



Canadian Radio-television and
Telecommunications Commission

Conseil de la radiodiffusion et des
télécommunications canadiennes

CRTC ACCOMPLISHMENTS

2005

2006

Canada¹³¹

**CRTC
ACCOMPLISHMENTS
2005-2006**

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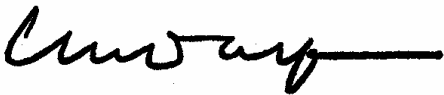
Chairperson's Message

I am pleased to present this overview of the achievements of the Canadian Radio-television and Telecommunications Commission (CRTC) for the year 2005-2006.

Remarkable developments have been taking place rapidly in the technology and economics of communications, and the Commission has been working hard to ensure that its regulatory policies and processes keep pace with these innovations. In the past year we have dealt with such developments as subscription radio, digital migration, high definition television, VoIP, wireless number portability and mobile television.

These developments have also led us to make changes in our organizational structure. We have, for example, created an integrated Industry Analysis, Economics and Technology section to serve as a resource for both broadcasting and telecommunications. It will improve our ability to follow progress in the field of communications, to better understand the industries we regulate and to assess how well Canadians are served.

It has been our aim to respond effectively to the new technologies and the issues that they raise as we carry out the mandate set out in our governing legislation. Broadcasting and telecommunications are of particular importance to a country as large and diverse as Canada. You will find in this report an account of the Commission's part in keeping these industries healthy and growing.



Charles M. Dalfen

Broadcasting Accomplishments

The following highlights the Commission's key accomplishments in regulating and supervising the Canadian broadcasting industry in 2005-2006.

Major Proceedings

Canadian Drama:

In Broadcasting Public Notice CRTC 2005-81, the Commission examined the 2003/04 data provided by BBM Canada and Nielsen Media Research with respect to viewing of Canadian drama, and called for comments on a proposed industry viewing objective as well as on viewing targets for the ownership groups participating in the incentive program for English-language Canadian television drama. The Commission also reviewed the 2003/04 data with respect to expenditures on English-language Canadian drama programming by individual, private, conventional television services and by the largest conventional ownership groups, and called for comments on proposed expenditure targets.

In *Viewing and expenditure incentives for English-language Canadian television drama*, Broadcasting Public Notice CRTC 2006-11, 27 January 2006 the Commission set out the targets for the viewing and expenditure components of the Commission's drama incentive program.

The Commission intends to review the incentive program on an annual basis to determine if adjustments are required and expects to issue a future public notice to discuss means to improve the programs. Given that the final incentive program for the production of original Canadian drama was issued during the 2004/05 fiscal year and given the lead times required to plan and produce drama programming, the Commission is of the view that it is too early to reach conclusions on the effectiveness of the current package of incentives.

Global, Alliance Atlantis, Corus, CTV, TVA, TQS and CHUM submitted reports on the TV drama incentives. The data gathering on and assessment of TV drama incentives is ongoing.

Digital Migration

On 27 February 2006, the Commission issued its *Digital Migration Framework* (Broadcasting Public Notice CRTC 2006-23).

The framework recognizes that the transition to a fully digital distribution environment offers important opportunities for the Canadian broadcasting system. Digital technology will permit a significant degree of flexibility in the ways in which services are offered, allowing cable operators to respond to consumers' demands for increased choice and control. The shift to digital will also enable cable operators to free up capacity for the launch of new services, including high definition digital signals, new Canadian services and new non-Canadian

services. At the same time, the very flexibility promised by digital technology poses risks for the analog services, including a significant degree of uncertainty for individual programming services, since adjustments to how they are packaged and offered to subscribers will result in changes to their penetration levels.

Accordingly, the Commission has designed a framework that will ensure an orderly transition from the current technological and regulatory environment to an environment characterized by a more market-driven approach. The approach is designed to maximize the benefits and encourage the rollout of digital technology, while ensuring that individual analog services are not unduly affected during the transition period and that they remain capable of making significant contributions to the broadcasting system.

The migration framework requires BDUs to obtain programmer consent prior to distributing their services on a digital basis. Continued support for programming services is also provided through specific packaging rules that will govern digital distribution over the transition period, including the obligation to mirror the existing analog tiers and analog basic service on a digital basis. At the same time, the framework provides important flexibility to BDUs by permitting digital migration to occur, without the need for programmer consent, once the penetration of digital set-top boxes in subscriber households achieves a specified level. The framework also permits BDUs to respond to consumer demands for increased choice and control by enabling BDUs to offer programming services in many different packaging combinations.

Distribution of High Definition Pay and Specialty Services

In Call for comments on a proposed framework for the licensing and distribution of high definition pay and specialty services, Broadcasting Public Notice CRTC 2004-58, 6 August 2004, the Commission proposed a regulatory framework that covers both the licensing and the distribution of high definition pay and specialty services and invited comments on that framework.

In general, the proposed licensing and distribution policy is intended to encourage the transition of the Canadian broadcasting system to high definition technology. It does so by providing a mechanism for the licensing of transitional high definition pay and specialty services that will permit easy entry for the new technology.

The proposed policy also encourages broadcasting distribution undertakings (BDUs) to carry high definition services by permitting flexibility in the packaging of such services, and provides regulatory certainty by setting out the details of the distribution policy for the new high definition services, including the distribution and linkage rules, the carriage of non-Canadian high definition signals, and provisions governing technical quality and simultaneous substitution.

The Commission foresees the transition as taking place over three stages. Cable BDUs are currently in the first stage of this transition, characterized by their distribution of analog as well as digital services. The second stage would be characterized by the absence of analog services. Instead, BDUs would offer a mix consisting predominantly of low definition digital services

with some high definition services. In the third stage, high definition digital services will predominate. These latter two stages will occur at different times for different BDUs, and each stage will have its own regulatory obligations.

The Commission will publish its final framework for the licensing and distribution of high definition pay and specialty services shortly.

Other Distribution Issues

Relations between programmers and distributors

In April 2005, the Commission issued two public notices setting out policies intended to contribute to good relations between programmers and BDUs. In *Auditing of distributor subscriber information by programming services*, Broadcasting Public Notice CRTC 2005-34, the Commission set out its policy with regard to the terms and conditions under which pay and specialty programmers may audit subscriber information held by BDUs for the purpose of verifying the accuracy of affiliation payments made to such programmers. In *Good Commercial Practices*, Broadcasting Public Notice CRTC 2005-35, the Commission issued a policy with respect to measures to ensure that negotiations between the programmers and BDUs concerning the distribution of programming services are conducted in accordance with good commercial practices. This public notice addressed matters such as the provision of adequate notice to programmers when BDUs intend to change the way in which programming services are packaged.

Increased availability of local and regional content by satellite

An on-going concern of broadcasters and Canadian television viewers alike is the reception of local and regional programming from direct-to-home (DTH) satellite distributors. Although it is not technically possible, at this time, for DTH distributors to offer the full programming schedule of all local and regional television stations from across Canada, in the most recent DTH licensing decisions in 2004, the Commission encouraged DTH distributors and broadcasters to investigate other means of providing these types of programming to DTH subscribers. In *Authorization to distribute partial or omnibus channels containing unique local and regional programming*, Broadcasting Decision CRTC 2005-457, 8 September 2005, the Commission authorized Bell ExpressVu to distribute any unique local and regional programming broadcast by television stations not carried in their entirety by the DTH distributors, using partial or omnibus channels, subject to certain safeguards such as a requirement for the consent of the television station in question. This innovative form of distribution has the potential to greatly increase the amount of local and regional programming available to communities across the country.

Increased availability of CPAC in both official languages

On 22 March 2005, the Governor in Council issued Direction to the CRTC (Reservation of Channels for the Distribution of CPAC), SOR/2005-60 (the Direction), which instructed the Commission to require all cable BDUs that serve more than 2,000 subscribers to distribute both

an English-language and a French-language version of the Cable Public Affairs Channel and the parliamentary programming service.

The Commission implemented this Direction in *Changes to the distribution of the Cable Public Affairs Channel and the parliamentary programming service in response to a Direction from the Governor in Council*, Broadcasting Public Notice CRTC 2006-5, 19 January 2006, thus increasing access to these services for Canadians in both official languages.

Flexibility for mobile television broadcasting services

In *Call for comments on a regulatory framework for mobile broadcasting services*, Broadcasting Public Notice CRTC 2005-82, 11 August 2005, the Commission called for comments on an appropriate regulatory framework for mobile broadcasting services.

In *Regulatory Framework for mobile television broadcasting services*, Broadcasting Public Notice CRTC 2006-47, 12 April 2006, the Commission determined that mobile television broadcasting services using cellular telephones and operated by Bell Mobility Inc., TELUS Mobility and Rogers Wireless Inc. fell within the New Media Exemption Order because they were delivered and accessed over the Internet.

The Commission also issued a notice calling for comments (Broadcasting Public Notice CRTC 2006-48) on a proposed new exemption order that will include mobile television broadcasting undertakings that provide mobile television services that are not delivered and accessed over the Internet.

The Commission seeks to support the growth of mobile television services as complements to traditional television services by providing them with the regulatory flexibility that will help them develop their markets.

Subscription Radio

At the 1 November 2004 Gatineau Public Hearing, the Commission examined three applications for licences to carry on multi-channel subscription radio services, distributed by satellite and/or terrestrial transmitters for direct reception by subscribers. Two of the applicants were in partnership with existing US satellite-delivered subscription radio services. The third applicant proposed a Canadian-based terrestrial subscription radio service.

In addition to comments on the proposals put forward by the respective applicants, the Commission also sought public comment on issues such as: Canadian content levels, Canadian talent development contributions, accountability, competitiveness, impact on other audio services and the appropriate class of licence.

In *Introduction to Broadcasting Decisions CRTC 2005-246 to 2005-248: Licensing of new satellite and terrestrial subscription radio undertakings*, Broadcasting Public Notice CRTC 2005-61, 16 June 2005, the Commission introduced its Broadcasting Decisions CRTC 2005-

246 to 2005-248 in which the Commission approved, subject to certain conditions of licence, applications by Canadian Satellite Radio Inc. (CSR), SIRIUS Canada Inc. (Sirius Canada), and CHUM Limited, on behalf of a corporation or a partnership to be established (CHUM/Astral), for licences to operate new radio undertakings that will each provide a package of radio channels to subscribers for a monthly fee.

The programming of the CSR and Sirius Canada undertakings will be delivered primarily by satellite, with terrestrial transmitters as required to fill in gaps in coverage. Each of these undertakings will provide a mix of Canadian-produced channels and non-Canadian produced channels.

The service of the CHUM undertaking (Astral has since withdrawn from the partnership) would be delivered entirely by terrestrial transmitters and all channels would be Canadian-produced.

In the above public notice, the Commission also provided a licensing framework for satellite subscription radio undertakings.

New Pay Television Services

A public hearing was held on 24 October 2005 in Gatineau, where five applications to carry on a national pay television undertaking were considered: Spotlight Television Limited to operate a national English-language general interest pay television programming undertaking to be known as Spotlight; Romen Podzyhun and C.J. (Cal) Millar for a licence to operate a national English-language pay television programming undertaking to be called The Canadian Film Channel; Allarco Entertainment Inc. to operate a national English-language pay television programming undertaking to be known as Allarco Entertainment and finally two applications presented by Archambault Group Inc. to operate national pay television programming undertakings, one in English and one in French, both to be known as BOOMTV.

This hearing considered whether exceptions should be made to the Commission's existing digital licensing framework, including its policies regarding the licensing of services, which may be directly competitive with existing services.

The following issues were also considered:

- the benefits to the Canadian broadcasting system in licensing a new general interest pay television service, particularly with respect to contributions to Canadian programming;
- the capacity of the English- and French-language pay television markets to absorb the entry of additional general interest pay television services;
- the impact this would have on existing services, including the impact on the program rights market; and
- the appropriateness of granting digital access rights to new pay services, and the capacity implications for broadcasting distribution undertakings.

After consideration of the different applications and issues, the Commission will render its decision in the coming months.

A more open entry framework for Canadian Third-language services

In November 2005, the Commission issued *Revised approach for the consideration of broadcasting licence applications proposing new third-language Category 2 pay and specialty services*, Broadcasting Public Notice CRTC 2005-104.

The revised approach is designed to expand the diversity and range of Canadian television services available to third-language communities across Canada, while not unduly negatively impacting the existing third-language ethnic specialty services.

Under the new, more open-entry approach, the Commission will generally approve Category 2 pay and specialty services that devote at least 90% of their program schedules to programming in languages other than English or French. To ensure that such services do not have an undue negative impact on the existing analog ethnic specialty services, any general interest third-language service that provides 40% or more of its programming in one of the languages of the five analog ethnic services will have to be purchased with that analog service (the “buy-through” requirement).

Telecom Accomplishments

Following are the highlights of the CRTC major accomplishments in regulating and monitoring the Canadian telecommunication system in 2005-2006.

Major Proceedings

Voice Communications Services Using Internet Protocol

In *Regulatory framework for voice communication services using Internet Protocol*, Telecom Decision CRTC 2005-28, 12 May 2005, the Commission rendered its determinations in the proceeding initiated by *Regulatory framework for voice communication services using Internet Protocol*, Telecom Public Notice CRTC 2004-2, 7 April 2004. The Commission set out the details of the appropriate regulatory regime applicable to the provision of voice over internet protocol (VoIP) services, which it defines as voice communication services using Internet Protocol (IP) that use telephone numbers that conform to the North American Numbering Plan, and that provide universal access to and/or from the Public Switched Telephone Network (PSTN). To the extent that VoIP services provide subscribers with access to and/or from the PSTN along with the ability to make or receive calls that originate and terminate within an exchange or local calling area as defined in the incumbent local exchange carriers' (ILECs') tariffs.

Price Regulation Regimes

In *Extension of the price regulation regime for Aliant Telecom Inc., Bell Canada, MTS Allstream Inc., Saskatchewan Telecommunications and TELUS Communications Inc.*, Telecom Decision CRTC 2005-69, 16 December 2005, the Commission extended the current price regulation regime without changes for Aliant Telecom Inc., Bell Canada, MTS Allstream Inc., Saskatchewan Telecommunications and TELUS Communications Inc. for a period of one year, to 31 May 2007. The Commission will initiate a proceeding to review the existing price regulation regime in the first half of 2006 following the release of the decision in the proceeding initiated by *Forbearance from regulation of local exchange services*, Telecom Public Notice CRTC 2005-2, 28 April 2005.

In *Extension of the price regulation regime for Société en commandite Télébec and TELUS Communications (Québec) Inc.*, Telecom Decision CRTC 2005-70, 16 December 2005, the Commission extended the current price regulation regime without changes for Société en commandite Télébec and TELUS Communications (Québec) Inc. for a period of one year, to 31 July 2007. The Commission will initiate a proceeding to review the existing price regulation regime in the first half of 2006 following the release of the decision in the proceeding initiated by *Forbearance from regulation of local exchange services*, Telecom Public Notice CRTC 2005-2, 28 April 2005.

Forbearance from Regulation – Local Telephone Service

In *Forbearance from regulation of local exchange services*, Telecom Public Notice CRTC 2005-2, 28 April 2005, the Commission initiated a proceeding and invited comments on a framework for forbearance from the regulation of residential and business local exchange services. The Commission also invited comments on the appropriateness of a transitional regime that could provide incumbent local exchange carriers with more regulatory flexibility prior to forbearance through: 1) lessening or removing competitive safeguards on promotions and the no-contact restriction under the winback rules; 2) permitting the ex parte filing of tariff applications for promotions; and 3) the waiving of service charges for residential local winbacks. Further, the Commission invited comments on Aliant Telecom Inc.'s Part VII application for forbearance from regulation of residential wireline local services, filed on 7 April 2004.

The Commission conducted a proceeding, including a public hearing held in Gatineau on 26 September 2005, to consider criteria for the de-regulation of local telephone services. Where competition develops in a market such that consumers have sufficient and sustainable choice of service providers, the competitive market rather than regulation protects consumer interests and the Commission, in compliance with the *Telecommunications Act*, forbears from regulation. The Commission concluded its proceeding on this matter in the fall of 2005 and issued its decision, *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15, 6 April 2006. Alternative providers of local telephone service are offering innovative and competitively priced local telephone service in several market areas. This trend has recently accelerated with the introduction of Voice over Internet Protocol (VoIP) technology that facilitates the provision of local telephone services over high-speed Internet

connections, such as the networks of the cable television providers. The Commission will apply its criteria for forbearance from the regulation of local telephone service in proceedings that it expects to conduct in the coming year in response to applications by the telephone companies.

Disposition of funds in the Deferral Accounts

In *Disposition of funds in the deferral accounts*, Telecom Public Notice CRTC 2006-9, 16 February, 2006, the Commission determined the guidelines for the disposition of funds remaining in the deferral accounts for the following incumbent local exchange carriers (ILECs): Aliant Telecom Inc., Bell Canada, MTS Allstream Inc., Saskatchewan Telecommunications, TELUS Communications Inc., Société en commandite Télébec (Télébec), and TELUS Communications (Québec) Inc. (collectively, the ILECs).

The Commission determined that initiatives 1) to expand broadband services to rural and remote communities and 2) to improve accessibility to telecommunications services for persons with disabilities are appropriate uses of funds in the deferral accounts.

The Commission considers that accessibility to telecommunications services for persons with disabilities is an important public policy objective and that using funds from the deferral accounts will help provide telecommunications services to these Canadians without discrimination.

The Commission directed the ILECs (except Télébec) to file their proposals for these initiatives by 30 June 2006.

The Commission considered that to ensure that funds do not continue to accumulate in the deferral accounts, the ILECs (except Télébec) will be required to implement rate reductions. The Commission directed these ILECs to file, by 15 May 2006, proposed rate changes to monthly primary exchange services and optional services for residential subscribers in non-high-cost serving areas.

The Commission anticipates that Télébec will have a recurring shortfall in its deferral account and set out directions to address this shortfall.

Finally, the Commission determined the methodology to calculate the balances in the deferral accounts and provides preliminary estimates of the ILECs' deferral account balances. The Commission directed each ILEC to file, by 15 May 2006, an updated deferral account schedule.

Implementation of Wireless Number Portability

In *Implementation of wireless number portability*, Telecom Decision CRTC 2005-72, 20 December 2005 the Commission required wireless carriers to port in and port out telephone numbers, and granted them direct access to existing Canadian number portability systems, without having to meet the competitive local exchange carrier obligations at this time.

The Commission determined that the porting scenarios outlined in *Implementation of wireless number portability*, Telecom Public Notice CRTC 2005-14, 16 September 2005, were appropriate for wireless porting activities between Canadian carriers.

The Commission further determined that the appropriate service interval for simple intermodal (wireless-to-wireline and wireline-to-wireless) porting, including simple ports involving wireless resellers or mobile virtual network operators, is to be the same as the local exchange carrier-to-local exchange carrier (LEC-to-LEC) service interval for stand-alone porting, which is currently two business days. The Commission also determined that the appropriate service interval for wireless-to-wireless simple porting is 2.5 business hours.

Streamlining

Tariff Applications

Under the *Telecommunications Act*, the CRTC is required to issue, within 45 business days of receipt of a tariff application, a decision on the application, or if it cannot do that, a letter indicating when it will issue a decision.

During the past year the Commission, in response to stakeholder comments received, issued *Introduction of a streamlined process for retail tariff filings*, Telecom Circular CRTC 2005-6, 25 April 2005, and *Finalization of the streamlined process for retail tariff filing*, Telecom Circular CRTC 2005-9, 1 November 2005.

Under the streamlined processes the CRTC informs applicant(s) of the status of applications within 10 business days of receipt of a complete application and has reduced its average time to dispose of retail tariff applications by 50 percent. Results posted on the CRTC Web site indicate that the new service standards have been met and exceeded.

Furthermore, in *New procedures for disposition of applications dealing with the destandardization and/or withdrawal of tariffed services*, Telecom Circular CRTC 2005-7, 30 May 2005, the Commission set out its new initiatives with a view to reducing the time period associated with the processing of these types of applications. Further, the establishment of these new procedures will provide greater regulatory certainty by identifying clear, publicly-known steps, timelines and criteria that can be consistently relied upon by both customers and carriers. Moreover, the Commission's initiatives will enable the telephone companies to respond more quickly to market requirements in an increasingly competitive telecommunications marketplace.

In the Commission's view, any new process for destandardization and/or withdrawal applications would have to take into account the fact that customers may lose service, raising different public interest considerations than regular tariff applications. Accordingly, different criteria will have to be used to assess destandardization and/or withdrawal applications as compared to regular tariff applications. Timelines would also have to be adjusted in order to allow sufficient time for customer comments. Taking into account the interests of all

stakeholders - incumbents, competitors and customers - the Commission has developed the initiatives set out below.

Each application for the destandardization and/or withdrawal of a tariffed service should be assessed on a case-by-case basis using one common set of criteria, regardless of whether the service is a retail or a competitor service. The Commission, in assessing an application for destandardization and/or withdrawal, will examine whether the applicant has met the following criteria:

- a) that there is a reasonable substitute for the service being destandardized and/or withdrawn;
- b) that there is a clear transition plan including sufficient time to allow customers to make plans to replace the service in question; and
- c) that affected customers are given adequate notice to enable them to participate meaningfully in the Commission's process.

Broadcasting

Plans and Priorities 2005-2006

Accomplishments 2005-2006

Public Processes and Canadian Certification

Licensing workload forecast includes holding some 12 public hearings, issuing some 80 public notices and treatment of associated interventions.

Summary of expected workload

	Appls.	Interv.
Public Hearings		25,000
•Appearing	80	
•Non-Appearing	250	
Public Notices		4,500
•Renewals	140	
•Others	125	
Administrative		
•Broadcasting	<u>200</u>	
Total:	795	29,500

CANREC: 2,000

Summary of applications to be processed (Published/Not published) - 1 April 2005 to 31 March 2006

Applications on hand at 1 April 2005	530
Applications received 1 April 2005 to 31 March 2006	779
Total applications to be processed 1 April 2005 to 31 March 2006	1,309
Applications RWCS (returned/withdrawn/cancelled/superseded) 1 April 2005 to 31 March 2006	106
Net applications to be processed 1 April 2005 to 31 March 2006	1,203

Summary of applications decided (Decision issued) - 1 April 2005 to 31 March 2006

New licences	187
Amendments to licences (including amendments dealt with administratively)	318
Renewals	103
Total applications decided 1 April 2005 to 31 March 2006	608

Summary of applications to be processed (Published/Not Published) - As of 1 April 2006

Applications published	278
Applications not published	317
Total applications on hand 1 April 2005 to 31 March 2006	595

Summary of applications/interventions/comments processed (Notice of Public Hearing/Public Notice issued) - 1 April 2005 to 31 March 2006

	Number	Applications	Interventions/ Comments
Public Hearings	10		15,203
•Appearing		50	
•Non-Appear.		171	
Public Notices	77		18,233
•Renewals		87	
•Amendments		132	
Total		440	33,436

CANREC filings processed 1 April 2005 to 31 March 2006

Total filings	1,755
Total processed	1,742

Cultural Prosperity: Increased availability of Canadian content and programming that reflects Canadian creative talent and Canada's linguistic duality, cultural diversity and social values, as well as its national, regional and community characteristics

Compliance, Research and Monitoring

TV Logs: 6,072 filings	<ul style="list-style-type: none"> TV Logs: 6,072 filings
Annual Returns: 2,500 filings CTD & CTF Audits: 750	<ul style="list-style-type: none"> Annual Returns: 1,933 audited CTD and CTF Audits: 578
Radio and TV Monitoring with reports to licensees	<ul style="list-style-type: none"> Ongoing
Monitor & Review BCE/CTV, CBC, TVA, TQS, Global/WIC and CHUM transaction commitments and annual reports	<ul style="list-style-type: none"> Ongoing Reports received 30 November 2005 (incl. SRC & Astral)
Evaluation of Closed Captioning and Described Video	<ul style="list-style-type: none"> On-going monitoring of complaints re closed captioning and described video Meeting held with Canadian Association of the Deaf in November 2005
Broadcasting Policy Monitoring Report	<ul style="list-style-type: none"> Report issued on 29 June 2005
Signal Theft	<ul style="list-style-type: none"> Ongoing monitoring
Cable Capacity Reports	<ul style="list-style-type: none"> Ongoing activity, with reports due every six months
TV Drama Incentive Reports	<ul style="list-style-type: none"> Reports from Global, Alliance Atlantis, Corus, CTV, TVA, and TQS received 30 November 2005 Report from CHUM received 19 January 2006
Data-gathering on and assessment of TV Drama incentives	<ul style="list-style-type: none"> Ongoing activity Preliminary data results have been gathered and assessed
Review corporate cultural diversity plans and annual reports	<ul style="list-style-type: none"> TQS corporate plan reviewed – October 2005 Annual reports of 16 private broadcasters reviewed - Spring 2005 CBC diversity plans (filed with annual report) reviewed - Fall 2005

Policy Development, Implementation, Reviews and Proceedings

TV Drama Policy - implementation of TV Drama Incentives - English and French markets	<ul style="list-style-type: none"> Ongoing Public Notice CRTC 2006-11 on 27 January 2006 re expenditure & viewing incentives
Assess CAB implementation plan re reflection of people with disabilities; issue response	<ul style="list-style-type: none"> CAB plan filed 22 December 2005
Resolve complaints re programming content/standards	<ul style="list-style-type: none"> Ongoing

<p>(e.g.: abusive comment)</p> <p>Proceeding on obligations of BDUs re pass through of described video</p>	<ul style="list-style-type: none"> • Examples of decisions issued in 2005: <ul style="list-style-type: none"> • Télé-Québec (Les Francs-tireurs) - July 2005 • CFX (Talk Radio) – August 2005 • Decision issued in 2006: <ul style="list-style-type: none"> • MSNBC (IMUS) - January 2006 • Public Notice CRTC 2006-6 on 19 January 2006 – Commission’s determination
<p>Action plan and annual report - Designated agency – section 41 <i>Official Languages Act</i></p>	<ul style="list-style-type: none"> • Ongoing • Annual Report provided to Canadian Heritage on 10 May 2005 • Consultations with various organizations representing official minority interests held in February 2006
<p>Proceeding on revised approach for licensing ethnic Category 2 services</p>	<ul style="list-style-type: none"> • Public Notice CRTC 2005-104 on 23 November 2005 – Commission’s determination
<p>Proceeding to consider applications for new National general interest pay TV</p>	<ul style="list-style-type: none"> • Public Hearing – 24 October 2005 • Applications received from: <ul style="list-style-type: none"> - Spotlight (triggered the call) - Allarco Entertainment - Archambault Group Inc. (Québecor) – 1 English + 1 French - Canadian Film Channel
<p>Renewal of 5 analog specialty/pay services expiring 2005</p>	<ul style="list-style-type: none"> • Renewal decisions (Series+, Historia, Canal D, Ztélé) issued – August 2005 • Renewal decision (Canal Évasion) issued – January 2006
<p>Renewal of 4 analog specialty/pay services expiring 2006</p>	<ul style="list-style-type: none"> • Applications received (FOOD, YTV, VRAK, MuchMusic) – November 2005 • To be considered at Public Hearing – 1 May 2006
<p>APTN Renewal</p>	<ul style="list-style-type: none"> • APTN: Decision CRTC 2005-445 on 31 August 2005
<p>Implement Order-in-Council Direction to CRTC (reservation of channels for the distribution of CPAC)</p>	<ul style="list-style-type: none"> • Public Notice CRTC 2006-5 on 19 January 2006 – Commission’s determination

Economic Prosperity: A sustainable competitive Canadian communications industry

Acquisitions and Ownership Transactions

Applications for transfers of shares and/or control and acquisitions of assets	<ul style="list-style-type: none"> • 25 transfers of shares and/or control • 16 acquisitions of assets
Ensure consistency of the wording contained in various regulatory provisions (e.g. definition of common shares)	<ul style="list-style-type: none"> • Public Notice CRTC 2006-20 on 20 February 2006 (Call for comments due on 29 March 2006)

Policy Development, Implementation, Reviews and Proceedings

Winback rules – subscribers/customers	<ul style="list-style-type: none"> • Public Notice CRTC 2006-4 on 17 January 2006 – Commission’s determination
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Dispute Resolution

Employment of various ADR & traditional dispute resolution techniques (approximately 20% of the applications are dealt with by expedited hearing process) to resolve disputes involving such matters as terms of access to programming, allegations of undue preference or disadvantage, and requests for orders pursuant to section 9(1)(h) or paragraph 12(2) of the Regulations	<ul style="list-style-type: none"> • Pre-existing files: 7 files, of which: - 6 closed - 1 suspended • New files: <i>Formal:</i> 6 files, of which: - 3 closed - 1 suspended - 2 active <i>Informal:</i> 10 files, of which: - 5 closed - 4 suspended - 1 active <p>Five of these disputes were resolved by mediation.</p>
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Social Prosperity: Increased access to a variety of innovative, high-quality communications services, at reasonable prices, that meet consumers’ needs and reflect their values

Policy Development, Implementation, Reviews and Proceedings

Amendments to Eligible Satellite Services Lists	<ul style="list-style-type: none"> • Ongoing activity that must be undertaken every time that a new service is added to the lists: 24 services approved (23 third-language and 1 English) 1 defunct service removed (Scandinavian Channel)
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<p>Proceeding on distribution & linkage rules for foreign 3rd language services already on eligible lists</p>	<ul style="list-style-type: none"> • <i>Requests in-house for processing (additions):</i> 19 – third-language services (comprising of 11 separate requests) 2 – English-language services (comprising of 2 separate requests) • Application of new distribution and linkage rules to non-Canadian third-language services authorized for distribution prior to 16 December 2004, Broadcasting Public Notice CRTC 2005-116 on 2 December 2005.
<p>Amendments to Regulations re: Regulatory framework for the distribution of digital television signals</p>	<ul style="list-style-type: none"> • Draft amendments have been prepared. However, these amendments will proceed at the same time as those necessary to implement the Commission's framework for the licensing and distribution of high definition pay and specialty services, which (as noted below), will be released in early fiscal year 2006-2007
<p>Licensing Framework for transition of Pay and Specialty to High Definition</p>	<ul style="list-style-type: none"> • Public notice (Framework) to be released in early fiscal year 2006-2007
<p>Proceeding on Migration of Specialty & Pay Services from Analog to Digital Distribution</p>	<ul style="list-style-type: none"> • Digital Migration Framework (Public Notice CRTC 2006-23 on 27 February 2006)
<p>Framework for carriage of HD by DTH</p>	<ul style="list-style-type: none"> • Proceeding to be initiated in fiscal year 2006-2007 (Q4)
<p>Proceeding on Commercial Radio & Digital Radio policy re:</p> <ul style="list-style-type: none"> - Cancon - CTD - LMAs/LSAs - Low Power Stations - Licensing Procedures - Diversity 	<ul style="list-style-type: none"> • To be considered at 15 May 2006 public hearing (Notice of Public Hearing CRTC 2006-1 issued on 13 January 2006)
<p>Subscription Radio Applications – policy framework & licensing decisions</p>	<ul style="list-style-type: none"> • Licensing decisions (Public Notice CRTC 2005-61 and Decisions CRTC 2005-246 (CSR), 2005-247 (Sirius), and 2005-248 (CHUM/Astral)) issued 16 June 2005 • Appeals rejected by Cabinet in September 2005 • Satellite services launched December 2005
<p>Advertising in Local avails – policy framework and decisions</p>	<ul style="list-style-type: none"> • Decisions (denials) and policy determination released in September 2005 – Decision CRTC 2005-460 (Vidéotron); Public Notice CRTC 2005-88 (CCTA + Policy); Public Notice CRTC 2005-89 (Improve Visibility of 9(1)h) services)

Pelmorex – All Channel Alert	<ul style="list-style-type: none"> • Call for competing applications issued on 22 April 2005 (Public Notice CRTC 2005-38). • Applications received from: <ul style="list-style-type: none"> - Pelmorex (triggered Call) - CBC - Bell ExpressVu • These applications will be considered at 1 May 2006 public hearing (Notice of Public Hearing 2006-3 issued on 2 March 2006)
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Commission processes that are fair, transparent and effective

Streamlining

<p>Develop and implement streamlining measures to accelerate decision-making and dispute resolution, e.g.</p> <ul style="list-style-type: none"> • Expedited hearings for approximately 20% of dispute resolution files • Reduced deficiency process • Review of existing exemption orders and possible addition of new exemption orders 	<ul style="list-style-type: none"> • Ongoing - (1 dispute resolution file scheduled using expedited hearing process but was resolved prior to hearing and therefore withdrawn) • Ongoing – Generally limited deficiencies to what’s requested on the application form • Ongoing • Proposed amendment to exemption order respecting closed circuit video programming undertakings: <ul style="list-style-type: none"> • Draft Exemption Order issued 19 May 2005 (Public Notice CRTC 2005-52 with two rounds of comments) • Proposed Exemption Order - Certain Network Operations: <ul style="list-style-type: none"> • Draft Exemption Order issued 31 March 2006 (Public Notice CRTC 2006-40 with comments due 1 May 2006)
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<p>Hold consultations to develop service standards for decision-making and for dispute resolution</p>	<ul style="list-style-type: none"> • Competitive Disputes Team held meetings/ conference calls with: <ul style="list-style-type: none"> • CCTA - 17 May 2005 • CAB - 1 June 2005 • Vidéotron - 7 June 2005 • Astral - 16 June 2005 • SaskTel - 7 July 2005 • Allstream - 15 July 2005 • Telus - 11 August 2005 <p>to discuss Public Notice CRTC 2005-35 on 18 April 2005 (Good Commercial Practices), Broadcasting Circular 2005-463 on 18 April 2005 (Expedited Hearings), and internal CRTC standards.</p> <ul style="list-style-type: none"> • ExpressVu and Star Choice also expressed an interest and were to select an appropriate date but were unable to do so; hence, consultations are considered closed.
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Other Priorities Not Identified on Work Plan for 2005-2006

<p>Regulatory framework for mobile broadcasting services</p>	<ul style="list-style-type: none"> • Public Notice CRTC 2006-47, 12 April 2006 (Framework) • Public Notice CRTC 2006-48, 12 April 2006 (Call for comments on proposed new exemption order-comments due 12 May 2006 with replies due 26 May 2006)
<p>Competitive access to inside wire in commercial properties</p>	<ul style="list-style-type: none"> • Call for Comments issued on 15 August 2005 and 19 October 2005 (Public Notices CRTC 2005-83 and 2005-83-1, respectively) • Commission's determination to be released in early fiscal year 2006-2007
<p>CAB Review of codes re portrayal issues</p>	<ul style="list-style-type: none"> • Report provided 31 December 2005 – • Filing of new Code in July 2006
<p>CAB Progress Report re diversity initiatives</p>	<ul style="list-style-type: none"> • Report due 31 March 2006 – Request for extension granted until 28 April 2006.

Telecommunications

Economic Prosperity: A sustainable competitive Canadian communications industry

ILEC/Incumbent Wholesale and Access Issues

High Speed Metro Rates	Telecom Order CRTC 2006-65, 27 March 2006
CDNA Service Implementation	Complete – issue 5 Part VII Decisions CRTC 2006-6, 31 January 2006 & CRTC 2006-8, 15 February 2006
Ethernet Regime	Approved interim service for all ILECs by 2006, except Sask Tel (expected June 2006)
ADSL regime	Orders issued by March 2006 for all ILECs, except Aliant
Implement Competitor QoS rate adjustment plan	Decision CRTC 2005-20, 31 March 2005
CLEC access to ILEC OSS	Decision CRTC 2005-14, 16 March 2005
Co-location final rates (Power)	Decision expected by June 2006
Direct Connect final rates	Decision CRTC 2006-23, 27 April 2006
Final Access Tandem rates	Decision CRTC 2006-22, 27 April 2006
Implementation Interconnection Decision CRTC 2004-46	Decision by expected by May 2006
Compensation for Toll Free Calls from Payphones	Withdrawn 12 December 2005
Line side wireless TCI & Sask Tel	TCI withdrawn 14 July 2005, Sask Tel –Decision CRTC 2006-19, 13 April 2006
Follow-up tariffs for 2 nd level testing by cable companies	In progress, likely to close by August 2006
Follow-up Decision CRTC 2004-28 Provision of HS internet and Lite service (TPIA)	Decision expected by October 2006

ILEC Retail Issues

Nexxia CSAs	50 completed, 3 outstanding
Application to set aside suspension of ILEC promotion	Decision CRTC 2005-25, 27 April 2005

Policy

VoIP services regulatory framework proceeding	Public Notice CRTC 2004-2 - Decision CRTC 2005-28, 30 June 2005
Pricing Safeguards Proceeding including Rogers vs Bell unbundling local from other services	Public Notice CRTC 2003-10 - Decision CRTC 2005-27, 29 April 2005
Proceeding on forbearance criteria for local service	Public Notice CRTC 2005-2 – Decision CRTC 2006-15, 6 April 2006
Aliant forbearance application for residential local service	Public Notice CRTC 2005- 2 - Decision CRTC 2006-15, 6 April 2006
Regulatory Symmetry (winback)	Letter closing application – to be issued by 30 April 2006
Review of winback promotions re: suspension of all ILEC promotions involving local service	Public Notice CRTC 2003-1-1 - Decision CRTC 2005-25, 27 April 2005
Wireless Number Portability Implementation	Decision CRTC 2005-72, 20 December 2005

Mediation/ADR

Q of S Telus & Call Net (weekly calls)	On-going
Q of S Bell & Call Net (weekly calls)	On-going
Resolution of disputes through mediation or other form of ADR	15 mediations completed

Access Issues

R&V Toronto Hydro – MDU decision	Decision CRTC 2005-33, 10 June 2005
MAAs – Allstream vs Calgary	Decision CRTC 2005-47, 25 August 2005
MAAs – Allstream vs Toronto	Decision CRTC 2005-46, 25 August 2005
MAAs – Allstream vs Edmonton Light Rail Transits (LRTs)	Decision CRTC 2005-36, 17 June 2005
Dramis vs NBTel inside wire – Decision CRTC 2003-45	Resolved with mediation
Shaw application seeking access to municipal property in Vancouver	Public Notice CRTC 2005-12, 1 September 2005 – On-going mediation
MTS/Allstream seeking access to municipal property in Vancouver	Public Notice CRTC 2005-12, 1 September 2005 - On-going mediation
Bell forbearance for high speed intra-exchange digital service	Public Notice CRTC 2005-8 – On-going
Rogers 3 rd party internet access in business locations	Letter closed file 16 August 2005

Forbearance Applications

Forbearance IXPL bi-annual filings	Decisions CRTC 2005-18, 29 March 2005 and CRTC 2006-18, 13 April 2006 – On-going
Bell forbearance Internet Dial Port Service	Rolled into Public Notice CRTC 2005-2, Letter 16 August 2005 – Decision CRTC 2006-15, 6 April 2006
TCI application for audited reports of IXPL routes	Decision CRTC 2005-42, 29 July 2005

Competitive Disputes

Telus application re: tariff obligations arising out of recent transactions involving MTS and Bell	MTS portion withdrawn by Telus, Bell portion on hold pending Rogers (Callnet) acquisition of 360 network facilities
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Small ILECs

Wireless Access Service rates for Independents in Ontario and Quebec	Decision by May 2006
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Social Prosperity: Increased access to a variety of innovative, high-quality communications services, at reasonable prices that meet consumers' needs and reflect their values

ILEC Retail Issues

Sask Tel R&V Commission decision to suspend promotions	Decision CRTC 2005-25, 7 April 2005
Follow-up to Decision CRTC 2002-58 Bell non-compliance with bundling rules	Closed by letter dated 12 August 2005
New CSAs (1 to 2 per month)	On-going
Quality of service - Implement Retail Rate Adjustment Plan	Decision CRTC 2005-17, 24 March 2005
R&V MTS Band F	Decision CRTC 2005-52, 9 September 2005
Deferral Account Proceeding to dispose of amounts for Bell, Telus, MTS, Sask Tel, Aliant, Telebec and Telus Quebec (Public Notice CRTC 2004-1)	Decision CRTC 2006-9, 16 February 2006
Review ILEC SIPs on annual basis to ensure program and spending are on track. Address issues that arise from SIP programs	2005 Review of Tracking Reports completed Decision CRTC 2005-29, 13 May 2005 TCQ Decision CRTC 2005-43, 4 August 2005 Bell Decision CRTC 2005-66, 9 November 2005 Télébec Decision CRTC 2005-67, 10 November 2005 TCi
Approximately 500 tariff applications and interconnection agreements	More than 540 tariff notices and agreements received during 1 April 2005 and 31 March 2006
2005 annual price cap filings for all ILECs	Completed - Multiple orders/decisions
Price Cap Review Analysis	Decision CRTC 2005-69, 16 December 2005
Application by Bell to R&V Order CRTC 2004-143	Decision CRTC 2005-60, 12 October 2005
Aliant R&V Decision CRTC 2003-50	Closed by letter dated 19 May 2005

Small ILECs

Annual review of small ILEC SIPs to ensure program and spending are on track. Address issues related to SIP	2005 Review of tracking reports completed, no Decisions
NWTEL 2004 & 2005 Supplementary Funding	Public Notice CRTC 2004-6 - Decision CRTC 2005-54, 15 September 2005
CSAs Optical Fibre (Telebec)	Withdrawal of Tariff Notices 302/A, 304/A, approved in CRTC Order 2005-134, 29 March 2005
Small ILEC Pricing Regime Analysis	Public Notice CRTC 2005-10 - Decision CRTC 2006-14, 29 March 2006
Telebec and Telus Quebec Price Cap Review Analysis	Decision CRTC 2005-70, 16 December 2005

Social Policy Issues

Consumer Bill of Rights Proceeding (CBOR)	Public Notice CRTC 2003-6 – Decision expected by July 2006
R&V Decision 94-19 re-regulation of terminal equipment with respect to access by the blind	Currently the subject of Mediation/ADR
Accessibility of telecom services for people who are blind	Currently the subject of Mediation/ADR
Bad Debt Repayment Plan	Decision CRTC 2005-38, 29 June 2005
Alberta health and wellness 811 Application	Decision CRTC 2005-39, 6 July 2005

Municipality access to ILEC - E9-1-1 for emergency community notification	Decision expected by November 2006
ITS 511 Weather and travel information services application	Public Notice 2005-5, 9 June 2005 – Decision expected by July 2006
Telemarketing R&V applications CMA, Beautyrock, etc.	To be addressed in Telemarketing Proceeding, Public Notice CRTC 2006-4, 20 February 2006
Telemarketing – Proceeding on National Do Not Call Rules	Public Notice CRTC 2006-4, 20 February 2006
SaskTel application exogenous factor TTY pay telephones	Decision CRTC 2005-50, 2 September 2005

Commission processes that are fair, transparent and effective

Compliance, Monitoring and Regulation

Collect and determine total telecom revenues for purposes of Telecom Fees	Completed, 15 June 2005
Application for revised procedures for the operation of National Contribution Fund	Decision CRTC 2005-59, 7 October 2005
Examine and approve International Class A and B licences	Completed 17 Class A, 30 Class B - (1 April 2005 - 31 March 2006)
Collect and review annual ownership filings in compliance with section 16.4 of the Act	Completed – (1 April 2005 - 31 March 2006)
Review and approve CLEC applications	Completed – (1 April 2005 - 31 March 2006)
Determine 2005 final and 2006 interim contribution rate	Decision CRTC 2005-68, 10 November 2005
Oversee numbering issues including NPA relief activities	Decision CRTC 2005-37, 21 June 2005
Complete inspection reports and follow-up with respect to inspections	Completed – letters issued 29 July 2005
Analysis of data and write annual GIC report on Competition and Broadband deployment	Completed, 31 October 2005
Develop and report on consumer survey related to competition	Completed, 31 October 2005
Quarterly analysis and reporting of Telecom Industry financial results	On-going
Respond to queries and assist in presentations re: Telecom industry	On-going
Define terminal equipment for contribution purposes	Decision CRTC 2005-32, 2 June 2005

Regulatory Streamlining

Bell application requesting Commission to create a procedure to de-standardize and withdraw tariffed service	Circular CRTC 2005-7, 30 May 2005
CRTC Adjustments to regulatory filing requirements for reports	Completed, letter issued 25 April 2005

Work collaboratively with Statistics Canada to reduce regulatory burden associated with information, data and reporting, i.e. Stats Canada is reducing annual survey by 1/3 because they rely on CRTC data collection)	On-going
Streamline tariff and application processes with Industry	Circular 2005-9, 1 November 2005

CISC

CISC: VoIP 911 and E911, MRS, Privacy, CALEA, IP interconnection, etc.	Over 30 meetings and 70 conference calls re overseeing 7 active working groups, implementing access to ILECs' OSSs, developing recommendations related to VoIP 911, VoIP MRS, IP to IP interconnection and updating key industry documents to reflect Commission determinations
Steering Committee Chair	Conducted 9 Steering Committee Meetings

Glossary of Terms / Glossaire

Broadcasting / Radiodiffusion

ADR / RAD	Alternative Dispute Resolution / Résolution alternative des différends
APTN/RTPA	Aboriginal Peoples Television Network / Réseau de télévision des peuples Autochtones
BDU / EDR	Broadcasting Distribution Undertaking / Entreprise de distribution de radiodiffusion
CAB / ACR	Canadian Association of Broadcasters / Association canadienne des radiodiffuseurs
CANREC	Canadian Program Certification/Certification des émissions canadiennes
CPAC	Cable Public Affairs Channel Inc. / Chaîne d'affaires publiques par câble inc.
CTD / DTC	Canadian Talent Development / Développement des talents canadiens
CTF / FCT	Canadian Television Fund / Fonds canadien de télévision
DTH / SRD	Direct-to-Home / Satellite de radiodiffusion directe
HD	High Definition / Haute définition
LMAs / CGL	Local Management Agreement / Convention de gestion locale
LSAs / CVL	Local Sales Agreement / Convention sur les ventes locales

Telecommunications / Télécommunications

ADR / RAD	Alternative Dispute Resolution / Résolution alternative des différends
ADSL / LANPA	Asymmetric Digital Subscriber Line / Ligne d'abonné numérique à paire asymétrique
CALEA / OAL	Communications Assistance to Law Enforcement Act / Organisme d'application de la Loi
CDNA / ARNC	Competitor Digital Network Access / Service d'accès au réseau numérique propre aux concurrents
CISC / CDCI	CRTC Interconnection Steering Committee / Comité directeur du CRTC sur l'interconnexion
CLEC / ESLC	Competitive Local Exchange Carrier / Entreprise de services locaux concurrente
CSA / AP	Customer Specific Arrangement / Arrangement personnalisé
GIC / GEC	Governor in Council / Gouverneure en conseil
HS / HV	High Speed / Haute vitesse
ILEC / ESLT	Incumbent Local Exchange Carrier / Entreprise de services locaux titulaires
ILEC-OSS / ESLT-SSE	Incumbent Local Exchange Carrier – Operational Support System / Entreprises de services locaux titulaires – systèmes de soutien à l'exploitation
IP	Internet Protocol / Protocole Internet
IXPL / LSI	Interexchange Private Line / Liaison spécialisée intercirconscription
MAAs / EAPM	Municipal Access Arrangements / Entente régissant l'accès aux propriétés municipales
MRS / SRT	Message Relay Services / Services de relais téléphonique
NPA / RIR	Numbering Plan Area / Redressement de l'indicatif régional
QoS / QoS	Quality of Service / Qualité du service
R&V / R&M	Review and Vary / Révision et modification
SIP / PAS	Service Improvement Plan / Plan d'amélioration du service
TPIA / AIT	Third Party Internet Access / Accès Internet de tiers
TTY	Teletypewriter / Télécriteur
VoIP	Voice over Internet Protocol / Voix sur Protocole Internet ou téléphonie Internet