resolution. There are three basic models that can be adjusted or combined with each other according to a given situation.

- The first model, *Staff-assisted Dispute Resolution*, allows staff, usually in consultation with the parties, to choose among a variety of procedural options. In this model, Commission staff can take on the role of facilitator, mediator or non-binding arbitrator to help the parties break impasses in disputes that do not require a Commission decision.
- The second model, *Consensus-based Problem-solving*, involves a working group composed of a broad section of industry representatives, other interested parties and Commission staff working together as a panel. The main purpose of this model is to allow the group to investigate an issue, determine the facts and propose a solution in a consensus report that is then presented to the Commission for approval.
- The third alternative, *Expedited Commission Determination*, is viewed as a last-chance ADR model. This model would be turned to after all other ADR alternatives have been exhausted without resolution. For the Commission to hear a dispute under this model, the dispute must be bilateral, or only affect a small number of parties, and the focus of the dispute must be a matter of interpretation or application of an existing Commission decision, policy or regulation.

Streamlined Application Time

Results
3 d

The timeliness of CRTC decisions directly affects business decisions and the public. In a highly competitive environment, the CRTC's ability to respond quickly and effectively to applications and requests is a key component of a strong and healthy Canadian communications sector. As applications vary widely in complexity, so does the time spent in rendering decisions on them.

An amendment to the CRTC Rules of Procedure to shorten application processing time is currently being proposed. The minimum notice for an

application going to a public hearing is proposed to be shortened from 50 to 30 days. This will permit more flexibility and allow the Commission to shorten the processing time for certain types of applications, especially for those not required to appear at oral hearings and many ownership applications.

A Diverse Workforce

Results The CRTC is one of the first federal agencies to meet the requirements of
3 c the *Employment Equity Act*, as demonstrated by an audit conducted by the
 Canadian Human Rights Commission.

Presentation of Financial Information

Canada's Voices

Planned Spending	\$18.7 million
<i>Total Authorities</i>	<i>\$20.1 million</i>
1999-00 Actuals	\$20.1 million

Choices for Canadians

Planned Spending	\$16.6 million
<i>Total Authorities</i>	<i>\$17.6 million</i>
1990-00 Actuals	\$17.5 million

Note:

- The total Gross Planned Spending indicated in the 1999-2000 Report on Plans and Priorities (RPP) totalled \$35.3 million (Voices \$18.3 million, Choices \$17.0 million). While the total amount shown in this table is the same, the allocation between Voices and Choices has been revised (Voices \$18.7million and Choices \$16.6 million) so as to present a consistent basis of reporting with "Authorities" and "Actual" (Public Account) amounts.

Section III: Financial Performance

Financial Performance Overview

In the transitional period leading toward a more integrated communications environment and competitive marketplace, the CRTC has experienced a substantial increase in its workload. This is due to several factors, including the development and implementation of competitive frameworks, extensive public consultations and new statutory responsibilities. In recognition of these facts, Treasury Board approved a one-year, \$1.5 million non-recoverable⁴ appropriation for fiscal year 1999-2000 to address exceptional workload increases. Treasury Board approved⁵ additional temporary funding⁶ for the three-year period 2000-2001 to 2002-2003. After this time, when the full impact of competition is realized, the CRTC anticipates that the levels of resource required should start to decrease.

In a highly competitive communications environment, the CRTC's ability to respond quickly and effectively to applications and requests is a key component of a strong and healthy communications environment. The CRTC is committed to providing timely service delivery and cost-effective use of its resources. We will continue to examine where processes can be re-engineered and resource re-allocations made to enhance our service delivery. We will do so in an open, transparent and collaborative manner with members of the public and our fee payers.

For example, in August 1999, the CRTC conducted two roundtable consultations with members from the broadcasting and telecommunications industry. This forum provided us with the opportunity to demonstrate to our fee-paying community that our resources are spent in a cost-effective manner. It also allowed us to identify areas where our service delivery could be enhanced. Several suggestions that were made at these roundtable sessions have already been implemented. One example is a review of our telecommunications reporting requirements to lighten the regulatory burden on the industry that was conducted in co-operation with industry members.

⁴ Non-recoverable from either the broadcasting or telecommunications industry. In 1999-2000, the CRTC collected a total of \$96.7 million in CRTC broadcasting licence fees and \$17.6 million in CRTC telecommunications fees.

⁵ Subject to Parliamentary approval of 2000-2001 Supplementary Estimates.

⁶ Approved increases total \$3.385 million in FY 2000-2001, \$4.080 million in FY 2001-2002 and \$2.975 million in FY 2002-2003. These temporary increases will not be recovered from either the broadcasting industry (CRTC Broadcasting Licence Fee - Part I) or the telecommunications industry (CRTC Telecommunications Fee).

Financial Summary Tables

Table 1: Financial Requirements by Authority

Table 2: Comparison of Total Planned to Actual Spending

Table 3: Historical Comparison of Total Planned Spending versus Actual Spending by Business Line

Table 4: Comparison of 1999-2000 Planned Spending and Total Authorities to Actual Expenditures by Organization and Business Line

Table 5: Respendable Revenues

Table 6: Non-Respendable Revenues

Table 7: Contingent Liabilities

**Table 1 Financial Requirements by Authority – 1999-2000
(\$ thousands)**

Vote		1999-2000		
		Planned Spending	Total Authorities	Actual
	Canadian Radio-television and Telecommunications Commission			
70	Program expenditures	1.5	3.3	3.2
(S)	Contribution to employee benefit plans	4.4	5.1	5.1
	Total CRTC	5.9	8.4	8.3

**Table 2 Comparison of Total Planned to Actual Spending
(\$ millions)**

Business Lines	FTEs	Operating	Capital	Grants & Contributions	Total Gross Expenditures	Less: Respendable Revenue	Total Net Expenditures
Canada's Voices	215	18.7	-	-	18.7	15.3	3.4
<i>(Total Authorities)</i>	230	20.1	-	-	20.1	16.3	3.8
(Actuals)	230	20.1	-	-	20.1	16.3	3.8
Choices for Canadians	189	16.6	-	-	16.6	14.1	2.5
<i>(Total Authorities)</i>	181	17.6	-	-	17.6	13.0	4.6
(Actuals)	181	17.5	-	-	17.5	13.0	4.5
Total*	404	35.3	-	-	35.3	29.4	5.9
<i>(Total Authorities)</i>	411	37.7	-	-	37.7	29.3	8.4
(Actuals)	411	37.6	-	-	37.6	29.3	8.3
Other Revenues and Expenditures							
Non-Respendable Revenues							(80.8)
<i>(Total Authorities)</i>							<i>(85.0)</i>
(Actuals)							(85.0)
Cost of Services Provided By Other Departments							16.5
<i>(Total Authorities)</i>							<i>16.5</i>
(Actuals)							13.7
Net Cost of Program							(58.4)
<i>(Total Authorities)</i>							<i>(60.1)</i>
(Actuals)							(63.0)

Note:

* The total Gross Planned Spending indicated in the 1999-2000 RPP totalled \$35.3 million (Voices \$18.3 million, Choices \$17.0 million). While the total amount shown in this table is the same, the allocation between Voices and Choices has been revised (Voices \$18.7million and Choices \$16.6 million) so as to present a consistent basis of reporting with "Authorities" and "Actual" (Public Account) amounts.

Table 3 Historical Comparison of Total Planned versus Actual Spending by Business Line (\$ millions)

Business Lines	Actual 1997-98	Actual 1998-99	1999-2000		
			Planned Spending	Total Authorities	Actual
Voices	17.4	19.1	18.7	20.1	20.1
Choices	16.5	17.8	16.6	17.6	17.5
Total	33.9	36.9	35.3	37.7	37.6

Table 4 Comparison of 1999-2000 Planned Spending and Total Authorities to Actual Expenditures by Organization and Business Line (\$ millions)

Organization	Business Lines		
	Canada's Voices	Choices for Canadians	Totals
Executive	1.4	1.4	2.8
<i>(Total Authorities)</i>	<i>1.5</i>	<i>1.5</i>	<i>3.0</i>
<i>(Actuals)</i>	<i>1.5</i>	<i>1.5</i>	<i>3.0</i>
Executive Director, Telecommunications	0.1	6.2	6.3
<i>(Total Authorities)</i>	<i>0.2</i>	<i>6.6</i>	<i>6.8</i>
<i>(Actuals)</i>	<i>0.2</i>	<i>6.5</i>	<i>6.7</i>
Executive Director, Broadcasting	8.2	-	8.2
<i>(Total Authorities)</i>	<i>8.9</i>	<i>-</i>	<i>8.9</i>
<i>(Actuals)</i>	<i>8.9</i>	<i>-</i>	<i>8.9</i>
Legal	0.9	0.8	1.7
<i>(Total Authorities)</i>	<i>0.9</i>	<i>0.9</i>	<i>1.8</i>
<i>(Actuals)</i>	<i>0.9</i>	<i>0.9</i>	<i>1.8</i>
Secretariat & Client Services	3.4	3.5	6.9
<i>(Total Authorities)</i>	<i>3.7</i>	<i>3.7</i>	<i>7.4</i>
<i>(Actuals)</i>	<i>3.7</i>	<i>3.7</i>	<i>7.4</i>
Finance & Corporate Services	2.9	2.9	5.8
<i>(Total Authorities)</i>	<i>3.0</i>	<i>3.0</i>	<i>6.0</i>
<i>(Actuals)</i>	<i>3.0</i>	<i>3.0</i>	<i>6.0</i>
Human Resources	0.8	0.8	1.6
<i>(Total Authorities)</i>	<i>0.8</i>	<i>0.9</i>	<i>1.7</i>
<i>(Actuals)</i>	<i>0.8</i>	<i>0.9</i>	<i>1.7</i>
Communications	1.0	1.0	2.0
<i>(Total Authorities)</i>	<i>1.1</i>	<i>1.0</i>	<i>2.1</i>
<i>(Actuals)</i>	<i>1.1</i>	<i>1.0</i>	<i>2.1</i>
Total	18.7	16.6	35.3
<i>(Total Authorities)</i>	<i>20.1</i>	<i>17.6</i>	<i>37.7</i>
<i>(Actuals)</i>	<i>20.1</i>	<i>17.5</i>	<i>37.6</i>
% of Total	53.5	46.5	100

Table 5 Respendable Revenues (\$ millions)					
Business Line	Actual 1997-98	Actual 1998-99	1999-2000		
			Planned Revenues	Total Authorities	Actual
Canada's Voices*	14.9	15.5	15.3	16.3	16.3
Choices for Canadians**	14.3	13.8	14.1	13.0	13.0
Total Respendable Revenues	29.2	29.3	29.4	29.3	29.3

* Broadcasting licence fees.
** Telecommunications fees.

Table 6 Non-Respendable Revenues (\$ millions)					
Business Line	Actual 1997-98	Actual 1998-99	1999-2000		
			Planned Revenues	Total Authorities	Actual
Canada's Voices*	70.1	75.0	76.9	80.4	80.4
Choices for Canadians**	3.8	4.3	3.9	4.6	4.6
Total Non-Respendable Revenues	73.9	79.3	80.8	85.0	85.0

* Broadcasting licence fees.
** Telecommunications fees.

Table 7 Contingent Liabilities (\$ millions)			
	March 31, 1998	March 31, 1999	Current as of March 31, 2000
Litigations	3.6	0	0
Total	3.6	0	0*

* Note: In the Public Accounts for the period ending March 31, 2000, a contingent liability totalling \$2,500 was identified.

Explanation of Revenue

Broadcasting Licence Fees

Section 11 of the *Broadcasting Act* empowers the Commission to make regulations respecting licence fees. Pursuant to this section of the Act, the Commission implemented new Broadcasting Licence Fee Regulations, effective 1 April 1997. This was in direct response to a Treasury Board decision granting the CRTC "vote netting" authority for regulation of the broadcasting industry. The CRTC now requires funding, in the form of

licence fee revenues, by 1 April of each year to finance the Commission's operating expenditures for the regulation of the broadcasting industry.

These regulations apply to all licensees other than those classes of undertakings specifically exempted under section 2 of the Fee Regulations. Every applicable licensee shall pay annually to the Commission a Part I licence fee, payable on 1 April each year and a Part II licence fee, payable on or before 30 November each year. The Part I fee is based on the broadcasting regulatory costs incurred each year by the Commission and other federal departments or agencies, excluding spectrum management costs and is equal to the aggregate of:

- the costs of the Commission's Broadcasting Activity; and
- the share that is attributable to the Commission's Broadcasting Activity of:
 - i. the costs of the Commission's administrative activities, and
 - ii. the other costs that are taken into account to arrive at the net cost of the Commission's program, excluding the costs of regulating the broadcasting spectrum.

There is an annual adjustment amount to the Part I fee to adjust estimated costs to actual expenditures. Any excess fees are credited to the licensee in the following year's invoice while shortfalls are charged to the licensees.

The Part II fee amounts to 1.365% of a licensee's gross revenue in excess of an applicable exemption limit. A portion of the Part II fees collected by the CRTC is allocated to cover the expenses of Industry Canada for services provided through its Spectrum Management and Regional Operations Activity, including the certification of broadcast undertakings, the broadcast inspection program and the investigation of complaints of interference to broadcast reception.

For 1999-2000, a total of \$96.7 million was collected from broadcasting undertakings (\$21.6 million in Part I fees and \$75.1 million in Part II fees).

Telecommunications Fees

The Telecommunications Fees Regulations 1995, made under section 68 of the *Telecommunications Act*, set out the formula for collecting telecommunications fees from the carriers that the Commission regulates. Each company must pay fees based on its operating revenues, as a percentage of the revenues of all the carriers that are regulated.

The annual fees the CRTC collects is equal to the aggregate of:

- the cost of the Commission's telecommunications activity;
- the share of the costs of the administrative activities that is attributable to its telecommunications activity; and
- the other costs included in the net cost of the Commission's program attributable to its telecommunications activity.

These costs are set out in the Expenditure Plan published in the Estimates of the Government of Canada. In 1995-1996, the Commission obtained authority for basing revenues on current year estimates and adjusting the annual telecommunications fees charged to the Commission's actual expenditures on telecommunications activities during the fiscal year. Any excess fees are credited to the carriers, while shortfalls are subject to an additional billing.

For 1999-2000, \$17.6 million was collected in CRTC telecommunications fees.

Section IV: CRTC Overview

Mandate, Vision and Mission

Mandate

The Canadian Radio-television and Telecommunications Commission (CRTC) was established by Parliament in 1968. It is an independent public authority constituted under the *Canadian Radio-television and Telecommunications Commission Act* (R.S.C. 1985, c. C-22, as amended) and reports to Parliament through the Minister of Canadian Heritage.

The CRTC is vested with the authority to regulate and supervise all aspects of the Canadian broadcasting system, and to regulate telecommunications service providers and common carriers that fall under federal jurisdiction. The CRTC derives its regulatory authority over broadcasting from the *Broadcasting Act* (S.C. 1991, c. 11, as amended). Its telecommunications regulatory powers are derived from the *Telecommunications Act* (S.C. 1993, c. 38, as amended) and various “special” acts of Parliament related to specific telecommunications companies.

Vision and Mission

The CRTC 1997 Vision articulates our mission, which stems directly from the objectives of the *Broadcasting Act* and the *Telecommunications Act*. The Vision also takes into account the changing communications environment, which is characterized by rapidly evolving technologies, and an increasing rate of domestic and international competition. The Vision helps the CRTC focus on how it carries out its mandate, achieves objectives, improves operations and measures results in this increasingly competitive environment.

Further, the Commission’s Vision anticipates the evolution of an integrated communications environment, applying to both broadcasting and telecommunications industries. The Vision supports both maximum choice and maximum access to Canadian content and services.

VISION

World-class, quality communications, with a distinct Canadian presence, in the public interest.

MISSION

To ensure that Canadian communications contribute fairly and equitably to Canada’s economic, social and cultural prosperity, through regulation, supervision and public dialogue.

The Vision has three components: *Canada's Voices*, *Choices for Canadians* and *Good governance*. *Canada's Voices* and *Choices for Canadians* are business lines. *Good governance* is a management strategy that applies to the business lines and to the organization as a whole. These components are an integral part of our Mission.

The actions of the CRTC have a significant impact on various dimensions of Canadian life. The CRTC's decisions benefit Canadians by making more available diverse programming that reflects Canadian society (*Canada's Voices*). The CRTC's decisions also benefit Canadians by promoting access to a broad range of communications services at reasonable prices (*Choices for Canadians*) through strong, competitive industries that can thrive in a global communications market.

Departmental Organization

Canada's Voices

The CRTC continues to face the challenge of ensuring that attractive Canadian services are available within a Canadian broadcasting system so as to implement the objectives set out in the *Broadcasting Act*, while providing Canadians with access to an increasing volume of foreign information and entertainment. Key results must be considered in the context of the CRTC's need to balance legitimate demands for increased choice with cultural, social and economic objectives.

Objective

The objective of Canada's Voices is to ensure that diverse Canadian content and an appropriate mix of foreign programs are made available to consumers.

CANADA'S VOICES
Presence and diversity of
Canadian voices at home
and abroad.

The Commission uses the following strategies:

- creates and implements policies on content display and expenditures that recognize economic and cultural objectives;
- develops mechanisms to encourage the creation and promotion of Canadian content in traditional and new media;
- ensures access to distribution of Canadian and foreign services;
- supports the distinctive role of public broadcasting;

VALUES

- A balanced reflection of social values
- Linguistic duality and cultural diversity

- fosters industry self-regulation, where appropriate, to respond to social issues; and
- uses a comprehensive international approach.

This business line provides specific expertise in the evaluation and development of regulatory policies and associated regulations.

Specifically, the CRTC:

- evaluates, analyses and processes all applications;
- monitors the Canadian broadcasting system;
- ensures compliance with statutes, regulations and conditions of licence; and
- identifies policy issues for consideration.

Choices for Canadians

The CRTC works to implement the policy objectives of the *Telecommunications Act* and the *Broadcasting Act*. In the area of telecommunications, the Commission works to foster competition while ensuring that high-quality services are reasonably priced and accessible.

CHOICES FOR CANADIANS

A wide array of choices for Canadians through strong, competitive communications industries

Objective

The objective of Choices for Canadians is to ensure that a broad range of communications services, and affordable communications services, will be provided to Canadians through competitive industries.

VALUES

- Innovation in communications services
- Reasonable pricing and accessibility of services
- Diverse and high-quality services
- Fairness in competition

The Commission uses the following strategies:

- relies more on market forces to permit fair and sustainable competition;
- monitors competition and regulates when market forces are not achieving public interest objectives;
- supports evolving convergence; and
- monitors the evolution of industry structure.

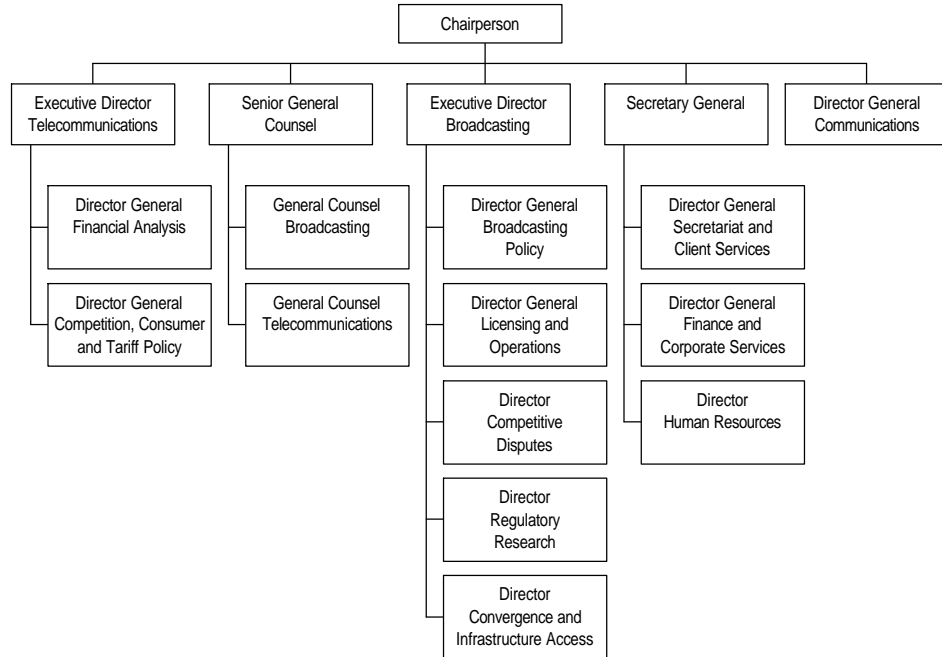
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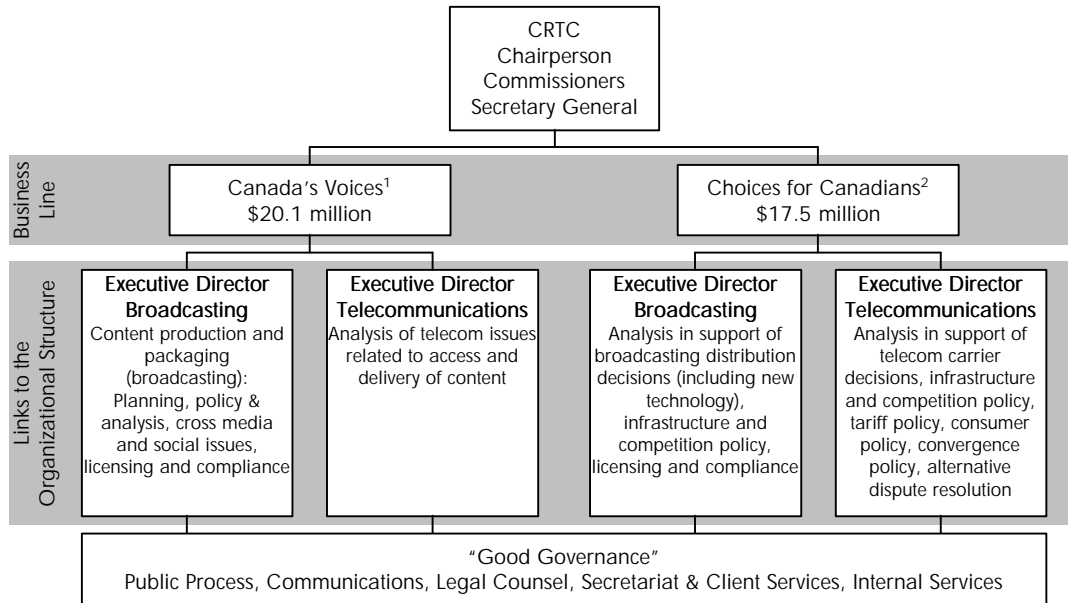
- evaluates, analyses and processes all applications received;

- provides advice on all matters related to telecommunications carrier issues and broadcasting distribution;
- ensures compliance with decisions, statutes, regulations and conditions of licence; and
- identifies policy issues for consideration.

Organization Charts



Accountabilities and Links to Organizational Structure



Accountabilities

¹Executive Director of Broadcasting

²Executive Director of Telecommunications

Good Governance is not a business line. Rather it is a management strategy that supports the two business lines.

Section V:
Other Information

Contacts for Further Information

CRTC Members

Chairperson	<i>Françoise Bertrand</i>	(819) 997-3430
Vice-Chairperson, Broadcasting	<i>Andrée P. Wylie</i>	(819) 997-8766
Vice-Chairman, Telecommunications	<i>David Colville</i> (Atlantic)	(819) 997-8766 (902) 426-7997
Commissioner,	<i>Andrew Cardozo</i>	(819) 997-4330
Commissioner,	<i>David McKendry</i>	(819) 997-4813
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Legislation Administered and Associated Regulations

Statutes

<i>Canadian Radio-television and Telecommunications Commission Act Broadcasting Act</i>	R.S.C. 1985, c. C-22, as amended S.C. 1991, c. 11, as amended
<i>Telecommunications Act</i>	S.C. 1993, c. 38, as amended
<i>Bell Canada Act</i>	S.C. 1987, c. 19, as amended

Regulations and Rules of Procedure

CRTC Rules of Procedure
Broadcasting Information Regulations, 1993
Broadcasting Licence Fee Regulations, 1997
Broadcasting Distribution Regulations
Pay Television Regulations, 1990
Radio Regulations, 1986
Specialty Service Regulations, 1990
Television Broadcasting Regulations, 1987
CRTC Tariff Regulations
CRTC Telecommunications Rules of Procedure
Telecommunications Fee Regulations, 1995
Canadian Telecommunications Common Carrier Ownership and Control
Regulations

Appendix

Appendix A: Selected Public Notices, Decisions and Orders⁷

Title	Reference	Date
Decisions		
CTV Inc. on behalf of The Sports Network Inc. (TSN), Le Réseau des Sports (RDS) Inc. (RDS), and 2953285 Canada Inc. operating as The Discovery Channel	Decision CRTC 2000-86	24 March 2000
Sportscope Television Network Ltd. Across Canada – 199910584	Decision CRTC 2000-85	24 March 2000
The Ontario Educational Communications Authority (TVOntario) Toronto, Ontario – 199902185	Decision CRTC 2000-72	1 March 2000
Final standards for quality of service indicators for use in telephone company regulation and other related matters	Decision CRTC 2000-24	20 January 2000
Canadian Broadcasting Corporation Across Canada – 199813598 – 199813580 Licences for Newsworld and RDI renewed for a seven-year term	Decision CRTC 2000-3	6 January 2000
Canadian Broadcasting Corporation Across Canada Licences for CBC French-language television and radio renewed for a seven-year term	Decision CRTC 2000-2	6 January 2000
Canadian Broadcasting Corporation Across Canada Licences for CBC English-language television and radio renewed for a seven-year term	Decision CRTC 2000-1	6 January 2000
Time-frame for the implementation of price cap regulation and rate rebalancing for Québec-Téléphone and Télébec ltée	Telecom Decision CRTC 99-19	10 December 1999
Telephone service to high-cost serving areas	Telecom Decision CRTC 99-16	19 October 1999
Application concerning access by Internet service providers to incumbent cable carriers' telecommunications facilities	Telecom Decision CRTC 99-11	14 September 1999
Location of Demarcation Point for Inside Wire in Multi-Dwelling Units and Associated Issues	Telecom Decision CRTC 99-10	6 August 1999
Metromedia CMR Montréal Inc. Montréal (Verdun), Quebec - 199802195 Metromedia CMR Broadcasting Inc. Montréal, Quebec - 199802187 Canadian Broadcasting Corporation Montréal, Quebec - 199807236 - 199807244 - 199811600 Radio Nord inc. Montréal, Quebec - 199807228 - 199807210	Decision CRTC 99-151	21 June 1999

⁷ In 1999-2000, the CRTC issued 239 Public Notices, 579 Decisions and 1187 Orders.

Title	Reference	Date
Telesat Canada - Transitional Regulatory Framework and Forbearance for Fixed Satellite Services	Telecom Decision CRTC 99-6	25 May 1999
New French-language specialty television services - Applications denied	Decision CRTC 99-113	21 May 1999
3403688 Canada inc. - Canal Évasion Across Canada - 199713160	Decision CRTC 99-112	21 May 1999
Alliance Atlantis Communications inc. and Premier Choix Networks Inc., on behalf of a company to be incorporated - Canal Histoire Across Canada - 199713136	Decision CRTC 99-111	21 May 1999
Radiomutuel inc. - Canal Z Across Canada - 199713095	Decision CRTC 99-110	21 May 1999
Alliance Atlantis Communications inc. and Premier Choix Networks Inc., on behalf of a company to be incorporated - Canal Fiction Across Canada - 199713128	Decision CRTC 99-109	21 May 1999
Review of Contribution Regime of Independent Telephone Companies in Ontario and Quebec	Telecom Decision CRTC 99-5	21 April 1999

Letter Decisions

Manager Regulatory Affairs and Telecom Policy NewTel Communications Inc.	Letter Decision	17 March 2000
Rates lowered for direct connection service	Letter Decision	09 March 2000
CISC Dispute - Rules Regarding Communication Between the Customer and the Broadcasting Distribution Undertaking	Letter Decision	1 April 1999

Public Notices

Practices and procedures for resolving competitive and access disputes	Public Notice CRTC 2000-65	12 May 2000
Increasing the availability of minority official language specialty services to cable subscribers across Canada - Call for comments on a proposed policy	Public Notice CRTC 2000-38	10 March 2000
Call for Applications for Licences for New Digital Pay and Specialty Television Programming Undertakings	Public Notice CRTC 2000-22	4 February 2000
Call for applications for a licence to provide a French-language specialty arts service	Public Notice CRTC 2000-18	1 February 2000
Community radio policy	Public Notice CRTC 2000-13	28 January 2000
Campus radio policy	Public Notice CRTC 2000-12	28 January 2000
Licensing framework policy for new digital pay and specialty services	Public Notice CRTC 2000-6	13 January 2000
Terms and conditions for access to municipal property in the City of Vancouver	Telecom Public Notice CRTC 99-25	3 December 1999
Report on the establishment of a national French-language arts television service	Public Notice CRTC 1999-187	19 November 1999

Title	Reference	Date
Northwestel Inc. – Implementation of Toll Competition And Review of Regulatory Framework, Quality of Service and Related Matters	Telecom Public Notice CRTC 99-21	1 October 1999
Radiomutuel inc. (199909735) Transfer of control	Public Notice CRTC 1999-145	3 September 1999
Télébec Itée - Proposed Modifications to Local Calling Rates for Public and Semi-public Pay Telephones	Telecom Public Notice CRTC 99-19	23 August 1999
The definition of a Canadian program - clarifications & proposed revisions	Public Notice CRTC 1999-135	19 August 1999
Call for comments - Proposed revisions to the definitions of television content categories - Proposed definitions of Canadian dramatic programs that will qualify for time credits	Public Notice CRTC 1999-120	22 July 1999
Ethnic broadcasting policy	Public Notice CRTC 1999-117	16 July 1999
Amendments to the Broadcasting Distribution Regulations regarding basic service fees	Public Notice CRTC 1999-108	7 July 1999
Building On Success - A Policy Framework For Canadian Television	Public Notice CRTC 1999-97	11 June 1999
Distribution and linkage requirements for Class 1 and Class 2 licensees	Public Notice CRTC 1999-90	21 May 1999
Licensing of new French-language specialty television undertakings - Introductory statement	Public Notice CRTC 1999-89	21 May 1999
New Media	Public Notice CRTC 1999-84	17 May 1999
New Media	Telecom Public Notice CRTC 99-14	17 May 1999
A proposed policy for community radio	Public Notice CRTC 1999-75	5 May 1999
Review of the access rules for Canadian pay and specialty services in bilingual markets - Call for comments	Public Notice CRTC 1999-74	5 May 1999
Call for comments on a licensing framework for new pay and specialty services	Public Notice CRTC 1999-19	3 February 1999
Recognition For Canadian Programs - Call For Comments	Public Notice CRTC 1998-59	19 June 1998

Telecom Orders

TELUS Communications (B.C.) Inc. (TCBC), filed on 19 October 1999, an application for approval of revisions to the General Tariff pertaining to the creation of a common local calling area for all residents and businesses in the Greater Vancouver Region (GVR) of British Columbia.	Telecom Order CRTC 99-1134	9 December 1999
MTS Communications Inc. – Revisions to Directory Assistance and Introduction of Automated Directory Assistance Call Completion Service	Telecom Order CRTC 99-985	12 October 1999

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