Canadian Radio-television and Telecommunications Commission

Conseil de la radiodiffusion et des télécommunications canadiennes

Broadcasting Policy Monitoring Report 2002

Radio

Television

Broadcasting Distribution

Internet

Social Issues

Canada

inside cover

14 November 2002

Introduction

The 2002 edition of the CRTC's Broadcasting Policy Monitoring Report continues to measure the evolution of the Canadian broadcasting system. The Broadcasting Policy Monitoring Report was developed to provide an on-going assessment of the impact of the many new regulatory frameworks implemented by the CRTC since 1997[1]. As in the past, we hope that this report will help to foster a more open and better-informed public discussion of broadcasting policy in Canada. The Commission invites parties to use the report to enrich their participation in our regulatory policy and licensing proceedings.

The 2002 edition updates the performance indicators outlined in previous reports and introduces new performance indicators to monitor the CRTC's social policy objectives. In this regard, a new Social Issues section has been added to the report. An Industry Overview has also been added this year which summarizes the diversity of services and of voices available in the Canadian broadcasting system. The overview also provides new indicators to monitor the television viewing preferences of Canadians.

The data and information used as the basis of the CRTC's policy monitoring is drawn from many sources. These sources include (1) information filed by participants in the normal course of the Commission's hearings and public proceedings; (2) information obtained from Statistics Canada; (3) audience measures from the Bureau of Broadcast Measurement (BBM) and Nielsen Media Research; (4) the Annual Financial Returns filed by CRTC licensees; (5) programming information filed as part of licensees' television logs; (6) the Commission's ownership records and radio compliance monitoring results; and (7) publicly available information, such as annual reports from publicly traded companies, CRTC decisions and public notices.

The CRTC is in a unique position to cross-analyze the television logging information and BBM viewing data, thus being able to track the level of viewing to Canadian programming across the Canadian broadcasting system.

The report is sub-divided in six sections: Introduction and Overview, Radio, Television, Broadcasting Distribution, Internet and Social Issues.

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[1] *New Regulatory Framework for Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-25, 11 March 1997; *Commercial Radio Policy1998*, Public Notice CRTC 1998-41, 30 April 1998, (the Commercial Radio Policy); *New Media,* Broadcasting Public Notice CRTC 1999-84, 17 May 1999, and Telecom Public Notice CRTC 99-14, 17 May 1999; *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999, (the Television Policy); *Ethnic Broadcasting Policy,* Public Notice CRTC 1999-117, 16 July 1999; *Licensing Framework Policy for New Digital Pay and Specialty Services*, Public Notice CRTC 2000-6, 13 January 2000; *Campus Radio Policy*, Public Notice CRTC 2000-12, 28 January 2000; *Community Radio Policy*, Public Notice CRTC 2000-13, 28 January 2000; *A Policy to Increase the Availability to Cable Subscribers of Specialty Services in the Minority Official Language*, Public Notice CRTC 2001-26. 12 February 2001; *Licence Renewals for the French-language National Television Network TVA and for the French-language Television Programming Undertaking CFTM-TV Montréal*, Decision CRTC 2001-385, 5 July 2001; *Licence Renewals for the Television Stations Controlled by CTV*, Decision CRTC 2001-457, 2 August 2001; *Licence Renewals for the Television Stations Controlled by Global*, Decision CRTC 2001-458, 2 August 2001; *Achieving a better balance: Report on French-language broadcasting services in a minority environment*, Public Notice CRTC 2001-25, 12 February 2001; *The distribution of the proceedings of the House of Commons on CPAC*, Public Notice CRTC 2001-115, 6 November 2001.

Interested parties are welcome to provide comments for improvements or additions to future editions of the report and can do so by forwarding them to the attention of the Secretary General, CRTC, Ottawa, K1A 0N2 or electronically at info@crtc.gc.ca.

The Broadcasting Policy Monitoring Report is also available electronically at www.crtc.gc.ca/ENG/publications/reports.htm

Ce document est également disponible en français.

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Overview

Diversity of Programming in the Canadian Broadcasting System

Section 3(1)*(i)* of the *Broadcasting Act* (the Act) states, in part, that the programming provided by the Canadian broadcasting system should

(i) be varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and tastes,
(ii) be drawn from local, regional, national and international sources,
(iii) include educational programs and community programs, [...]

To further the above noted broadcasting policy, the Commission ensures that Canadians have access to a diversity of programming drawn from a variety of sources. The following tables provide a summary of the variety of television and radio services that are available in the Canadian broadcasting system. A table summarizing the number and types of Canadian broadcasting distribution undertakings is also provided.

Table 1: English-Language Television Services

	Number of Services
Canadian Conventional (Over-the-air):	
CBC Owned and Operated	15
CBC Private Affiliates	18
Private Commercial	60
Educational	4
Religious	5
Native	10
Canadian Specialty, Pay, PPV and VOD:	
Analog Specialty Services	30
Category 1 Digital Specialty Services	16
Category 2 Digital Specialty Services	31
Pay Television Services	6
Terrestrial Pay Per View Services	5
Direct to home Pay Per View Services	5
Video on Demand Services	3
Other Canadian:	
Satellite to Cable Services	2
Community Channels	197
Foreign:	
Satellite Services Authorized for Distribution in Canada	77
Total English Language Television Services	484

Notes: Excludes rebroadcasters and exempt television services. Includes only digital category 1 & 2 and VOD services that have launched prior to September 5, 2002.

Table 2: French-Language Television Services

	Number of Services
Canadian Conventional (Over-the-air):	
SRC Owned and Operated	8
SRC Private Affiliates	5
Private Commercial	18
Educational	3
Canadian Specialty, Pay, PPV and VOD:	
Analog Specialty Services	16
Pay Television Services	1
Terrestrial Pay Per View Services	1
Direct to home Pay Per View Services	1
Video on Demand Services	1
Other Canadian:	
Community Channels	47
Foreign:	
Satellite Services Authorized for Distribution in Canada	8
Total French-Language Television Services	109

Notes: Excludes rebroadcasters and exempt television services. Includes only digital category 1 & 2 and VOD services that have launched prior to September 5, 2002.

Table 3: Third-Language Television Services

	Number of Services
Canadian:	
Private Conventional (Over-the-air)*	3
Analog Specialty Services	5
Digital Category 2 Specialty and Pay Services	10
Special Programming Services	1
Foreign:	
Satellite Services Authorized for Distribution in Canada	8
Total Third-Language Television Services	27

Notes: Excludes rebroadcasters and exempt television services. Includes only digital category 1 & 2 and VOD services that have launched prior to September 5, 2002. *Excludes the Vancouver multilingual ethnic television station which is expected to launch in 2003.

Table 4: Canadian English-Language Radio Services

	Number of Services
CBC	
Radio One	36
Radio Two	14
Radio One – Digital Radio	4
Radio Two – Digital Radio	4
Commercial	
AM	189
FM	216
Digital Radio (transitional)	35
Community	
Type A	9
Type B	13
Campus	
Community Based	33
Instructional	8
Religious	4
Native – Type B	32
Total Canadian English-Language Radio Services	597

Note: Excludes rebroadcasters and exempt radio services.

Table 5: Canadian French-Language Radio Services

	Number of Services
SRC	
Première Chaîne	20
Chaîne Culturelle	10
Première Chaîne – Digital Radio	3
Chaîne Culturelle – Digital Radio	3
Commercial	
AM	17
FM	65
Digital Radio (transitional)	4
Community	
Type A	27
Type B	19
Campus	
Community Based	5
Instructional	1
Religious	20
Native – Type B	5
Total Canadian French-Language Radio Services	199

Note: Excludes rebroadcasters and exempt radio services.

Table 6: Canadian Third-Language Radio Services

	Number of Services
Ethnic	
AM	9
FM	6
Digital Radio (transitional)	3
Total Canadian Third-Language Radio Services	18

Note: Excludes rebroadcasters and exempt radio services.

Approximately 75% of Canadian households receive the basic service of a Canadian broadcasting distribution undertaking. The following table provides a breakdown of the number and types of Canadian broadcasting distribution undertakings.

Table 7: Licensed Broadcasting Distribution Undertakings

	Number of Systems
Class 1	141
Class 2	102
Class 3	1,742
Sub-total Cable	1,985
DTH	2
MDS	11
STV	16
Total Broadcasting Distribution Undertakings	2,014

Notes (1) Source for cable undertakings is the CCTA's 01-02 annual report. This information is based on Mediastats, dated September 2001. (2) Image Wireless Communications MDS licences are counted as 1, Decision CRTC 96-775 issued 38 individual licences, one for each site.

Diversity of Voices in the Canadian Broadcasting System

The Commission's mandate with regard to the diversity of voices in markets across Canada originates notably in sections 3(1)(*d*)(i), 3(1)(*d*)(ii) and 3(1)(*i*)(iv) of the *Broadcasting Act*.

Section 3(1)(*d*)(i) states that the Canadian broadcasting system should "serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada".

Section 3(1)(*d*)(ii) states that the programming provided by the Canadian broadcasting system should "encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by offering information and analysis concerning Canada and other countries from a Canadian point of view".

Section 3(1)(*i*)(iv) states that the programming provided by the Canadian broadcasting system "should provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern".

The Commission implements the above noted policy in its various policies and decisions. For example, in the Television Policy, the Commission continued its policy which generally permits ownership of no more than one over-the-air television station in one language in a given market. This policy assists in providing a diversity of voices in a given market.

In the Commercial Radio Policy, the Commission sought to strike a reasonable and acceptable balance between its concerns for preserving a diversity of news voices in a market, and the benefits of permitting increased consolidation of ownership within the radio industry.

In the Licence Renewals for the Television Stations Controlled by CTV and Global – Decisions 2001-457 and 2001-458 respectively, and the Licence renewals for the French-language national network TVA and CFTM-TV – Decision 2001-385, the Commission considered that it had a responsibility to ensure that a sufficient diversity of broadcasting news and information voices remains as consolidation continues to take place between broadcasters and related industries.

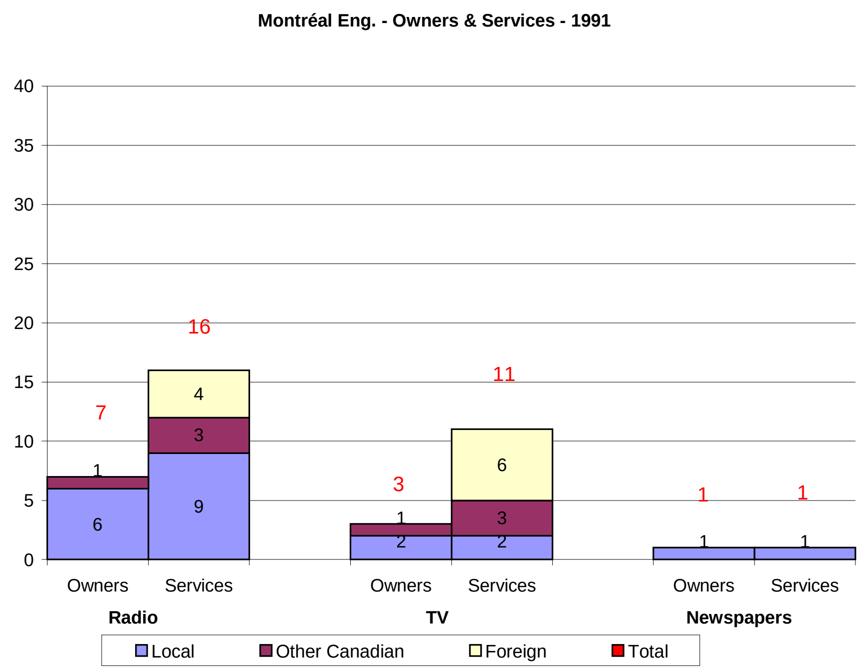
The following charts compare the diversity of ownership and the diversity of programming choices in the 3 largest Canadian cities between 1991 and 2001. The city of Montréal has been subdivided into two markets, English-language and French-language, based on the broadcast language of the programming service. The charts compare the following for each of the markets:

- The number of different owners of television services available in the market that broadcast news and public affairs programming along with the total number of such services;

- The number of different owners of radio stations and daily newspapers available in each market along with the total number of radio stations and daily newspapers in the market.

A Comparison of the Diversity of Voices 1991 - 2001

Chart 1: Montréal English-Language Market



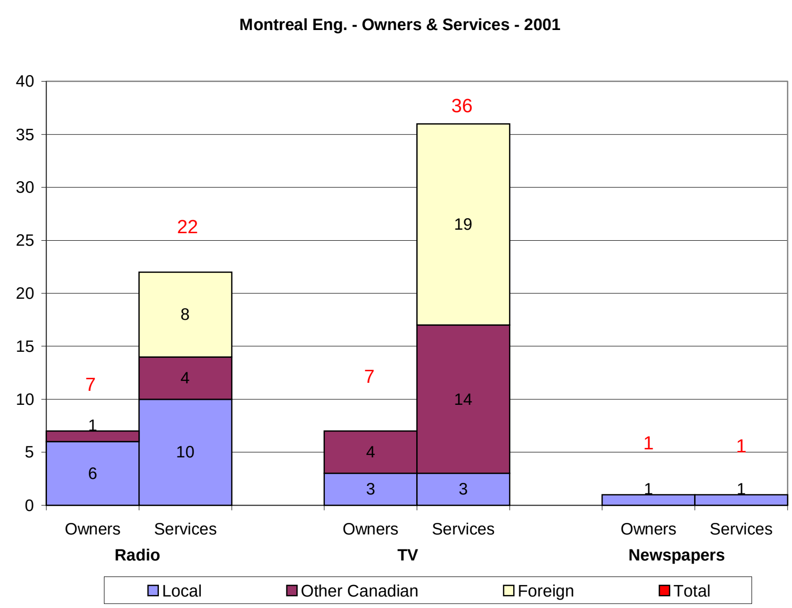
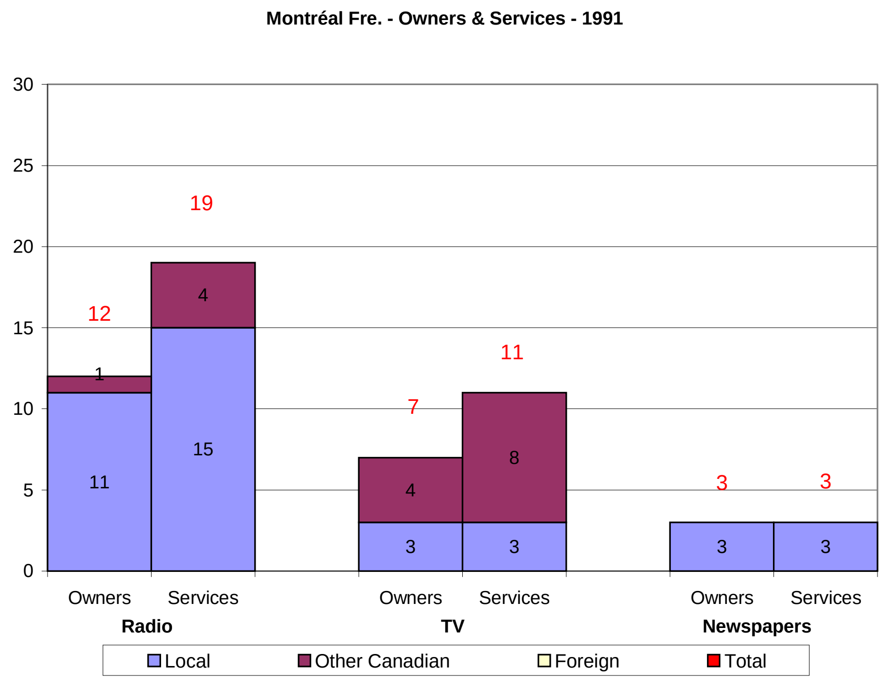


Chart 2: Montréal French-Language Market



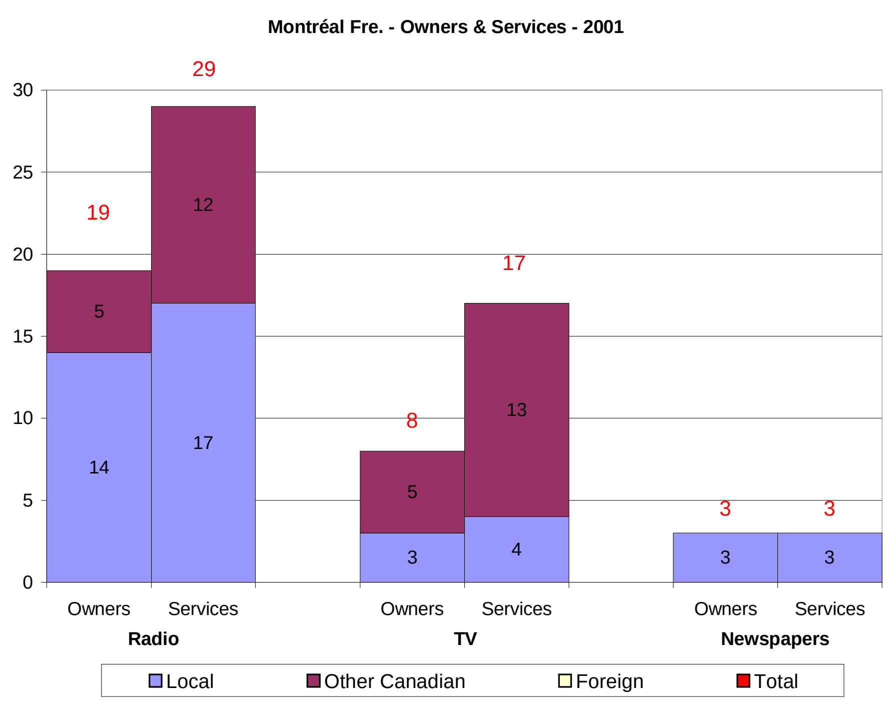
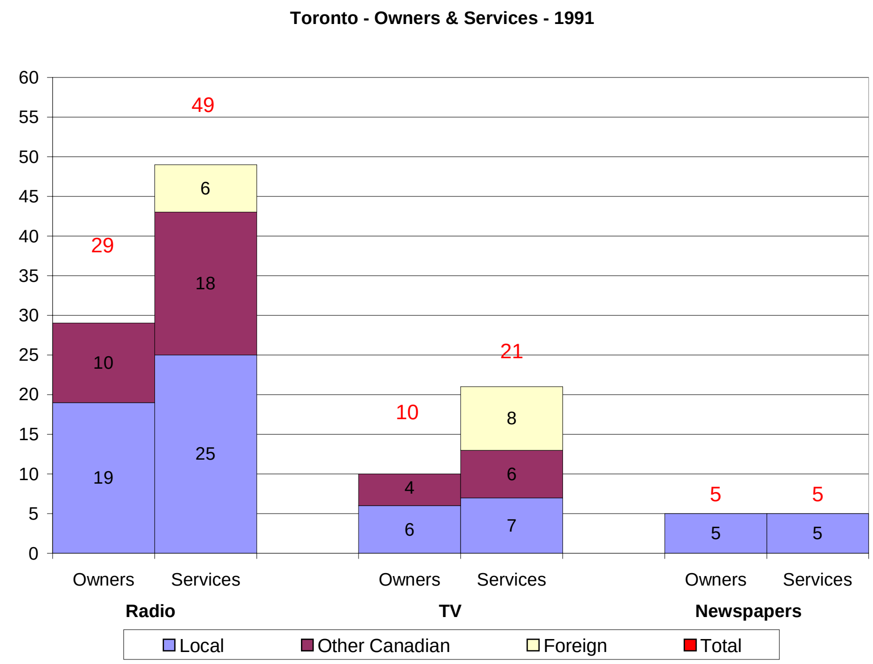


Chart 3: Toronto Market



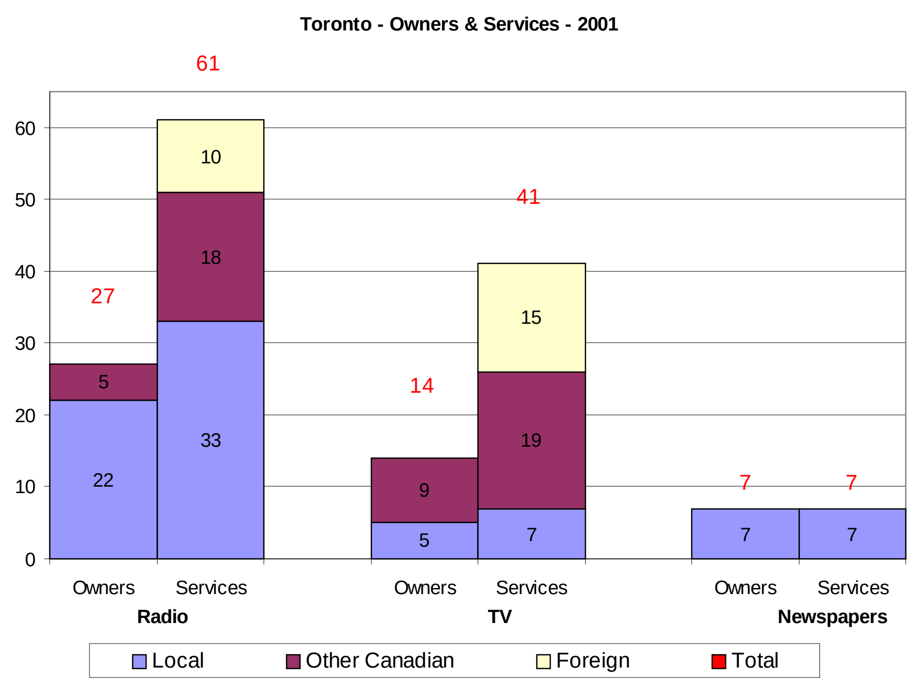
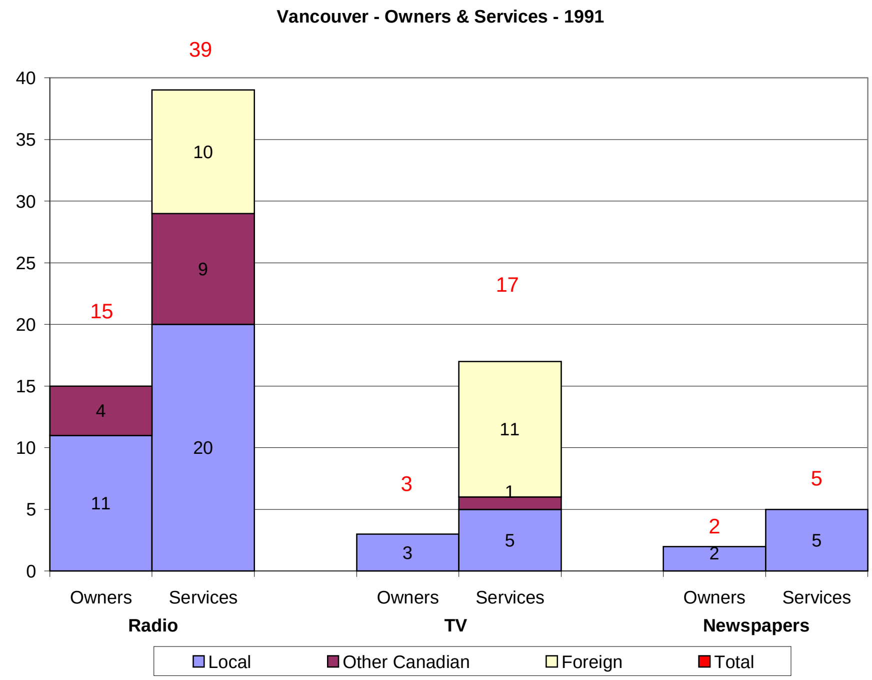
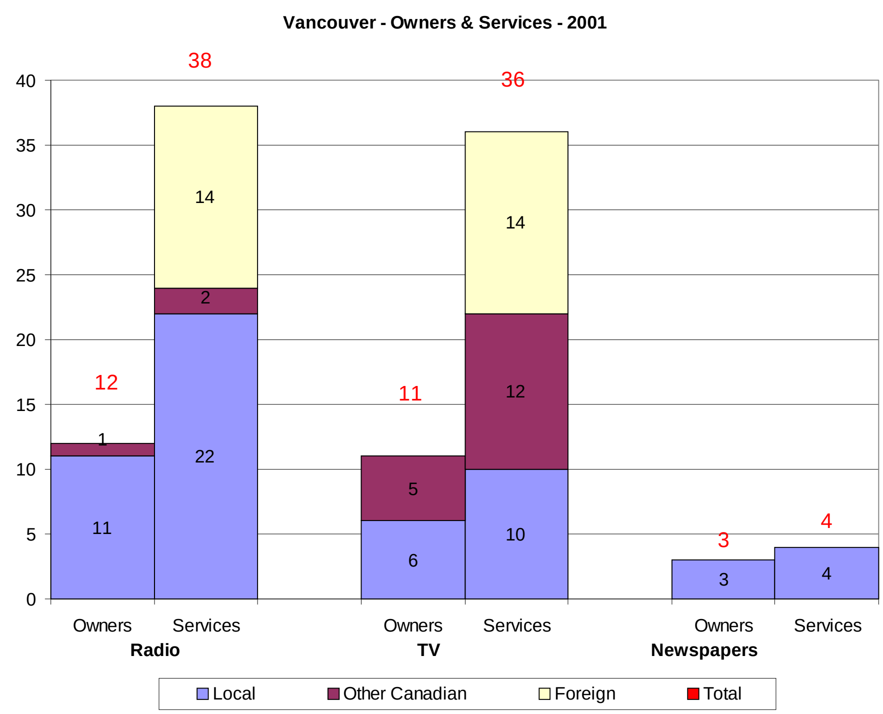


Chart 4: Vancouver Market





Notes:
1. BBM Fall sweeps data and CRTC research were used to determine the number of television services providing news and public programming in the market and the number of radio stations available in 1991 and 2001.
2. It was assumed that all radio stations and newspapers available in the market provided news and public affairs programming.
3. Foreign ownership is not provided.
4. Newspapers include only Canadian daily newspapers published locally.
5. Only TV and radio services attracting a minimum of 0.05% audience share have been included.

Between 1991 and 2001, the number of available television and radio services has increased in each of Canada's three largest markets.

Since 1991, a significant increase in the licensing of French and English-language Canadian pay and specialty services has added to the diversity of viewing options of Canadians. In addition, the number of U.S. specialty services available has also increased.

Increasing diversity in television ownership is evident in all three markets between 1991 and 2001. In the English-language radio markets, the diversity of ownership of Canadian radio services has remained stable or decreased slightly.

In each of the markets there has been an increase in cross-media ownership between 1991 and 2001. Cross-media ownership is defined as the same owner controlling more than one type of media in the market. Between 1991 and 2001, the number of cross-media owners increased from 1 to 2 in the Montréal English-language market, from 1 to 4 in the Montréal French-language market, from 4 to 5 in the Toronto market, and from 2 to 4 in the Vancouver market.

Not included in the above charts is the on-going development of the internet and its impact on the diversity of voices and information available in markets across Canada. As of January 2002, 67% of Canadians reported having access to the Internet.

Advertising Revenue by Media

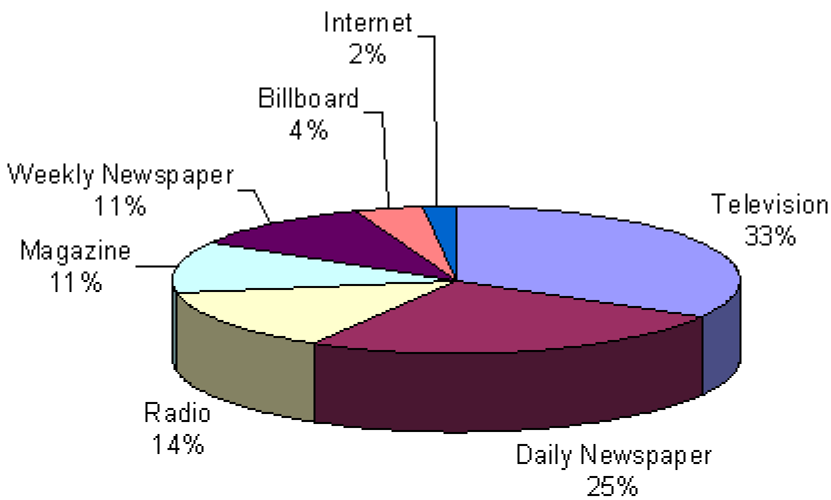
The following table and pie chart outline the trends in advertising revenues by the different media.

**Table 8: Advertising Revenue by Media
($ millions)**

Media	1995	1996	1997	1998	1999	2000	2001
Television (1)	1,878	1,997	2,108	2,333	2,374	2,456	2,560
Daily Newspaper (2)	1,323	1,399	1,644	1,698	1,734	1,951	1,891
Radio	769	798	848	920	952	1,000	1,045
Magazine	621	611	647	707	721	805	845
Weekly Newspaper	615	634	673	765	765	788	820
Billboard	167	200	220	246	269	293	310
Internet	-	2	10	25	56	109	142
Total	5,373	5,641	6,150	6,694	6,871	7,402	7,613
% Annual Increase	7.6%	5%	9%	8.8%	2.6%	7.7%	2.9%

Sources: Carat Expert, Panorama Publicitaire 2001 (1995-2000), Carat Expert estimates for 2001
Notes:
(1) Includes private conventional, CBC/SRC, specialty services, other public, educational, religious and not-for-profit services. The television advertising revenues relating to French language services are as follows ($millions): 1996 – $379; 1997 - $400; 1998 - $427; 1999 - $440; 2000 - $458; 2001 - $470.
(2) Excludes classified ads.

Chart 5: Share of Advertising Revenue by Media, 2001

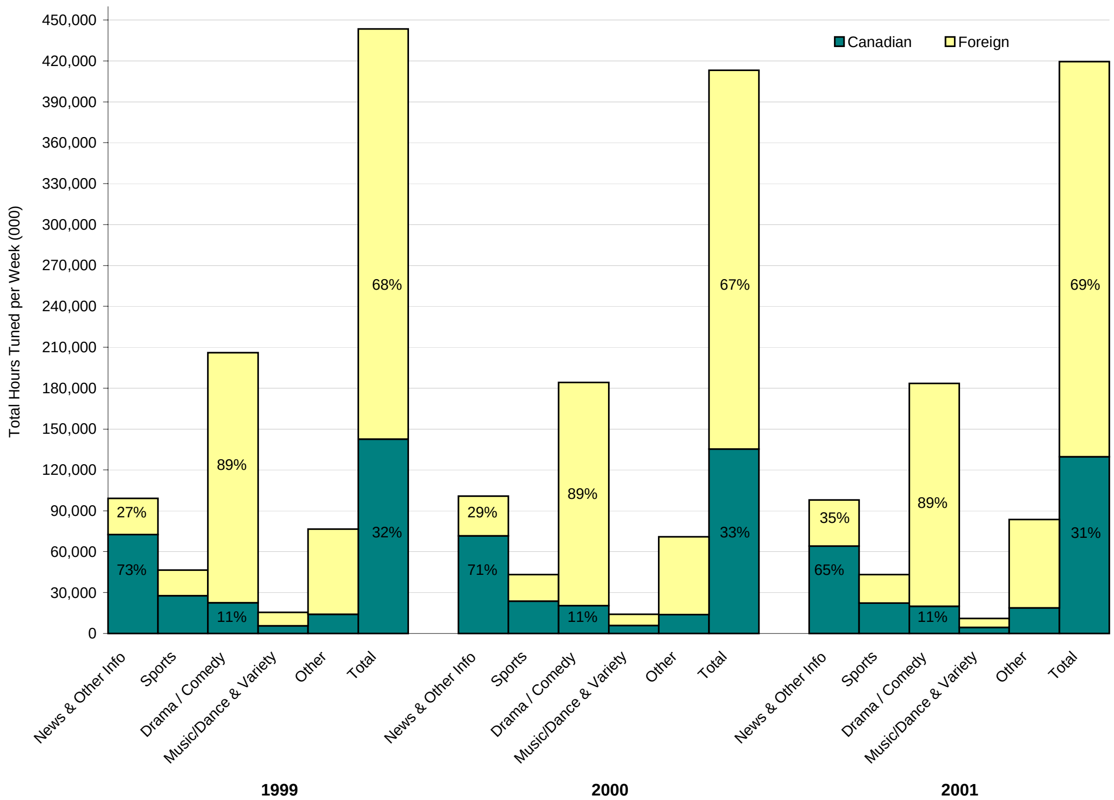


The relative levels of advertising revenue earned by the different media have remained generally constant since 1995. For example, all television advertising achieved a 34.9% share of the pie in 1995, as compared to 33.6% in 2001. Radio has also decreased only marginally from 14.3% in 1995 to 13.7% in 2001.

Trends in Television Viewing – Anglophones/Francophones

The following tables reveal the trends in viewing by Canadian anglophones and francophones to all television services available in Canada, Canadian and foreign, sub-divided by genre for the years 1999-2001. The viewing by genre is further sub-divided between viewing to Canadian and foreign programs. The tables are based on BBM and CRTC research data for a 4-week period in the Fall of each year.

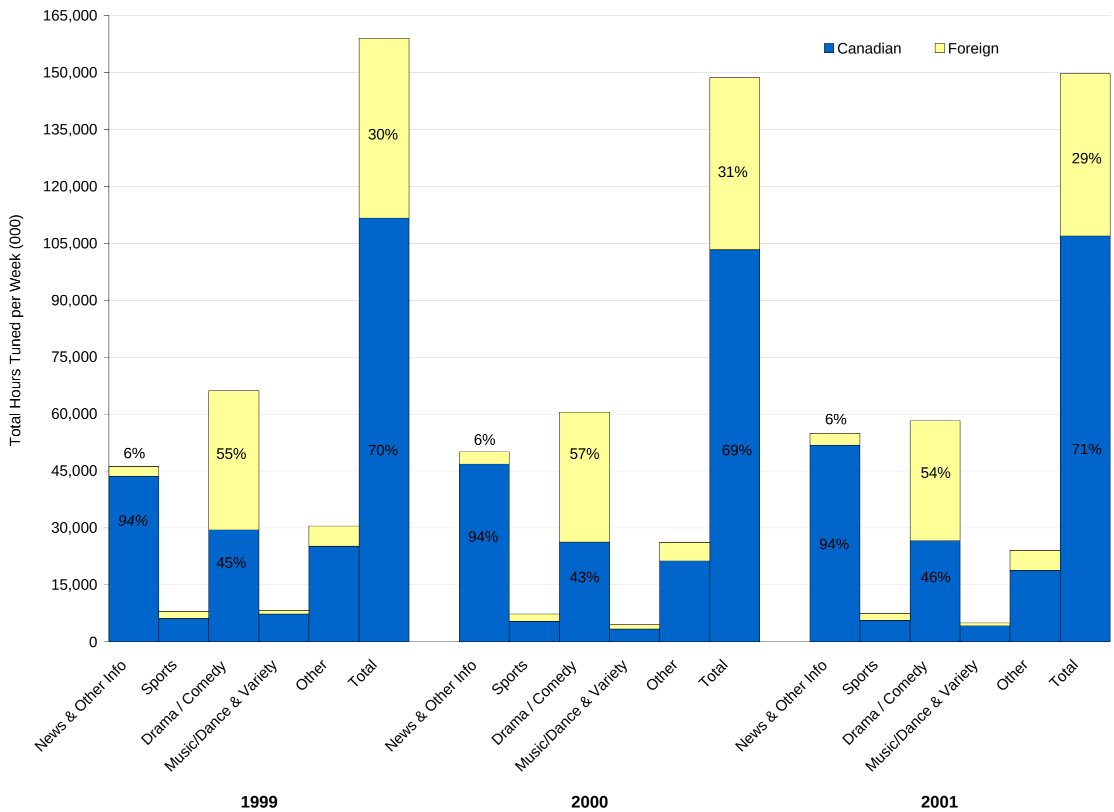
Chart 6: Viewing by English-Language Viewers by Program Type
All Canada – All Services (Canadian and Foreign)
Average Weekly Hours
6 a.m. – 2 a.m., Fall 2001
(000s)



The chart reveals the popularity of drama/comedy programming to anglophone viewers. In each of the years drama/comedy programming is about twice as popular as viewers' second pick, news and other information programming.

The viewing to Canadian programs by anglophone viewers differs significantly between the genres. Viewing to News and other information programs is predominantly to Canadian programs. In contrast, viewing by anglophones to drama/comedy programming is predominantly to foreign programs. Overall viewing to Canadian programs by anglophone viewers was 31% of total viewing in the Fall of 2001.

Chart 7: Viewing by French-Language Viewers by Program Type
All Canada – All Services (Canadian and Foreign)
Average Weekly Hours
6 a.m. – 2 a.m., Fall 2001
(000s)



Drama/comedy programming is the most popular genre with francophone viewers, with news and other information programming a close second.

Viewing trends by francophone viewers are predominantly to Canadian programs in all genres, with the exception of drama/comedy programs where the viewing has remained evenly split between Canadian and foreign programs. Overall viewing to Canadian programs by francophone viewers increased to 71% in the Fall of 2001.

Radio

I. Number of Commercial Radio Stations in Canada

- The following tables list the number of available commercial AM and FM radio stations by province over the past 5 years.

Table 1: Number of Commercial Radio Stations in Canada AM & FM – All Languages

	1997	1998	1999	2000	2001
Nfld. & Lab.	16	16	16	17	15
Prince Edward Island	4	4	4	4	4
Nova Scotia	23	23	22	22	22
New Brunswick	18	19	18	19	24
Quebec	84	85	84	82	84
Ontario	139	136	137	143	149
Manitoba	22	23	23	24	25
Saskatchewan	25	25	25	25	29
Alberta	54	54	56	57	58
BC & Territories	80	88	89	90	90
TOTAL	465	473	474	483	500

Source: CRTC Financial Database (includes stations that file annual returns as of August 31st of each year)

Table 2: Number of Commercial FM Stations in Canada – All Languages

	1997	1998	1999	2000	2001
Nfld. & Lab	4	4	4	4	5
Prince Edward Island	1	1	1	2	2
Nova Scotia	7	7	7	8	9
New Brunswick	7	9	9	10	17
Quebec	49	54	58	60	63
Ontario	72	76	80	88	99
Manitoba	7	8	8	10	11
Saskatchewan	8	8	8	8	12
Alberta	19	20	24	27	30
BC & Territories	23	31	33	36	38
TOTAL	197	218	232	253	286

Source: CRTC Financial Database (includes stations that file annual returns as of August 31st of each year)

Table 3: Number of Commercial AM Stations in Canada – All Languages

	1997	1998	1999	2000	2001
Nfld. & Lab.	12	12	12	13	10
Prince Edward Island	3	3	3	2	2
Nova Scotia	16	16	15	14	13
New Brunswick	11	10	9	9	7
Quebec	35	31	26	22	21
Ontario	67	60	57	55	50
Manitoba	15	15	15	14	14
Saskatchewan	17	17	17	17	17
Alberta	35	34	32	30	28
BC & Territories	57	57	56	54	52
TOTAL	268	255	242	230	214

Source: CRTC Financial Database (includes stations that file annual returns as of August 31st of each year)

- There has been a steady conversion of AM stations to the FM band during the past 5 years:

Table 4: Number of AM to FM Conversions per Year

	1997	1998	1999	2000	2001
# of AM to FM Conversions	7	12	13	8	19

Source: CRTC Decisions

II. Radio Tuning

A. Tuning Trends

- The following charts and tables outline the total hours tuned to radio in an average week during the fall surveys of 1996-2001. Chart 1 and Table 5 provide the total hours tuned over the entire day while Chart 2 and Table 6 include the total hours tuned between 6 a.m. and 6 p.m.

- The purpose of Tables 5 and 6 is to monitor the on-going use of radio by Canadians.

Table 5: Radio Tuning in an Average Week All Persons 12+, 5 a.m. to 1 a.m. Total Hours Tuned ("THT") (000's)

	1996		1997		1998		1999		2000		2001	
	THT ('000)	%	THT ('000)	%	THT ('000)	%	THT ('000)	%	THT ('000)	%	THT ('000)	%
English AM	146,937	29	143,274	28	138,986	25	133,316	25	126,419	24	126,207	24
English FM	231,903	45	233,510	45	269,081	49	268,211	49	267,612	50	267,022	50
French AM	31,208	6	29,219	6	24,052	4	20,536	4	15,990	3	15,668	3
French FM	76,944	15	79,684	15	91,160	17	91,898	17	92,743	17	94,359	18
Other	29,202	5	30,877	6	29,523	5	30,675	5	29,025	6	29,659	6
Total	516,194	100	516,564	100	552,802	100	544,636	100	531,789	100	532,915	100

Note: Other is principally over-the-air tuning to U.S. border stations
Source: BBM Fall 1996 to Fall 2001

Table 6: Radio Tuning in an Average Week
All Persons 12+, 6 a.m. to 6 p.m.
Total Hours Tuned ("THT") (000's)

	1996		1997		1998		1999		2000		2001	
	THT ('000)	%	THT ('000)	%	THT ('000)	%	THT ('000)	%	THT ('000)	%	THT ('000)	%
English AM	122,188	29	119,794	28	116,767	26	111,626	25	105,086	24	103,335	24
English FM	185,920	44	188,027	45	217,845	48	216,287	49	216,335	50	216,043	50
French AM	26,886	6	25,102	6	20,788	5	17,381	4	13,466	3	12,229	3
French FM	64,042	15	67,068	16	77,075	17	77,225	17	77,812	18	80,169	18
Other	21,065	6	22,819	5	22,041	4	23,026	5	21,963	5	23,110	5
Total	420,101	100	422,810	100	454,516	100	445,545	100	434,662	100	434,886	100

Source: BBM Fall 1996 to Fall 2001

- The total average weekly hours tuned in Fall 2001 were slightly higher than the totals for Fall 2000, both over the entire day (5 a.m. to 1 a.m.) and the 6 a.m. to 6 p.m. period.
- The tuning levels of FM stations relative to AM stations remained constant in Fall 2001 as compared to Fall 2000, for both French and English stations.
- The following charts are based on Tables 5 and 6 and serve to demonstrate the dominance of FM radio in both the English and French-language markets.

Chart 1: Total Hours Tuned in an Average Week, 5 a.m. to 1 a.m., Fall 2001

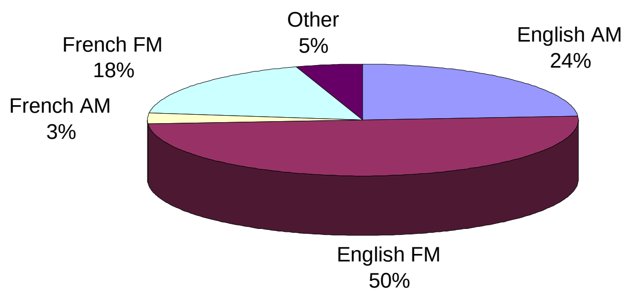
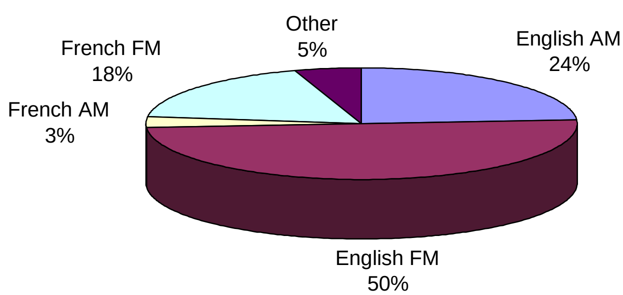


Chart 2: Total Hours Tuned in an Average Week, 6 a.m. to 6 p.m., Fall 2001



- In the Fall of 2001, 92.9% of Canadians aged 12 and over listened to the radio at least 15 minutes per week, as compared to 93.3% in 1996.

- The average hours per week tuned per listener have remained in the 22 hour per week range since 1990.

- The average hours per week tuned per capita have remained in the 20 hour per week range since 1996. (Source: BBM Radio Databooks)

B. Digital Radio

- The Commission issued *A Policy to Govern the Introduction of Digital Radio,* Public Notice CRTC 1995-184, on 29 October 1995.

- As of August 2002, 56 licences for transitional digital radio undertakings (DRU's) had been granted. Of these licences, 42 were issued to existing commercial radio stations and 14 to existing CBC stations.

- These 56 stations are located in 4 different markets:

  Montreal: 12, Toronto: 24, Vancouver: 14 and Windsor: 6

- To find out more about digital radio, you can visit the following website: http://www.digitalradio.ca

III. Ownership

- In revising its ownership policy in the *1998 Commercial Radio Policy*, Public Notice CRTC 1998-41, 30 April 1998 (the 1998 Commercial Radio Policy) the Commission focused on developing a model that would allow for some measure of consolidation, while taking into account its general concerns for preserving a diversity of news voices and maintaining competition.

- Table 7 through 12 monitor ownership consolidation in the radio industry.

A. Revenues of the Top 10 Ownership Groups

Table 7: Ten Largest Radio Operators Radio Revenue & National Share

Corporation	# of Radio Undertakings			Radio Revenue (000's)			National Share of Revenue (%)		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
Corus Entertainment Inc.	11	43	49	51,568	166,656	199,002	5	16	19
Télémédia Inc.	28	76	81	78,717	125,311	136,256	8	12	13
Rogers Communications Inc.	25	29	29	108,820	120,719	132,905	11	12	12
CHUM Limited	27	28	29	89,342	98,491	108,435	9	10	10
Standard Broadcasting Corp. Ltd.	13	12	12	88,204	90,879	92,385	9	9	9
Astral Radio Inc.	12	12	15	39,825	40,845	47,262	4	4	4
Newcap Broadcasting Inc.	13	20	24	23,700	32,202	33,833	2	3	3
Jim Pattison Industries	-	-	19	-	-	27,916	-	-	3
Maritime Broadcasting Ltd.	19	19	21	23,103	23,222	24,044	2	2	2
Elmer Hildebrand (Golden West Broadcasting)	-	-	19	-	-	20,968	-	-	2
Métromédia CMR Broadcasting Inc.	7	6	-	32,490	33,419	-	3	3	-
Rawlco Enterprises Ltd.	-	8	-	-	17,162	-	-	2	-
WIC – Western International Com. Ltd.	12	-	-	79,869	-	-	8	-	-
TOTAL	167	253	298	615,638	748,906	823,006	63	73	77
TOTAL Canada (Private Radio Revenues)	486	493	511	973,754	1,023,901	1,066,552	100	100	100

Source: CRTC Internal Report "Ownership August 2001", CRTC Financial Database
Notes: Radio undertakings include networks
Corus acquired the assets of WIC Premium Corporation and Power Corporation in 2000
Corus acquired control of Métromédia CMR Broadcasting Inc. in 2001
Jim Pattison Industries acquired the radio stations of Monarch Broadcasting Ltd. in 2001

- Both the number of stations owned by the top 10 radio operators and their share of national revenues continue to rise.

Table 8: Radio Revenues of the 3 Largest French-Language Radio Operators

Corporation	# of Radio Undertakings			Radio Revenue (000's)			Share of French Radio evenue (%)		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
Astral	12	12	15	39,825	40,845	47,262	26%	25%	28%
Télémédia	9	9	9	38,493	39,857	40,971	25%	24%	24%
Corus	-	6	10	-	6,085	28,648	-	4%	17%
Total	21	27	34	78,318	86,787	116,881	50%	53%	68%
Total French Radio	87	85	87	156,129	164,251	171,117	100%	100%	100%

Source: CRTC Financial Database

Table 9: Radio Revenues of the 5 Largest English-Language Radio Operators

Corporation	# of Radio Undertakings			Radio Revenue (000's)			Share of English Radio evenue (%)		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
Corus	11	37	39	51,568	160,571	170,354	7%	19%	20%
Rogers	25	29	29	108,820	120,719	132,905	14%	15%	15%
CHUM	27	28	29	89,342	98,491	108,435	11%	12%	13%
Télémédia	19	67	72	40,224	85,454	95,286	5%	10%	11%
Standard	13	12	12	88,204	90,879	92,385	11%	11%	11%
Total	95	173	181	378,158	556,114	599,365	48%	67%	70%
Total English Radio	385	395	412	791,209	831,579	867,847	100%	100%	100%

Source: CRTC Financial Database

- On 19 April 2002 Decisions approving the sale of Télémédia's English stations to Standard (Broadcasting Decision CRTC 2002-91), Rogers (Broadcasting Decision CRTC 2002-92) and Newcap (Broadcasting Decision CRTC 2002-93) were released. These transactions will significantly increase these operators' share of the English language radio market.

B. "Top 10" by Total Hours Tuned

Table 10: Tuning to the Ten Largest Radio Operators

Corporation	Listening Hours (000's)			All Radio Share (%)		
	1999	2000	2001	1999	2000	2001
Corus Entertainment Inc.	22,628	70,130	89,397	4	13	17
Télémédia Communications Inc.	38,401	53,385	59,667	7	10	11
Rogers Communications Inc.	46,662	45,910	44,958	9	9	8
CHUM Limited	40,663	39,667	36,169	7	7	7
Standard Broadcasting Corp. Ltd.	43,275	40,530	36,115	8	8	7
Astral Radio Inc.	20,191	18,827	18,647	4	4	3
Newcap Broadcasting Limited	11,477	12,191	15,565	-	2	3
Jim Pattison Industries	-	-	10,559	-	-	2
Cogeco Inc.	-	-	10,203	-	-	2
Radiomédia Inc.	-	9,136	9,621	-	2	2
Metromedia CMR Broadcasting Inc.	24,055	18,995	-	4	4	-
Maritime Broadcasting System Limited	10,697	10,145	-	2	2	-
WIC – Western International Comm. Ltd.	38,293	-		7	-	-
TOTAL	296,342	318,916	330,901	54	61	62
TOTAL PRIVATE RADIO	459,198	435,794	439,870			
TOTAL ALL RADIO – CANADA	544,637	531,789	532,916			

Note: Total private and all radio listening hours include tuning to non-English and non-French stations (i.e. Multilingual and Native stations)
Sources: CRTC Internal Report "Ownership August 2001", July 2001; and BBM, Fall 1999 to 2001

- Increases in listening hours are primarily related to acquisitions.

- The ten largest radio groups attracted 62% of the audience and 77% of radio industry revenues in 2001, an increase over the respective totals of 61% and 73% for 2000.

Table 11: Tuning to the Three Largest French-Language Radio Operators, 2001

Corporation	# of Radio Undertakings	Listening Hours (000's)	French Radio Share (%)
Télémédia	9	23,372	21
Astral	15	18,647	17
Corus	10	11,704	11
Total	34	53,723	49%
Total French Radio	87	110,027	100

Source: 2001 BBM Fall Survey

Table 12: Tuning to the Five Largest English-Language Radio Operators, 2001

Corporation	# of Radio Undertakings	Listening Hours (000's)	English Radio Share (%)
Corus	39	77,693	20
Rogers	29	44,958	11
Télémédia	72	36,295	9
CHUM	29	36,169	9
Standard	12	36,115	9
Total	181	231,230	59
Total English Radio	412	393,230	100

Source: 2001 BBM Fall Survey

- The sale of Télémédia's English stations to Standard, Rogers and Newcap in 2002 will increase these operators' share of total tuning.

IV. Competitive Licensing

- In the 1998 Commercial Radio Policy, the Commission determined that in order to encourage competition and choice it would no longer apply the criteria outlined in the *Radio Market Policy*, Public Notice CRTC 1991-74, 23 July 1991. The elimination of the Radio Market Policy combined with the revised common ownership policy have resulted in numerous competitive processes for new FM stations in markets across Canada.

- In Decision CRTC 99-480, 28 October 1999, the Commission outlined the factors that will generally be among those relevant to the evaluation of competitive applications. The Decision also noted that the relative weight and significance of the factors would vary depending on the specific circumstances of the market concerned.

- The following table reveals the factors that were noted in the Commission's decisions as contributing to the success of competitive applications since the introduction of the 1998 Commercial Radio Policy.

Table 13: Factors Contributing to Successful Applications for Commercial Radio Licences Considered by Competitive Processes Following the 1998 Commercial Radio Policy

Application	Can. Con.	CTD	Business Plan	Competitive Balance	Diversity of voices
Victoria – O.K. Radio		X	X		
Victoria – Rogers		X	X		
Victoria – Seacoast		X	X	X	
Duncan – CKAY			X		
London – CHUM		X	X		
Saskatoon – Hildebrand	X	X	X	X	
Lloydminster – Peace River	X	X	X		X
Hamilton/Burlington -Kirk/Roe		X	X		X
Barrie - Rock 95	X	X	X	X	
Belleville – Zwig			X	X	
Toronto – Milestone			X		X
Toronto – AVR					X
Toronto – PrimeTime		X	X		X
Moncton – Losier			X		X
Moncton – Maritime				X	
Moncton – Atlantic			X	X	
Saint-John – NBBC				X	
Kingston – Wright		X	X		X
Calgary – Standard	X		X	X	
Calgary – Télémédia	X		X		X
Calgary – AVR					X
Vancouver – Focus		X	X		X
Vancouver – CBC					X
Vancouver – AVR					X
Vancouver – SFU Community					X
Ottawa/Hull – Newcap	X	X	X		X
Ottawa/Hull – AVR					X
Ottawa/Hull – CHIN		X	X		X
Ottawa/Hull – Radio Nord	X	X	X		X
Winnipeg – Global	X	X	X		
Winnipeg – Rogers			X		
Winnipeg – Radiolink			X		
Winnipeg – HIS Broadcasting	X	X			
Winnipeg – Red River Campus		X			
Québec City – Cogeco	X	X		X	
Total (35 stations)	10	18	24	9	17

Source: CRTC Decisions

- Can. Con. refers to applications that proposed to exceed the minimum regulatory requirement for Canadian content.

- Of the 35 new licenses awarded via competitive processes, only 6 were awarded to a licensee included in the 10 largest commercial radio operators.

V. Canadian Talent Development (CTD)

The Commission reviews radio licensee contributions to CTD in the following instances:

A) Applications for new radio stations
B) Transfers of control or ownership (benefits)
C) Renewal of radio licences

A. Applications for New Radio Licences

- Since the introduction of the 1998 Commercial Radio Policy through to September 2002, the Commission has licensed 35 new radio stations through competitive processes in markets across Canada. These stations have committed over $23 million to CTD initiatives over their initial licence terms.

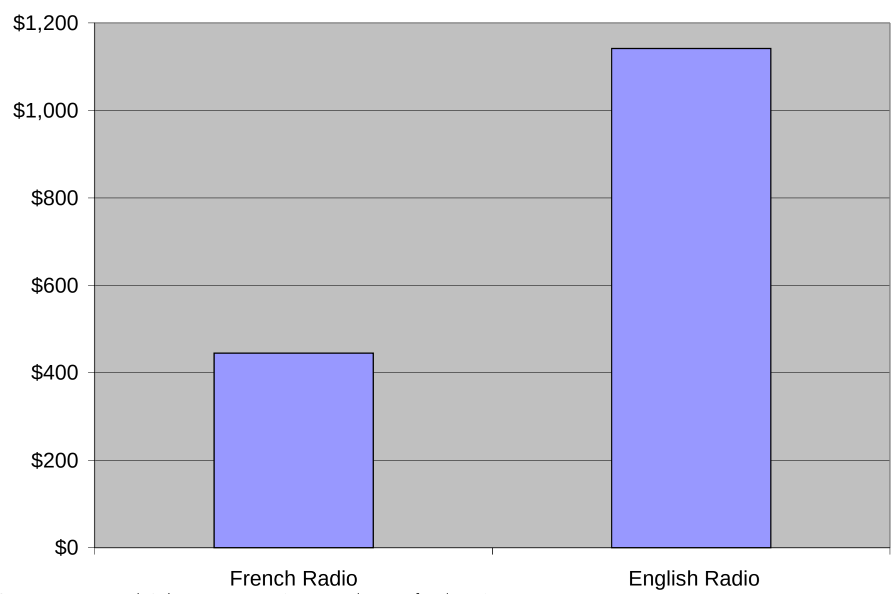
- In addition, there were 36 new radio licences or AM to FM flips granted without a competitive process. These stations committed a combined $395,000 towards CTD initiatives.

B. Transfers of Control or Ownership (benefits)

- As outlined in the 1998 Commercial Radio Policy, applicants for the transfer of ownership or control of radio stations must make commitments to benefits that represent a minimum direct financial contribution to CTD of 6% of the value of the transaction. Three percent is to be allocated to the StarMaker/RadioStar music marketing and promotion fund, two percent to either FACTOR or MusicAction and one percent at the discretion of the purchaser.

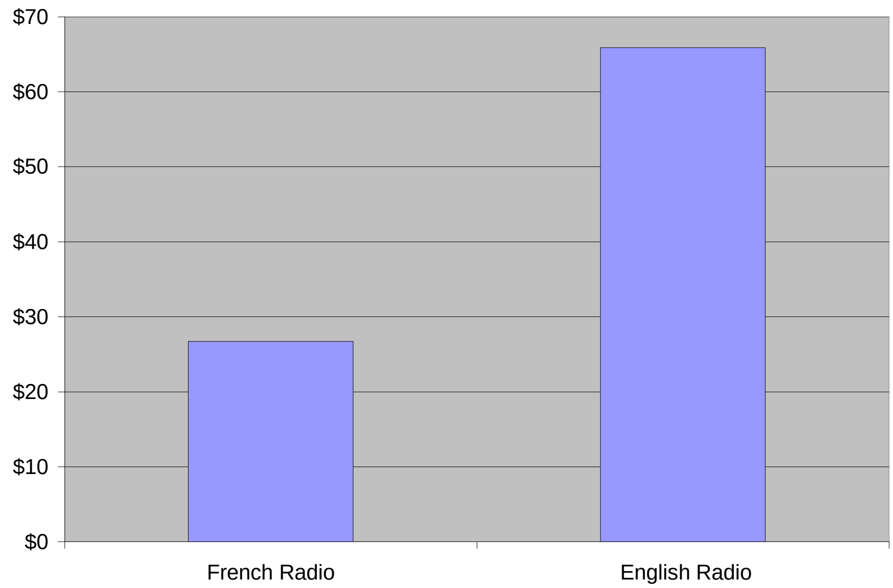
- Since the adoption of the 1998 Commercial Radio Policy to July 26, 2002, there have been 67 Commission approved control and/or ownership transactions involving 303 radio stations. CTD benefits from these transactions have totalled $ 92.6 million.

Chart 3: Value of Radio Transactions ($ millions)



Source: CRTC Decisions and Administrative Approvals as of July 26, 2002

Chart 4: Value of Transfer Benefits ($ millions)



Source: CRTC Decisions and Administrative Approvals as of July 26, 2002

C. Renewal of Radio Licences

- As part of their licence renewal applications, all licensees of private commercial radio stations are asked to make an annual financial commitment to Canadian talent development.
- In *Contributions by radio stations to Canadian talent development – a new approach*, Public Notice CRTC 1995-196, 17 November 1995, the Commission, in conjunction with the industry, established an approach which would ensure a minimum annual payment of $1.8 million to eligible third parties associated with Canadian talent development.
- The following table indicates the amount of money contributed to CTD initiatives in the context of licence renewals.

Table 14: CTD Annual Contributions – Licence Renewals

(dollars)	1998	1999	2000	2001
3rd Party Contributions				
FACTOR	981,457	965,043	835,074	894,640
MusicAction	358,530	287,800	269,599	258,000
Other 3rd Party:				
- Music Organizations	N/A	406,588	505,888	385,373
- Performing Arts Groups	N/A	408,672	109,836	689,336
- Schools or Scholarships	N/A	137,837	124,590	122,563
Total – Other	598,714	953,097	740,314	1,197,272
Total 3rd Party Contributions	1,938,701	2,205,940	1,844,987	2,349,912
Local Initiative Contributions	774,305	614,068	657,487	570,300
TOTAL – CTD Contributions	2,713,006	2,820,008	2,502,474	2,920,211

Source: CRTC Financial Database, Annual Returns

VI. Diversity of Formats

- In the development of the 1998 Commercial Radio Policy the broadcasting industry submitted that an increase in consolidation in markets would lead to an increase in the diversity of formats.
- The following tables (15-18) compare the diversity of radio formats available in a sample of markets from across Canada, 1999-2001.
- Note that formats change frequently. The format information used in tables 15-18 is based on the BBM Fall market books for the respective years in conjunction with other reference material.
- Overall, the number of distinct radio formats available in the sample of markets has generally remained at the same level since the introduction of the 1998 Commercial Radio Policy.

Table 15: Formats of Market Stations for Vancouver, Kelowna, Calgary and Regina

Format of market stations	Market											
	Vancouver			Kelowna			Calgary			Regina		
	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
Adult Contemporary (AC)	1	1		1	2		1	1				2
AC / CHR						1						
AC Light Rock		1						1	1			
AC / Oldies											1	
Adult Rock								1			1	1
Adult Standards Nostalgia									1			
Album-Oriented Rock (AOR)	1	2	1		1		1	1		2	1	
Contemp. Album Rock (CAR)												
Contemp. Hit Radio (CHR)	2	1	1				1				1	
CHR / Dance												
CHR / Top 40									1			
Classic Rock	1		1	1			1		2			
Classic & Contemporary Rock						1						
Country	1	1	1	2	1	1	1	1	1	2	1	1
Country Gold							1	1				
Ethnic	2	2										
Ethnic Specialty	1	1	3				1	1	1			
Full Service			1									
Gospel Specialty							1	1	1			
News	1	1	1									
News / Talk	1	3	2		1	1	1	1	1	1		
News / Talk / Sports												1
Nostalgia	1		1				1					
Oldies	1	1					1	1	1	1		
Soft AC	1			1								
Soft Favourites			1									
Soft Rock			1			1						
Sports			1						1			
Talk	1	1										
Talk/AC	1											
True Oldies		1	1					1			1	1
Unknown												1
Total # of stations	16	16	16	5	5	5	11	11	11	6	6	6
# of distinct formats	14	12	13	4	4	5	11	11	10	4	6	5

Table 16: Formats of Market Stations for Sudbury, London, Toronto and Ottawa-Gatineau

Format of market stations	Market											
	Sudbury			London			Toronto			Ottawa-Gatineau		
	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
AC	1	1		1	3	1	4	4	4	2	2	1
AC / CHR												1
AC / News / Talk				1								
Adult Rock					1							
Adult Standards									1			
Alternative								1	1			
AOR	1	1						1				
CAR				1			1			1	2	
CFA Specialty							1	1	2			
CHR			1			1	1	1	2	2	1	1
CHR/Dance					1		1	1				
Classic Rock				1					1	1	1	1
Contemporary Rock			1									
Country	1	1	1	1	1	1				1	1	1
Dancing Oldies									1			
Easy listening								1				
Ethnic							3	3				
Ethnic Specialty							2	2	5			
Gold										1		
Hot AC						1						
Mainstream Rock												1
Mainstream Top 40 / CHR			1									
Modern Rock							1					
Modern / Alternative Rock						1						
New & Gold AC												1
News / Talk					1	1	2	3	3	2	2	2
News / Talk Sports				1								
Nostalgia				1								
Oldies	1	1				1	1	1			1	
Oldies / Sports / Talk					1	1						
Soft AC	1	1	1									
Sports									1	1		
Talk							1					
Talk/Sports							1	1	1		1	1
True Oldies												1
Urban Music									1			
Total # of stations	5	5	5	7	8	8	19	20	23	11	11	11
# of distinct formats	5	5	5	7	6	8	12	12	12	8	8	10

Table 17: Formats of Market Stations for Montréal, Québec and Saguenay

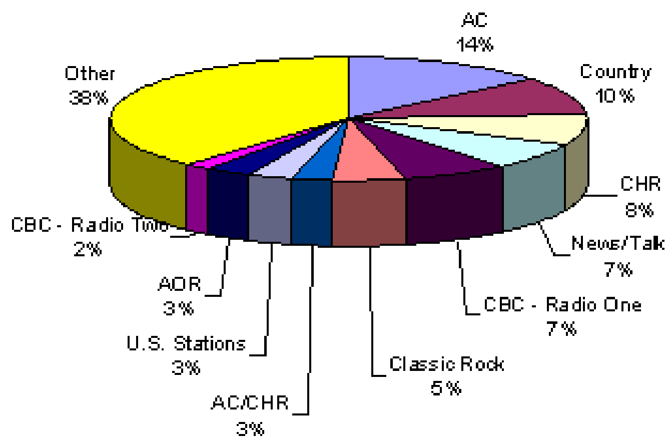
Format of market stations	Market								
	Montréal			Québec			Saguenay (Chicoutimi-Jonquière)		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
AC	3	3	1	3	4	1	1	1	
AC / CHR			1						1
AOR	1	1	1			1	1		
CAR		1							
CFA Specialty	1	1	1						
CHR	3	1	2			1		1	1
Classic Rock									
Country									
Ethnic	1	1	1						
Gold				1					
Hot AC									
Info / Commentary / Sports			1						
Information and Music						1			
Light AC			1						
Light Rock			1						
MOR	1	1	1	1					
News / Talk	3	4	3	1	1	1	1	1	1
Oldies	1	2			1				
Retro Music						1			
Sports / Talk			1						
Talk	1								
Total # of stations	15	15	15	6	6	6	3	3	3
# of distinct formats	9	9	12	4	3	6	3	3	3

Table 18: Formats of Market Stations for Halifax and St. John's

Format of market stations	Market					
	Halifax			St. John's		
	1999	2000	2001	1999	2000	2001
AC	1	1			1	
AC / CHR			1			1
AC / Country				2		
AC / Oldies			1		1	
AOR / CHR				1	1	
CHR		1				
Classic Rock	1					
Country	2	2	2	1	1	1
Gold				1		
Hot AC	1					1
Light Rock					1	
News / Talk	1	1				
News / Talk / AC						1
News / Talk / Sports			1			
Nfld Music						1
Oldies	1	2				
Religion				2	2	2
Rock			1			
Soft Rock			1			
Total # of stations	7	7	7	7	7	7
# of distinct formats	6	5	6	5	6	6

VII. Popularity of Formats

Chart 5: Ten Most Popular Formats in Canada, 2001



VIII. Promotion of a Financially Sound Sector

A. Financial Performance

1. Total Revenues – AM and FM

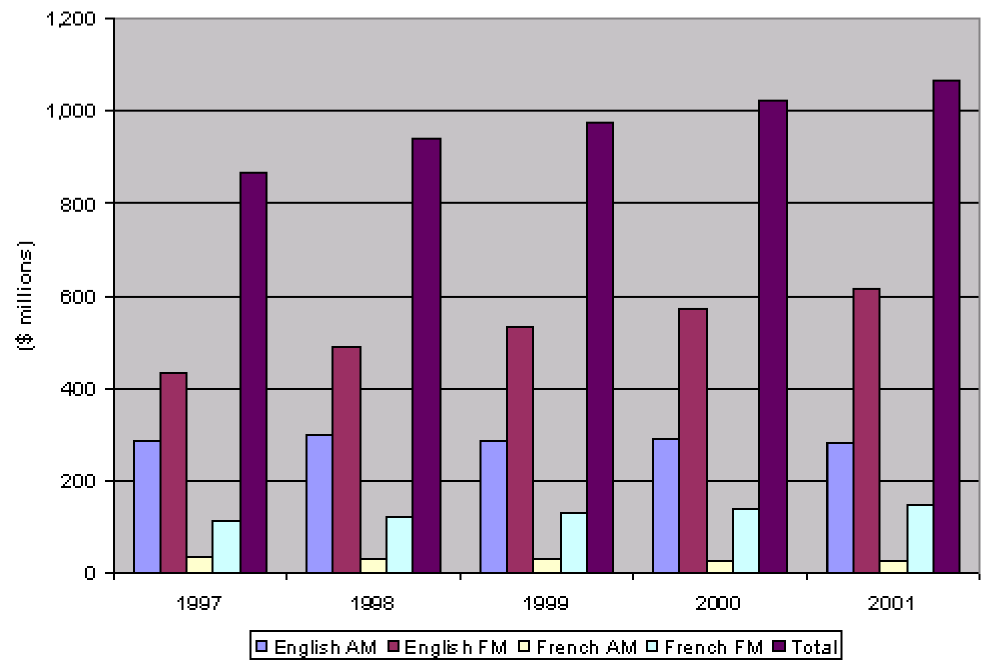
- One of the Commission's objectives in developing the 1998 Commercial Radio Policy was to ensure a strong, well-financed radio industry that is able to achieve its obligations under the *Broadcasting Act*.

Table 19: Radio Revenues in Canada
1997 – 2001

Radio Type	Total Revenues ($000s)				
	1997	1998	1999	2000	2001
English AM	288,003	297,629	286,257	288,397	280,988
English FM	432,950	489,155	531,368	571,253	614,447
Total - English	720,953	786,784	817,625	859,650	895,435
French AM	34,313	31,689	28,135	26,460	24,899
French FM	113,497	121,595	127,994	137,329	146,218
Total – French	147,810	153,284	156,129	163,789	171,117
TOTAL - Canada	868,763	940,068	973,754	1,023,439	1,066,552

Note: Ethnic stations are included under English Radio.
Source: FDB Financial Summary Reports

Chart 6: Radio Revenues



- Total revenues for English-language FM radio grew by 7.6% in 2001, while total revenues for English-language AM radio have remained relatively constant since 1997.

- Total revenues for French-language FM radio have grown at a relatively constant pace of between 5% to 8% since 1997, and grew by 6.5% in 2001.

- French-language AM radio continues to see a steady decline in both total revenues and number of stations, with total revenues decreasing by 5.9% in 2001. The number of French-language AM stations has decreased from 36 in 1997 to 20 in 2001.

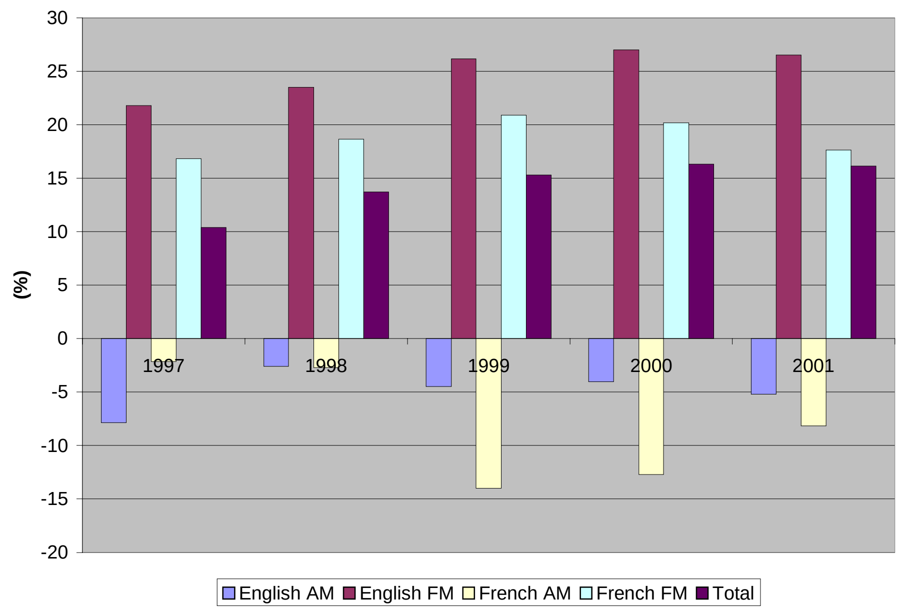
2. PBIT Margins – AM and FM

Table 20: **PBIT Margins – AM and FM (%)**

Radio Type	1997	1998	1999	2000	2001
English AM	-7.85	-2.59	-4.48	-4.03	-5.2
English FM	21.81	23.50	26.18	27.00	26.52
Total – English	9.97	13.63	15.45	16.59	16.56
French AM	-2.14	-2.70	-13.99	-12.72	-8.15
French FM	16.83	18.65	20.91	20.18	17.63
Total – French	12.43	14.24	14.62	14.86	13.88
Total – Canada	10.38	13.73	15.32	16.31	16.13

Note: Ethnic stations are included under English language Radio.
Source: FBD Financial Summary Reports 1996-2000

Chart 7: Radio PBIT Margins



3. Jointly Operated AM Stations

- Many AM stations are jointly operated with at least one other FM station in their market. When viewed as a combined entity these joint operations, both English-language and French-language, are profitable.
- Stand-alone English-language AM stations are also profitable, achieving a PBIT margin of 11% in 2001, as compared to –5% for all English-language AM stations combined.

Table 21: Jointly Operated & Stand Alone AM Stations

(in Canada)	1999	2000	2001
ENGLISH RADIO			
# of English AM Stations	223	211	202
# of English AM stations jointly operated with at least one other FM station	137	134	137
% of English AM stations jointly operated with other stations	61%	64%	68%
Average PBIT margin for the combined AM/FM results	17%	18%	18%
Stand-alone AM:			
# of English AM stand-alone stations	86	77	65
Average PBIT Margin of the stand-alone AM stations	9%	12%	11%
FRENCH RADIO			
# of French AM Stations	27	22	20
# of French AM stations jointly operated with at least one other FM station	14	9	8
% of French AM stations jointly operated with other stations	52%	41%	40%
Average PBIT margin for the combined AM/FM results	15%	21%	17%
Stand-alone AM:			
# of French AM stand-alone stations	13	13	12
Average PBIT Margin of the stand-alone AM stations	-18%	-26%	-15%

Source: CRTC Financial Database
Note: English Radio includes ethnic stations.

IX. Promoting the Airplay of Canadian and French Vocal Music

Table 22: Fullfilment of Canadian Content and French Vocal Music Requirements

Requirement (# of stations analyzed)	% meeting requirement – all day	% meeting requirement – 6AM to 6PM
35% Canadian Content Weekly (37)	95%	92%
65% French Vocal Music Weekly (6)	67%	Not applicable
55% French Vocal Music Weekly – 6 A.M.-6 P.M. (6)	Not applicable	67%

Note: Radio stations are analyzed for compliance to their regulated Canadian music and French vocal music requirements during the licence renewal process. The above results are based on a limited sample of stations and are not necessarily representative of the radio community as a whole. The Commission's approach to radio licensees found in non-compliance is outlined in Practices Regarding Radio Non-Compliance, Circular No. 444, 7 May 2001.
Source: CRTC, evaluation of licence renewal applications during 2001

- The 1998 Commercial Radio Policy increased the number of category 2 musical selections broadcast each week that must be Canadian from 30% to 35% for commercial AM and FM radio stations.
- The Policy maintained the level of French-language vocal category 2 music selections to be broadcast each week at 65% and introduced the requirement of 55% French-language vocal category 2 music Monday through Friday between 6 a.m. and 6 p.m.

X. Campus Radio

- As stated in *Campus radio policy*, Public Notice CRTC 2000-12, 28 January 2000, there are two types of campus radio stations, community-based campus and instructional. A community-based campus station's programming is primarily produced by volunteers, who are either students or community members. The primary objective of an instructional campus station is the training of professional broadcasters.
- There are currently 47 campus stations licensed across Canada, 38 community-based campus stations and 9 instructional campus stations.
- The majority of campus radio revenues comes from sources other than advertising. For example, revenues from the educational institution they are associated with, grants, the local community, fund-raising, etc.

Table 23: Revenues for Community-Based Campus Radio Stations

	1997	1998	1999	2000	2001
# of stations reporting	23	26	29	21	17
Local Advertising	$370,266	$494,412	$736,776	$452,612	$327,364
National Advertising	24,063	53,765	83,510	40,872	38,021
Other	2,882,213	3,238,828	3,801,269	3,000,631	2,377,475
Total - Revenues	3,276,543	3,919,019	4,621,556	3,494,115	2,742,860

Sources: CRTC Financial Database
CRTC Licence Application System

Table 24: Revenues for Instructional Campus Radio Stations

	1997	1998	1999	2000	2001
# of stations reporting	2	4	5	6	6
Local Advertising	$166,092	$234,453	$151,997	$104,613	$132,611
National Advertising	-	-	-	-	-
Other	230,951	125,750	178,042	216,713	233,591
Total - Revenues	397,043	360,203	330,039	321,326	366,202

Sources: CRTC Financial Database
CRTC Licence Application System

XI. Community Radio

- As stated in *Community radio policy*, Public Notice CRTC 2000-13, 28 January 2000, there are two kinds of community radio stations: Type A and Type B. A community station is a Type A station if, at the time of licensing, no other radio station other than the CBC is operating in the same language in all or part of its market. A community station is a Type B station if, at the time of licensing, there is at least one station, other than the CBC, operating in the same language in all or part of the same market.

- In addition to advertising revenues, community radio stations receive revenues from fund-raising, grants, and other sources.

- There are currently 36 Type A and 32 Type B community stations.

Table 25: Revenues for Type A Community Stations
($ '000)

	1997	1998	1999	2000	2001
# of stations reporting	20	23	22	21	18
Local Advertising	$1,826	$2,009	$2,090	$2,053	$2,059
National Advertising	427	365	472	529	645
Other Revenues	2,915	2,710	2,705	2,188	2,412
Total - Revenues	5,168	5,084	5,267	4,770	5,116

Source: CRTC Financial Database

Table 26: Revenues for Type B Community Stations
($ '000)

	1997	1998	1999	2000	2001
# of stations reporting	21	21	21	19	21
Local Advertising	$2,887	$3,220	$2,852	$2,132	$2,298
National Advertising	532	449	538	596	552
Other Revenues	2,572	2,911	2,781	2,851	2,715
Total - Revenues	5,991	6,580	6,171	5,579	5,565

Source: CRTC Financial Database

XII. Ethnic Radio

- The Commission revised its ethnic broadcasting policy in *Ethnic Broadcasting Policy*, Public Notice CRTC 1999-117, 16 July 1999.

- The Commission considered that the primary goal of the policy was to ensure access to ethnic programming to the extent practicable given resource limitations. As one way of furthering this objective, the Commission has licensed ethnic radio broadcasters that specialize in providing ethnic programming.

- There are 13 licensed ethnic radio stations currently broadcasting in Canada. The following tables provide the languages of programming broadcast by each of these stations. The stations are grouped by the markets they are licensed to serve. The information comes from each individual station's programming schedule, as of July 2002.

- The Commission has licensed two additional ethnic radio stations that had not commenced operations as of September 2002. In *New ethnic FM station for Ottawa/ Hull*, Decision CRTC 2001-625, 4 October 2001, a new ethnic station was licensed for Ottawa. In *New ethnic AM radio station*, Decision CRTC 2001-678, 7 November 2001, a new ethnic station was licensed for Montreal.

Table 27: Ethnic Radio, Vancouver

Language / Group	Weekly # of Broadcast Hours: CHKG-FM	CHMB-AM	CJVB-AM	Total
Arabic	0.3			0.3
Bosnian			0.5	0.5
Brazilian		1		1
Cambodian	1		1	2
Chinese – Cantonese	18	133	93.5	244.5
Chinese – Mandarin	49	16	2	67
Croatian			1	1
Danish		0.25	0.5	0.75
Dutch			3	3
English	15.75		2.5	18.25
Fijian	0.4			0.4
French	0.2			0.2
German			3	3
Greek		0.5	2	2.5
Hawaiian	0.4			0.4
Hindi	0.5	0.5		1
Icelandic		0.25		0.25
Indonesian	1			1
Italian	5	1.5		6.5
Japanese		7		7
Korean			5	5
Laotian			1	1
Lingala	0.3			0.3
Malaysian			1	1
Norwegian		0.25	0.5	0.75
Persian			1.5	1.5
Philipino–Tagalog		1		1
Polish			0.5	0.5
Portuguese		1		1
Punjabi	2.45	0.5		2.95
Romanian			1	1
Russian	1		1	2
Samoan	0.4			0.4
Serbian			1	1
Spanish	10.2		2	12.2
Swedish		0.25	0.5	0.75
Tahitian	0.4			0.4
Taiwanese	5			5
Tamil		0.5		0.5
Thai			1	1
Togan	0.4			0.4
Ukrainian		1		1
Vietnamese		2.5	0.5	3
TOTAL	111.7	167	125.5	404.2

Table 28: Ethnic Radio, Edmonton, Calgary, Winnipeg

	Weekly # of Broadcast Hours		
Language / Group	Edmonton (CKER-FM)	Calgary (CHKF-FM)	Winnipeg (CKJS-AM)
Arabic	2.5	1.5	
Cambodian		1	
Caribbean		5	1.25
Chinese – Cantonese	25	114	1
Chinese – Mandarin	4.5	6	
Croatian	1		
Dutch	3	1	
German	7.75	3	5.5
Greek	1		
Hindi	7	2	1.5
Hungarian	1	1	0.5
Indonesian		1	
Irish			1
Italian	3.5		5
Japanese			0.5
Jewish			1
Korean	0.5		
Laotian		1	
Macedonian		1	
Malaysian		1	
Philipino – Tagalog	2		27.5
Polish	5.5	1	12
Portuguese	1.5		4.5
Punjabi	3.5	6	1
Romanian	1		
Russian	0.5		1
Serbian	0.5	1	
Slovenian			0.75
Spanish	9.5	11	2.5
Thai		1	
Ukrainian	9	5	7
Urdu	0.5	4	1
Vietnamese	1		1
Other		0.5	
TOTAL	91.25	168	75.5

Table 29: Ethnic Radio, Toronto

	Weekly # of Broadcast Hours						
Language/ Group	CHIN AM	CHIN FM	CHKT AM	CIAO AM	CIRV FM	CJMR AM	Total
Afghani			10	3			13
Albanian		1					1
Arabic	1					0.5	1.5
Bengali	1					0.5	1.5
Bosnian			0.5				0.5
Brasilian					1		1
Bulgarian	1						1
Cambodian			2				2
Caribbean				24	0.5	1.5	26
Chinese – Cantonese	19.5	25.5	56		16.75		117.75
Chinese – Mandarin	0.5	0.5	10		9.75		20.75
Croatian	1.5	5	1.5	1		2.5	11.5
Czech				1			1
Dutch						1.5	1.5
English	9	8			3		20
Farsi			7			0.5	0.5
Fijian						1	1
German		2.5		20.5			23
Greek	12.5	5		3			20.5
Hindi		13	5	2		13.5	33.5
Hungarian				2			2
Indonesian			1				1
Irish – Gaelic			1				1
Italian	61	24.5		20.5		21	127
Jamaican			2				2
Korean			15	7.5			22.5
Laotian			1				1
Macedonian	2.5	0.5	1				4
Malaysian			2				2
Montenegri		0.5					0.5
Oromo	0.5						0.5
Pashto/Dari	1						1
Philipino-Tagalog	0.5						0.5
Polish		10		13	1	27.5	51.5
Portuguese		17			63.25	6	86.25
Punjabi		7.5	6	22.5	7	36.5	79.5
Romanian	0.5		1				1.5
Russian	2.5				2.5		5
Serbian	1	1					2
Serbo-Croatian		1					1
Serbo/Chetnic		1					1
Slovenian		1					1
Somali	3			1		0.5	4.5
Spanish	2.5			4	11.75		18.25
Swiss		0.5					0.5
Tamil			42				42
Thai			2				2
Ukrainian	2.5				7.5	4.5	14.5
Urdu	2.5	1		1		2.5	7
Vietnamese			2		2	1	5
TOTAL	126	126	168	126	126	121	793

Table 30: Ethnic Radio, Montreal, CFMB-AM

Language / Group	Weekly # of Broadcast Hours
African	1
Arabic	3
Cambodian	1
Chinese – Cantonese	1
Chinese – Mandarin	0.5
German	0.5
Greek	20.75
Haitian	5
Hebrew	1
Hindi	1.75
Italian	76.25
Lithuanian	1
Polish	3.75
Portuguese	2.5
Punjabi	1
Romanian	0.5
Russian	1
Spanish	5
Ukrainian	1
Urdu	0.5
Vietnamese	1
Yiddish	1
TOTAL	130.5

A. Ethnic SCMO Services

- SCMO is an acronym for Subsidiary Communications Multiplex Operation. It is the transmission of additional communication information (including radio programming or data services) by licensed FM broadcasting stations. Programming broadcast on an SCMO channel is not accessible with standard radio equipment, and requires the use of a special receiver.
- There are 19 SCMO ethnic programming services carried by 12 FM stations across Canada.

Table 31: Ethnic SCMO Services

City	Station	Languages
Burlington	CING-FM	Farsi
Brampton	CFNY-FM	Hindi, Punjabi, Urdu
Montreal	CIRA-FM	Hebrew, Italian
	CISM-FM	Chinese
Ottawa	CIMF-FM	Portuguese
Toronto	CBLA-FM	Portuguese, Spanish
	CHIN-FM	Italian, Tamil
	CJRT-FM	Malayalam, Tamil, Telugu
	CKFM-FM	Chinese, Greek
	CKLN-FM	Greek
Vancouver	CHKG-FM	Hindi, Persian, Punjabi, Urdu
Winnipeg	CITI-FM	Various East Indian

Source: CRTC

XIII. Native Radio

- Native radio is governed by the *Native Broadcasting Policy,* Public Notice CRTC 1990-89, 20 September 1990. The policy framework is designed to improve the quality and quantity of access by native broadcasters to the Canadian broadcasting system.

- These undertakings have a distinct role to play in fostering the development of aboriginal cultures and, where possible, the preservation of ancestral languages.

- The greatest concentration of activity in aboriginal broadcasting involves community-based radio stations in small remote locales.

- There are two types of Native radio stations:

    - Type A: A native radio station is a Type A station if, at the time the licence is issued or renewed, no other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force.

    - As a result of *Exemption order respecting certain native radio undertakings*, Public Notice CRTC 1998-62, 9 July 1998, Type A stations are no longer required to possess a broadcasting licence from the CRTC.

    - Type B: A native radio station is a Type B station if, at the time the licence is issued or renewed, at least one other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force. There are currently 37 Type B native radio stations licensed.

Table 32: Revenues for Type B Native Stations ($ '000)

	1997	1998	1999	2000	2001
# of stations reporting	12	14	14	13	10
Local Advertising	671	1,123	1,182	1,183	1,056
National Advertising	0	1	47	83	137
Other Revenues	6,008	3,376	3,359	4,031	4,943
Total - Revenues	6,692	4,501	4,589	5,297	6,137

Source: CRTC Financial Database

- The principal sources of revenue for Native radio stations are non-commercial.

XIV. Religious Radio

- The Commission's policy for religious broadcasting is set out in *Religious Broadcasting Policy,* Public Notice CRTC 1993-78, 3 June 1993.

- The Commission's approach to religious broadcasting is based on the following principles:

- Recognition of alternative values: The policy recognizes the legitimate needs and interests of those who wish to receive various kinds of religious programming without diminishing the integrity and strength of the Canadian broadcasting system.

- The importance of balance: Licensees should provide balance on matters of public concern and the Commission considers that religion is a matter of public concern. Balance means that a reasonably consistent listener will be exposed to a spectrum of differing views on issues of public concern within a reasonable period of time.

- There are currently 24 radio stations in Canada with a format based on spoken word religious programming.

XV. Low Power Radio

- A Commission review of the licensing policy for low power radio set out in *A licensing policy for low-power radio broadcasting*, Public Notice CRTC 1993-95, 28 June 1993 was announced in the *Review of community channel policy and low power radio broadcasting policy*, Public Notice CRTC 2001-19, 5 February 2001.

- The following table outlines the number of low and very low power radio stations in Canada as of August, 2002, by type:

Table 33: Number of Originating Low and Very Low Power Private English-Language Radio Stations in Canada by Type

Tourist/ Travel	Native Type B	Religious	Community		Campus		Commercial	Total
	English/ Native		Type A	Type B	Com-munity	Instruc-tional		
53	18	2	3	4	8	3	3	94

Source: CRTC Decisions

Table 34: Number of Originating Low and Very Low Power Private French-Language Radio Stations in Canada by Type

Tourist/ Travel	Native Type B	Religious	Community		Commercial	Total
	French / Native		Type A	Type B		
3	5	19	4	3	1	35

Source: CRTC Decisions

Table 35: Number of Originating Low and Very Low Power Radio Stations in Canada – Other than English or French-Language

Native Type B	Total
Native only	
1	1

Source: CRTC Decisions

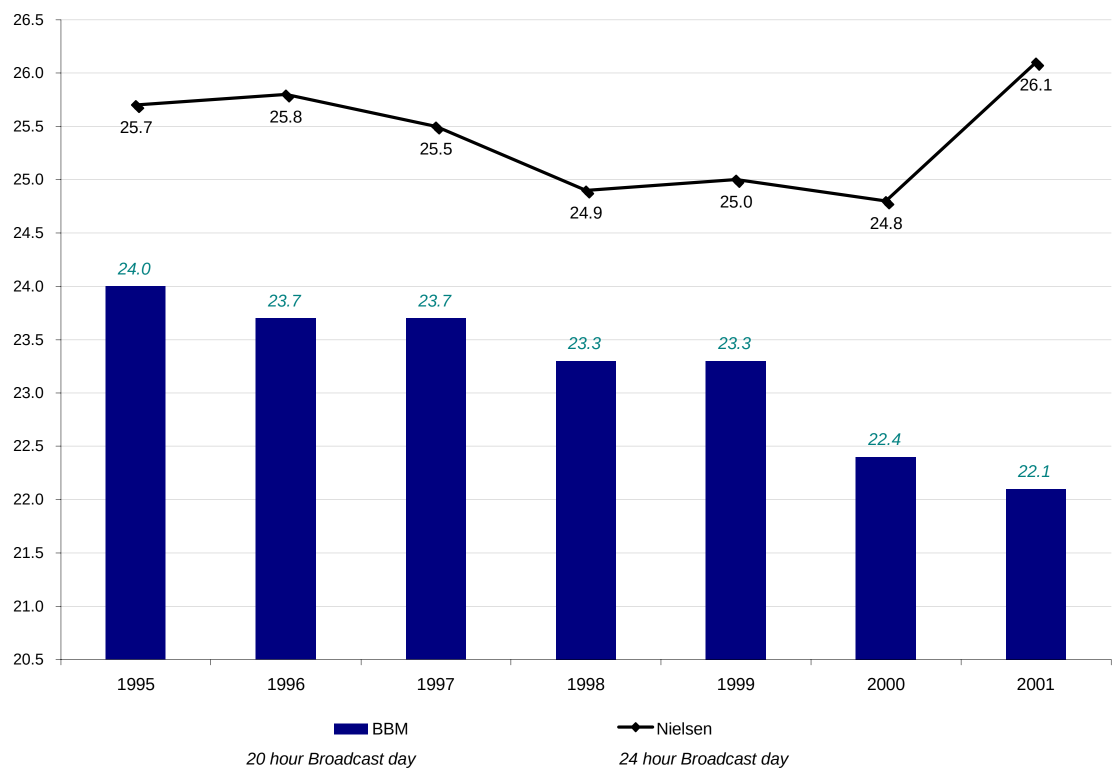
TELEVISION

I. Audience

A. Average Weekly Hours per Viewer

- BBM data indicates that the average total weekly hours per viewer 2+ continues to gradually decrease.
- Nielsen Media Research reports an increase of 1.3 hours per week in 2001.

Chart 1: Average Weekly Hours per Viewer – All Persons 2+

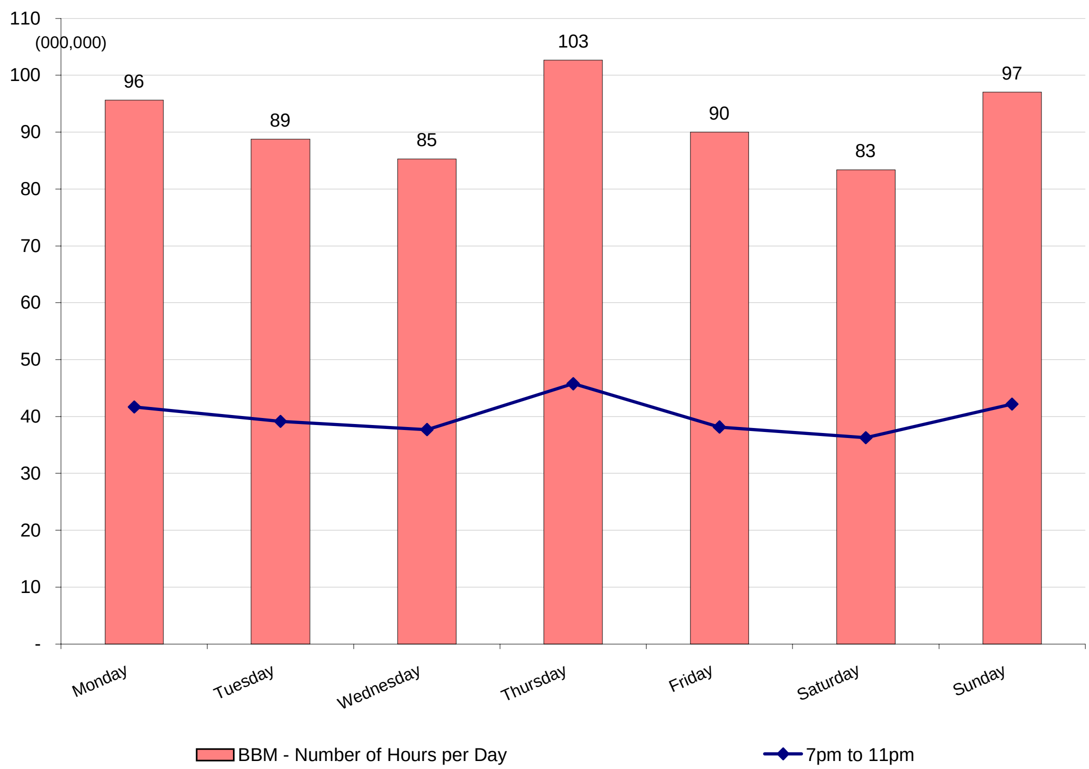


Sources: BBM: 2001-2002 Television Data Book; Nielsen Media Research; CBC Research

- On a per capita basis in 2001, the average weekly hours for Nielsen and BBM were 25.1 and 21.2 hours respectively.

B. Average Daily Viewing Hours

Chart 2: Average Daily Viewing Hours - All Persons 2+ - BBM Fall 2001



- Thursday, Sunday and Monday continue to be the most popular television viewing days of the week, as reported by both Nielsen and BBM.

C. Viewing Share by Station Group

Table 1: Fall 1993 to Fall 2001 for All Persons 2+
All Regions Excluding Quebec
Monday to Sunday, 6 a.m. to 2 a.m.

STATION GROUP	Viewing Share % - Fall									*Growth*
	1993	1994	1995	1996	1997	1998	1999	2000	2001	*93 to 01*
Canadian Services:										
English-Language										
- Private Conventional	45.3	44.4	43.8	42.3	39.6	37.5	37.6	35.9	33.3	*(12.0)*
- CBC	12.9	13.2	12.0	11.5	10.6	9.1	7.5	7.5	6.9	*(6.0)*
- Pay & Specialty	6.2	5.9	9.0	9.6	13.0	14.7	16.9	19.5	20.0	*13.8*
- Digital Specialty *									1.8	*1.8*
- TVO	0.8	1.0	1.0	1.1	1.2	1.3	1.2	1.3	1.0	*0.2*
- Other ***	0.6	0.7	0.7	0.8	0.8	0.7	0.8	0.7	1.1	*0.5*
Total English	*65.9*	*65.2*	*66.4*	*65.2*	*65.3*	*63.3*	*64.0*	*65.0*	*64.1*	*(1.8)*
French-Language										
- Private Conventional	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.5	*(0.1)*
- SRC	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.5	0.5	*(0.1)*
- Pay & Specialty	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	*0.1*
Total French	*1.3*	*1.2*	*1.3*	*1.3*	*1.3*	*1.3*	*1.2*	*1.3*	*1.2*	*(0.1)*
Other Language										
- Private Conventional	0.0	0.0	0.0	0.0	0.9	1.1	1.0	0.9	0.7	*0.7*
- Pay & Specialty	0.1	0.2	0.4	0.4	0.5	0.5	0.7	0.8	0.5	*0.4*
- Digital Specialty *									0.0	*-*
Total Other	*0.1*	*0.2*	*0.4*	*0.4*	*1.4*	*1.6*	*1.7*	*1.7*	*1.2*	*1.1*
Total Cdn. Services	**67.3**	**66.6**	**68.1**	**66.9**	**68.0**	**66.3**	**66.9**	**68.0**	**66.5**	**(0.8)**
U.S. Services:										
- Conventional	17.8	17.4	16.6	16.2	13.5	14.2	13.2	12.4	12.2	*(5.6)*
- PBS	2.8	2.5	2.3	2.4	2.3	1.8	1.7	1.9	1.8	*(1.0)*
- Pay & Specialty **	5.5	6.5	5.9	6.8	7.4	9.4	10.2	11.5	13.4	*7.9*
Total U.S. Services	**26.1**	**26.5**	**24.8**	**25.4**	**23.2**	**25.5**	**25.1**	**25.8**	**27.4**	**1.3**
Other	0.9	1.0	1.0	1.3	2.8	2.5	2.3	1.1	1.2	*0.3*
VCR	5.7	5.9	6.1	6.3	6.0	5.8	5.8	5.1	4.7	*(1.0)*
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	
Total Hours (000)	*448,541*	*471,494*	*488,749*	*486,246*	*488,769*	*503,072*	*478,576*	*471,198*	*472,640*	*24,099*

* BBM sample was conducted during the promotional viewing period.
** Includes viewing to non-U.S. pay & specialty service .
*** Includes viewing to House of Commons (CPAC), Provincial Legislatures, Cable Community Channel, Other Educational and Religious
Note: As of Fall 1997, moved CFMT from English-Language to Other Language.
Source: BBM Fall 1993-2001

- The total viewing share of Canadian English-language television services, in all regions excluding Québec, has remained relatively constant since 1993.

- BBM reports[1] that Canadian English-language pay and specialty services have increased their share of total viewing by 16% since 1993, reaching a 21.8% share of viewing in fall 2001.

[1] BBM: 20 hour broadcast day – 6 a.m. to 2 a.m.

- Neilsen[2] Research data reports that the share for Canadian English pay and specialty services in all regions excluding Québec averaged 27.2% over the period of October 29 to November 25, 2001.

Table 2: Fall 1993 to Fall 2001 for All Persons 2+ Province of Québec Monday to Sunday, 6 a.m. to 2 a.m.

STATION GROUP	Viewing Share % - Fall									*Growth*
	1993	1994	1995	1996	1997	1998	1999	2000	2001	*93 to 01*
Canadian Services:										
French-Language										
- Private Conventional	47.6	47.7	44.9	44.7	46.1	44.9	45.0	46.1	44.0	*(3.6)*
- SRC	22.8	20.4	22.7	21.6	19.8	21.1	20.0	17.5	17.8	*(5.0)*
- Pay & Specialty	5.6	5.6	8.4	10.0	10.4	10.5	11.2	13.5	15.7	*10.1*
- Télé-Québec	2.6	3.3	2.4	1.5	1.1	1.3	2.0	2.0	2.2	*(0.4)*
Total French	78.6	77.0	78.4	77.7	77.4	77.8	78.2	79.1	79.7	1.1
English-Language										
- Private Conventional	6.4	6.4	6.0	6.2	6.5	6.3	6.0	5.9	5.3	*(1.1)*
- CBC	2.1	2.3	2.1	2.1	1.9	1.6	1.2	1.3	1.1	*(1.0)*
- Pay & Specialty	0.9	0.9	1.3	1.4	2.1	2.0	2.3	2.6	2.7	*1.8*
- Digital Specialty *									0.4	*0.4*
- Other ***	0.3	0.4	0.3	0.5	0.3	0.3	0.3	0.4	0.4	*0.1*
Total English	9.7	9.9	9.7	10.1	10.7	10.2	9.8	10.1	9.9	0.2
Other Language										
- Private Conventional	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.3	*0.3*
- Pay & Specialty	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	*0.2*
Total Other	*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*0.2*	*0.3*	*0.3*	*0.5*	*0.5*
Total Cdn. Services	**88.3**	**86.9**	**88.1**	**87.9**	**88.3**	**88.2**	**88.2**	**89.5**	**90.1**	**1.8**
U.S. Services:										
- Conventional	6.2	6.7	5.7	5.6	4.7	4.5	4.6	4.4	3.7	*(2.5)*
- PBS	1.1	1.2	0.9	0.9	0.7	0.7	0.6	0.7	0.5	*(0.6)*
- Pay & Specialty **	0.2	0.2	0.6	0.6	0.9	1.0	1.1	1.4	1.9	*1.7*
Total U.S. Services	**7.5**	**8.1**	**7.3**	**7.0**	**6.2**	**6.2**	**6.3**	**6.5**	**6.1**	**(1.4)**
Other	0.6	0.7	0.7	0.8	1.3	1.4	1.7	0.9	0.9	*0.3*
VCR	3.6	4.3	4.0	4.4	4.2	4.2	3.8	3.2	2.9	*(0.7)*
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	
Total Hours (000)	*174,533*	*187,524*	*190,479*	*190,299*	*189,195*	*188,637*	*181,056*	*173,099*	*170,205*	*(4,328)*

* BBM sample was conducted during the promotional viewing period.
** Includes viewing to non-U.S. pay & specialty service .
*** Includes viewing to House of Commons (CPAC), Provincial Legislatures, Cable Community Channel, Other Educational and Religious
Note: As of Fall 1997, moved CFMT from English-Language to Other Language.
Source: BBM Fall 1993-2001

- The total viewing share for Canadian French-language television services in Québec has remained relatively constant since 1993.

- BBM reports[3] that Canadian French-language pay and specialty services have increased their share of total viewing by about 10.1% since 1993, reaching a 15.7% share of viewing in fall 2001 in the province of Québec.

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[2] Nielsen: 24 hour broadcast day – 6 a.m. to 6 a.m.
[3] BBM: 20 hour broadcast day – 6 a.m. to 2 a.m.

- Nielsen[4] Research data reports that the share of French-language pay and specialty services in the province of Québec averaged 21.4% over the period of October 29 to November 25, 2001.

D. Viewing Share by Ownership Group

- *In Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999, the Commission decided that the renewal of all the conventional television licences held or controlled by a group will generally be considered by the Commission at the same time.

- This approach gives the Commission the opportunity to make a strategic assessment of the contribution of all aspects of a licensee's operations to the Canadian broadcasting system.

- Table 3 sets out the combined viewing share of conventional and specialty services controlled by the conventional English and French-language television ownership groups. This table reflects only those specialty services in which these groups have a 50% or greater ownership interest.

- This table shows that, on a combined basis, conventional television ownership groups have been able to maintain or increase their overall viewing share through acquisition and new specialty services.

- 44% of the Fall 2001 total viewing share for English-language pay & specialty services related to services operated by conventional television ownership groups.

- 43% of the Fall 2001 viewing share for French-language pay & specialty services related to services operated by conventional television ownership groups.

- Table 4 sets out the combined viewing share of the pay, PPV and specialty services controlled by the largest English and French-language ownership groups that are primarily pay, ppv and specialty service operators. This table reflects only those services in which the groups have a 50% or greater ownership interest.

- On a combined basis, these ownership groups garnered 40% and 53% of the total English and French pay and specialty Fall 2001 viewing shares respectively.

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[4] Nielsen: 24 hour broadcast day – 6 a.m. to 6 a.m.

Table 3: Combined Viewing Share of Conventional and Specialty Services Controlled, 50% or Greater, by Conventional English and French-Language TV Ownership Groups

	Control (1)	Lang.	FALL - All Persons 2+, 6 a.m. to 2 a.m.									
			All Regions *(Excl. Québec)*					Province of Québec				
			97	98	99	00	01	97	98	99	00	01
CTV / Bell Globemedia Inc (2)												
- CTV Conventional	100%	e	15.9	14.3	15.0	14.2	14.2	0.7	0.6	1.0	0.9	3.6
- Newsnet	100%	e	0.1	0.3	0.3	0.4	0.4	-	-	-	-	0.1
- TalkTV	100%	e				-	-				-	-
- Comedy Network, The	100%	e	0.4	0.3	0.3	0.4	0.4	-	-	-	-	-
- ROBTV	100%	e					0.1					-
- TSN (The Sports Network)	80%	e				2.3	2.2				0.4	0.4
- RDS (Réseau des sports)	80%	f				-	-				1.6	1.6
- Discovery Channel, The	64%	e				0.9	0.8				0.2	0.2
- Canal Évasion	50.1%	f				-	-				0.2	0.2
- Digital Specialty Services *		e					0.3					0.1
Total			16.4	14.9	15.6	18.2	18.4	0.7	0.6	1.0	3.3	6.1
Global Television Network Inc.												
- Global Conventional		e/o	9.1	8.1	7.4	13.5	13.2	1.7	1.8	1.5	1.6	1.8
- Prime TV	100%	e	0.1	0.5	0.8	1.1	1.2	-	-	-	-	-
- Digital Specialty Services *		e					0.4					0.1
Total			9.2	8.6	8.2	14.6	14.8	1.7	1.8	1.5	1.6	1.9
CHUM Limited												
- CHUM Conventional	100%	e	4.1	4.2	4.3	4.4	4.5	0.2	0.2	0.1	0.1	0.1
- Bravo!	100%	e	0.4	0.4	0.3	0.5	0.4	0.1	0.1	0.1	0.1	0.1
- MuchMusic	100%	e	0.5	0.4	0.4	0.4	0.4	-	-	-	0.1	-
- MuchMoreMusic	100%	e		0.2	0.2	0.2	0.2		-	-	-	-
- Space	100%	e	0.7	0.7	0.6	0.9	0.9	-	0.1	0.1	0.2	0.2
- Star-TV	100%	e			0.1	0.1	0.1			-	-	-
- Pulse 24	70.1%	e		0.1	0.1	0.2	0.3		-	-	-	-
- CLT - Cdn. Learning TV	60%	e			-	-	0.1			-	-	-
- MusiquePlus	50%	f	-	-	-	-	-	0.3	0.3	0.3	0.3	0.2
- Musimax	50%	f	-	-	-	-	-	0.2	0.2	0.2	0.2	0.2
- Digital Specialty Services *		e					0.1					-
Total			5.7	6.0	6.0	6.7	7.0	0.8	0.9	0.8	1.0	0.8
CBC / SRC												
- Conventional - English Stations	100%	e	8.4	7.2	6.0	6.1	5.7	1.9	1.6	1.2	1.3	1.1
- Newsworld	100%	e	0.9	0.9	0.7	1.0	1.0	0.2	0.1	0.1	0.1	0.2
Subtotal - English Language			*9.3*	*8.1*	*6.7*	*7.1*	*6.7*	*2.1*	*1.7*	*1.3*	*1.4*	*1.3*
- Conventional - French Stations	100%	f	0.6	0.6	0.6	0.5	0.5	14.6	15.7	15.2	13.6	14.3
- RDI	100%	f	0.1	-	0.1	0.1	0.1	1.1	1.5	1.2	1.2	2.7
Subtotal - French Language			*0.7*	*0.6*	*0.7*	*0.6*	*0.6*	*15.7*	*17.2*	*16.4*	*14.8*	*17.0*
Total			10.0	8.7	7.4	7.7	7.3	17.8	18.9	17.7	16.2	18.3
Craig Broadcasting Systems Inc.												
- Craig, Conventional		*e*	1.0	1.3	1.5	1.4	1.1	-	-	-	-	-
- Digital Specialty Services *		*e*					0.1					-
Total			1.0	1.3	1.5	1.4	1.2	-	-	-	-	-
Québecor Media Inc.												
- TVA Conventional	99.9%	f	0.1	0.1	0.1	0.1	-	33.7	32.5	31.2	30.4	29.0
- LCN (Le Canal Nouvelles)	99.9%	f	-	-	-	-	-	0.1	0.3	0.5	0.6	0.6
Total			0.1	0.1	0.1	0.1	-	33.8	32.8	31.7	31.0	29.6
TQS Inc.												
- TQS Conventional	100%	f	-	-	-	0.1	0.1	7.0	6.6	8.1	9.5	9.3
Total viewing share - Conventional			39.2	35.8	34.9	40.3	39.3	59.8	59.0	58.3	57.4	59.2
Total viewing share - Specialty			3.2	3.8	3.9	8.5	9.5	2.0	2.6	2.5	5.2	6.8
Total Viewing Share - Conventional & Specialty			42.4	39.6	38.8	48.8	48.8	61.8	61.6	60.8	62.6	66.0

Sources: BBM Fall 1997 to 2001; Economic Analysis and Research, Broadcasting Directorate, CRTC; CRTC Ownership & Industry Analysis Division. * BBM sample was conducted during the promotional viewing period.
(1) Percentage of direct and indirect voting interest;
(2) BCE Inc. holds a 70.1% voting interest in Bell Globemedia Inc; the 1997 viewing shares includes Baton stations and CTV Network (Baton acquired control of CTV Network in September 1, 1998); CTV acquired NetStar March 24, 2000 and therefore acquired controlling interest in TSN, RDS and Discovery specialty channels; BCE Inc. acquired controlling interest in CTV on December 7, 2000.

Table 4: Combined Viewing Share of Specialty Services Controlled, 50% or Greater, by the Three Largest English and French-Language Ownership Groups That Are Primarily Pay, PPV and Specialty Service Operators

			FALL - All Persons 2+, 6 a.m. to 2 a.m.									
			All Regions *(Excl. Québec)*					Province of Québec				
	Control *(1)*	Lang.	97	98	99	00	01	97	98	99	00	01
Astral Media Inc.												
- TMN, The Movie Network	100%	e	0.3	0.3	0.6	0.7	0.7	0.1	0.1	0.1	0.2	0.1
- SuperÉcran	100%	f	-	-	-	-	-	1.1	1.3	1.2	1.6	1.7
- Moviepix! (The Classic Channel)	100%	e	-	0.1	0.2	0.2	0.2	-	-	-	0.1	0.1
- VRAK-TV (Canal Famille)	100%	f	-	-	-	-	-	1.9	1.3	1.3	0.8	1.9
- Canal D	100%	f	-	-	-	-	-	0.9	1.1	1.1	1.0	1.0
- Canal Vie	100%	f	-	-	-	-	-	0.3	0.5	0.7	0.9	0.8
- Canal Z	100%	f				-	-				0.4	0.5
- Family Channel, The	100%	e	0.6	0.5	0.7	0.8	0.9	-	-	-	-	-
- Viewer's Choice Canada	50.1%	e	-	-	0.1	-	0.1	-	-	-	-	-
- Series +	50%	f				-	-				0.9	0.8
- Historia	50%	f				-	-				0.4	0.3
- MusiquePlus	50%	f	-	-	-	-	-	0.3	0.3	0.3	0.3	0.2
- Musimax	50%	f	-	-	-	-	-	0.2	0.2	0.2	0.2	0.2
Total			0.9	0.9	1.5	1.7	1.9	4.9	4.7	4.8	6.9	6.3
Corus Entertainment Inc.												
- Conventional Television Stations	100%	e				0.5	0.1				0.6	-
- MovieCentral (SuperChannel)	100%	e	0.2	0.2	0.3	0.4	0.6	-	-	-	-	-
- MovieMax	100%	e	0.0	0.0	0.0	0.1	0.1	-	-	-	-	-
- YTV	100%	e	1.8	1.7	1.9	1.6	1.4	0.5	0.3	0.4	0.3	0.3
- Treehouse TV	100%	e	1.0	1.2	1.3	1.8	0.6	0.2	0.1	0.1	0.1	0.1
- W (Women's Television Network)	100%	e					0.6					-
- CMT (Country Music Television)	90%	e	0.4	0.3	0.4	0.5	0.4	0.1	0.1	0.1	0.1	0.1
- Telelatino	50.5%	o					0.1					0.1
- Digital Specialty Services *		e					0.2					-
Total			3.4	3.5	3.9	4.8	4.0	0.7	0.5	0.5	1.1	0.6
Alliance Atlantis Communications Inc.												
- Showcase	100%	e	0.4	0.4	0.5	0.6	0.6	0.1	0.1	0.1	0.1	0.1
- Life Network, The	100%	e	0.3	0.3	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1
- History Channel, The	100%	e	0.5	0.6	0.5	0.8	0.7	0.1	0.1	0.1	0.1	0.1
- HGTV	80.24%	e	0.2	0.3	0.3	0.3	0.5	-	-	-	-	-
- Food Network Canada	70.2%	e				0.3	0.3				-	-
- Historia	50%	f				-	-				0.4	0.3
- Séries +	50%	f				-	-				0.9	0.8
- Digital Specialty Services *		e					0.3					0.1
Total			1.4	1.6	1.6	2.3	2.6	0.2	0.2	0.2	1.5	1.5
TOTAL			5.7	6.0	7.0	8.8	8.5	5.8	5.4	5.5	9.5	8.3

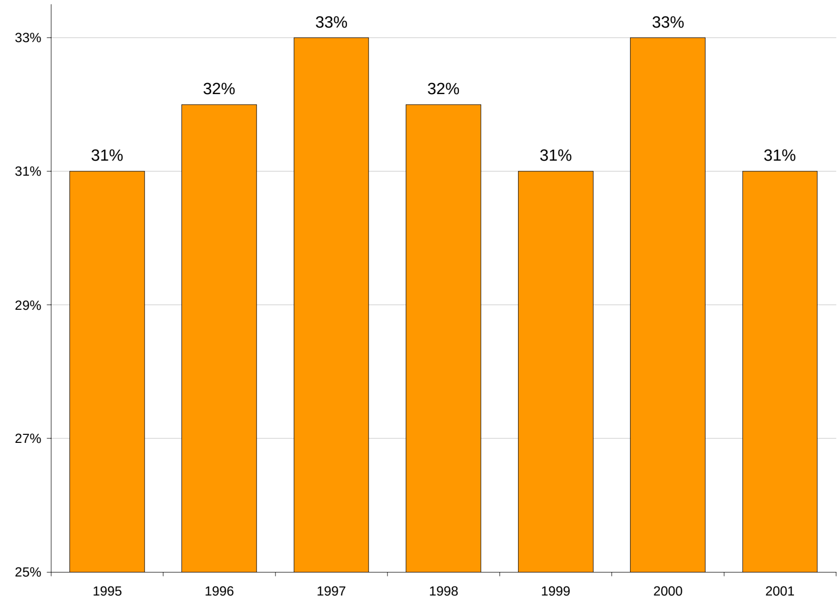
Sources: BBM Fall 1997 to 2001; Economic Analysis and Research, Broadcasting Directorate, CRTC; CRTC Ownership & Industry Analysis Division
* BBM sample was conducted during the promotional viewing period.
(1) Percentage of direct and indirect voting interest;

E. Viewing to Canadian Programming

1. % Viewing to Canadian Programming – 6 a.m. to 2 a.m.

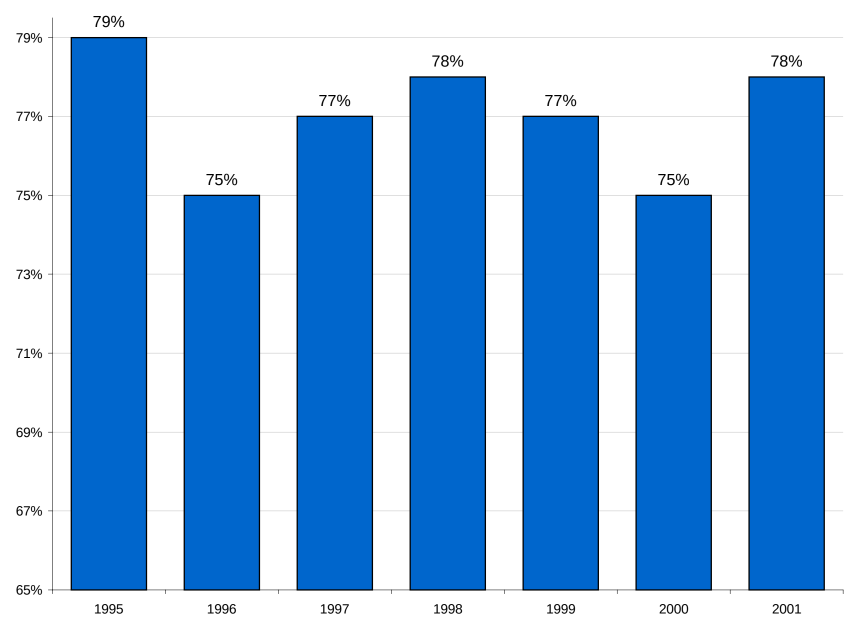
Charts 3 and 4 outline the level of viewing to Canadian programs as a percentage of all viewing to all foreign and Canadian programs available in Canada.

Chart 3: Viewing to Canadian Programs as a Percentage of all English-Language Programs



Source: BBM and CRTC Research

Chart 4: Viewing to Canadian Programs as a Percentage of all French-Language Programs



Source: BBM and CRTC Research

2. Distribution of Viewing by Program Type

- Charts 5 through 16 compare the viewing levels to Canadian and foreign programs distributed by Canadian broadcasters by program type.
- The source for these charts is BBM and CRTC Research.

a) English-Language – Canadian Private Conventional TV

Chart 5: Broadcast Day – 6 a.m. to 2 a.m.

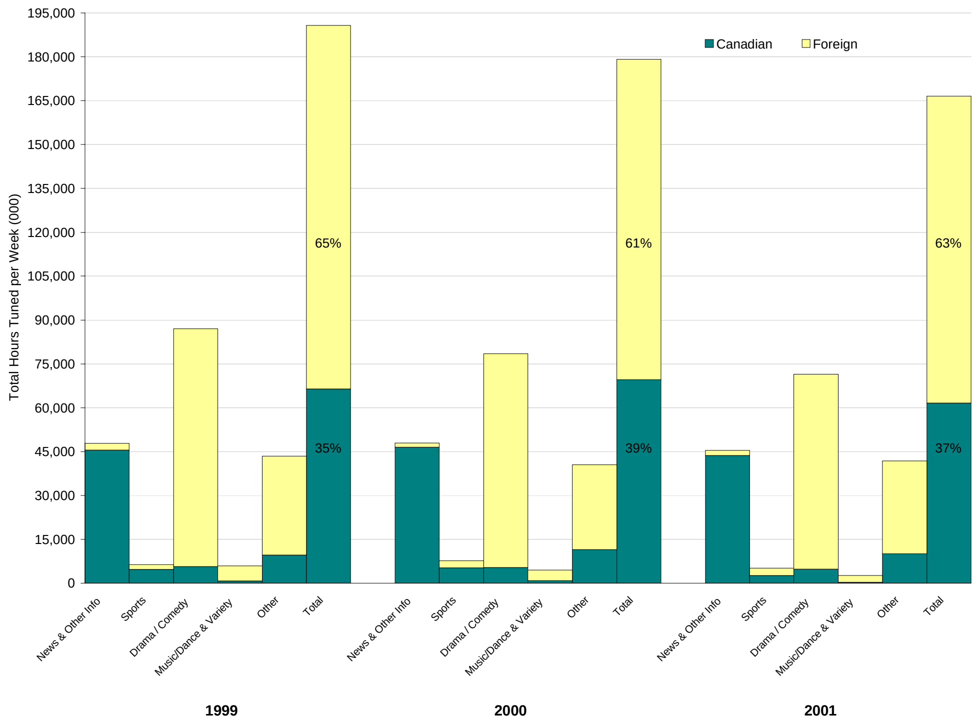
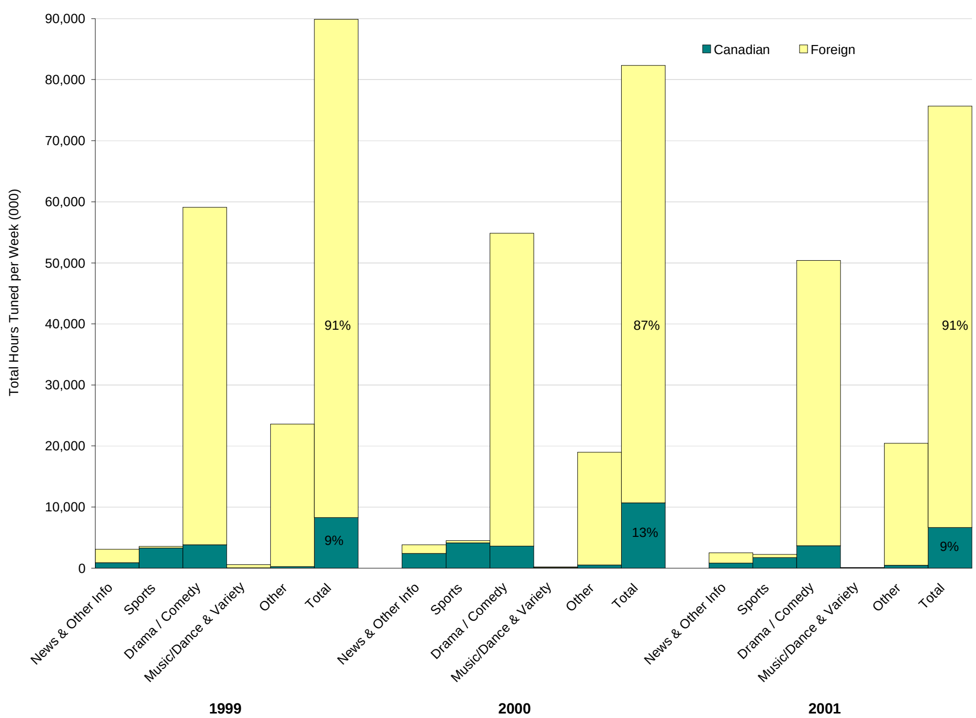


Chart 6: Peak Viewing Period – 7 p.m. to 11 p.m.



b) English-Language – CBC (owned & operated) and Affiliates

Chart 7: Broadcast Day – 6 a.m. to 2 a.m.

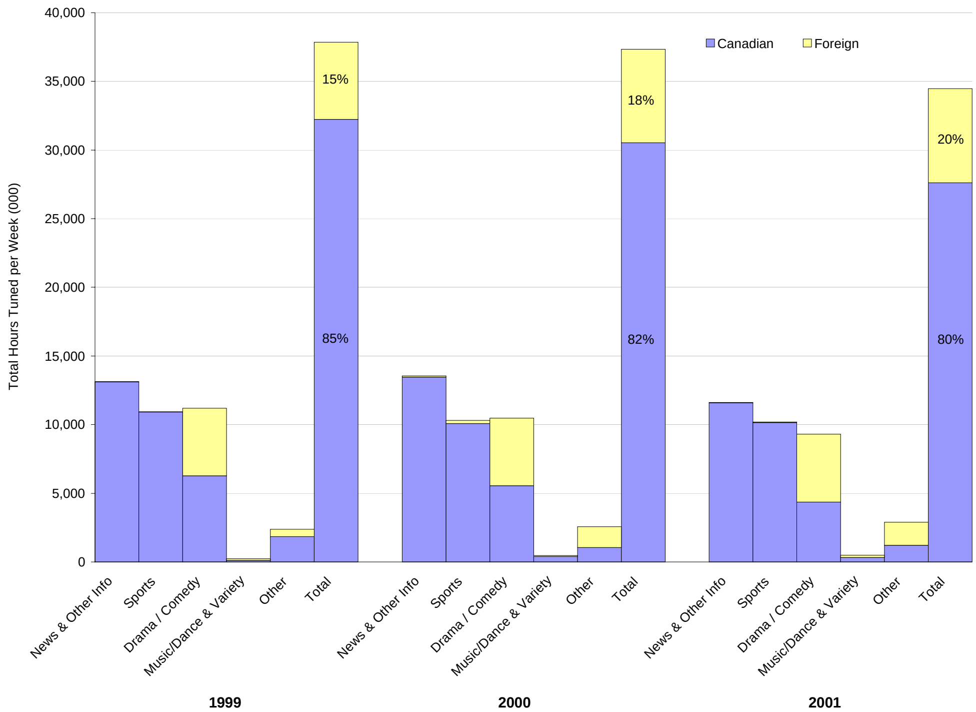
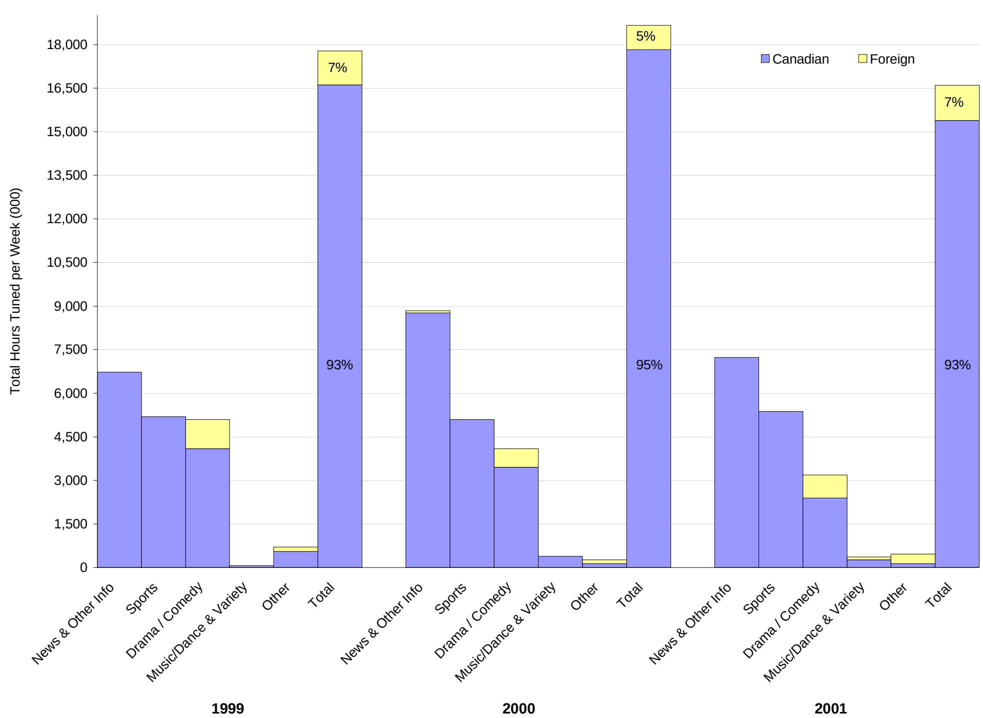


Chart 8: Peak Viewing Period – 7 p.m. to 11 p.m.



c) English-Language – Canadian Pay & Specialty Services

Chart 9: Broadcast Day – 6 a.m. to 2 a.m.

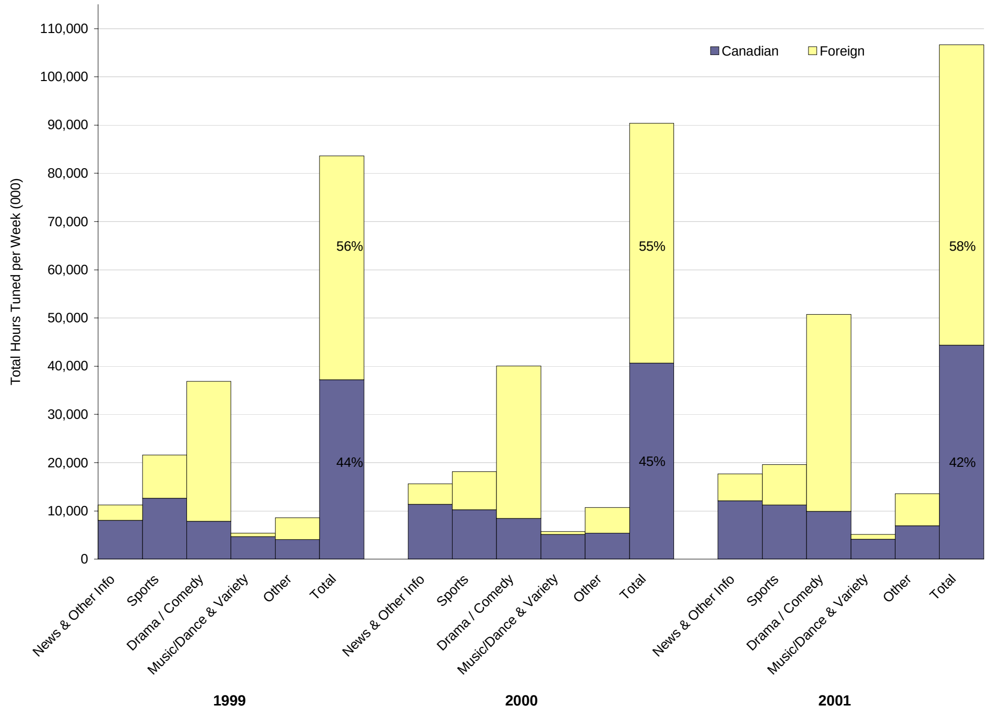
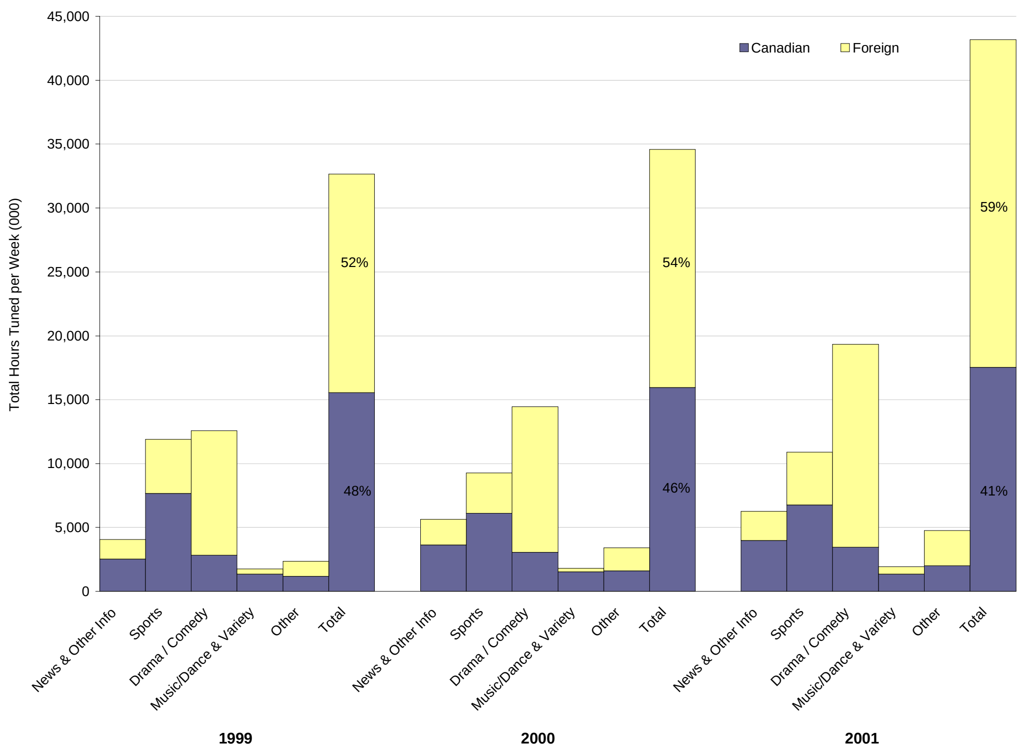


Chart 10: Peak Viewing Period – 7 p.m. to 11 p.m.



d) French-Language – Canadian Private Conventional TV

Chart 11: Broadcast Day – 6 a.m. to 2 a.m.

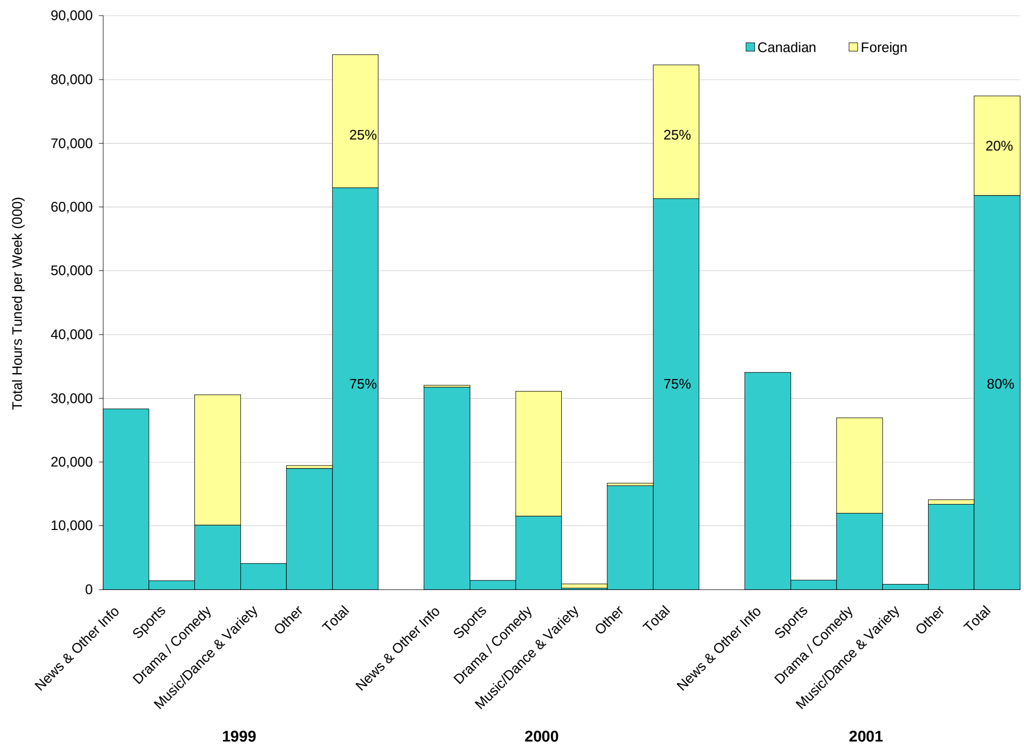
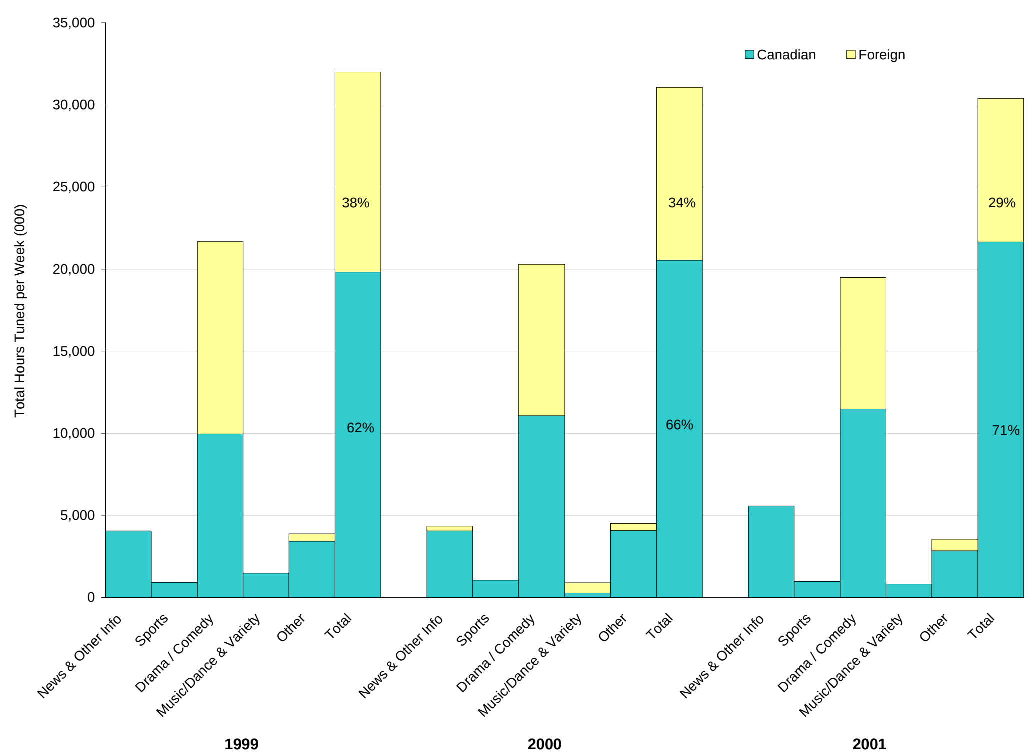


Chart 12: Peak Viewing Period – 7 p.m. to 11 p.m.



e) French-Language – SRC (owned & operated) and Affiliates

Chart 13: Broadcast Day – 6 a.m. to 2 a.m.

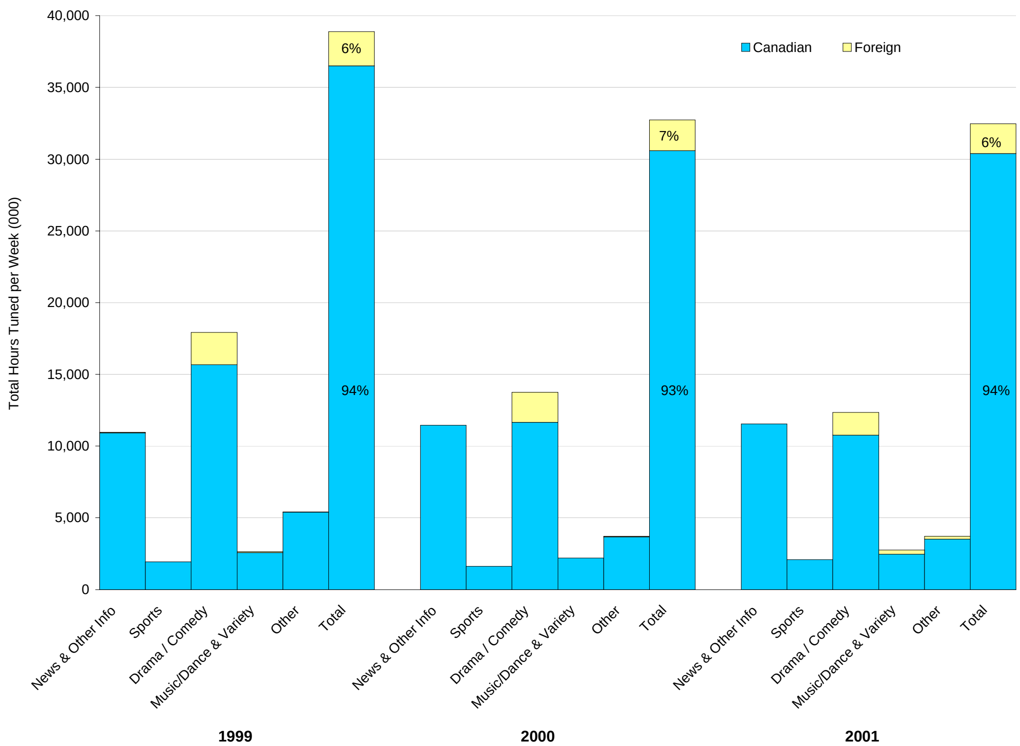
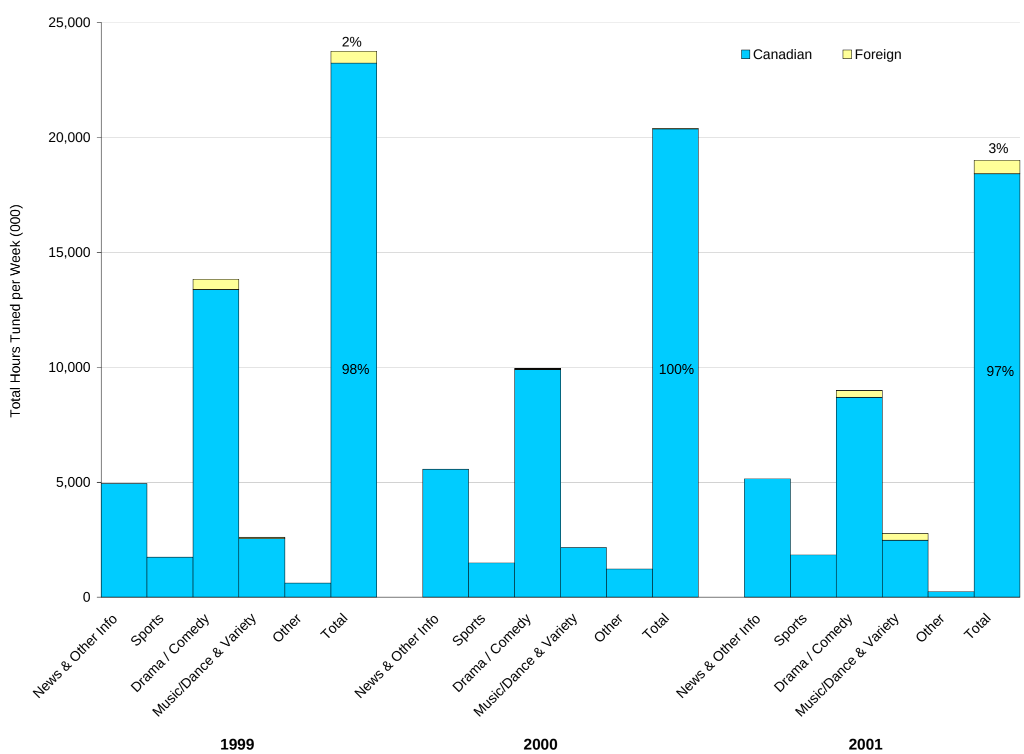


Chart 14: Peak Viewing Period – 7 p.m. to 11 p.m.



f) French-Language – Canadian Pay & Specialty Services

Chart 15: Broadcast Day – 6 a.m. to 2 a.m.

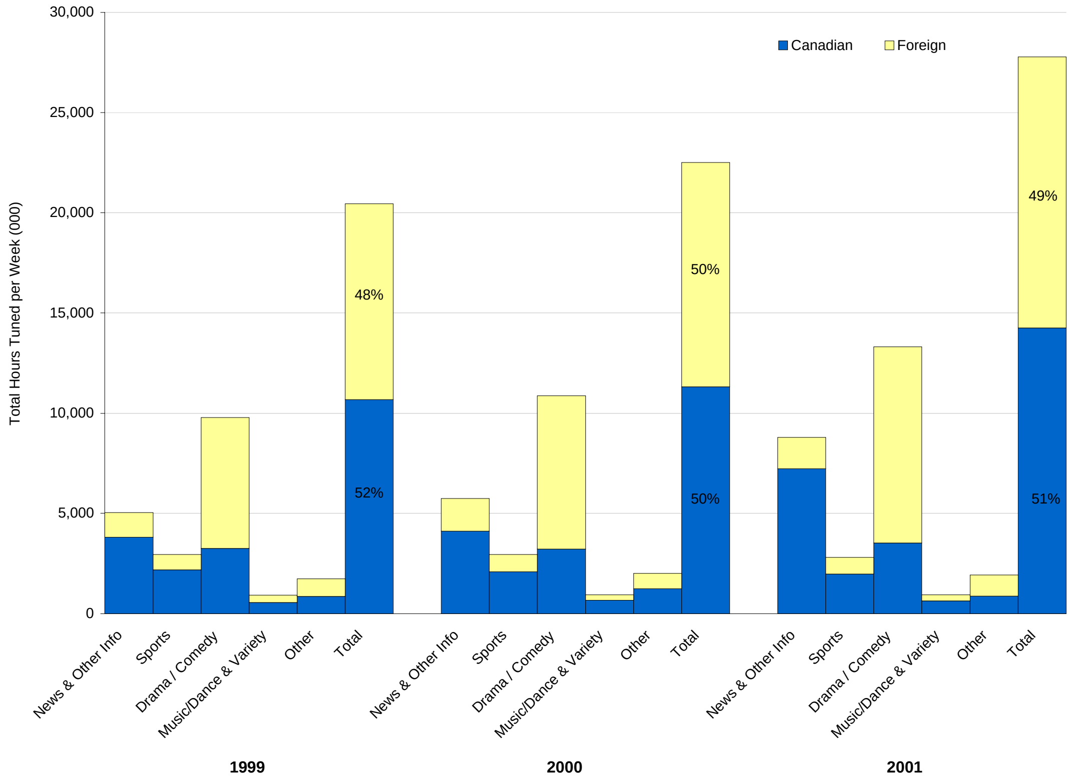
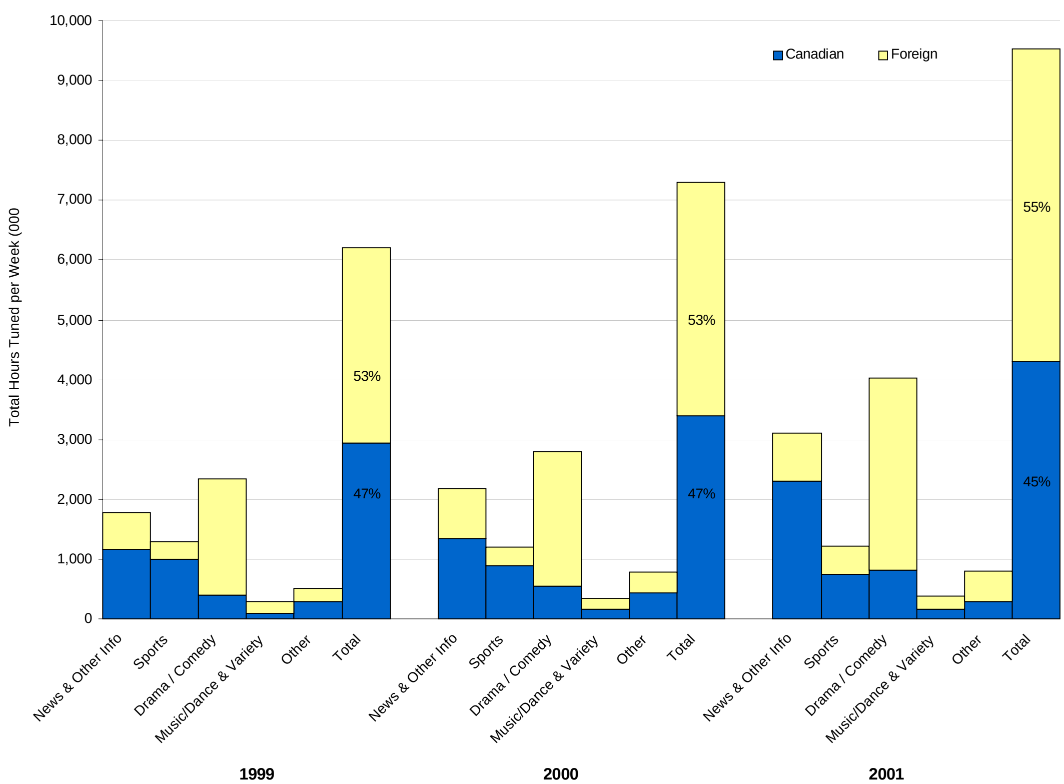


Chart 16: Peak Viewing Period – 7 p.m. to 11 p.m.



II. Canadian Priority Programming

- In *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999 (the Television Policy), the Commission indicated that one of its goals in developing the policy is to "*ensure quality Canadian programs at times when Canadians are watching*".

- The Television Policy states that the Commission wishes to ensure the availability of a range of diverse programming in a sufficient number of hours to attract audiences to Canadian programming during peak viewing periods (7 p.m. to 11 p.m.).

- "Under-represented Canadian programming" (drama, music and dance, and variety programs) was redefined as "priority programming" and expanded to include long-form documentaries, regionally produced programs and entertainment magazines programs.

- The Television Policy also required that the largest multi-station ownership groups offer as a minimum, in each broadcast year, an average of 8 hours per week of priority Canadian programming during the 7 p.m. to 11 p.m. peak viewing period. This requirement is in addition to any benefit commitments made by these broadcasters in connection with transfers of ownership or control. Currently, CTV, Global and TVA meet the Commission's definition of large multi-station ownership groups. Other conventional ownership groups, such as CHUM Limited and Craig Broadcasting, have committed to the 8 hours per week requirement as a result of transfers or new licensing applications.

- The 150% dramatic time-credit that previously could be applied against regulated Canadian content requirements was also discontinued for the large multi-station ownership groups. In its place, the Commission introduced a 150% time-credit for Canadian dramas that receive the full 10 Canadian key creative points and 125% for Canadian drama programs that receive between 6 and 9 points. The broadcasters can apply these time-credits against their minimum 8-hour per week priority programming requirement.

- The majority of the television stations controlled by CTV and Global were renewed in 2001[5]. TVA's network television licence and its mother station CFTM-TV Montreal[6] were also renewed. In its renewal decisions, the Commission indicated that it would be monitoring and evaluating Canadian priority programming scheduling practices and related audience levels, in order to test whether the goals of the Television Policy were being achieved.

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[5] *Licence renewals for the television stations controlled by CTV,* Decision CRTC 2001-457, 2 August 2001; Licence renewals for the television stations controlled by Global, *Decision CRTC 2001-458, 2 August 2001*.
[6] *Licence renewals for the French-language national television network TVA and for the French-language television programming undertaking CFTM-TV Montréal,* Decision CRTC 2001-385, 5 July 2001.

- The 2001 renewal decisions for TVA and CTV also outlined significant transfer benefits related to priority programming that the groups were required to fulfill during their next licence term:

  - In its *Transfer of effective control of CTV Inc. to BCE Inc.*, Decision CRTC 2000-747, 7 December 2000, the Commission required the licensee to broadcast a minimum of 175 hours of original Canadian priority programming over the licence term (in addition to the base level of eight hours per week), and a minimum total incremental expenditure of $140 million over the licence term on the benefits-related priority programming.

  - In its *Transfer of effective control of TVA to Quebecor Média inc.*, Decision CRTC 2001-384, 5 July 2001, the Commission required the licensee to expend a minimum of $39.8 million of the benefits on priority programming, incremental to a base level of priority programming expenditures as outlined in the decision.

- The priority programming benefits for both TVA and CTV commence in the 2001/2002 broadcast year.

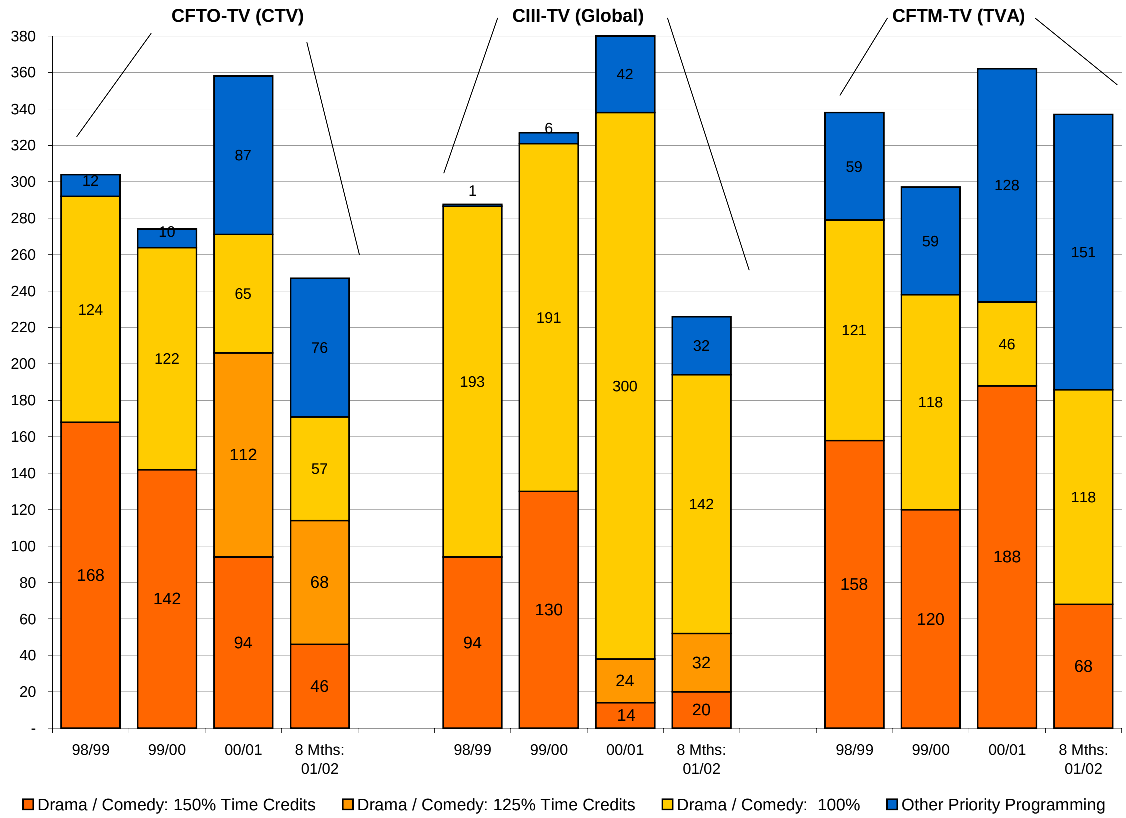
Scheduling of Priority Programs

- The following chart sets out the total number of Canadian priority programming hours scheduled during the 1998/99 to 2000/01 broadcast years and for the first 8 months of the 2001/02 broadcast year for the following stations:

  - CFTO-TV, Toronto (CTV)
  - CIII-TV, Toronto (Global)
  - CFTM-TV, Montréal (TVA)

  Results for the 2000-01 and the partial 2001-02 broadcast years are based on the revised definitions of priority programming that came into effect on September 1, 2000. The number of hours that qualify for the old and new 150% and the new 125% drama / comedy time-credits are also highlighted in this graph.

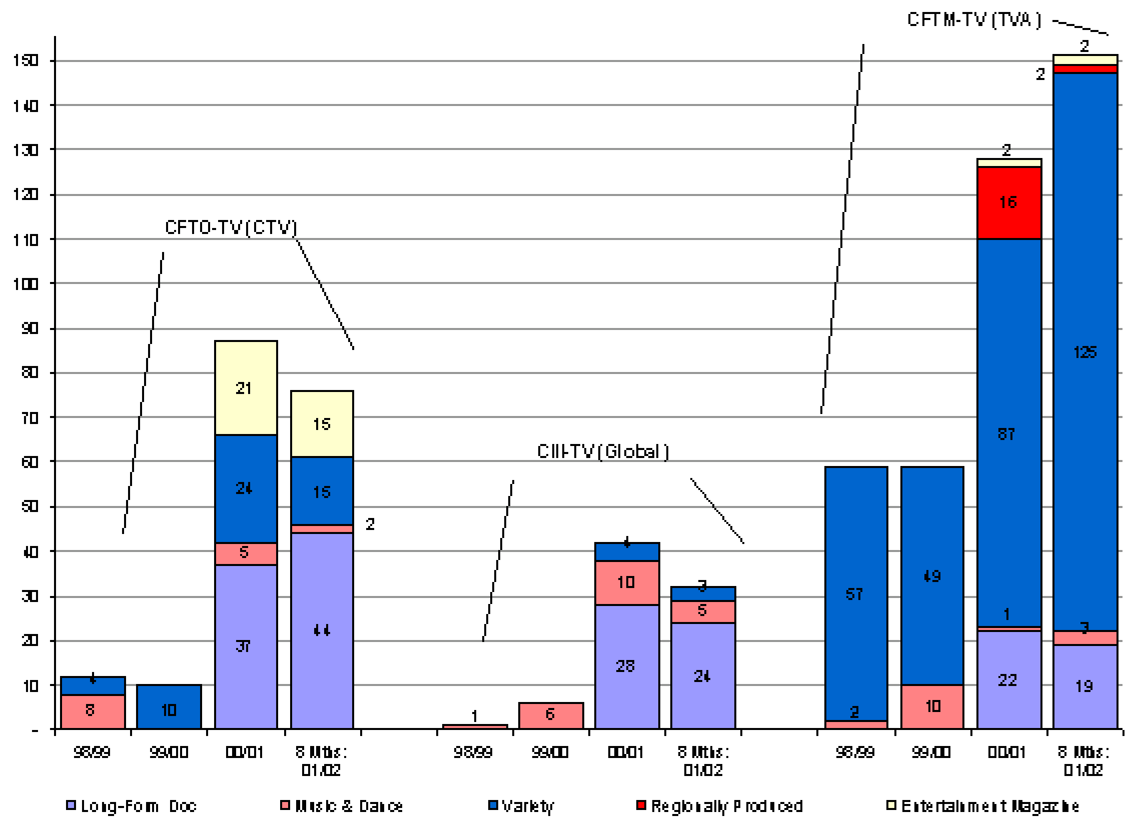
Chart 17: Number of Hours of Drama/Comedy and Other Canadian Priority Programming Scheduled Annually – 7 p.m. to 11 p.m.



Source: CRTC Logs (Jul 2002)

- The following chart sets out the total number of Canadian priority programming hours, other than drama/comedy, scheduled in 1998/99 to 2000/01 broadcast years and for the first 8 months of the 2001/02 broadcast year for CFTO-TV, Toronto (CTV), CIII-TV, Toronto (Global) CFTM-TV, Montreal (TVA).

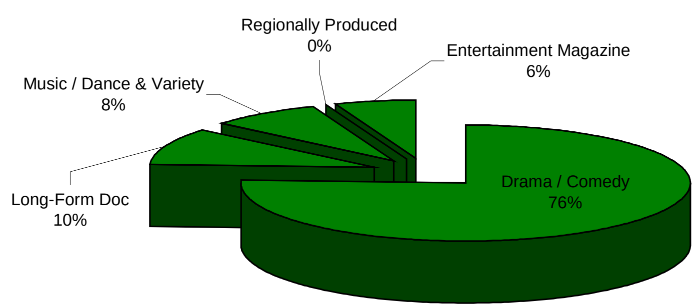
Chart 18: Number of Hours Non-Drama/Comedy Canadian Priority Programming Scheduled Annually – 7 p.m. to 11 p.m.



Source: CRTC Logs (Jul 2002)

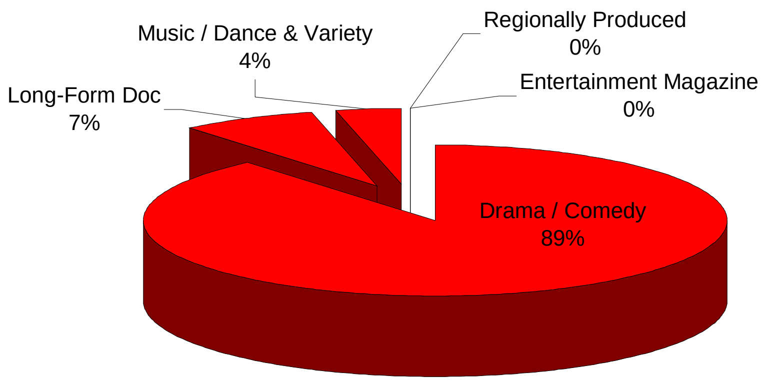
- The following pie charts set out the percentage of hours broadcast for each Canadian priority programming category during the peak viewing period of 7 p.m. to 11 p.m. over the 2000/01 broadcast year for the CFTO-TV, Toronto (CTV), CIII-TV, Toronto (Global) and CFTM-TV, Montréal (TVA) television stations.

Chart 19: CFTO-TV, Toronto (CTV) – Percentage of Canadian Priority Programming for Each Category Scheduled in 2000/01 Broadcast Year



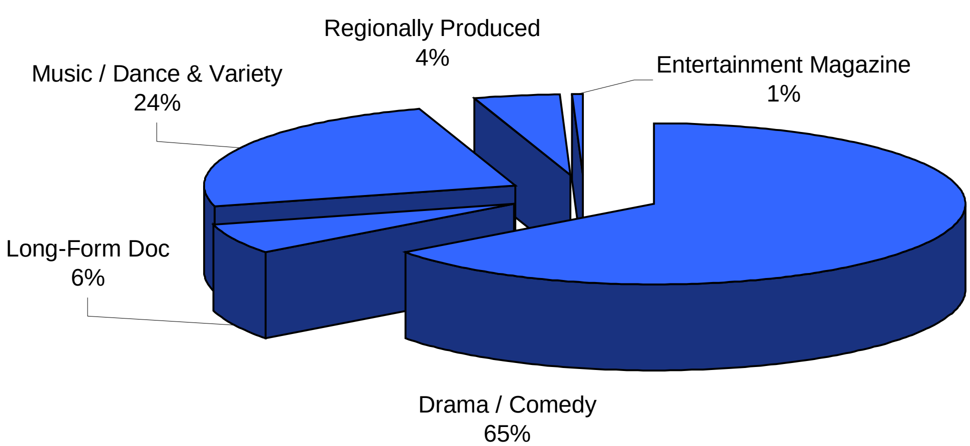
Source: CRTC Logs (Jul 2002)

Chart 20: CIII-TV, Toronto (Global) - Percentage of Canadian Priority Programming for Each Category Scheduled in 2000/01 Broadcast Year



Source: CRTC Logs (Jul 2002)

Chart 21: CFTM-TV, Montréal (TVA) - Percentage of Canadian Priority Programming for Each Category Scheduled in 2000/01 Broadcast Year

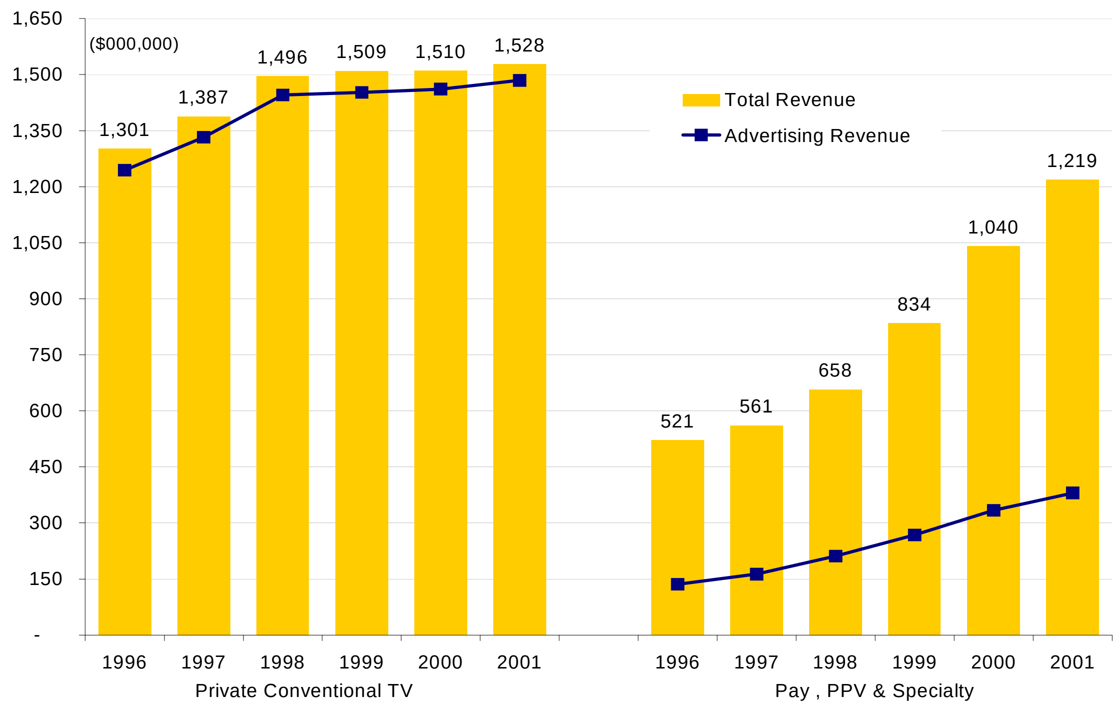


Source: CRTC Logs (Jul 2002)

III. Financial Performance

A. Revenues

Chart 22: English-Language Private Conventional Television and Pay, PPV & Specialty Services



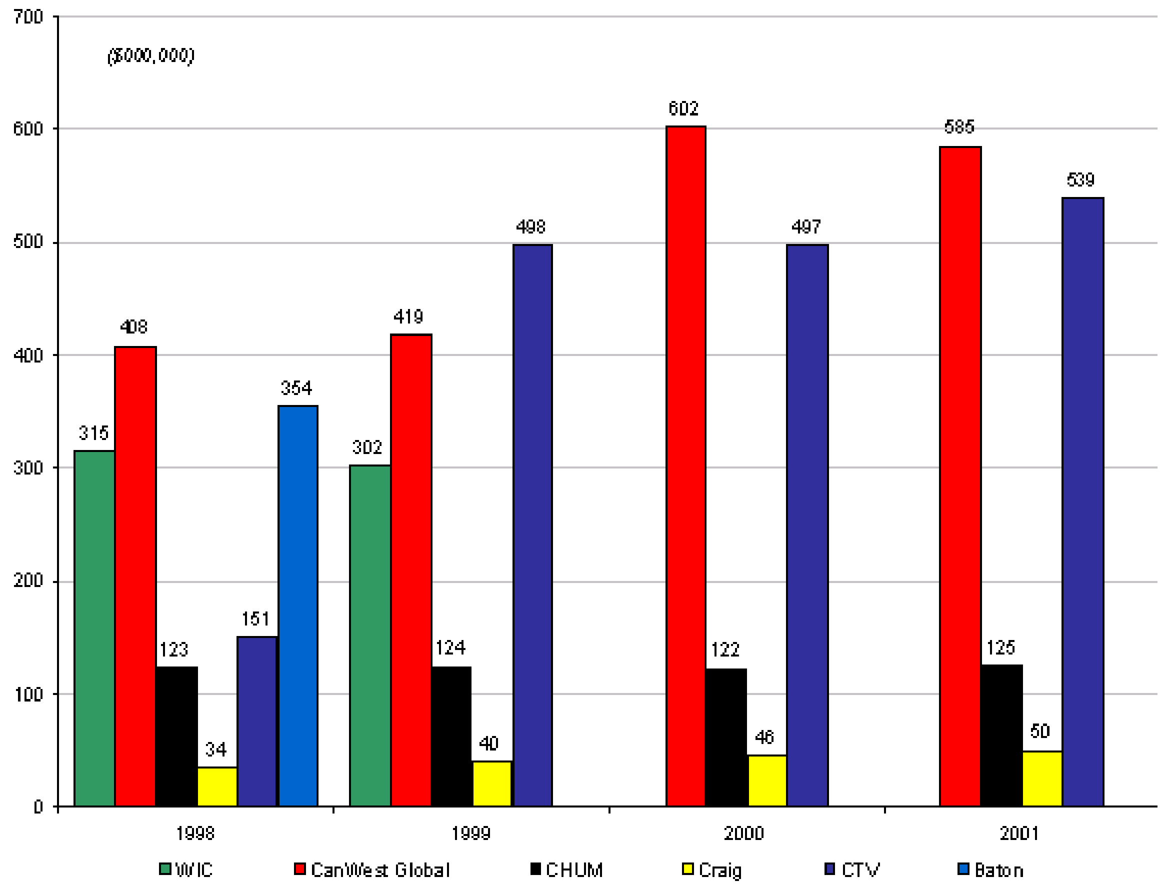
Includes ethnic & bilingual services
Source: CRTC Financial Database

- The 8% revenue increase in 1998 for private conventional television was caused by the entrance of 5 new stations (CKMI-TV, Quebec; CJNT-TV, Montréal; CKAL-TV, Calgary; CKEM-TV, Edmonton; CIVT-TV, Vancouver). Since then, revenue growth for the conventional players has been flat.

- Pay, PPV and specialty revenues have been increasing steadily. The number of English services has more than doubled since 1996 increasing from 20 to 45 in 2001. This number does not include the digital services that launched in the Fall 2001. First year results for these services will not be available until next year.

- Specialty television services have a dual revenue stream from both advertising and subscription. Pay and PPV services, on the other hand, rely entirely on subscription revenues.

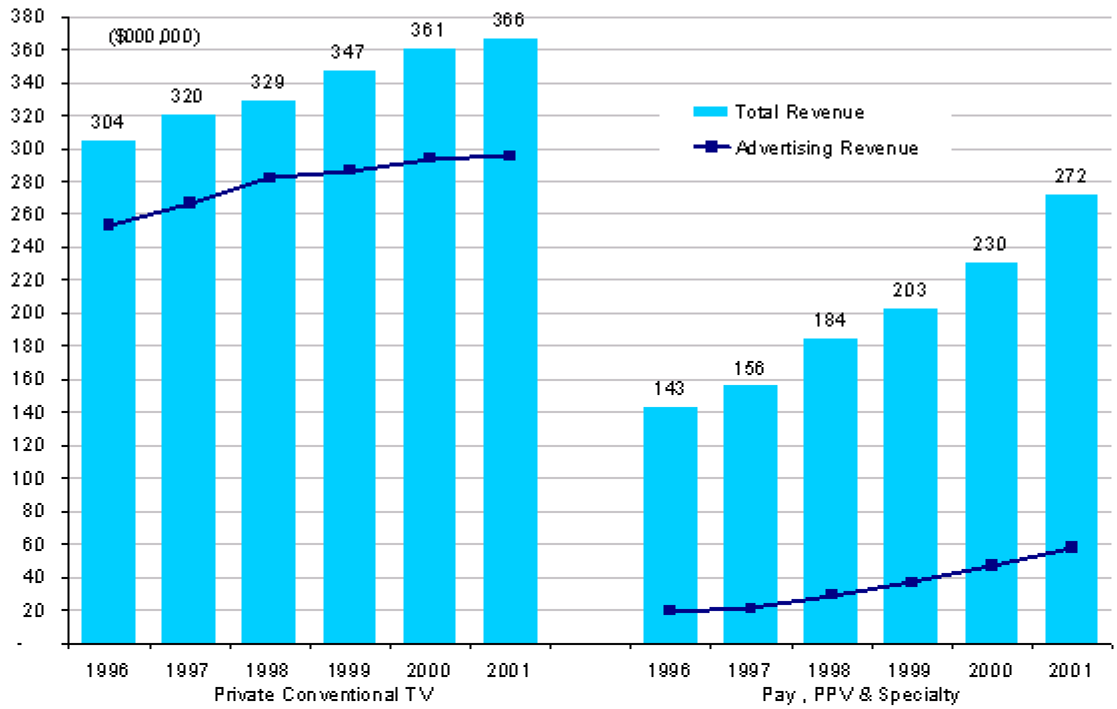
Chart 23: Revenues of English-Language Private Conventional Television Services by Group



Source: CRTC Financial Database

- Based on conventional stations owned or controlled by the ownership group on August 31st of each year.
- In *Acquisition by CanWest Global Communications Corp., through its wholly-owned subsidiary CW Shareholdings Inc., of the ownership interests held previously by WIC Western International Communications Ltd. in various conventional television stations and in certain other broadcasting undertakings*, Decision CRTC 2000-221, on 6 July 2000, the Commission approved the acquisition by CanWest Global of certain television stations previously held directly or indirectly by WIC. In doing so, the Commission required CanWest Global to divest its interests in CFCF-TV and CKVU-TV. The divestitures took place in the fall of 2001. The stations were held in trust during this period. Consequently, the CanWest Global revenues for 2000 and 2001 shown here exclude CFCF-TV and CKVU-TV.
- Baton acquired control of CTV Network on 1 September 1998. Baton changed its name to CTV on 18 December 1998.
- CTV revenues for 1998 include the CTV network only. CTV revenues for 1999, 2000 and 2001 include the CTV network plus CTV stations, less the network payments to CTV affiliates.

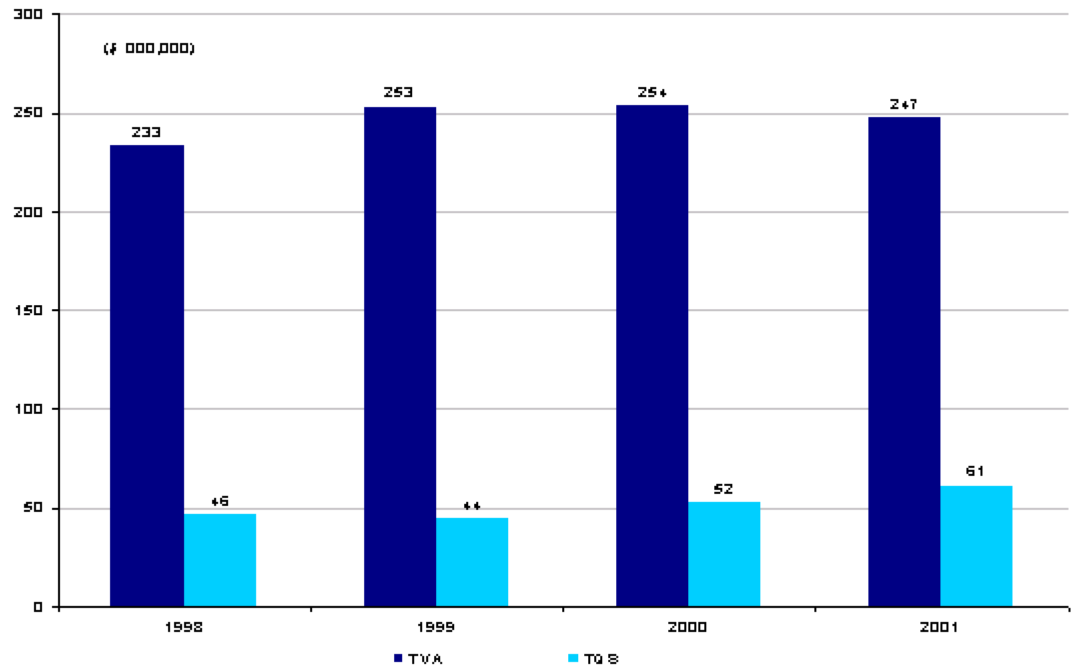
Chart 24: Private French-Language Conventional Television, Pay, PPV and Specialty Services Revenues



Excludes bilingual services
Source: CRTC Financial Database

- Revenue growth for French-language private conventional stations has averaged 4% per year since 1996. The number of stations has also remained unchanged.
- French-language pay, PPV and specialty services have achieved strong revenue growth. Since 1996, the number of services has increased by 80% from 9 to 16 services in 2001.
- French-language specialty services rely more heavily on subscription revenues than English-language services. Only 25% of their revenues are derived from advertising as compared to 40% for English-language specialty services.

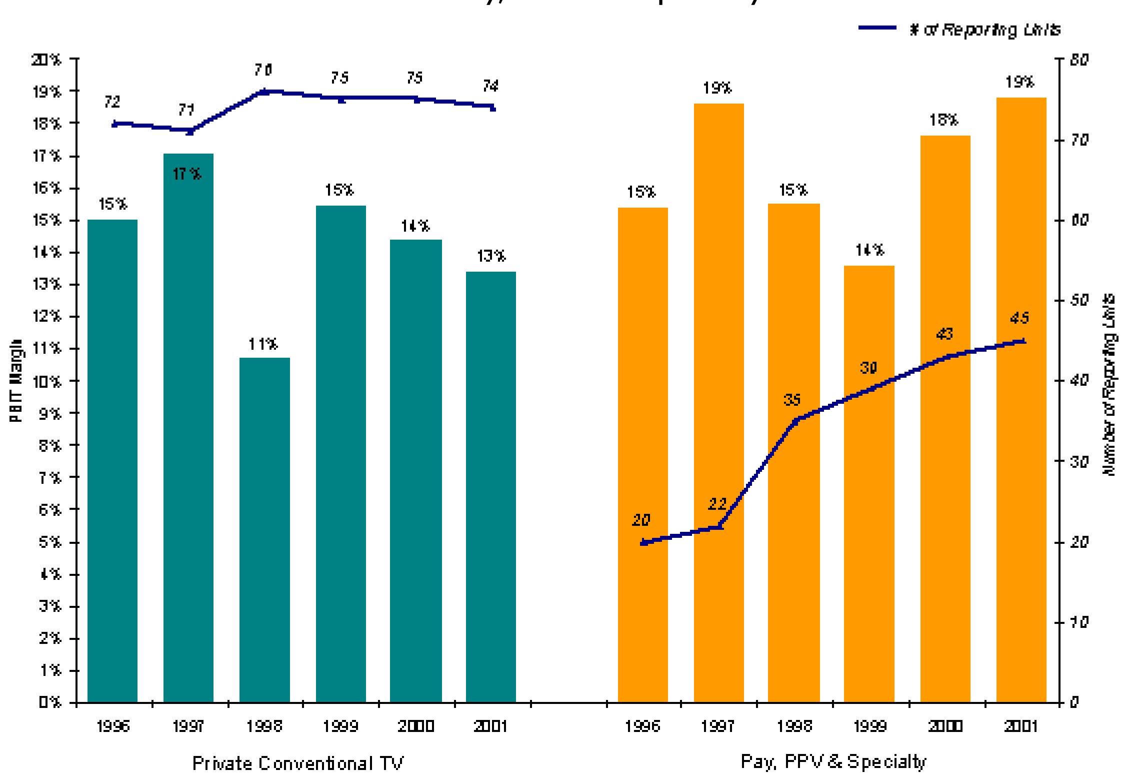
Chart 25: Revenues of French-Language Private Conventional Television Services by Group



Source: CRTC Financial Database

B. Aggregate Profits Before Interest and Taxes (PBIT) Margins (%)

Chart 26: Aggregate PBIT Margins of English-Language Private Conventional Television & Pay, PPV and Specialty Services



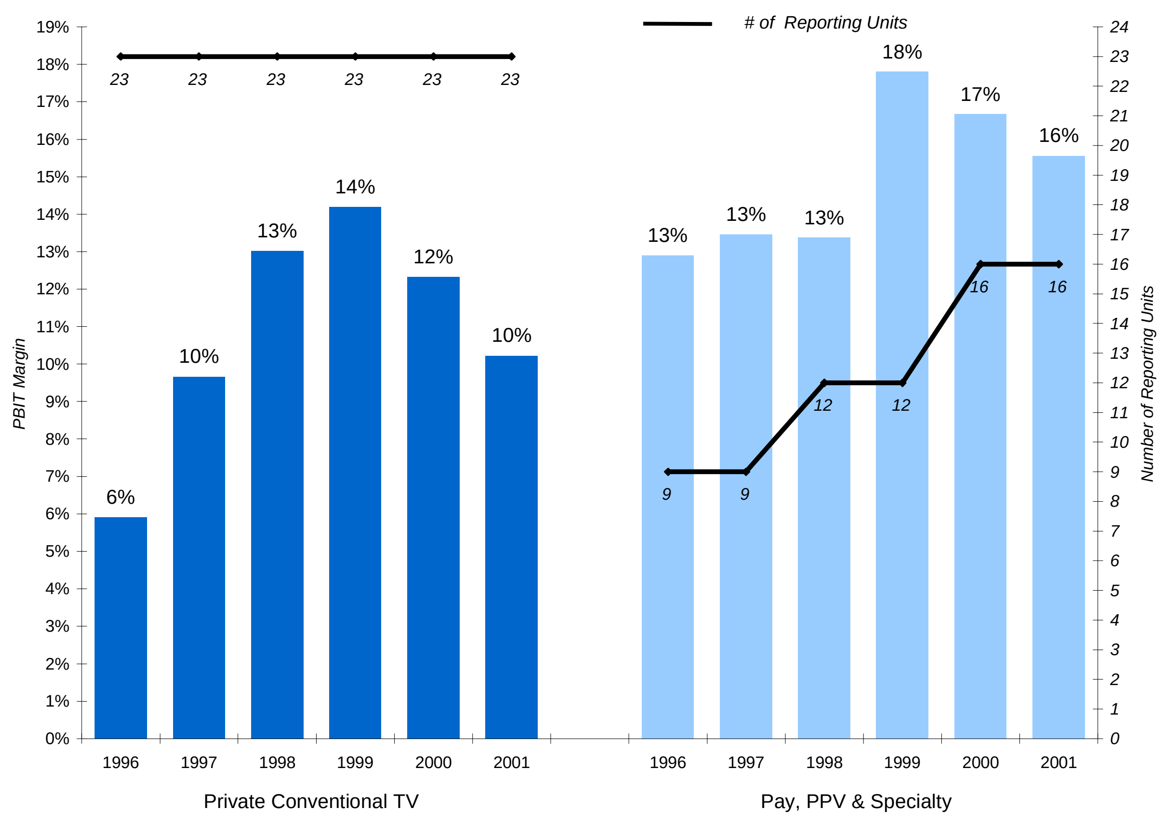
Source: CRTC Financial Database

- The drop in profitability in 1998 for conventional television stations was caused by five new services reporting first year losses. A large one-time write-off by one of the large broadcasters also contributed to the downturn in 1998.

- The number of pay, PPV and specialty services has been climbing steadily over the past several years. The introduction of 12 new services in 1998 caused the aggregate PBIT margin decrease in 1998 and 1999.

- The margins for the conventional players appear to be in a gradual decline and the growth is coming from the pay, PPV and specialty services.

Chart 27: Aggregate PBIT Margins of Private French-Language Conventional Television & Pay, PPV and Specialty Services



Source: CRTC Financial Database

- The margins of French-language conventional television stations appear to be in a gradual decline.

- French-language pay, PPV and specialty services are achieving stronger operating results than the French-language conventional television stations.

IV. Eligible Expenditures on Canadian Programming (CPE)

A. English-Language

Table 5: Private Conventional Television

Genre ($ 000)	1997	1998	1999	2000	2001	Annual % Growth 98	99	00	01
News (Cat. 1)	218,621	229,512	237,223	229,931	235,149	5%	3%	-3%	2%
Other Info. (Cat. 2 to 5)	24,277	26,427	27,080	26,174	35,141	9%	2%	-3%	34%
Sports (Cat. 6)	36,281	31,426	29,901	26,727	24,952	-13%	-5%	-11%	-7%
Drama & Comedy (Cat. 7)	47,576	85,211	74,450	80,229	72,270	79%	-13%	8%	-10%
Music/Variety (Cat. 8 & 9)	4,561	7,979	5,727	5,520	4,422	75%	-28%	-4%	-20%
Game Show (Cat. 10)	217	179	220	41	1,590	-18%	23%	-81%	3738%
Human Interest (Cat. 11)	35,639	36,781	28,777	25,017	20,321	3%	-22%	-13%	-19%
Other (Cat. 12 to 15)	-	-	-	-	965				
Total (Cat 1 to 15)	367,172	417,516	403,377	393,638	394,810	*14%*	*-3%*	*-2%*	*0%*

Includes ethnic stations & funding from the CTF

Source: CRTC Financial Database

Table 6: CBC Television

Genre ($ 000)	1997	1998	1999	2000	2001	Annual % Growth 98	99	00	01
News (Cat. 1)	30,719	53,790	97,606	100,047	59,200	75%	81%	3%	-41%
Other Info. (Cat. 2 to 5)	28,314	52,605	48,079	40,086	37,143	86%	-9%	-17%	-7%
Sports (Cat. 6)	77,935	119,302	128,455	95,031	141,046	53%	8%	-26%	48%
Drama & Comedy (Cat. 7)	35,945	35,325	62,016	62,407	46,212	-2%	76%	1%	-26%
Music/Variety (Cat. 8 & 9)	13,834	19,166	12,218	8,156	5,982	39%	-36%	-33%	-27%
Game Show (Cat. 10)	-	-	-	-	-				
Human Interest (Cat. 11)	17,008	31,167	4,667	18,568	9,962	83%	-85%	298%	-46%
Other (Cat. 12 to 15)	-	-	-	-	-				
Total	203,755	311,355	353,041	324,295	299,545	*53%*	*13%*	*-8%*	*-8%*

Excludes CTF funding

Source: CBC Annual Reports

Table 7: Pay, PPV and Specialty Services

	1997	1998	1999	2000	2001	Annual % Growth 98	99	00	01
Specialty Services:									
ber of Services Reporting	*13*	*22*	*25*	*28*	*30*	*69%*	*14%*	*12%*	*7%*
CPE ($ 000)	181,608	211,715	302,572	345,421	400,338	*17%*	*43%*	*14%*	*16%*
Pay & PPV Services:									
ber of Services Reporting	*7*	*9*	*9*	*10*	*10*	*29%*	*0%*	*11%*	*0%*
CPE ($ 000)	17,131	14,953	18,349	29,382	27,835	*-13%*	*23%*	*60%*	*-5%*
Total Pay, PPV & Specialty Services									
ber of Services Reporting	*20*	*31*	*34*	*38*	*40*	*55%*	*10%*	*12%*	*5%*
CPE ($ 000)	198,739	226,668	320,921	374,803	428,173	*14%*	*42%*	*17%*	*14%*

Source: CRTC Financial Database

B. French-Language

Table 8: Private Conventional Television and SRC

Genre ($ 000)	1997	1998	1999	2000	2001	Annual % Growth 98	99	00	01
News (Cat. 1)	67,906	70,876	96,726	111,698	88,947	4%	36%	15%	-20%
Other Info. (Cat. 2 to 5)	44,539	48,132	49,469	53,669	40,980	8%	3%	8%	-24%
Sports (Cat. 6)	27,219	24,118	22,430	20,674	24,884	-11%	-7%	-8%	20%
Drama & Comedy (Cat. 7)	53,659	59,941	57,974	59,800	59,502	12%	-3%	3%	0%
Music/Variety (Cat. 8 & 9)	32,623	32,573	38,104	37,792	24,155	0%	17%	-1%	-36%
Game Show (Cat. 10)	3,567	2,817	3,112	2,241	5,350	-21%	11%	-28%	139%
Human Interest (Cat. 11)	25,021	29,195	36,173	44,012	52,584	17%	24%	22%	19%
Other (Cat. 12 to 15)	-	-	-	-	-				
Total	254,534	267,653	303,989	329,887	296,403	*5%*	*14%*	*9%*	*-10%*

Includes funding from CTF reported by private conventional TV

Source: CRTC Financial Database and CBC Annual Reports

Table 9: Pay, PPV and Specialty Services

	1997	1998	1999	2000	2001	Annual % Growth 98	99	00	01
Specialty Services:									
ber of Services Reporting	*6*	*9*	*9*	*13*	*13*	*50%*	*0%*	*44%*	*0%*
CPE ($ 000)	54,814	71,976	77,036	86,309	102,308	*31%*	*7%*	*7%*	*19%*
Pay & PPV Services:									
ber of Services Reporting	*2*	*3*	*3*	*3*	*3*	*50%*	*0%*	*0%*	*0%*
CPE ($ 000)	6,015	5,735	5,516	6,798	6,750	*-5%*	*-4%*	*23%*	*-1%*
Total Pay, PPV & Specialty Services									
ber of Services Reporting	*8*	*12*	*12*	*16*	*16*	*50%*	*0%*	*33%*	*0%*
CPE ($ 000)	60,828	77,710	82,551	93,107	109,059	*28%*	*6%*	*8%*	*18%*

Source: CRTC Financial Database

C. Ethnic Specialty Services

Table 10: Specialty Services

Specialty Services	1997	1998	1999	2000	2001	Annual % Growth 98	99	00	01
Number of Services Reporting	*3*	*4*	*4*	*4*	*4*	*33%*	*25%*	*0%*	*0%*
CPE ($ 000)	5,718	7,350	7,842	8,346	9,062	*29%*	*7%*	*6%*	*9%*

Includes funding from the CTF

Source: CRTC Financial Database

V. Canada's Independent Production Companies

- Table 11 below lists Canada's top independent production companies ranked by their total production and development expenditures in 2001. Table 12 provides the total production and development expenditures of all Canadian Independent production companies.

Table 11: Top Canadian Independent Production Companies in 2001

Company	($ 000,000) 1998	1999	2000	2001	Growth 98 to 01
1. Alliance Atlantis *(1)*	342	306	337	276	*-19%*
2. Fireworks Entertainment	74	143	204	206	*178%*
3. Nelvana	78	82	79 *	135 *	*74%*
4. Lions Gate Entertainment	35	95	96	90	*155%*
5. Muse Entertainment	-	-	55	79	*n/a*
6. BLT Productions	-	-	-	67	*n/a*
7. Zone3	-	-	50	56	*n/a*
8. Minds Eye Pictures	10	12	23	41	*303%*
9. Peace Arch Entertainment *(2)*	53	50	91	39	*-26%*
10. Knightscove Entertainment	-	-	-	39	*n/a*
11. DECODE Entertainment	10	16	18	34	*235%*
12. Temple Street Prods	12	0	23	31	*155%*
13. CineGroupe	-	37	23	30 *	*n/a*

Source: Playback © 1999, 2000, 2001 and 2002 Brunico Communications Inc. (Website: www.playbackmag.com)
Notes: * Denotes Playback estimate
Expenses are reported on a calendar year basis.
(1) Alliance and Atlantis were separate companies in 1998. 1998 Expenditures, for these companies, were combined. In 2001, Alliance purchased Salter Street Films. 1998, 1999 and 2000 expenditures for these companies have been combined.
(2) Peace Arch Entertainment expenditures were reported under the title of Vidatron Entertainment Group in 1998.

Table 12: All Canadian Independent Production Companies

$ in Millions	1998 $	1998 #	1999 $	1999 #	2000 $	2000 #	2001 $	2001 #
Companies with expenditures totalling $25,000+	**1,241**	**19**	**1,231**	**17**	**1,274**	**15**	**1,121**	**13**
% of Total	*73%*	*16%*	*71%*	*13%*	*70%*	*13%*	*64%*	*8%*
Companies with expenditures totalling less than $25,000	**459**	**99**	**496**	**115**	**557**	**101**	**644**	**142**
% of Total	*27%*	*84%*	*29%*	*87%*	*30%*	*87%*	*36%*	*92%*
Total Production & Development Expenditures	**1,700**	**118**	**1,727**	**132**	**1,831**	**116**	**1,765**	**155**
% Annual Growth			*2%*	*12%*	*6%*	*-12%*	*-4%*	*34%*

Source: Playback © 1999, 2000, 2001 and 2002 Brunico Communications Inc. (Website: www.playbackmag.com):
- Independent Production Companies, May 13, 2002 Issue
- Who spent what in 2000, Canadian production takes a leap, & Independent Production Companies, May 14, 2001 Issue
- Who spent what in '99, Animation, TV docs on the rise, & Independent Production Companies, May 15, 2000 Issue.
- Production Companies by Volume - Independent Production, Production holds steady in 1998, May 17, 1998 Issue

VI. Specialty, Pay, PPV and VOD Services

Specialty Services (*Specialty Services Regulations, 1990*)

- There are currently 49 Canadian analog specialty services: 28 English-language, 14 French-language, 2 bilingual (English & French) and 5 third-language. In September 2001, 16 English-language category 1 digital services were launched. As of September 1, 2002, 39 category 2 digital services have also been launched – 31 English-language and 8 third language services.

Pay Services (*Pay Television Regulations, 1990*)

- Five English-language and one French-language pay television services were licensed prior to 1995.

- As of September 1, 2002, two third-language digital pay services have also been launched.

Pay-Per-View (PPV) Services (*Pay Television Regulations, 1990*)

- There are six (terrestrial) pay-per-view services: four English-language, one bilingual and one French-language.

- There are currently six direct-to-home (DTH) pay-per-view services: four English-language, one bilingual, and one French-language.

Video on Demand (VOD) Services (*Pay Television Regulations, 1990*)

- In 1997, the Commission approved five video-on-demand programming undertakings (*Licensing of New Video-On-Demand Programming Undertakings - Introduction to Decisions CRTC 97-283 to 97-287*, Public Notice CRTC 1997-83, 2 July 1997).

- On December 14, 2000, the Commission approved four video-on-demand programming undertakings (*Introductory statement to Decisions CRTC 2000-733 to 2000-738: Licensing of new video-on-demand and pay-per-view services*, Public Notice CRTC 2000-172, 14 December 2000).

- As of September 4, 2002, only two of these services are in operation. Rogers Cable Inc. launched its service August 8, 2002 and Shaw Communications launched its regional service on September 4, 2002.

A. Specialty, Pay & PPV Analog Services Listed by Launch Date

- The following tables list specialty, pay and PPV services by language and the year the service was launched. They also provide year-2001 revenues, PBIT and PBIT margins reported for each service.

Table 13: English-Language Specialty Services
(includes bilingual services (b))

Launched	Service	Genre		August 31, 2001 (000) # of Subscr.		Total Revenue $	PBIT $	PBIT Margin
Sep-84	- MuchMusic	Music Video - Rock/Altern./Rap		6,968		41,875	10,926	26%
	- TSN - The Sport Ntwk	Sports		8,048		170,955	38,841	23%
			Average	*7,508*	*2*	*106,415*	*24,883*	*23%*
Sep-88	- YTV	Kids/Teens/Family		8,497		78,567	23,733	30%
	- Weather/Météomédia *(b)*	Information - Weather		9,422		34,993	7,192	21%
	- VisionTV	Religious (non-profit)		7,259		15,086	(179)	-1%
Jul-89	- Newsworld	News & Information (non-profit)		8,722		64,353	5,255	8%
			Average	*8,475*	*4*	*48,250*	*9,000*	*19%*
Jan-95	- Showcase	Drama & Film		5,573		31,080	5,975	19%
	- Bravo!	Perform. & Visual Arts		5,361		25,784	5,669	22%
	- Discovery Channel, The	Nature/Science & Tech.		6,922		52,615	17,067	32%
	- W (Women's TV Network))	Lifestyle - Women		6,238		36,283	8,472	23%
	- CMT - Country Music TV	Music Video - Country		7,872		14,701	2,978	20%
	- Life	Doc. & Information		5,687		29,224	2,332	8%
			Average	*6,275*	*6*	*31,615*	*7,082*	*22%*
Fall-97	- The Score	Sports - Video Highlights		5,072		15,336	(14,830)	-97%
	- Space	Science Fiction		4,755		27,742	4,983	18%
	- Teletoon *(b)*	Animated Programming		5,901		48,747	19,411	40%
	- History Television	Information - History		4,888		20,133	9,263	46%
	- HGTV	Lifestyle - House & Garden		4,596		18,170	3,284	18%
	- Comedy Network, The	Comedy		4,462		25,755	6,289	24%
	- Outdoor Life Network	Info - Adv./Outdoor/Recreat.		4,622		9,866	2,405	24%
	- Prime TV	Lifestyle - 50+		4,428		19,557	6,142	31%
	- Newsnet	News - Headlines		6,808		11,509	(1,915)	-17%
Mar-98	- Pulse 24	News & Inf. - Reg. Ont.		2,201		5,775	(1,567)	-27%
			Average	*4,773*	*10*	*20,259*	*3,347*	*17%*
Fall 98	- MuchMoreMusic	Music Video - Adult Contemp.		5,515		9,537	2,606	27%
	- Treehouse	Children		5,190		8,707	2,198	25%
	- Rogers Sportsnet	Sports		7,132		81,931	2,176	3%
			Average	*5,946*	*3*	*33,392*	*2,327*	*7%*
Fall 99	- CLT - Cdn. Learning TV	Learning / Education		6,143		6,952	2,654	38%
	- Star-TV	Entertainment Info		3,151		9,002	1,661	18%
	- ROBTV	News - Business		4,087		14,628	(2,123)	-15%
			Average	*4,460*	*3*	*10,194*	*731*	*7%*
Fall 00	- Food Network Canada	Lifestyle - Food		3,693		9,388	2,047	22%
	- Talk-TV	Information - Talk		3,712		1,289	(1,635)	-127%
			Average	*3,703*	*2*	*5,339*	*206*	*4%*
TOTAL - Specialty Services - English & Bilingual					30	939,540	171,311	18.23%
			Average	*5,764*		*31,318*	*5,710*	

Source: CRTC Financial Database (March / 02)

Table 14: French-Language Specialty Services

Launched	Service	Genre	August 31, 2001 (000) # of Subscr.		Total Revenue $	PBIT $	PBIT Margin
Sep-88	- VRAK TV	Children / Family Progr.	2,228		16,089	6,041	38%
	- MusiquePlus	Music Video	2,104		14,229	2,496	18%
	- RDS	Sports	2,480		58,970	13,930	24%
	- TV5	Cdn./ Intern. Franc. Progr. (Non-Profit)	4,123		15,363	1,284	8%
	- Météomédia/Weather *(b)*	Information - Weather	n/a		n/a	n/a	n/a
		Average	*2,734*	*4*	*26,163*	*5,938*	*23%*
Jan-95	- Canal D	Doc / Films / Series / Perf. Arts	1,895		22,291	7,647	34%
	- RDI	News & Information (Non-Profit)	8,141		39,811	770	2%
		Average	*5,018*	*2*	*31,051*	*4,208*	*14%*
Sep-97	- Canal Vie	Lifestyle / Health	1,692		23,007	8,834	38%
	- LCN - Le Canal Nouvelles	News & Information	1,619		12,871	5,890	46%
	- Musimax	Music Video - All Forms	1,591		6,549	1,036	16%
	- Télétoon *(b)*	Animated Programming	n/a		n/a	n/a	n/a
		Average	*1,634*	*3*	*14,142*	*5,254*	*37%*
Jan-00	- Canal Évasion	Tourism / Adv. / Travel	745		2,969	(2,776)	-93%
	- Canal Z	Science/Tech/Sc.Fiction	749		5,428	(5,270)	-97%
	- Historia (Canal Histoire)	History	749		4,418	(5,983)	-135%
	- Séries+ (Canal Fiction)	Cdn. & Intern. Drama Progr.,	749		7,328	(1,242)	-17%
		Average	*748*	*4*	*5,036*	*(3,818)*	*-76%*
Fall 01	- ARTV (Télé des arts)	Arts	n/a		n/a	n/a	n/a
TOTAL - Specialty Services - French				16	229,322	32,657	14%
		Average	*2,220*	*13*	*17,640*	*2,512*	

(b) Aug 31/01 Results for bilingual services reported with English-language specialty services
Source: CRTC Financial Database (March / 02)

Table 15: Ethnic Specialty Services

Launched	Service	Language	August 31, 2001 (000) # of Subscr.		Total Revenue $	PBIT $	PBIT Margin
1984	- Fairchild TV	Chinese -Predominately Cantonese	307		20,423	1,631	8%
1984	- Telelatino	Italian / Hispanic	3,083		11,406	4,046	35%
1992	- Talentvision	Chinese -Predominately Mandarin	22		2,125	(408)	-19%
1997	- Asian Television Network (ATN/ SATV)	South Asian - Predominately Hindi	48		1,286	(377)	-29%
1999	- Odyssey	Greek	*n/a*		413	(38)	-9%
TOTAL - Specialty Services - Ethnic				5	35,653	4,855	14%
		Average			*7,131*	*971*	

Source: CRTC Financial Database (March / 02)

Table 16: English and French-Language Pay & PPV Services

Launched	Name	Lang./Type	# of Subscr.	Total Revenue $	PBIT $	PBIT Margin
			August 31, 2001 (000)			
1983-4	- SuperÉcran	f PAY	357	35,617	9,457	27%
	- MovieCentral	e PAY	571	45,260	9,792	22%
	- TMN	e PAY	767	69,519	13,577	20%
1988	- Family Channel, The	e PAY	4,404	38,959	10,572	27%
1992	- Viewers Choice (Home Theatre)	e PPV	302	9,811	3,774	38%
	- Viewers' Choice	e PPV	654	15,887	3,656	23%
1995	- MovieMax	e PAY	396	11,411	6,648	58%
	- Moviepix!	e PAY	1,143	15,345	7,059	46%
1997	- Canal Indigo	f PPV	339	5,747	(133)	-2%
	- Canal Indigo	f DTH PPV	125	1,305	343	26%
	- Viewers Choice	e DTH PPV	228	5,052	1,727	34%
	- Viewers Choice Canada	e DTH PPV	325	3,836	1,067	28%
	Subtotal (Services launched 1983 to 97)			***257,748***	***67,539***	***26%***
2000	- Bell ExpressVu	b DTH PPV	n/a *	28,246	(5,451)	-19%
2001	- Bell ExpressVu	b PPV	n/a	n/a	n/a	n/a
	Total Pay & PPV Services - Eng & French		14	285,994	62,088	22%

* Bell ExpressVu reported 563,500 subscribers in 2000
Source: CRTC Financial Database (March / 02)

B. Services Licensed for Digital Distribution

- On November 24, 2000 the Commission issued decisions authorizing the following digital services:
    - 16 English and 5 French-language Category 1 specialty services that must be carried by all distributors who make use of digital technology. These services were approved following a competitive hearing. Category 1 services were licensed on a one-per-genre basis.
    - 262 Category 2 specialty services, that do not have guaranteed access, including 186 English-language specialty, 19 French-language specialty, 42 ethnic specialty, 6 bilingual specialty, 7 English-language pay and 2 French-language pay television services.
- Category 2 specialty services are licensed on a more competitive, open-entry basis. As of March 18, 2002, the Commission has approved 21 additional category 2 services.
- As of September 1st, 2002, in addition to the 16 English-language category 1 services, 39 category 2 specialty services and 2 third-language pay services had launched.

Table 17: Digital Channels – Who Is Being Carried as of September 1, 2002

- The following table lists the digital services that are being carried by a selection of distributors including Bell ExpressVu, Star Choice, Shaw in Vancouver, Rogers in Ontario, Cogeco in Burlington, and Vidéotron in Montréal.

▒ Category 1 Specialty Services Offered

■ Category 2 Pay and Specialty Services Offered

	Service	Essence	Type / Cat.		DTH: Bell Express Vu	DTH: Star Choice	Cable: Shaw - Vancouver	Cable: Rogers - Ontario	Cable: Cogeco - Burlington	Cable: Videotron - Montreal
	Arts & Entertainment									
1	BPM:TV (The Dance Channel)	Dance	Spec	2	■			■	■	
	Music Video									
2	Edge TV	Alternative	Spec	2	■			■	■	
3	MTV2 (Music 5 - Pop)	Pop	Spec	2		■		■	■	■
4	MuchLOUD	Hard Rock/ Alternative	Spec	2				■	■	
5	MuchVibe	Urban	Spec	2	■			■	■	
	Movies / Film / Drama									
6	BBC Canada	UK Drama	Spec	2	■	■	■	■	■	■
7	DejaView (Pop TV)	Classic Drama	Spec	2	■	■	■	■	■	
8	Drive-in Classics	B Movies	Spec	2	■			■	■	
9	Independent Film Channel, The	Indie Film	Spec	1	▒	▒	▒	▒	▒	▒
10	Lonestar (Adventure)	Action/Western Drama	Spec	2	■	■	■	■	■	
11	Moviola (Late Night Vidiots)	Short Film	Spec	2	■			■	■	
12	Mystery (13th Street)	Mystery	Spec	1	▒	▒	▒	▒	▒	▒
13	Scream (HorrorVision)	Horror Drama	Spec	2	■	■		■	■	
14	Showcase Action (Action Channel)	Action Drama	Spec	2	■	■	■	■	■	■
15	Showcase Diva (Romance Channel)	Romance Drama	Spec	2	■	■	■	■	■	■
16	TV Land (Retro)	Classic Drama	Spec	2	■	■		■	■	■
	Sports									
17	ESPN Classics (Classic Sports)	Classic Sports	Spec	2	■	■	■	■	■	■
18	Fox Sports World	Cricket/Rugby/Soccer	Spec	2	■	■	■	■	■	■
19	Leafs TV (Maple Leaf Channel)	Maple Leaf Hockey	Spec	2		■		■	■	
20	NHL Network, The	Hockey	Spec	2	■	■	■	■	■	■
21	Racing Network Canada, The	Horse Racing	Spec	2	■			■	■	
22	Raptors NBA TV (Raptors Basketball Channel)	Raptors Basketball	Spec	2	■	■		■	■	
23	WTSN (Women's Sports Network)	Women's Sports	Spec	1	▒	▒	▒	▒	▒	▒
24	Xtreme Sports	Extreme Sports	Spec	2	■	■	■	■	■	■

(Continued)

	Service	Essence	Type / Cat.		DTH: Bell Express Vu	DTH: Star Choice	Cable: Shaw - Vancouver	Cable: Rogers - Ontario	Cable: Cogeco - Burlington	Cable: Videotron - Montreal
	Kids / Youth / Teen									
25	BBC Kids	Kids & Youth	Spec	2						
26	Discovery Kids	Kids & Youth	Spec	2						
27	High School Television Network (HSTN)	Kids & Youth	Spec	2						
28	MTV Canada (Connect)	Teen	Spec	1						
	Lifestyles									
29	CTV Travel (Travel TV)	Travel	Spec	1						
30	Court TV Canada (Law & Order Channel)	Law & Order	Spec	2						
31	Fashion Television: The Channel	Fashion/Art	Spec	1						
32	Men TV (M)	Men	Spec	1						
33	PrideVision	Gay/Lesbian	Spec	1						
34	SexTV: The Channel (Relationship TV)	Sex/ Relationships	Spec	2						
	Science / Nature / Social Studies									
35	Animal Planet	Animals	Spec	2						
36	Biography Channel, The	Biographies	Spec	1						
37	Canadian Documentary Channel, The	Documentary	Spec	1						
38	Discovery Civilization	People/History	Spec	2						
39	Discovery Health (Health Network Canada)	Health	Spec	1						
40	green channel, the	Environmental Issues	Spec	2						
41	National Geographic Channel	Geography/ Science	Spec	2						
42	One: Canada's Mind, Body and Spirit Channel (Wisdom: Canada's Mind, Body and Spirit Channel)	Holistic Health	Spec	1						
	News / Doc. / Information									
43	Country Canada (Land and Sea)	Rural Info & Entertainment	Spec	1						
44	iChannel (Issues Channel, The)	Public Affairs	Spec	1						
45	MSNBC Canada	US & Cdn. News	Spec	2						
	Education and Learning									
46	Book Television: The Channel	Literature	Spec	1						
47	techtv (ZDTV Canada)	Technology	Spec	1						
	Ethnic									
48	All TV (Doragi Television Network)	Korean	Spec	2						
49	ATN Alpha Punjabi	Punjabi	Spec	2						
50	ATN B4U Hindi Movie Channel	Hindi	Pay	2						
51	ATN Tamil Channel	Tamil	Spec	2						
52	Festival Portuguese Television	Portuguese	Spec	2						
53	Inner Peace Television Network	Religious/7 lang. /Catholic	Spec	2						
54	ITBC Television Canada (NTI Tamil Serv.)	Tamil	Pay	2						
55	Odyssey II	Greek	Spec	2						
56	S.S.T.V.	50% Punjabi & 25% Hindi	Spec	2						
57	Tamil Vision	Tamil	Spec	2						
	Number of category 1 digital specialty services carried		Spec	1	16	16	16	16	16	16
	Number of category 2 digital specialty services carried		Spec	2	24	20	15	39	30	16
	Number of digital pay services carried		Pay	2	-	-	-	2	-	-
	Total number of category 1 & 2 digital specialty and pay services carried				40	36	31	57	46	32

Source: CRTC Discretionary Services and Social Policy

Audience Levels to Digital Pay and Specialty Services

- Nielsen Media Research / CBC Research reported the following collective viewing to the new digital services:

    - Using total households as the base, from mid-September 2001 through to early January 2002, the digital services' share of all viewing to English-language services was in the 2-3% range on a weekly basis. The services started in the 2% range and gradually improved to slightly over 3% by the last couple of weeks of the preview period. The 2001-2002 season average was 2%.

    - In cable households, in the week of 17 September 2001, the services' share of all viewing to English-language services started in the 2.5% range and gradually improved to just below 3% by the end of November. Viewing continued to improve to the mid 3% range by the end of the preview period. The 2001-2002 season average was 2.2%.

    - Data on viewing to the new services among the total digital households is encouraging. By the end of the 2001/02 fiscal year the new digital services were achieving audience shares as a percentage of all viewing to English-language services in the 7% range.

C. Companies with Significant Ownership Interests in Specialty, Pay, PPV Analog and Digital Services

Table 18: The following table provides a listing of the companies with significant ownership interest in specialty, pay, PPV services as at August 31, 2002

Alliance Atlantis Communications Inc.	Ownership Language	Interest
Analog Specialty Services:		
• Life Network, The	e	100%
• Showcase	e	100%
• History Television	e	100%
• HGTV (Home & Garden Television)	e	80.24%
• Food Network Canada	e	70.2%
• Séries+ (Canal Fiction)	f	50%
• Historia (Canal Histoire)	f	50%
• The Score (Headline Sports)	e	33.09%
Category 1 Digital Specialty Services:		
• Discovery Health Network (Health Network Canada)	e	80%
• The Independent Film Channel	e	95%
• PrideVision	e	33.09%
• One: The Body, Mind & Spirit (Wisdom)	e	29.9%
Category 2 Digital Specialty Services:		
• Showcase Diva	e	100%
• Showcase Action	e	100%
• BBC Canada	e	80%
• BBC Kids	e	80%
• National Geographic Canada	e	80%
• Scream (HorrorVision)	e	49%

Astral Media Inc.	Language	Ownership Interest
Analog Specialty Services:		
• VRAK-TV (Canal Famille)	f	100%
• Canal D	f	100%
• Canal Vie	f	100%
• Canal Z	f	100%
• Historia (Canal Histoire)	f	50%
• Séries+ (Canal Fiction)	f	50%
• MusiquePlus	f	50%
• Musimax	f	50%
• Teletoon	b	40%
Category 1 Digital Specialty Services:		
- Perfecto, La Chaîne (1)	f	50%
Pay Services:		
• Moviepix! (The Classic Channel) (Pay)	e	100%
• TMN – The Movie Network (Pay)	e	100%
• SuperÉcran (Pay)	f	100%
• Family Channel (Pay)	e	100%
PPV Services (Terrestrial & DTH):		
• Viewers Choice Canada	e	50.1%
• Canal Indigo	f	20.01%

BCE Inc.	Language	Ownership Interest
Bell ExpressVu Inc. BCE Inc. holds 100% voting interest in Bell ExpressVu Inc.		
PPV Service (Terrestrial & DTH):		
• Bell ExpressVu	b	100%
BCE Media Inc. BCE Inc. holds 100% voting interest in BCE Media Inc.		
Category 1 Digital Specialty Services:		
• LCN Affaires (1)	f	19.9%
Bell Globemedia Inc. BCE Inc. holds 70.1% voting interest in Bell Globemedia Inc.		
Analog Specialty Services:		
• Newsnet	e	100%
• TalkTV	e	100%
• ROBTv	e	100%
• Comedy Network, The	e	100%
• TSN - The Sports Network	e	80%
• RDS - Le Réseau des Sports	f	80%
• Discovery Channel, The	e	64%
• Canal Évasion	f	50.1%
• Outdoor Life Network (OLN)	e	33.3%
• ARTV (formerly Télé des Arts)	f	16%
Category 1 Digital Specialty Services:		
• CTV Travel (Travel TV)	e	100%
• WTSN (Women's Sports Network)	e	80%
• RDS Info-Sports (Réseau Info Sports) (1)	f	80%
Category 2 Digital Specialty Services:		
• ESPN Classic Canada	e	80%
• Discovery Civilization Channel	e	64%
• Animal Planet	e	64%
• NHL Network, The	e	17.14%

PPV Services (Terrestrial & DTH):		
• CTV Direct (Sports/Specials)	e	60%
• Viewer's Choice Canada Inc.	e	19.96%
• Canal Indigo	f	7.98%

CanWest Media Inc.	Language	Ownership Interest
Analog Specialty Services:		
• Prime TV	e	100%
Category 1 Digital Specialty Services:		
• MenTV (M)	e	49%
• Mystery (13th Street)	e	45.04%
• Canal Mystère (13ième rue) (1)	f	45.09%
Category 2 Digital Specialty Services:		
• Xtreme Sports	e	100%
• Lonestar (Adventure)	e	100%
• Fox Sports World Canada	e	100%
• DejaView (Pop TV)	e	100%

CBC / SRC	Language	Ownership Interest
Analog Specialty Services:		
• Newsworld	e	100%
• RDI – Le Réseau de l'information	f	100%
• ARTV (formaly Télé des Arts)	f	37%
Category 1 Digital Specialty Services:		
• Country Canada (Land & Sea)	e	30%
• Canadian Documentary Channel, The	e	29%

CHUM Limited	Language	Ownership Interest
Analog Specialty Services:		
• Bravo!	e	100%
• MuchMusic	e	100%
• MuchMoreMusic	e	100%
• Space	e	100%
• Star-TV	e	100%
• Pulse24 (CP24)	e	70.1%
• Canadian Learning Television (CLT)	e	60%
• MusiquePlus	f	50%
• Musimax	f	50%
Category 1 Digital Specialty Services:		
• FashionTelevision: The Channel	e	100%
• Book Television: The Channel	e	60%
• Perfecto, La chaîne (1)	f	50%
Category 2 Digital Specialty Services:		
• Drive-in Classics	e	100%
• MuchLOUD	e	100%
• MuchVibe	e	100%
• SexTV: The Channel	e	100%
• Court TV Canada	e	60%

Corus Entertainment Inc.	Language	Ownership Interest
Analog Specialty Services:		
• YTV	e	100%
• TreeHouse	e	100%
• W (Women's Television Network)	e	100%
• CMT – Country Music Television	e	90%
• Telelatino (Ethnic Service: Italian & Hispanic/Spanish)	o	50.5%
• Teletoon	b	40%
• Food Network Canada	e	10%
Category 1 Digital Specialty Services:		
• Country Canada (Land & Sea)	e	70%
• Canadian Documentary Channel, The	e	53%
Category 2 Digital Specialty Services:		
• Edge TV	e	100%
• Discovery Kids	e	80%
• Scream (HorrorVision)	e	51%
Pay Services:		
• MovieCentral (Super Channel) (Pay)	e	100%
• MovieMax (Pay)	e	100%

Quebecor Media Inc. / TVA Group Inc.	Language	Ownership Interest
• Quebecor Media Inc. holds 99.9% voting interest in TVA Group Inc.		
• Quebecor inc. holds 54.72% in Quebecor Media Inc.		
Analog Specialty Services:		
• LCN - Le Canal Nouvelles	f	100%
• Pulse 24 (CP24)	e	29.9%
• Canal Évasion	f	10%
Category 1 Digital Specialty Services:		
• MenTV (M)	e	51%
• Mystery (13th Street)	e	45.05%
• Télé Ha! Ha! (1)	f	60.2%
• LCN Affaires (1)	f	50.1%
• Canal Mystère (13ieme rue) (1)	f	45.05%
PPV Services (Terrestrial & DTH):		
• Canal Indigo	f	20%

Rogers Communications Inc.	Language	Ownership Interest
Analog Specialty Service:		
• Rogers Sportsnet	e	80%
• Outdoor Life Network (OLN)	e	33.3%
Category 1 Digital Specialty Services:		
• Biography Channel, The	e	40%
• techtv	e	33.33%
• Mystery (13th Street)	e	9.9%
• Canal Mystère (13ieme rue) (1)	f	9.9%
Category 2 Digital Specialty Services:		
• MSNBC Canada	e	33.3%
PPV Services (Terrestrial & DTH):		
• Viewers Choice Canada	e	24.95%
• Canal Indigo	f	9.98%

Shaw Communications Inc.	Language	Ownership Interest
Category 1 Digital Specialty Services:		
• Biography Channel	e	40%
• techtv	e	33.3%
Category 2 Digital Specialty Service:		
• MSNBC Canada	e	33.3%
PPV Service (Terrestrial & DTH):		
• Viewer's Choice (Corus VC Ltd)	e	100%

Notes to Table 18:

- e = English; f = French; o = Other; b = Bilingual
- Percentage of ownership interest indicated is related to the percentage of direct and indirect voting interest.
- Includes only category 2 services that have launched (as at September 1, 2002).
- Ownership interest for those French-language category 1 specialty service that have not launched was taken from decisions CRTC 2000-467, 468 and 469.
- (1) These services have not yet been launched.

Sources: CRTC Ownership and Industry Analysis Division and CRTC Decisions

VII. Ethnic Television Stations

- Section 3 (d) (iii) of the *Broadcasting Act* states, in part, that the Canadian broadcasting system should reflect the circumstances and aspirations of all Canadians including the multicultural and multiracial nature of Canadian society.

- The principal components of the Commission's policy on ethnic broadcasting are set out in the *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999 (the Ethnic Policy). Among other things, the policy provides a framework for the licensing of an array of radio and television services in languages relevant to Canadian ethnocultural communities.

- Pursuant to the Ethnic Policy, ethnic television stations are required to devote at least 60% of their schedules to ethnic programming, and at least 50% of their schedules must consist of third-language programming.

- Ethnic programming is defined as programming directed to any culturally or racially distinct group other than one that is Aboriginal Canadian, or from France or the British Isles. Such programming may be in any language or combination of languages.

- Third-language programming is programming in languages other than English and French or those of Aboriginal Canadians.

A. Over-the-air Ethnic Television Stations

As a way of reflecting the circumstances and aspirations of the multicultural and multiracial nature of Canadian society and within the framework of the Ethnic Policy, the Commission has licensed four ethnic conventional television stations serving the following markets:

1. Montréal

CJNT-TV was approved in August 1995. This station is currently owned and operated by Global Communications Limited.

CJNT-TV is required to broadcast ethnic programs directed towards not less than 18 distinct ethnic groups monthly and 25 annually. It also broadcasts in at least 15 different languages monthly and 25 annually.

2. Toronto

There are currently two ethnic conventional television stations licensed to serve the Toronto market. Both of these stations are owned and operated by Rogers Broadcasting Limited.

- OMNI 1 (formerly CFMT-TV) operates in the metropolitan Toronto area with re-transmitters in Ottawa and London making it available to approximately 70% of all Ontario residents[7]. This station was approved in December 1978.

  OMNI 1 is required to broadcast on a monthly basis, ethnic programs directed towards not less than 18 distinct ethnic groups in a minimum of 15 different languages.

- OMNI 2
  In its decision, *New multilingual ethnic television station to serve Toronto*, CRTC Decision 2002-82, 8 April 2002, Rogers Broadcasting Limited received approval to launch a new ethnic station to serve the Toronto area.

  This new station called OMNI 2 provides programming of interest to the Asian and African communities in the Toronto area that were not fully served by OMNI 1.

  OMNI 2, which launched in September 2002, is required to broadcast to a minimum of 22 ethnic groups and in at least 18 different languages monthly.

3. Vancouver

In its decision, *New multilingual ethnic television station to serve Vancouver*, CRTC Decision 2002-39, 14 February 2002, the Commission approved Multivan Broadcast Corporation's application for a new ethnic television station to serve the greater Vancouver area. The station will provide programming directed to at least 22 ethnic groups in a minimum of 22 distinct languages per month. It is expected to launch in 2003.

The following table outlines the languages of ethnic programming broadcast by CJNT-TV, OMNI 1 and OMNI 2. This information was provided by the stations and reflects a typical week of broadcasting in September 2002.

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[7] CRTC Decision 2000-772.

Table 19: Number of Ethnic Programming Hours Broadcast per Week

Language	CJNT – TV	OMNI 1	OMNI 2	Total
	Montréal	Toronto (1)		
3rd Language Ethnic Programming				
- Amharic			1.0	1.0
- Arabic	7.5		2.0	9.5
- Armenian			2.0	2.0
- Bengali			1.0	1.0
- Chinese - Cantonese	2.0		18.0	20.0
- Chinese - Mandarin	2.5		6.5	9.0
- Czech		1.0		1.0
- Creole	2.5			2.5
- Dari			0.5	0.5
- Dutch	1.5			1.5
- Estonian		1.0		1.0
- German	2.0	1.0		3.0
- Greek	7.0	3.5		10.5
- Hebrew	2.0			2.0
- Hindi	2.0		9.0	11.0
- Hungarian		1.0		1.0
- Italian	18.5	21.0		39.5
- Japanese			2.0	2.0
- Korean			1.5	1.5
- Latvian		1.0		1.0
- Lithuanian		1.0		1.0
- Macedonian		2.0		2.0
- Malayalam			1.0	1.0
- Maltese		1.0		1.0
- Persian - Farsi	3.0		2.0	5.0
- Filipino – Tagalog	2.0		1.0	3.0
- Polish	1.5	5.5		7.0
- Portuguese	5.0	16.0		21.0
- Punjabi	2.0		10.5	12.5
- Pushto			0.5	0.5
- Russian		4.5		4.5
- Sinhalese			1.0	1.0
- Somali			1.0	1.0
- Spanish	10.0	5.5		15.5
- Tamil			2.0	2.0
- Ukrainian		3.5		3.5
- Vietnamese	2.5		2.0	4.5
Total 3rd Language	**73.5**	**68.5**	**64.5**	**206.5**
Number of 3rd Languages	*17*	*15*	*19*	*37*
English & French Language Ethnic Programming				
- English	5.0	14.0	25.5	44.5
- French	3.0		1.0	4.0
Total English & French	**8.0**	**14.0**	**26.5**	**48.5**
Total Ethnic Programming	**81.5**	**82.5**	**91.0**	**255.0**

Source: CJNT-TV, OMNI 1 and OMNI 2: - based on forecasted September 2002 schedule
(1) OMNI 1 is rebroadcast over the air into the London and Ottawa markets.

B. Ethnic Pay & Specialty Services

In addition to ethnic conventional broadcasting services, the Commission has also licensed a number of ethnic specialty services.

1. Analog Ethnic Specialty Services

There are five national Canadian analog ethnic specialty services offering programming in a variety of languages. These services are currently distributed either on a stand-alone basis or as part of a package with other discretionary services, and are available to subscribers for a fee in addition to the basic monthly fee.

- Fairchild Television offers programming predominantly in Cantonese. The service was approved by the Commission in May 1984.

- Telelatino provides programs directed to Italian and Hispanic/Spanish audiences. The Commission approved this service in May 1984.

- Talentvision provides programming predominantly in Mandarin, complemented by some programming in the Vietnamese and Korean. The service was approved by the Commission in December 1993[8].

- Asian Television Network (SATV) serves South Asian communities in 15 South Asian languages, predominantly Hindi, supplemented by programming in English. The service was approved by the Commission in September 1996.

- Odyssey, a national specialty service, provides Greek language programming. With the exception of a small amount of news programming, 100% of its programming is in Greek. The service was approved by the Commission in September 1996.

2. Category 2 Digital Ethnic Pay & Specialty Services

As of September 1, 2001, the Commission has approved over fifty ethnic category 2 digital pay & specialty services. Of these, ten (8 specialty & 2 pay) have been licensed and have been launched.

- All TV (Doragi Television Network) is a national specialty service directed to the Korean / Korean-speaking community. 90% of the programming is in Korean.

- ATN Alpha Punjab is a national specialty service directed to the Punjabi speaking community. 100% of this service's programming is in Punjabi.

- ATN Tamil Channel is a national specialty service directed to the Tamil speaking community. 100% of the programming broadcast is in Tamil.

[8] Fairchild Broadcasting Ltd. acquired the assets of Cathay – which was originally licensed in 1982.

- Festival Portuguese Television is a national specialty service directed to the Portuguese speaking community. 90% of its programming is in Portuguese.

- Odyssey 2 is a national specialty service directed to Greek-speaking audiences. 100% of the programming is in Greek.

- S.S.TV is a national specialty service dedicated to programming that focuses on Punjabi religious teachings; music, dance and video based on Punjabi culture; and news and information concerns in East Indian countries and Punjabi communities in Canada. Not less that 50%, 25% and 25% of all programming will be in Punjabi, Hindi and English languages respectively.

- Tamil Channel is a national specialty service directed to the Tamil-speaking community. 90% of the programming is in Tamil.

- Inner Peace Television Network is a national specialty service devoted to providing religious programming from the single point-of-view of the Roman Catholic faith. The service targets Italian, Spanish, Portuguese, Polish, Filipino, English and French-speaking audiences.

- ATN B4U Hindi (*Hindi Movie Channel*) is a national pay service devoted predominantly to Hindi movies. 90% of all programming is in Hindi.

- ITBC Television Canada (*NTI Tamil Service*) is a national pay service targeting the Tamil-speaking community. 100% of the programming is in Tamil.

VIII. Native Television Services

Section 3(1)(o) of the *Broadcasting Act* states that programming that reflects the aboriginal cultures of Canada should be provided within the Canadian broadcasting system as resources become available. The Commission's native broadcasting policy is set out in *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990.

The primary role of aboriginal broadcasters is to address the specific cultural and linguistic needs of their audiences while creating an environment in which aboriginal artists and musicians, writers and producers, can develop and flourish. Native undertakings have a distinct role in fostering the development of aboriginal cultures and, where possible, the preservation of ancestral languages.

There are currently 10 originating and 95 rebroadcasting native television stations in operation. The Commission has also licensed two native television networks:

- Native Communications Inc. (NCI)
- Wawatay Native Communications

In addition, the Commission has licensed the national aboriginal television programming service, Aboriginal Peoples Television Network (APTN) and has given it mandatory carriage under an order issued pursuant to section 9(1)(h) of the *Broadcasting Act*.

IX. Religious Television Stations

The Commission's religious policy is set out in *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993. This policy governs over-the-air, specialty and foreign religious services. Pursuant to this policy, a religious program is defined as one which deals with a religious theme, including programs that will examine or expound religious practices and beliefs or present a religious ceremony, service or other similar event.

A. Over-the-air Religious Television Stations

There are 5 over-the-air religious television stations:

- The Miracle Channel (CJLT-TV) Lethbridge, Alberta
- Crossroads Television System (CITT-TV) Burlington, Ontario
- CFEG-TV, Abbotsford, British Columbia
- Trinity Television (CHNU-TV), Fraser Valley, British Columbia
- On August 8, 2002 the Commission approved an application by Trinity Television Inc. for a religious television station to serve the Winnipeg area.

B. Specialty Religious Services

- Vision TV is an English-language, national, multi-faith religious specialty programming service that launched in September 1988.

- Inner Peace Television Network (IPTN) is a national ethnic category 2 specialty television service devoted to providing Roman Catholic religious programming.

C. Foreign Religious Services

The only foreign religious service being carried by Canadian distributors at this time is the Eternal World Television Network (EWTN), a single point of view Catholic religious service.

X. The National Public Broadcaster

The Canadian Broadcasting Corporation (CBC) / Société Radio-Canada (SRC) is Canada's national public broadcaster. As such pursuant to section 3(1) *(l)* of the *Broadcasting Act* it should provide "radio and television services incorporating a wide range of programming that informs, enlightens and entertains".

A. Over-the-air Conventional Television Stations

CBC operates two national television conventional network services – one in English and the other in French. CBC also provides distinctive television service in Northern Canada, broadcasting in English, French and 8 aboriginal languages.

Privately owned stations affiliated with the CBC help it reach Canadians. In its Corporate Plan Summary for 2002-03 to 2006-07 presented to the Minister of Canadian Heritage, dated June 2002 and titled *Strengthening and Renewing the CBC: Our Strategy at Work*, the CBC states that on a combined basis its English and French-language private affiliates deliver approximately 14% and 21% respectively of its the networks' viewing hours.

Table 20: CBC Owned and Affiliated English and French-Language Television Stations

CBC / Radio-Canada's Over-the-air Stations and Rebroadcasters (Basic Networks)	Television Networks		
	English	French	Total
CBC owned stations	15	8	23
CBC rebroadcasters	438	174	612
Private affiliated stations	18	5	23
Private affiliated rebroadcasters	50	13	63
Community owned stations	-	-	-
Community owned rebroadcasters	145	10	159

Source: CBC / Radio-Canada Annual Report 2001-2002 page III of the Appendix

B. Specialty Services

CBC owns and operates the following specialty services:

- CBC Newsworld is a national English-language news and information specialty service.
- Le Réseau de l'information (RDI) is a national French-language news and information specialty service.

CBC also has partial ownership interests in the following specialty services:

- ARTV (Télé des arts) is a national French-language arts specialty service.
- Country Canada (Land and Sea) is a national English-language category 1 digital specialty service.
- The Canadian Documentary Channel is a national English-language category 1 digital specialty services that broadcasts documentary programming on a 24-hour basis.

XI. House of Commons

- In November 2001[9], the Commission announced its intention to make the televised proceedings of the House of Commons more accessible to Canadians in the official language of their choice. In the view of the Commission, this programming is vital to the public interest in a democratic society and is an important part of the Canadian broadcasting system.

- The class of distributors that serve the vast majority of Canadians are now required to provide the House of Commons proceedings in the language of the majority as part of their basic service. These distributors are also required to offer these proceedings in the official language of the minority using the secondary audio program (SAP) channel, and, depending on their capacity and on the technology they use, on a separate video channel.

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[9] *The distribution of the proceedings of the House of commons on CPAC,* Public Notice CRTC 2001-115, 6 November 2001.

XII. Foreign Satellite Services Authorized in Canada

- There are currently 93 foreign services authorized for carriage in Canada by digital distributors broadcasting in 15 languages from 11 countries. 75 of these services are also authorized for carriage by analog broadcasting distribution undertakings.

- *Revised lists of eligible satellite services*, Broadcasting Pubic Notice CRTC 2002-9, 18 February 2002, lists eligible satellite services authorized for carriage in Canada. This list is updated from time to time as required.

- The following tables lists the foreign satellite services currently authorized for carriage in Canada.

Table 21: Foreign (Non-U.S.) Satellite Services Authorized in Canada

Country of Origin / Foreign Service Name	Language	Authorized for: Analogue & Digital	Authorized for: Digital Only
Australia			
Network TEN	English		x
France			
EuroNews	French		x
Eurosportsnews	French		x
KTO	French		x
Muzzik	French		x
Paris-Première	French		x
Planète	French		x
Radio-France outre-mer (RFO1)	French	x	
Tropic	French		x
Germany			
Deutsche Welle	German	x	
Great Britain			
Muslim Television Ahmadiyya	Arabic / Chinese / French / Russian / Spanish / Swahili / Urdu		x
Ireland			
TV3 Republic of Ireland	English		x
Japan			
TV Japan	Japanese	x	
Netherlands			
BVN-TV	Dutch		x
New Zealand			
TV3 Television Network	English		x
TV4 Television Network	English		x
Polish			
TV Polonia	Polish	x	
Yugoslavia			
RTV Palma	Hungarian / Serbian		x

Table 22: U.S. Foreign Satellite Services Authorized in Canada

Country of Origin / Foreign Service Name	Language **	Authorized for Analogue & Digital	Authorized for Digital Only
United States			
ABC - 8 Independent Stations *		x	
CBS - 9 Independent Stations *		x	
FOX - 7 Independent Stations *		x	
NBC - 8 Independent Stations *		x	
PBS - 7 Independent Stations *		x	
8 Superstations *		x	
WUAB-TV, Cleveland (Independent)		x	
American Movie Classics		x	
ART America		x	
BBC World		x	
Black Entertainment Television (BET)		x	
Cable News Network (CNN)		x	
Cable Satellite Public Affairs Network (C-Span)		x	
CNN Headline News (CNN-2)		x	
Comedy Central		x	
Consumer News and Business Channel (CNBC)		x	
Court TV		x	
Discovery Wings			x
Eternal Word Television Network			x
Game Show Network		x	
Lifetime Television		x	
Oxygen Network			x
Playboy TV		x	
Speed Channel		x	
Arts and Entertainment Network (A&E), The		x	
Filipino Channel, The	Tagalog	x	
Golf Channel, The		x	
Learning Channel, The		x	
National Network (TNN), The		x	
The Silent Network		x	
The Weather Channel (TWC)		x	
Turner Classic Movies		x	
TV Land			x
WMNB-TV: Russian-American Broadcasting Company	Russian	x	

* Refer to Public Notice 2002-9 (Appendix A) for listing of each station.
** Broadcast language is English unless indicated otherwise.

XIII. Tangible Benefits Resulting from the Transfers of Ownership or Control of Television Broadcasting Undertakings

- When considering applications to transfer ownership or control of a television undertaking, the Commission generally expects significant benefits to be offered to the community in question or to the Canadian broadcasting system as a whole. Because competing applications are not solicited, the onus is on the applicant to demonstrate that the application filed is the best possible proposal under the circumstances and that the benefits proposed in the application are commensurate with the size and nature of the transaction.

- The principal components of the Commission's policies with respect to benefits resulting from the transfer of ownership or control are set out in *Application of the Benefits Test at the Time of Transfers of Ownership or Control of Broadcasting Undertakings*, Public Notice CRTC 1993-68, 26 May 1993. *In Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999 the Commission amended its tangible benefits policy with respect to transfers of ownership or control involving television broadcasting undertakings. This amendment requires applicants to make commitments to clear and unequivocal tangible benefits representing financial contributions of at least 10% of the value of the transaction.

- In the period June 11, 1999 to July 31, 2002, there were 23 transfers of ownership or control of television broadcasting undertakings resulting in total tangible benefits in excess of $515 million

Table 23: Value of Television Transactions and Corresponding Transfer Benefits for the Period June 11, 1999 to July 31, 2002

($000,000)	Value of the Transaction *	Benefits
French-Language Undertakings	630	63
English-Language Undertakings	4,332	452
Total	4,962	515

* Value determined by the Commission for the purpose of calculating transfer benefits.

Broadcasting Distribution

I. Promoting Effective Competition

- The Commission has put in place policies promoting competition among BDUs in **New Regulatory framework for Broadcasting Distribution Undertakings**, Public Notice CRTC 1997-25, 11 March 1997, (PN 1997-25), **Proposed Broadcasting Distribution Regulations**, Public Notice CRTC 1997-84, 2 July 1997, and **Broadcasting Distribution Regulations**, Public Notice CRTC 1997-150, 22 December 1997. The **Broadcasting Distribution Regulations** (the BDU Regulations) came into effect 1 January 1998. Since that time the BDU industry has been experiencing a fundamental shift towards increased competition.

- The most recent changes to promote effective competition include the issuance of **Exemption order respecting cable systems having fewer than 2000 subscribers**, Public Notice CRTC 2001-121, 7 December 2001 and **Exemption order respecting radio-communication distribution undertakings (RDUs)**, Public Notice CRTC 2002-45, 12 August 2002, (PN 2002-45).

A. Subscriber Levels of Incumbent and Alternative BDU Delivery Systems

Table 1: All Subscribers Across Canada

Distribution Type	Number of Basic Subscribers and Market Share (%)							
	1998		1999		2000		2001	
	Basic Subscribers	Market Share (%)	Basic Subscribers	Market Share (%)	Basic Subscribers	Market Share (%)	Basic Subscribers	Market Share (%)
Class 1	6,859,497	83.4	6,906,606	80.5	6,943,468	77.4	6,837,679	72.8
Class 2	381,685	4.6	383,417	4.5	366,396	4.1	340,920	3.6
Class 3	748,347	9.1	735,822	8.6	696,317	7.8	606,643	6.5
Sub-total Cable	7,989,529	97.2	8,025,845	93.5	8,006,181	89.2	7,785,242	82.9
MDS	10,894	0.1	31,551	0.4	83,913	0.9	86,773	0.9
DTH	216,111	2.6	519,376	6.1	880,092	9.8	1,519,620	16.2
STV	6,333	0.1	3,882	0.0	2,678	0.0	1,344	0.0
Total	8,222,867	100	8,580,654	100	8,972,864	100	9,392,979	100

Source: CRTC Financial Database

- Table 1 reveals that the BDU industry has enjoyed stable overall growth since 1998, with particularly strong growth in 2001, with about 420,000 new subscribers.

- As shown in the table above, cable lost about 220,000 subscribers in 2001. Class 1 BDUs continue to maintain the bulk of subscriber market share. Competition from direct-to-home (DTH) and Multipoint Distribution Systems (MDS) has reduced the overall share of Class 1 BDUs from 83.4% in 1998 to 72.8% in 2001. The data in Table 1 is based on the fiscal year ended August 31 of each of the years.

- DTH subscribership increased by nearly 640,000 in 2001. This represents an increase of 73% in 2001 for a total market share of 16.2%. DTH growth is coming from all existing cable classes and new subscribers in areas that do not have access to cable service. Press releases from DTH providers in September 2002 indicate that total DTH subscribership has increased to the 2,000,000 range.

- STV or subscription television undertakings provide over-the-air television service to small (rural or remote) communities in underserved areas. These undertakings broadcast signals in an encoded or scrambled mode by means of low-power (about 20 watts) transmitters. In PN 2002-45, the Commission issued an exemption order affecting most of these undertakings.

- The following table provides a breakdown of cable and STV subscribers by province. MDS and DTH operators do not report a provincial breakdown to the Commission.

Table 2: Cable Subscribers by Regions - Provinces

	Number of Basic Subscribers and Market Share (%)							
	1998		1999		2000		2001	
	Basic Subscribers	Market Share (%)	Basic Subscribers	Market Share (%)	Basic Subscribers	Market Share (%)	Basic Subscribers	Market Share (%)
Atlantic	616,892	7.7	627,178	7.8	648,518	8.1	573,586	7.4
Nfld. & P.E.I.	163,314	2.0	176,899	2.2	213,532	2.7	160,653	2.1
N.B. & N.S.	453,578	5.7	450,279	5.6	434,986	5.4	412,933	5.3
Quebec	1,939,722	24.3	1,976,890	24.6	1,960,961	24.5	1,922,532	24.7
Ontario	3,031,215	37.9	3,011,333	37.5	3,002,009	37.5	2,967,083	38.1
Prairies	1,218,153	15.2	1,225,212	15.3	1,212,550	15.1	1,150,235	14.8
Manitoba	278,942	3.5	278,881	3.5	276,063	3.4	243,581	3.1
Saskatchewan	211,007	2.6	210,949	2.6	206,196	2.6	191,796	2.5
Alberta	728,204	9.1	735,382	9.2	730,291	9.1	714,858	9.2
B.C. & Territories	1,189,006	14.9	1,182,689	14.7	1,182,643	14.8	1,173,150	15.1
B.C.	1,172,903	14.7	1,164,964	14.5	1,168,861	14.6	1,162,725	14.9
Total	7,994,988	100	8,023,302	100	8,006,681	100	7,786,586	100

Source: CRTC Financial Database

B. Rate Deregulation of Incumbent BDUs

- With the introduction of the BDU Regulations in 1998, the Commission introduced a process allowing for the deregulation of basic rates of Class 1 distribution systems. New entrants are not rate regulated, nor are Class 2 and Class 3 systems.

- Class 1 systems can qualify for rate deregulation if they meet a two-pronged test:
  - if the basic service of one or more licenced competitors is accessible to 30% of households in the incumbent's service area, (which is currently deemed to exist through DTH services), and
  - if the cable incumbent can demonstrate that it lost 5% or more of its basic subscribers since the competition entered its service area.

- By the end of August 2002, about 105 Class 1 systems were rate deregulated. The total number of subscribers in these rate-deregulated systems is about 4.4 million subscribers (or 65% of all Class 1 subscribers).

- The following table presents the trends in the basic service rate in a sample of rate-deregulated systems. Cable distributors who have adjusted their basic service rate indicate that they have taken into account the rates of adjacent systems and the minimum required spending level of DTH competitors.

Table 3: Basic Service Rate of Deregulated Systems

Distributor	System	Date of deregulation	Before deregulation	After deregulation
Shaw Cable	Vancouver	August 23, 2002	$19.26	$19.26
	Winnipeg-East	August 13, 2002	$15.75	$15.75
	Calgary	July 15, 2002	$18.55	$18.55
Rogers Cable	Toronto Peel	August 23, 2002	$21.29	$21.29
	Ottawa West	February 1, 2002	$16.69	$20.00
	Saint John, N.B.	August 1, 2002	$18.86	$20.00
Cogeco Cable	Burlington/Oakville	May 22,2002	$18.39	$18.39
	Windsor	May 25, 2002	$23.75	$23.75
	Trois-Rivières	May 6, 2002	$16.72	$19.22
Videotron	Cap-de-la-Madeleine	May 1, 2002	$19.42	$19.42
	Victoriaville	May 1, 2002	$18.98	$18.98

Sources: CRTC's financial database. Rates after deregulation are from distributor websites as at September 5, 2002.

II. Promoting Contributions to Canadian Programming and Local Expression

- The BDU regulations require that all Class 1 and Class 2 terrestrial distribution undertakings, as well as all DTH and MDS distribution undertakings, contribute a minimum of 5% of gross annual revenues derived from broadcasting activities to the creation and presentation of Canadian programming. Contribution to programming can take the form of a contribution to the Canadian Television Fund (CTF)[1] or to other national independent funds, as well as contribution to the financing of a community channel or other local expression.

[1] The CTF is the successor to the Canadian Television and Cable Production Fund.

A. Contributions to Programming Funds

Table 4: Contributions to Programming Funds

Class and Subscriber Level	Contribution to Programming Funds ($ 000s)							
	1998		1999		2000		2001	
	CTF	Others	CTF	Others	CTF	Others	CTF	Others
Class 1 > 20k	50,753	3,353	60,786	6,463	66,166	7,715	70,412	7,057
Class 1 < 20k	3,950	218	4,562	486	4,563	507	4,510	500
Class 2	66	0	133	0	151	5	102	0
MDS			375	38	1,172	36	1,351	28
DTH	1,711	250	5,784	598	14,127	3,410	24,926	6,231
SRDU					3	1	725	3
Total	56,480	3,821	71,640	7,585	86,182	11,674	102,026	13,819

Source: CRTC Financial Database
Minor variations from previous reports are the result of reclassifications and adjustments.

- The BDU regulations require that a minimum of 80% of the required contribution must be directed to the CTF and up to 20% to one or more independently-administered production funds, other than the CTF, provided that the funds meet the criteria specified in **Contributions to Canadian Programming by Broadcasting Distribution Undertakings**, Public Notice CRTC 1997-98, 22 July 1997.

B. Total Community Channel Expenses

Table 5: Community Channel Expenses

Class and Subscriber Level	Total Community Channel Expenses ($000)			
	1998	1999	2000	2001
Class 1 > 20k	54,971	54,879	58,540	53,870
Class 1 < 20k	11,585	12,579	13,169	12,826
Class 2	6,522	6,795	8,021	8,004
Total	73,078	74,253	79,730	74,700

Source: CRTC Financial Database

- PN 1997-25 introduced flexibility for cable licensees in regard to the manner in which they contribute to Canadian programming and local expression, formerly required through investment in a community channel.

- Compared to the previous year, Class 1 cable distributors have decreased their community channel expenses in 2001. Class 2 operators maintained the same level of spending.

- In **Proposed policy framework for community-based media**, Public Notice CRTC 2001-129, 21 December 2001, the Commission announced its intention to amend the BDU Regulations to permit Class 1 systems with fewer than 20,000 subscribers to allocate all of their Canadian programming funding contributions to local expression. This proposal has since been confirmed in **Policy framework for community-based media**, Public Notice CRTC 2002-61, 10 October 2002.

C. Number of Systems Maintaining a Community Channel

Table 6: Cable Systems Contributing to Community Channels

Class and Subscriber Level	Number of Cable Systems Contribution to Community Channels			
	1998	1999	2000	2001
Class 1 > 20k	69	68	72	72
Class 1 < 20k	70	71	74	73
Class 2	99	101	99	99

Source: CRTC Financial Database

- The BDU regulations do not require licensees to operate a community channel. Apart from its benefits to the public through local reflection, the community channel provides cable operators with a highly effective medium to establish a local presence and to promote a positive corporate image for themselves.

- The table above outlines the number of class 1 and class 2 cable undertakings that have reported community channel expenses between 1998 and 2001. The figures do not necessarily represent the actual number of community channels in operation, as some channels are funded by more than 1 undertaking.

- There has been no significant change in the number of systems operating a community channel since the introduction of the BDU regulations.

III. Affordability of Basic and Non-Basic Service Rates

- The following table presents the average basic service monthly rates for the last four years for cable.

Table 7: Average Cable Basic Service Monthly Rates ($)

Distribution Type	1998	1999	2000	2001
Class 1	18.51	19.01	19.50	20.16
Class 2	20.88	21.64	21.78	22.17
Class 3	25.52	24.01	24.23	25.53
STV	24.28	25.16	25.02	24.61
Average	19.29	19.60	20.00	20.62

Source: CRTC Financial Database

- The average rates are calculated from the rates noted in the annual returns provided by the distributors and are weighted to account for subscriber numbers.

- The average basic rates of class 1 and 2 systems have increased at an average annual rate of 3% and 2% respectively since 1998. The average basic rate of class 3 systems has not increased since 1998. Competition from new distributors has contributed to the stability of the basic rates of class 2 and 3 systems since 1998.

Table 8: Cable - Average Class 1 Basic Service Monthly Rates by Province

Province	1998	1999	2000	2001
Newfoundland	19.26	19.74	19.82	19.94
P.E.I.	19.95	20.29	20.72	20.72
N.S.	15.99	14.60	16.54	16.55
N.B.	18.02	19.23	19.10	19.19
Quebec	21.24	21.32	21.64	21.61
Ontario	18.36	18.95	19.48	20.98
Manitoba	13.34	14.62	14.92	15.15
Saskatchewan	17.45	17.89	18.39	18.89
Alberta	16.68	17.57	18.54	18.72
B.C.	17.22	17.98	18.38	18.49

Source: CRTC Financial Database

- The highest rate increases were implemented in Ontario in 2001, with average cable rates increasing by 7.7%. These increases can be explained partly by the transfer of services from discretionary tiers to the basic tier in several systems.

IV. Promoting a Financially Strong Sector

A. Total Revenues of Distributors

Table 9: Total Revenues of Distributors

	Total Revenues ($ 000s)			
Distribution Type	1998	1999	2000	2001
Cable Class 1	2,589,788	2,868,944	3,151,565	3,415,318
Cable Class 2	143,919	152,981	152,384	151,041
Cable Class 3	288,481	295,122	291,765	262,437
MDS	4,525	11,314	27,823	45,425
DTH	38,570	154,270	358,862	632,901
STV	2,339	1,574	1,067	490
Total	3,067,622	3,484,205	3,983,466	4,507,612
Class 1 Breakdown Between Basic and Non-Basic				
Basic	1,651,783	1,676,762	1,708,303	1,686,389
Non-Basic	938,004	1,192,181	1,443,262	1,728,929

Source: CRTC Financial Database. Minor adjustments to 1998, 1999 and 2000 are the result of updates from licensees.

- The BDU industry as a whole has been enjoying strong growth. In 2001 total revenues increased by nearly $525 million.

- Class 1 BDUs realized revenue growth in 2001 of almost 8% over 2000. The growth in Class 1 revenues since 1998 has been almost entirely related to non-basic services.

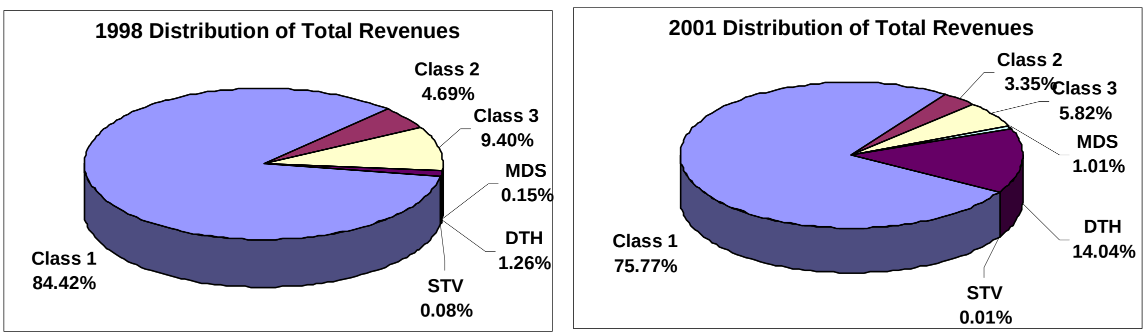
Since 1998, non-basic revenues have grown by nearly 84%, as compared to slightly over 2% for basic revenues. Non-basic revenues contributed 51% of total Class 1 revenues in 2001.

- MDS providers reported strong growth in 2001, with a revenue increase of approximately 63% over 2000.

- DTH providers reported increased revenues of almost 76% in 2001.

- The charts below illustrate the changes in the share of total BDU revenues from 1998 to 2001.

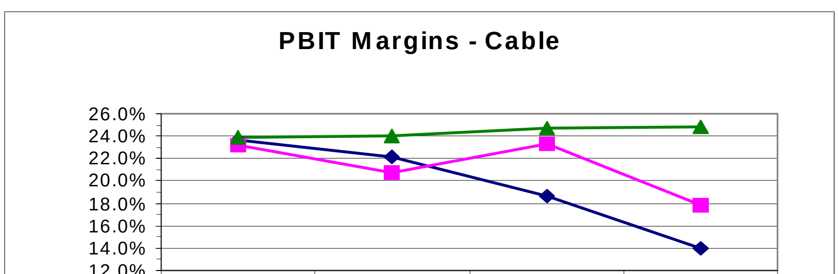
Chart 1: Distribution of Total Revenues



Source: CRTC Financial Database, July 2002

B. Profit Before Interest and Taxes (PBIT) Margins

Chart 2: Profit before Interest and Taxes Margins



	1998	1999	2000	2001
Class 1	23.7%	22.2%	18.7%	14.0%
Class 2	23.2%	20.8%	23.3%	17.8%
Class 3	23.9%	24.0%	24.7%	24.9%

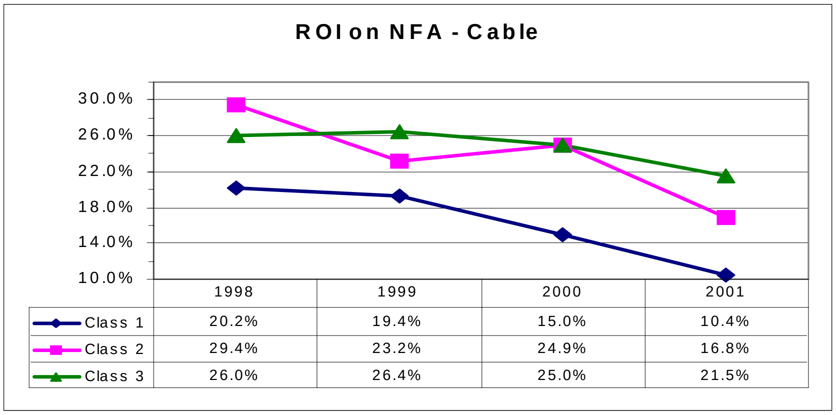
Source: CRTC Financial Database, July 2002

- The chart above shows the PBIT margins for Class 1, 2 and 3 systems based on the reported results from all services (basic and non-basic).

- The PBIT margin for Class 3 cable systems remained within the 20-25% range between 1998-2001. The PBIT margin for Classes 1 and 2 cable systems decreased significantly in 2001. The decreases are caused by higher affiliation payments, higher technical expenses, and increased depreciation expenses due to significant fixed asset investment.

C. Return on Investment (ROI)

Chart 3: Return on Investment on Average Net Fixed Assets



Source: CRTC Financial Database, July 2002

- The decrease in the ROI on Net Fixed Assets for all cable Class providers in 2001 is the result of the ongoing significant capital expenditures incurred by cable providers to upgrade their systems to roll out digital services.

V. Concentration / Vertical Integration

A. Top 6 Cable Corporations by Total Basic Subscribers

Table 10: Top 6 Cable Distributors by Total Basic Subscribers

Corporations: by rank	2001 Subscribers	2001 National Share
Rogers Cable Inc.	2,266,703	29%
Shaw Communications Inc.	2,070,022	27%
Vidéotron Ltée.	1,528,560	20%
Cogeco Cable Inc.	878,766	11%
Bragg Communications Incorporated	233,154	3%
Persona Communications Inc.	231,900	3%

Sources: CRTC Financial Database and Distributor information
Note: Includes both analog and digital subscribers.

B. Pay & Specialty Services Owned by Top Five Distributors or Their Affiliates

- In **Ownership of analog discretionary services by cable undertakings**, Public Notice CRTC 2001-66, 7 June 2001, the Commission amended its policy with respect to cable ownership of analog pay and specialty programming services. The Commission decided, as a matter of broadcasting policy, to allow cable companies or their affiliates to purchase controlling interests in Canadian analog pay and specialty services.

Table 11: Pay & Specialty Services Owned by Top Five Distributors or Their Affiliates

Service Type	Service	# of Subscribers (Year 2001) (Note 2)	% of direct and indirect ownership interest
Rogers Communications Inc.			
Specialty	Rogers Sportsnet	7,131,877	80.00%
	Outdoor Life Network	4,621,653	33.33%
PPV & VOD	Viewer's Choice DTH PPV	325,000	24.95%
	Viewer's Choice PPV	654,000	24.95%
	Viewer's Choice VOD	N/A	24.95%
	Canal Indigo DTH PPV	124,867	9.98%
	Canal Indigo PPV	338,762	9.98%
	Canal Indigo VOD	N/A	9.98%
Digital Category 1	Mystery (13th Street)	N/A	9.90%
	The Biography Channel	N/A	40.00%
	TechTV	N/A	33.33%
	Mystère (13ième Rue) (Note 3)	N/A	9.90%
Digital Category 2	MSNBC Canada	N/A	33.33%
Shaw Communications Inc. (Note 1)			
PPV	Home Theatre – PPV	302,160	100.00%
	Star Choice DTH PPV	227,979	100.00%
Digital Category 1	The Biography Channel	N/A	40.00%
	TechTV Canada	N/A	33.33%
Digital Category 2	MSNBC Canada	N/A	33.33%
Corus Entertainment Inc (Note 1)			
Specialty	CMT (Country)	7,871,589	90.00%
	Telelatino (Ethnic Service)	3,082,517	50.50%
	TELETOON	5,901,488	40.00%
	TreeHouse	5,190,096	100.00%
	Lifestyle Television (WTN)	6,238,489	100.00%
	YTV Canada	8,496,933	100.00%
	Food Network	3,693,426	10.00%
Pay	SuperChannel	570,913	100.00%
	MovieMax!	396,021	100.00%
	MAXTRAX (pay audio)		100.00%
Digital Category 1	The Canadian Documentary Channel	N/A	53.00%
	Country Canada (Land & Sea)	N/A	70.00%
Digital Category 2	Scream	N/A	51.00%
	Discovery Kids	N/A	80.00%
	Edge TV	N/A	100.00%
Quebecor Inc. **(Owns 54.72% of Quebecor Media Inc. (QMI)) (QMI owns 99.9% of Groupe TVA Inc.)**			
Specialty	Pulse 24	2,201,343	16.36%
	Le Canal Nouvelles (LCN)	1,619,224	54.72%
	Canal Évasion	744,537	5.47%
PPV & VOD	Canal Indigo DTH PPV	124,867	10.94%
	Canal Indigo PPV	338,762	10.94%
	Canal Indigo VOD	N/A	10.94%

Service Type	Service	# of Subscribers (Year 2001) (Note 2)	% of direct and indirect ownership interest
Quebecor Inc. (continued)			
Digital Category 1	Mystery (13th Street)	N/A	24.65%
	MenTV	N/A	27.91%
	Mystère (13ième Rue) (Note 3)	N/A	24.65%
	LCN Affaires (Note 3)	N/A	27.41%
	Télé Ha! Ha! (Note 3)	N/A	32.94%
Cogeco Inc. **(Owns 60% of TQS Inc.)**			
PPV & VOD	Canal Indigo DTH PPV	124,867	32.00%
	Canal Indigo PPV	744,537	32.00%
	Canal Indigo VOD	N/A	32.00%
	VOD	N/A	100.00%
Digital Category 1	i Channel	N/A	50.00%
Digital Category 2	BPMiTV (The Dance Channel)	N/A	50.00%
BCE Inc. **(Owns 70.1% of Bell Globemedia Inc.)**			
Specialty	Newsnet	6,808,041	70.10%
	The Discovery Channel	6,922,167	44.86%
	Canal Évasion	744,537	35.12%
	Outdoor Life Network	4,621,653	23.36%
	Réseau Des Sports (RDS)	2,479,904	56.08%
	The Comedy Network (TCN)	4,461,821	70.10%
	The Sports Network (TSN)	8,048,162	56.08%
	ROBTV	4,087,037	70.10%
	Talk TV	3,712,381	70.10%
	ARTV (Télé des Arts)	N/A	11.22%
PPV & VOD	Bell - DTH PPV		100.00%
	Bell – PPV	N/A	100.00%
	CTV Direct (Sports/Specials) DTH PPV / PPV	N/A	42.06%
	Viewer's Choice DTH PPV	325,000	13.99%
	Viewer's Choice PPV	654,000	13.99%
	Viewer's Choice VOD	N/A	13.99%
	Canal Indigo DTH PPV	124,867	5.60%
	Canal Indigo PPV	338,762	5.60%
	Canal Indigo VOD	N/A	5.60%
Digital Category 1	CTV Travel	N/A	70.10%
	WTSN	N/A	56.08%
	LCN Affaires (Note 3)	N/A	19.90%
	Réseau Info Sports (RIS) (Note 3)	N/A	80.00%
Digital Category 2	Discovery Civilization	N/A	44.86%
	Animal Planet	N/A	44.86%
	The NHL Network	N/A	12.01%
	ESPN Classic Canada	N/A	56.08%

Source: CRTC Ownership and Industry Analysis Divisions, *Introductory statement – Licensing of new digital pay ans specialty services*, Public Notice CRTC 2001-171, 14 December 2000, CRTC Financial Database and licensee information.

Notes:

1. Shaw Communications Inc. is affiliated with Corus Entertainment Inc. as JR Shaw has voting control of both companies.
2. N/A: Not applicable for August 2001. Subscriber information for this new undertaking will be available with the August 2002 annual returns.
3. These Category 1 digital services are still unlaunched. The ownership percentage has not been officially confirmed.

VI. Promoting Digital Technology

Number of Subscribers Receiving Digital Services

Current Estimates

Table 12: Number of Digital Subscribers – June 2002

Distribution Type	Number of Digital Subscribers and Share (%)					
	English		French		Total	
Digital Cable	989,305	42%	166,306	24%	1,155,611	38%
DTH	1,339,418	56%	485,579	72%	1,824,997	60%
MDS	42,413	2%	27,497	4%	69,910	2%
Total	2,371,136	100%	679,382	100%	3,050,518	100%

Source: Mediastats

- DTH providers are currently leading the way among digital service providers, with an estimated total market share of 60% of subscribers. Digital cable providers have a 38% share, and MDS providers have 2%.

- According to information from the CCTA's 2001-2002 Annual Report, digital cable services are currently available to approximately 95% of cable TV subscribers.

VII. Distribution of Specialty Services in the Official Language of the Minority

- On 1 September 2001, cable systems were required to fulfill their obligations stipulated in the Commission's publications **Achieving a better balance: Report on French-language broadcasting services in a minority environment**, Public Notice CRTC 2001-25, 12 February 2001(PN 2001-25), and **A policy to increase the availability to cable subscribers of specialty services in the minority official language**, Public Notice CRTC 2001-26, 12 February 2001, concerning the availability of programming services in the official language of the minority.

- The new policy of PN 2001-25 requires that all Class 1 and Class 2 cable distributors using high-capacity digital technology (i.e. 750 MHz nominal or more) offer all Canadian English and French-language specialty services and at least one pay television service in each language except Category 2 digital specialty services and pay-per-view television services.

- All Class 1 and Class 2 cable distributors using lower-capacity digital technology (less than 750 MHz nominal) are required to offer at least one Canadian specialty service in the official language of the minority in either analog or digital mode for every 10 (Canadian or non-Canadian) programming services distributed in the official language of the majority.

- All Class 3 cable distributors using medium-capacity or high-capacity digital technology (550 MHz or more) are required to distribute at least one Canadian specialty service in the official language of the minority for every 10 (Canadian or non-Canadian) programming services distributed in the official language of the majority. Furthermore, a Class 3 system which is fully interconnected to another system will be required to provide the same number of Canadian services in the official language of the minority as the system to which it is interconnected, unless it does not have the technical capacity to do so in spite of the interconnection.

- The table below provides some statistics on cable systems with a nominal bandwidth of 750 MHz or higher and cable systems with less than 750 MHz nominal capacity.

- The data in the table below is obtained from two sources. All large Class 1 cable systems are required to file semi-annual capacity reports. In addition, for the period ending 30 September 2001, the Commission also compiled a one time only cable capacity report of Class 1 systems with less than 20,000 subscribers, as well as all Class 2 and Class 3 systems.

- The chart below contains some smaller systems which are not interconnected and do not employ digital technology and therefore do not fall under the requirements as stated in Public Notice 2001-25.

Table 13: Number of Systems and Subscribers

	English Markets		French Markets	
Distribution Type	Number of Systems	Number of Subscribers	Number of Systems	Number of Subscribers
Class 1 >20,000 Subscribers:				
Nominal Bandwidth of 750 MHz or higher	8	1,085,229	4	855,211
Nominal Bandwidth of less than 750 MHz	49	3,428,424	5	289,427
Class 1 (<20,000) and Class 2 (over 2000 subscribers)				
Nominal Bandwidth of 750 MHz or higher	12	76,362	4	3,462
Nominal Bandwidth of less than 750 MHz	126	889,790	30	217,074
Class 3[2]				
Nominal Bandwidth of 750 MHz or higher	0	0	5	6,132
Nominal Bandwidth of less than 750 MHz	818	333,423	236	167,292

Source: CRTC Cable Capacity Reports of 30/09/2001 and 31/03/2002.
Note: The aggregate information contained in the table below for those smaller systems represents *only* those systems that filed a report with the Commission.

[2] Includes licensees originally licenced as Class 2 systems that have less than 2,000 subscribers and are subject to the requirements of Class 3 systems.

Internet

I. Internet Use

A. Canada and the Internet

- The longest running Internet host survey is conducted every six months by the Internet Software Consortium (ISC), most recently in January 2002. A host is a computer that has full two-way access to other computers on the Internet. Each host has a specific local number which, together with a network number forms a unique Internet Protocol (IP) address. The ISC survey checks to see which IP addresses have a domain name assigned to them. The results of this survey are as follows:

Table 1: Host Count by Top-Level Domain Name

domain Name	number of hosts			hosts / 1,000 inhabitants		
	Jan. 2000	Jan. 2001	Jan. 2002	Jan. 2000	Jan. 2001	Jan. 2002
.com (generic)	24,863,331	36,352,243	47,761,383	-	-	-
.net (generic)	16,853,655	30,885,116	44,520,209	-	-	-
.edu (generic)	6,085,137	7,106,062	7,754,038	-	-	-
.jp (Japan)	2,636,541	4,764,838	7,118,333	20.8	37.6	56.0
.ca (Canada)	1,669,664	2,364,014	2,890,273	53.6	75.9	94.0
.de (Germany)	1,702,486	2,163,326	2,681,325	20.7	26.3	32.7
.uk (United Kingdom)	1,901,812	2,291,369	2,642,915	32.3	38.9	44.5
.au (Australia)	1,090,468	1,615,939	2,288,584	57.7	85.6	119.6
.it (Italy)	658,307	1,630,526	2,282,457	11.5	28.5	39.7
.us (United States)	1,875,663	2,267,089	2,125,624	6.7	8.1	7.5
.nl (Netherlands)	820,944	1,309,911	1,983,102	52.0	83.0	125.0
.mil (generic)	1,751,866	1,844,369	1,906,902	-	-	-
Internet Total	72,398,092	109,574,429	147,344,723	-	-	-

Note: The majority of generic domain names are used by U.S. hosts.
Sources: ISC Internet Domain Survey, January 2002; United Nations Population Division.

- Top-level domain names come in two forms, two-letter names that have been assigned to particular countries (i.e. .ca for Canada, .fr for France) and generic names of 3 or more letters which are not country-specific (i.e. .com, .net). Canadian web sites can, and many do, use a generic top-level domain name instead of .ca. Nevertheless, it is one of the best means available to estimate a country's Internet presence.

- In November 2000, the Canadian Internet Registration Authority (CIRA) became the administrative authority for the .ca domain registry. CIRA has set out Canadian presence requirements for those wishing to register for a .ca domain name. Those who can apply are Canadian citizens, permanent residents or their legal representatives; federal, provincial, or territorial corporations, organizations, and institutions; and owners of a registration under the *Trade-marks Act* of Canada or persons protected by that Act.[1]

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[1] CIRA web site, August, 2001. "Canadian Presence Requirements for Registrants".

- The second most popular country domain name is Canada's .ca, ranking Canada as one of the most Internet-developed countries in the world.
- The January 2002 survey counted 147,344,723 hosts over the entire Internet, of which 2,890,273 (2.0%) used a .ca top-level domain name.

B. Computer Ownership by Canadian Households

Table 2: PC Ownership Rates of Canadian Households

	1997	1998		1999		2000		2001		2002
	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Mar
Household PC Ownership Rate	46%	49%	51%	52%	52%	57%	58%	63%	63%	64%

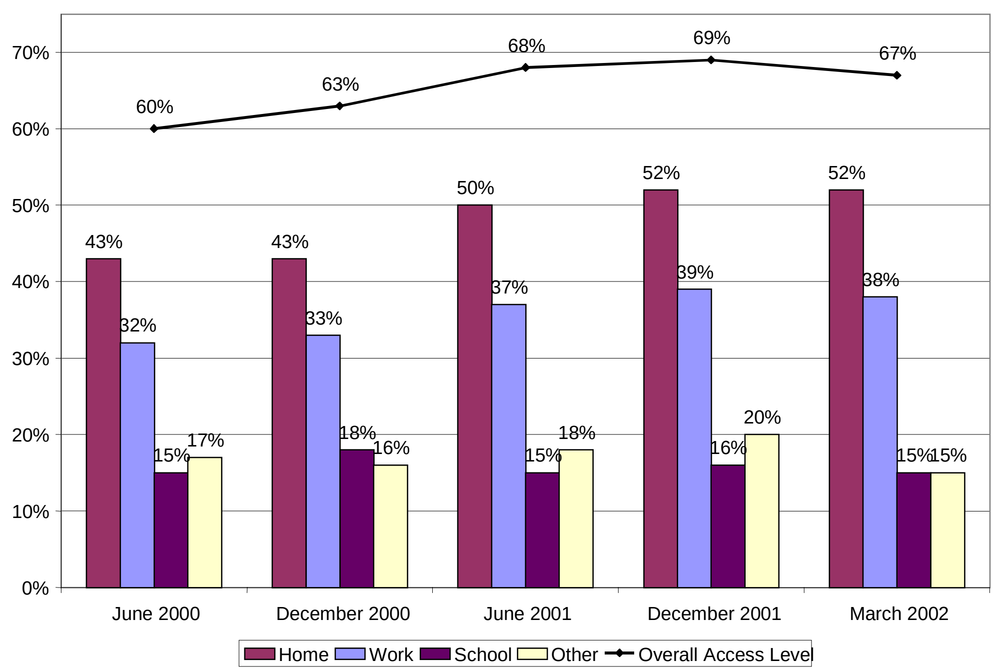
Source: Cyber Trends, ComQUEST Research Inc.

- Income was a determining factor in computer ownership. In March 2002, 84% of households with an income of over $80,000 owned computers while 32% of households with an income of under $20,000 owned computers.
- Both of these percentages actually represent a decline from the previous year. In March 2001, 88% of households with an income of over $80,000 owned computers while 37% of households with an income of under $20,000 owned computers.

C. Internet Access

1. Internet Access by Location

Chart 1: Internet Access by Location



Source: Cyber Trends, ComQUEST Research Inc.

- Overall access to the Internet has declined slightly from its peak in December of 2001.

- While just over half of Canadians continued to have access to the Internet at home, the percentage of those with access at work, school or other locations decreased between December 2001 and March 2002.

2. Internet Access in Canadian Households

Table 3: Internet Access by Household Income (%)

Income ($ 000)	Home March 2000	Home March 2001	Home March 2002	Work March 2000	Work March 2001	Work March 2002	School March 2000	School March 2001	School March 2002	Overall March 2000	Overall March 2001	Overall March 2002
< 20	15	22	22	11	15	7	12	17	14	36	44	36
20-40	26	36	42	22	26	26	11	13	12	49	56	58
40-60	43	55	62	39	41	44	15	15	10	68	77	79
60-80	53	67	70	46	52	57	21	13	20	72	81	86
80 <	66	81	78	62	70	67	26	25	22	83	93	89
All	38	50	52	32	38	38	16	17	15	59	68	67

Source: Cyber Trends, ComQUEST Research Inc.

- As with computer ownership, lower income groups continue to be the least likely to have access to the Internet.

- There has been a decline in the Internet access rates of both the lowest and highest income quintile groups.

Table 4: Internet Access by Education (%)

Education	Home March 2000	Home March 2001	Home March 2002	Work March 2000	Work March 2001	Work March 2002	School March 2000	School March 2001	School March 2002	Overall March 2000	Overall March 2001	Overall March 2002
> High School	11	22	21	5	8	8	5	10	6	22	31	28
High School	29	41	42	21	23	25	12	15	13	49	59	60
Some College / University	48	58	62	42	43	44	20	21	21	72	81	79
Post Secondary	54	64	70	45	55	55	20	21	17	80	83	86
Post Graduate	58	70	73	63	72	70	26	18	20	81	89	87
All	38	50	52	32	38	38	16	17	15	59	68	67

Source: Cyber Trends, ComQUEST Research Inc.

- Rates of Internet access are also related to education levels.

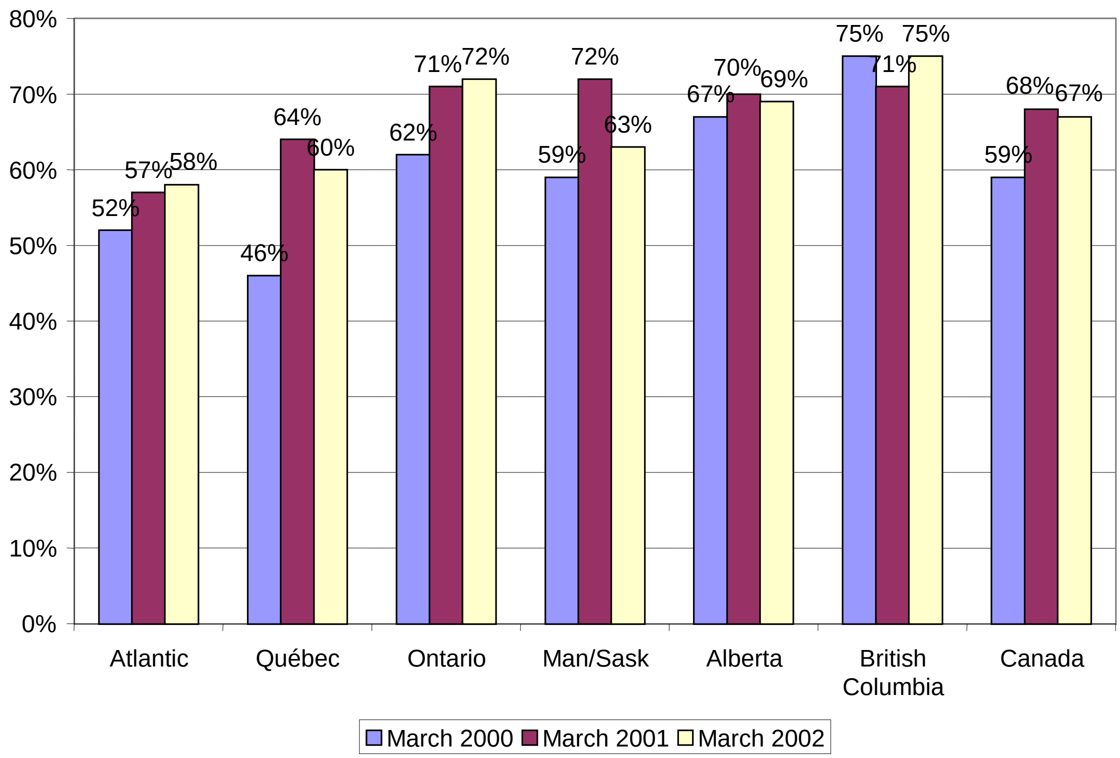
Table 5: Internet Access by Age of Head of Household (%)

	Home			Work			School			Overall		
Age	March 2000	March 2001	March 2002	March 2000	March 2001	March 2002	March 2000	March 2001	March 2002	March 2000	March 2001	March 2002
18-34	49	56	62	37	41	43	31	34	30	79	83	85
35-44	43	65	66	42	49	52	15	17	16	65	80	83
45-54	43	56	60	43	50	52	17	15	17	66	74	76
55-64	29	54	40	22	31	23	3	5	3	45	58	48
65+	11	17	20	1	3	4	0	0	0	16	22	26
All	38	50	52	32	38	38	16	17	15	59	68	67

Source: Cyber Trends, ComQUEST Research Inc.

- As a new medium the Internet has been more readily adopted by younger households. When the head of the household is between 18 and 34 that household is over three times more likely to have Internet access than one where the head of the household is 65 or over.

Chart 2: Penetration Rates by Region

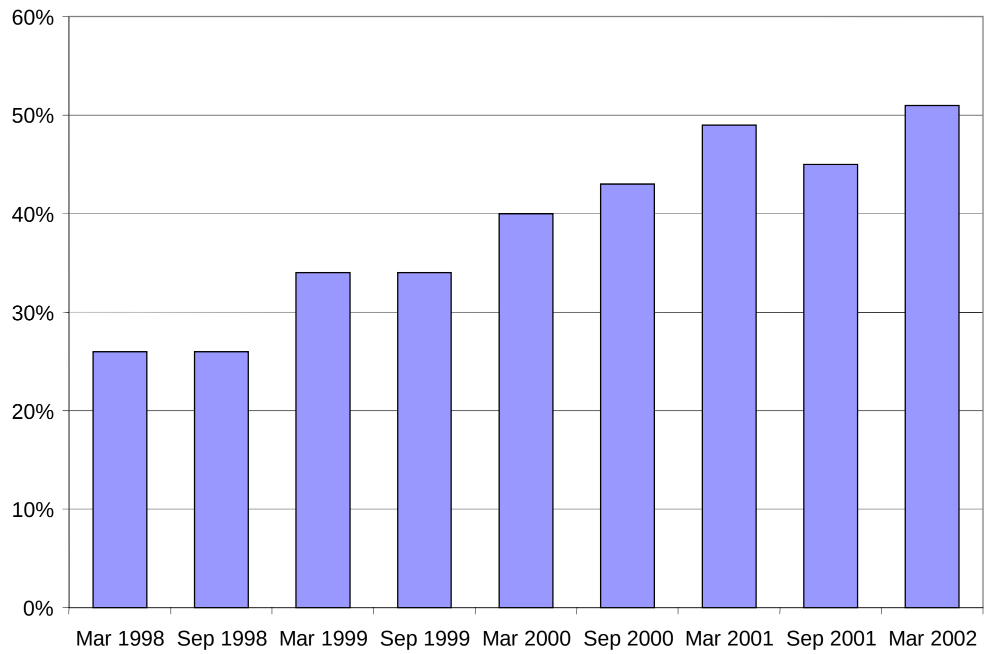


Source: Cyber Trends, ComQUEST Research Inc.

- Rates of Internet access had generally levelled off in most parts of the country by March 2002.

3. Frequency and Duration of Internet Use

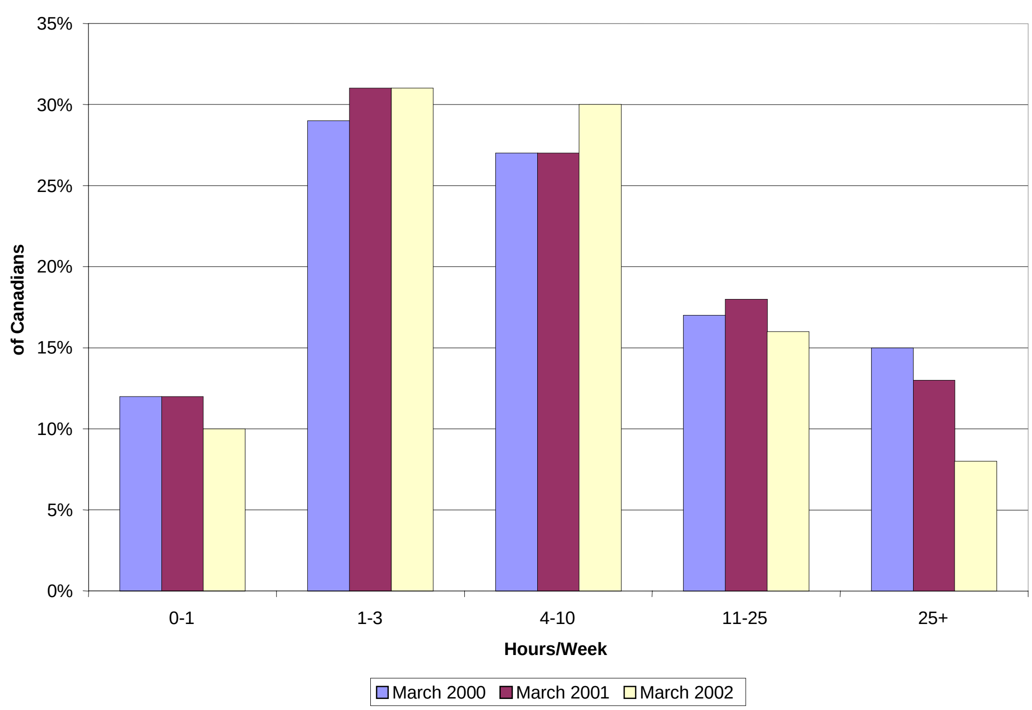
Chart 3: % of all Canadian Adults Using the Internet in a Given Week



Source: Cyber Trends, ComQUEST Research Inc.

- As of March 2002, 67% of Canadians reported having access to the Internet, 60% of Canadians used it at least once a month, and 51% used it at least once a week.

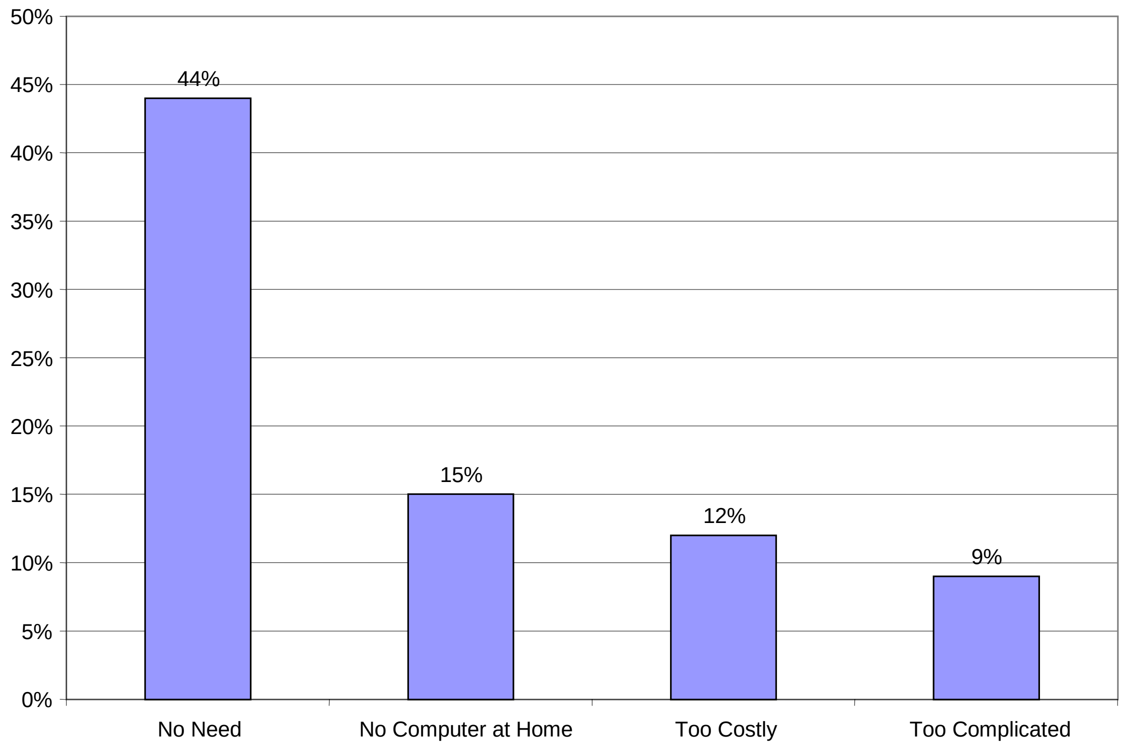
Chart 4: Time Spent by Canadian Adults with Internet Access on the Internet in a Given Week (March 2002)



- In March of 2002 the average Canadian with Internet access connected to the Internet 13 times a week for an average of 12 hours of Internet use a week, the same levels as March 2001.

4. Profile of Canadians Without Internet Access

Chart 5: Major Reasons for not Having Access to the Internet (March 2002)



Source: Cyber Trends, ComQUEST Research Inc.

- Almost half of Canadians that do not have access to the Internet do not feel they need it or are not interested in it.

- The number of Canadians not using the Internet who cite lack of need or interest as their reason has increased from 38% in 2001 to 44% in 2002.

- There was no relationship between household income and those reporting no need for the Internet: 44% of households with an annual income under $20,000 cited lack of need as the reason for not having Internet access, while 46% of households with an annual income over $80,000 cited lack of need as the reason for not having Internet access.

- Cost is decreasingly a deterrent, with only 12% of Canadian households not having Internet access due to cost in March of 2002, compared to 15% of Canadian households in March of 2001.

- Cost is a concern which affects all income groups to a similar degree, being cited by 16% of households with an annual income under $20,000 and 15% of households with an annual income over $80,000.

5. Internet Activities

Table 6: On-line Activities of Canadians, March 2002

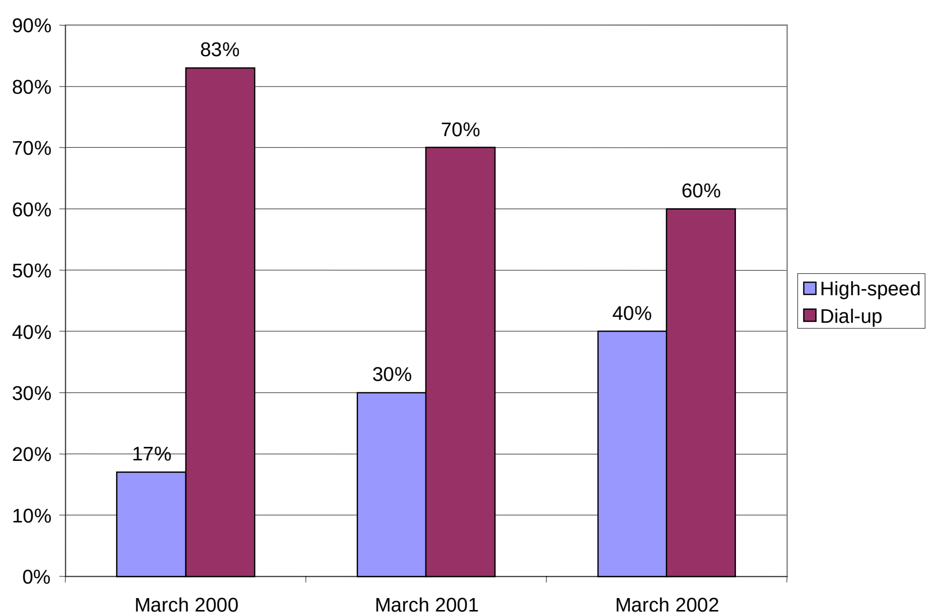
Activity	% of Canadian adults who connected to the Internet once a month	
	Most of the Time	Some of the Time
E-Mail	69	21
Specific sites of interest	58	32
Search for specific information	52	39
Research information on services/products	25	51
Surf or browse	21	41
Downloading files or software	12	34
Download/Listen to music	13	19
Chat	5	9
Online Gaming	3	8
Listen to radio	3	11
Shop on-line	2	14
Watch video	1	14

Source: Cyber Trends, ComQUEST Research Inc.

- E-mail is the most common Internet activity, followed by visits to specific sites of interest and searches for specific information.
- 90% of Internet users have an e-mail account.

6. Type of Internet Access Used at Home

Chart 6: Dial-up and High-speed Internet Access at Home



Source: Cyber Trends, ComQUEST Research Inc.

- Although the number of households having Internet access at home increased only marginally from March 2001 to March 2002, from 50% to 52%, high-speed Internet access continues to increase its share of the market.

7. The Canadian Internet Service Provider (ISP) Industry

Table 7: Residential Subscribers of the Largest ISP's

	Dial-up subscribers (000)	High-speed subscribers (000)	Total subscribers (000)
Bell [1]	1,031	909	1,940
Telus [1]	432	326	758
Shaw [2]	-	758	758
Rogers [1]	-	541	541
AOL Canada (Compuserve) [3]	450	-	450
Quebecor (Videotron) [1]	-	265	265
Look [1]	96	3	99
Sprint [1]	85	-	85
Inter.net [1]	100	-	100
Cogeco [2]	-	154	154
TOTAL	2,194	2,956	5,150

Notes: 1. June 30, 2002
2. May 31, 2002
3. July 31, 2002
Sources: Quarterly financial reports, corporate press releases

- A report commissioned by Industry Canada[2] estimated that there were 940 ISP's operating in Canada as of December 2001.

- Over half (57%) of these ISP's served fewer than 1,000 subscribers.

- Average ISP revenues were $1.8 million, for an estimated industry total of $1.7 billion. 60.6% of ISP's had revenues of under $1 million.

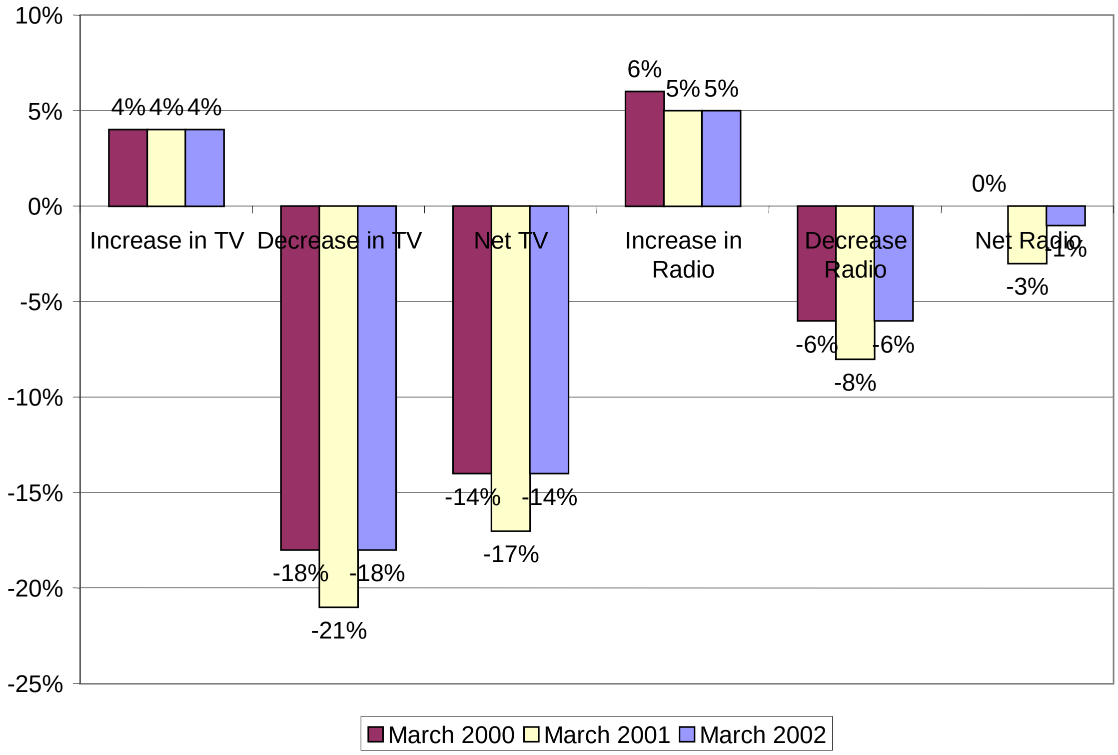
- The average operating margin was 12.9%.

D. The Effect of Internet Use on Broadcast Media

- Cybertrends has reported that Internet use has in some instances influenced Canadians with Internet access at home to decrease or increase their use of broadcast media. Overall, there has been a net decrease in the use of broadcast media, particularly television, commensurate with an increase in Internet use.

[2] Industry Framework of Internet Service Providers, POLLARA Inc. in co-operation with the Canadian Association of Internet Service Providers, http://www.caip.ca.

Chart 7: % of Canadians Reporting an Effect of Internet Use on Broadcast Media



Source: Cyber Trends, ComQUEST Research Inc.

- 36% of Canadian households with Internet access have a TV in the same room as the computer.

- 16% of Canadian households with Internet access watch TV while using the Internet. These households spend an average of 26% of their TV viewing time simultaneously using the Internet.

- The UCLA Internet Report 2001[3] found that Internet users in the United States spent about the same time on non-computing activities at home as they did before using the Internet.

- The UCLA report also found that Internet users watched on average 4.5 hours less television per week than non-Internet users. Thus, at least in the case of the U.S., the Internet would appear to appeal to individuals who were lower-level users of television to begin with.

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[3] The UCLA Internet Report 2001, UCLA Center for Communication Policy, http://www.ccp.ucla.edu

Table 8: **Listening to Radio via the Internet**

Fall Survey	Total hours tuned via the internet (000)	Share of internet tuning (%)
1997	8	0.0
1998	94	0.0
1999	279	0.1
2000	454	0.1
2001	634	0.1

Source: MicroBBM, Fall 1997 to Fall 2001

- Data from the BBM Fall Surveys indicate that less than one-tenth of one percent of all radio tuning in Canada is done via the Internet.

E. Trends in Internet Advertising and E-Commerce

- Internet advertising revenues in Canada grew by over 30% in 2001 to $142 million, representing 2% of overall advertising revenues in Canada. [4]

- As of March 2002, 71% of Canadian weekly Internet users recalled having seen an ad on the Internet during the past week. Only 11% actually clicked on an ad, a steep decline from the previous year's click-through rate of 18%.

- A survey of how businesses use the Internet done by the University of California, Irvine,[5] found that the most frequent use of the Internet is for advertising and marketing purposes. 57% of businesses surveyed indicated that they used the Internet for these purposes. Other findings included:

  - 74% of responding companies had a web site.

  - 44% of respondents provided customer service on-line.

  - Selling on-line is not a primary purpose of the Internet for most businesses. Only 30% of respondents made sales on-line, and on-line sales accounted for only approximately 4% of sales, both to businesses and to customers.

  - Privacy and security issues were the most important barriers to doing business on the Internet, a concern cited by 44% of respondents.

- Estimates of the level of current and future levels of global Internet commerce vary considerably, as the following table containing estimates from a number of sources demonstrates:

[4] Cyber Trends, ComQUEST Research Inc.
[5] E-Commerce: A Mile Wide and an Inch Deep, Center for Research on Information Technology and Organizations, University of California, Irvine, http://www.crito.uci.edu

Table 9: Global E-Commerce Estimates (Billion $US)

Source	2000	2001	2002	2003	2004
Emarketer	226	449	841	1,542	2,775
Forrester Research	604	1,138	2,061	3,694	6,335
Gartner Group	403	953	2,180	3,950	5,950
IDC	354	634	1,153	1,871	3,144
Goldman Sachs	357	740	1,304	2,088	3,201
Ovum	218	345	543	858	1,400

Source: Key Indicators on ICT Infrastructure, Use and Content, July 2002, Industry Canada

- Although estimates of the exact size of global e-commerce vary considerably, all sources indicate that growth is occurring rapidly, with year over year increases in the 50-100% range anticipated to continue through to 2004.

- The Key Indicators on ICT Infrastructure, Use and Content report (ICT Report) also indicated that Canada is a world leader in E-Commerce on a per capita basis, with the third highest amount of E-Commerce per capita in 2001. Canada trailed only the U.S. and Japan in this respect.

- The value of E-Commerce sales in Canada was CDN $10.4 billion in 2001, up from CDN $7.2 billion in 2000.

- E-Commerce is primarily done between businesses as opposed to between businesses and consumers. According to the ICT Report, 78% of the value of E-Commerce sales in Canada during 2001 were business to business and the remaining 22% were business to consumer. Exports accounted for 26% of the value of all E-Commerce sales.

- As of March 2002, 24% of Canadians adults reported having made an on-line purchase, an increase over the previous year's figure of 19%.[6]

  - The most commonly bought items in March 2002 were books (29%), clothing (17%), computer software (15%) and music/audio cd's (14%).[7]

  - The items purchased on-line follow a similar pattern globally in 2002, where the most commonly bought items were books (23%), music/audio cd's (15%) and clothes (13%).[8]

  - The average annual expenditure on Internet purchases according to the ICT Report was $817 in 2001, although 80% of all consumer Internet spending was done by only 20% of e-consumers.

- The U.S. continued to have the greatest proportion of Internet users who shop on-line in 2002 at 32%, although this total decreased by 1% over the previous year. The global proportion was unchanged in 2002 over 2001 at 15%.[9]

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[6] Cyber Trends, ComQUEST Research Inc.
[7] Key Indicators on ICT Infrastructure, Use and Content, July 2002, Industry Canada, http://e-com.ic.gc.ca
[8] Global eCommerce Report 2002, Taylor Nelson Sofres Interactive, http://www.tnsofres.com
[9] Global eCommerce Report 2002, Taylor Nelson Sofres Interactive, http://www.tnsofres.com

- Retail stores are still the favourite destination of 92% of Canadians with Internet access. Only 12% preferred to shop on-line. More than three-quarters (76%) of Canadians with Internet access used the Internet to research product information.[10]

- Many Canadians are concerned about the security of on-line shopping. 38% of Canadians with Internet access were unlikely to buy on-line because of security concerns. Another 27% were unlikely to make a purchase on line because they prefer to see a product before buying it. [11]

- Canadians are not alone in their concerns about the security of on-line shopping. World-wide 30% of Internet users who did not make an on-line purchase specifically stated that they did not want to give out credit card details over the Internet and cited general security concerns 28% of the time. [12]

- Businesses were not alone in the use of the Internet to deliver customer service. Governments are also delivering on-line services.

    - According to the ICT report Canada has led the world in terms of delivering government services on-line for the past 2 years.

    - 2.4 million federal tax returns were net-filed in Canada in 2001. This compares to just 530 net-filings in 1998.

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[10] Cyber Trends, ComQUEST Research Inc.
[11] Cyber Trends, ComQUEST Research Inc.
[12] Global eCommerce Report 2002, Taylor Nelson Sofres Interactive, http://www.tnsofres.com

Social Issues

The Commission's current social policy objectives can be described under three general headings:

I. programming standards
II. accessibility
III. cultural diversity

I. Programming Standards

- Section 3(1)(g) of the *Broadcasting Act* (the Act) states that the programming originated by broadcasting undertakings should be of high standard. The Commission recognizes this key objective while balancing it against the requirement to apply the Act in a manner consistent with freedom of expression as set out in Section 2(3) of the Act. Section 3(1)(h) of the Act also states that it is the broadcasters themselves who have a responsibility for the programs they broadcast.

- A key mechanism for achieving the high standard objective is through self-regulation. The industry must abide by the following industry codes,[1] some of which apply as a result of the Commission's regulations, some by condition of licence and some as a result of membership in the Canadian Broadcast Standards Council (CBSC), Advertising Standards Canada (ASC) or the Cable Television Standards Council (CTSC):

    - Code for Broadcast Advertising of Alcoholic Beverages
    - Canadian Association of Broadcasters (CAB) Code of Ethics
    - Radio-Television News Directors' Association of Canada (RTNDA Canada) Code of (Journalistic) Ethics
    - CAB Sex-role Portrayal Code for Television and Radio Programming
    - CBC Guidelines on Sex-Role Portrayal
    - CAB Voluntary Code Regarding Violence in Television Programming
    - Pay Television and Pay-Per-View Programming Code Regarding Violence
    - Pay Television Standards and Practices
    - Broadcast Code for Advertising to Children
    - Advertising Standards Canada (ASC) Code of Advertising Standards
    - Cable Television Community Channel Standards
    - Cable Television Customer Service Standards

- In 2001/2002, the Commission asked the industry to revise and update the Pay Television Standards and Practices in order to more effectively address the broadcast of adult programming on pay, PPV and VOD services. The revised *Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-on-Demand Services* was submitted to the Commission for approval in January 2002.

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[1] Links to these codes are available on the Commission's website under Industries at a Glance: www.crtc.gc.ca

- In addition, the Commission asked pay, pay-per-view (PPV) and video-on-demand (VOD) licensees that distribute adult programming to develop internal policies for the broadcast of adult programming to be submitted at licence renewal or in the event of a complaint.

- In 2002, the CAB revised its *Code of Ethics* to make it clearer for both the industry and the public, in terms of both its consistency with other codes to which the industry must adhere and in terms of modernizing various aspects to reflect current industry realities and community standards. The revised Code of Ethics came into effect in July 2002.

- It is important to note that, while not a censor, the Commission is always the final arbiter for matters regarding programming standards. Viewers/listeners may always ask the Commission to consider their complaints either directly, or where they are not satisfied with the results of the self-regulatory process.

A. Complaints

- The Commission frequently receives requests for information, comment on procedural issues and complaints from the public, via e-mail, telephone and letter. The following table outlines the overall number of contacts from the public and provides a breakdown of those related to broadcasting matters and those broadcasting complaints that the Commission has received over the last sixteen months.

Table 1: Number of Contacts by Public

	1 May 2001-30 April 2002	1 May 2002-9 August 2002
Overall contacts by public	57,095	15,050
Broadcasting matters only	25,478	6,884
Broadcasting complaints only	11,012	3,315

Source: CRTC Correspondence Tracking System

- The following table provides representative samples of the types of broadcasting complaints that the CRTC received during the same time periods, with respect to radio, television, specialty, pay and pay-per-view services. The table also provides the number of referrals that were made by the CRTC to the CBSC for complaints which fell within the CBSC's mandate.

Table 2: Broadcasting Complaints by Sector, by Issue

Topic	1 May 2001 – 30 April 2002 Complaints received	1 May 2001 – 30 April 2002 Referrals to CBSC	1 May 2002 – 9 August 2002 Complaints received	1 May 2002 – 9 August 2002 Referrals to CBSC
Radio				
Abusive comment[2]	47	15	21	11
Adult content	50	16	6	1
Alcohol advertising	0	0	1	1
Gender portrayal	6	1	1	1
Offensive comment[3]	165	19	41	9
Offensive language[4]	68	20	13	3
Conventional Television				
Abusive comment	22	6	9	2
Adult content	244	44	62	23
Alcohol advertising	13	2	8	1
Gender portrayal	10	0	3	1
Offensive comment	114	18	25	13
Offensive language	73	14	21	11
Television violence	67	13	11	2
Specialty Channels				
Abusive comment	2	0	2	1
Adult content	99	0	25	12
Alcohol advertising	1	0	0	0
Gender portrayal	4	0	1	1
Offensive comment	26	18	3	2
Offensive language	11	4	4	4
Television violence	11	4	0	0
Pay Television and Pay-per-view Services[5]				
Abusive comment	5		0	
Adult content	5		1	
Alcohol advertising	0		0	
Gender portrayal	0		0	
Offensive comment	81		0	
Offensive language	1		1	
Open line programs	0		0	
Television violence	0		1	

Source: CRTC Correspondence Tracking System

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[2] Where complaint alleges hatred was incited on-air against one of the groups identified in the Television, Radio, and Specialty Regulations.
[3] Where complaint alleges offensive humour or other comments that do not fall under the "abusive comment" definition.
[4] Where complaint alleges offensive song lyrics or on-air profanity.
[5] Note that none of the Pay and Pay-Per-View services are CBSC members so there are no referrals to the CBSC.

B. Canadian Broadcast Standards Council

- The CBSC[6] administers specific codes of broadcast conduct and provides a means of recourse for members of the public regarding the application of these standards. These codes include:
  - CAB Code of Ethics
  - CAB Voluntary Code Regarding Violence in Television Programming
  - CAB Sex-Role Portrayal Code for Radio and Television Programming
  - RTNDA Canada Code of Ethics

- Complaints that are related to non-member broadcasters or deal with issues which do not fall within the parameters of the Codes administered by the CBSC are dealt with by the CRTC.

Table 3: Complaints Handled by CBSC

	2000/01	1999/00	1998/99	1997/98
Files handled by CBSC	873	620	1097	1212
Referred by CRTC	443	283	795	977

Source: CBSC Annual Reports 2000/01, 1999/00, 1998/99, 1997/98

C. Advertising Standards Canada

- ASC[7] responds to advertising complaints for all media and undertakes pre-clearance functions on behalf of advertisers. It receives complaints directly from consumers, the CBSC, other organizations such as the Better Business Bureau, and various government departments and agencies.

Table 4: Complaints Handled by ASC

	2001	2000	1999	1998	1997
Complaints received by ASC	1164	1143	1075	828	598
Complaints about television ads	549 (47%)	595 (52%)	554 (51%)	371 (45%)	185 (31%)

Source: Ad Complaints Reports 2001, 2000, 1999, 1998

D. Cable Television Standards Council

- The CTSC[8] deals with complaints with respect to cable service, such as concerns about the quality of service and billing matters. For the 2000/2001 broadcast year, the CTSC processed 1872 complaints of which approximately 25% were referred to the Council from the CRTC.

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[6] www.cbsc.ca
[7] www.adstandards.com
[8] www.ctsc.ca

II. Accessibility

- Section 3(1)*(p)* of the Act states that "programming accessible by disabled persons should be provided within the Canadian broadcasting system as resources become available for the purpose".

A. Access for Persons Who Are Hearing Impaired

- Access for persons who are deaf or hearing impaired is provided through closed captioning (CC): the on-screen textual representation of the audio component of a program, which is presented as a banner at the bottom of the screen, showing on-screen dialogue and selected sounds in text form.

Chart 1: Approach to Closed Captioning for English-Language Broadcasters

1980's
- large broadcasters encouraged and expected to provide CC

1995
- CC policy for English-language conventional broadcasters established[9]:
  - large broadcasters required to caption 100% of local news and 90% of overall programming
  - smaller stations expected or encouraged to meet these levels

1996
- specialty services generally required to follow 1995 approach[10]

1999
- TV policy[11] reaffirmed the 1995 approach

2000
- in its renewal[12] CBC is:
  - expected to maintain existing levels of CC
  - required to ensure that at least 90% of programming distributed nationally is captioned
  - required by condition of licence (COL) to caption all local/ regional news programming on English-language CBC stations

2001
- CTV[13] and Global[14] required by COL to caption 90% of overall programming in each year of licence term including 100% of all news

2002
- during renewal process, CHUM and Craig committed to caption 90% of overall programming in each year of licence term including 100% of all news for their larger stations

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[9] *Introduction to Decisions Renewing the Licences of Privately-Owned English-Language Television Stations*, Public Notice CRTC 1995-48, 24 March 1995
[10] *Introductory Statement - Licensing of New Specialty and Pay Television Undertakings*, Public Notice CRTC 1996-120, 4 September 1996
[11] *Building on Success - A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999 (TV Policy)
[12] *Licences for CBC English-language television and radio renewed for a seven-year term*, Decision CRTC 2000-1, 6 January 2000
[13] *Licence renewals for the television stations controlled by CTV*, Decision CRTC 2001-457, 2 August 2001 (CTV Renewal)
[14] *Licence renewals for the television stations controlled by Global*, Decision CRTC 2001-458, 2 August 2001 (Global Renewal)

Chart 2: Approach to Closed Captioning for French-Language Broadcasters

Early 1990's
- French-broadcasters expected to increase amount of CC from year to year

1996
- New French-language specialty services expected to adhere to or exceed commitments included in their applications

1999
- TV policy states that French-language broadcasters should have requirements similar to English-language broadcasters. The Commission noted it would discuss the proposed implementation of these requirements in the context of individual renewals.

2000
- In its renewal[15] SRC is:
  - expected to exceed minimum levels it had committed to and to achieve 90% of all programming on each French-language station by end of licence term
  - required by COL to caption all regional newscasts
  - expected to caption all regional programming produced by regional stations.

2001
- The TVA renewal[16] includes COL to caption 100% of all news by September 2004 and 90% of all programming by end of licence term

B. Closed Captioning on Pay and Specialty Services

- The level of closed captioning obligations for pay and specialty services are dependent on the nature of the service.

- The following services have obligations to achieve minimum closed captioning levels of 90% during their current licence term. Note that the level of obligation varies.

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[15] *Licences for CBC French-language television and radio renewed for a seven-year term*, Decision CRTC 2000-2, 6 January 2000

[16] *Licence renewals for the French-language national television network TVA and for the French-language television programming undertaking CFTM-TV Montréal,* Decision CRTC 2001-385, 5 July 2001 (TVA Renewal)

Chart 3: Pay & Specialty Services Expected to Achieve a Minimum Level of 90% Closed Captioning

As of 2002/2003		2005/2006	2006/2007	2007/2008
CLT	ROB TV	Food Network	CMT*	Bravo
Comedy Network	Space	MuchMusic*	Discovery	MusiquePlus
CP24	Sportsnet	VRAK	Life Network	RDS
HGTV	Star TV	YTV	MovieCentral	Super Écran
History	Talk TV		MovieMax	
MuchMoreMusic*	The Score		Showcase	
Newsnet (100%)	TMN		TSN	
Newsworld	Treehouse[17]		Weather Network	
OLN	Vision[18]		WTN	
Prime			All Category 1s[19]	

* non-music programming

C. Access for Persons Who Are Visually Impaired

- Access for persons who are blind or visually impaired is provided through:
  - audio description
  - described video programming

- Audio description is the provision of basic voice-overs of textual or graphic information displayed on screen. The Commission encourages and expects licensees to provide audio description wherever appropriate.

- Described video programs have narrated descriptions of key visual elements that are timed to occur during lapses in dialogue. Description is normally provided on the second audio program (SAP) channel.

[17] Programs not targeted to pre-schoolers.
[18] Excluding Mosaic programming.
[19] English-language Category 2 services are expected to reach 90% by end of first licence term and French-language Category 2 services are expected to reach levels of 50% by end of first licence term.

Chart 4: Approach to Described Programming

1990	• Described programming launched on PBS in the United States
1992	• Commission stated that it would monitor development and implementation of described programming[20]
1998	• Commission supported gradual implementation of described programming in Additional National Television Networks - A Report to the Government of Canada Pursuant to Order in Council P.C. *1997-592*, Public Notice CRTC 1998-8, 6 February 1998.
1999	• Commission encouraged gradual implementation of described programming and provision of audio description in 1999 TV Policy
2000	• Commission required new Canadian digital channels to be technically equipped to provide described programming[21]
2001	• Commission set a minimum number of hours per week of described programming for CTV[22] and Global[23] by COL, and for TVA[24] as an expectation in their renewals.
2002	• In April, the top US networks began to provide roughly 4 hours per week of described prime time or children's programming

D. Current Requirements

- Major conventional stations
  - expected to broadcast described versions of acquired programming wherever available
  - required by COL to describe a minimum amount of programming as detailed in the table below

- Pay and specialty services (renewed since 2001)
  - expected to broadcast described versions of acquired programming wherever available
  - encouraged to provide one hour per month of described programming

[20] *Private French-Language Television*, Public Notice CRTC 1992-53, 13 August 1992
[21] *Introductory statement - Licensing of new digital pay and specialty services*, Public Notice CRTC 2000-171, 14 December 2000
[22] CTV Renewal
[23] Global Renewal
[24] TVA Renewal

Table 5: Commitments to Broadcast Described Programming (hours per week)

Licensee	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
CTV	2	2	3	3	4	4	4
Global	2	2	3	3	4	4	4
Craig*	-	-	2	2	4	4	4
CHUM*	-	2	2	3	3	4	4
TVA	2	2	3	3	4	4	4

*commitments put forward during the renewal process

E. National Reading Services

- VoicePrint and La Magnétothèque are national reading services which were licensed in 1990 to provide programming of benefit to persons who are blind, visually-impaired or print-restricted. These services provide full-text reading of stories, information, news and features published by a variety of newspapers, magazines and periodicals.

- In 2000, VoicePrint received mandatory carriage in English markets pursuant to section 9(1)(h) of the Act in addition to receiving a monthly wholesale rate of $0.01 per subscriber. Cable companies distributing VoicePrint on an analog basis distribute it on CBC Newsworld's secondary audio program channel (SAP). MDS licensees, DTH distributors and cable companies distributing Voiceprint on a digital basis, distribute it on an audio channel located near a CBC channel.

III. Cultural Diversity

- The Commission's objective with regard to cultural diversity is to ensure all broadcasters contribute to a system that accurately reflects the presence in Canada of cultural, ethnic and racial minorities and Aboriginal peoples. Consistent with Section 3(1)(d)(iii) of the Act the Canadian broadcasting system should, through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations of Canadians, including the linguistic duality, the multicultural and multiracial nature of Canadian society and the special place of Aboriginal peoples within that society. Accordingly, the Commission expects all television stations to reflect the diversity of the markets they serve.

- The Commission has identified two clear objectives for the Canadian television system with respect to cultural diversity[25]:
    - The broadcasting system should be a mirror in which all Canadians can see themselves.

[25] TV Policy

- The broadcasting system should be one in which producers, writers, technicians and artists from different cultural and social perspectives have the opportunity to create a variety of programming and to develop their skills.

- In practical terms, the Commission's objectives are to ensure:
    - the accurate reflection of the presence ("who we see") of cultural and racial minorities and Aboriginal peoples, and
    - the accurate, fair and non-stereotypical portrayal ("how we see") of such groups.

- The Commission is achieving its objectives by:
    - Licensing a range of services dedicated to serving specific communities, such as:
        - over-the-air ethnic radio and television services
        - ethnic specialty and pay services
        - native radio and television undertakings
        - Aboriginal Peoples Television Network (APTN)

    - Asking broadcasters to describe their plans and activities with respect to the equitable employment and on-air representation of the following four designated groups: visible minorities, Aboriginal persons, women and persons with disabilities.

    - Corporate plans for cultural diversity: As of August 2001, the Commission asks television licensees to develop and file detailed corporate plans that include specific commitments to corporate accountability, the reflection of diversity in programming, and the solicitation of effective feedback from viewers. As of 1 August 2002, eight plans have been received:
        - CTV
        - Global
        - TVA
        - Corus
        - Astral
        - MusiquePlus
        - Vision
        - Pelmorex

      The Commission will seek annual reports outlining progress made to achieve the stated goals and new initiatives undertaken.

    - Cultural diversity task force: In *Representation of cultural diversity on television – Creation of an industry/community task force*, Public Notice CRTC 2001-88, 2 August 2001, the Commission called for a joint industry/community task force to sponsor research, identify 'best practices', and help define the issues and present practical solutions to ensure that the entire Canadian broadcasting system reflects all Canadians. The task force held its first meeting in July 2002 and filed its report with the Commission in September 2002.

Glossary

ASC	Advertising Standards Canada (website: www.adstandards.com)
BBM	Bureau of Broadcast Measurement (website: www.bbm.ca)
BDU	Broadcasting distribution undertaking
Cancom	Canadian Satellite Communications Inc.
CAB	Canadian Association of Broadcasters (website: www.cab-acr.ca)
Cancon	Canadian content
CBC	Canadian Broadcasting Corporation (Société Radio Canada)
CBSC	Canadian Broadcast Standards Council (website: www.cbsc.ca)
CC	Closed captioning
CCTA	Canadian Cable Television Association (website: www.ccta.com)
Community Radio:	*Community radio policy*, Public Notice CRTC 2000-13, 28 January 2000
Type A	A community radio station is a Type A station if, at the time of licensing, no other radio station, other than one owned by the CBC, is operating in the same language in all or part of its market.
Type B	A community radio station is a Type B station if, when the licence is issued, at least one other station, other than a station owned by the CBC, is licensed to operate in the same language in all or any part of the same market.
CPE	Canadian programming expenditures
CRTC	Canadian Radio and Television Commission (website: www.crtc.gc.ca)
CTF	Canadian Television Fund (website: www.canadiantelevisionfund.ca)
CTD	Canadian Talent Development
CTSC	Cable Television Standards Council (website: www.ctsc.ca)
DRU	Digital radio undertaking
DTH	Direct-to-home
DTH PPV	Direct to home pay-per-view service
E (e)	English-language
F (f)	French-language
FDB	Financial data base
ISP	Internet service provider
MDS	Multipoint distribution systems
MUD	Multiple unit dwellings

Native Radio:	*Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990
	Exemption order respecting certain native radio undertakings, Public Notice CRTC 1998-62, 9 July 1998
Type A	A native radio station is a Type A station if, at the time the licence is issued or renewed, no other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force.
Type B	A native radio station is a Type B station if, at the time the licence is issued or renewed, at least one other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force.
NFA	Net fixed assets
O (o)	Other language(s)
Pay	Pay television service
PPV	Pay-per-view service
RANFA	Return on average net fixed assets
ROI	Return on investment
SAP	Second audio program
SRC	Société Radio-Canada (Canadian Broadcasting Corporation)
SRDU	Satellite relay distribution undertaking
VOD	Video on demand