Broadcasting Policy Monitoring Report 2004

Radio
Television
Broadcasting Distribution
Social Issues
Internet

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Introduction

This is the fifth edition of the CRTC's Broadcasting Policy Monitoring Report which provides an on-going assessment of the impact of CRTC regulations, policies and decisions[1] towards the achievement of the objectives of the *Broadcasting Act*. The 2004 version continues to measure the performance of the Canadian broadcasting system. 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 2004 edition updates the performance indicators and continues the trends outlined in previous reports. In addition, the 2004 report introduces audience measures in regard to the viewing to Canadian programming using metered data. The Commission took part in a working group in order to add the country of origin and program genre for each program captured by the Bureau of Broadcast Measurement Canada (BBM) and Nielsen Media Research people meter databases from 1 September 2003.

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 BBM and Nielsen Media Research; (4) the Annual Financial Returns filed by licensees of the CRTC; (5) programming information filed as part of licensees' television program 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 report is sub-divided in six sections: Overview, Radio, Television, Broadcasting Distribution, Social Issues and Internet.

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

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[1] *New Regulatory Framework for Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-25, 11 March 1997;
Commercial Radio Policy 1998, Public Notice CRTC 1998-41, 30 April 1998;
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;
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;
Practices and procedures for resolving competitive and access disputes, Public Notice CRTC 2000-65, 12 May 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 Montreal, 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;
Exemption order respecting cable systems having fewer than 2,000 subscribers, Public Notice CRTC 2001-121, 7 December 2001;
A licensing policy to oversee the transition from analog to digital, over the air television broadcasting, Public Notice 2002-31, 12 June 2002;
Exemption order respecting radiocommunication distribution undertakings (RDUs), Public Notice CRTC 2002-45, 12 August 2002;
New licensing framework for specialty audio programming services, Public Notice CRTC 2002-53, 12 September 2002;
Policy framework for community-based media, Public Notice CRTC 2002-61, 10 October 2002;
Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers, Public Notice CRTC 2003-23, 30 April 2003;
The regulatory framework for the distribution of digital television signals, Public Notice 2003-61, 11 November 2003;
Revised lists of eligible satellite services, Public Notice CRTC 2004-88, 18 November 2004;
Incentives for English-language Canadian television drama, Broadcasting Public Notice CRTC 2004-93, 29 November 2004..

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I. Overview

A. 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 1.1: Canadian Television Services

	English Language*	French Language	Third Language	Total
Canadian Conventional (Over-the-air): (1)				
National Public Broadcaster (CBC)				
- Owned & Operated	15	8		23
- Transitional Digital	1	1		2
Private Commercial	73	23	4	100
Religious	5			5
Educational	4	3		7
Native	10			10
Transitional Digital	6	1	2	9
Canadian Specialty, Pay, Pay-per-view(PPV) and Video-on-demand (VOD)				
Analog Specialty Services	30	14	5	49
Category 1 Digital Specialty Services (2)	15	3		18
Category 2 Digital Specialty Services (2)	33		15	48
Pay Television Services (3)	5	1	1	7
Terrestrial PPV Services (3)	5	1		6
Direct-to-home (DTH) PPV Services (3)	5	1		6
VOD Services (3)	11			11
Other Canadian Services				
Community Channels (4)	187	48		235
Community Programming Services	11	1		12
House of Commons – Cable Public Affairs Channel (CPAC)	1	1		2
Non-Canadian Services (5)				
Non-Canadian Satellite Services Authorized for Distribution in Canada	82	6	19	107
Total Number of Television Services	499	112	46	657

Excludes rebroadcasters and exempt television services. Also excludes network licences. *Includes bilingual (English and French) and native services. (1) Includes satellite to cable services. (2) Includes only category 1 & 2 services launched prior to October 1, 2004. (3) Number of services licensed. (4) Excludes Class 3 licensees. (5) Carriage of authorized services is at the discretion of the broadcast distribution undertaking. Sources: CRTC APP System (APP 1205 Report run July 30, 2004) and CRTC Decisions

Table 1.2: Canadian Radio and Audio Services

	English Language*	French Language	Third Language	Total
Over-the-Air Radio Services				
National Public Broadcaster				
CBC: *Radio One / Première chaîne*	36	20		56
CBC: *Radio Two / Espace musique*	14	11		25
CBC Network Licences	2	2		4
CBC Digital: *Radio One / Première chaîne*	5	4		9
CBC Digital: *Radio Two /Espace musique*	5	4		9
Private Commercial				
AM Stations	172	18	9	199
FM Stations	298	80	8	386
AM & FM Network Licences	26	11		37
Digital Radio *(Transitional)*	42	9	7	58
Community:				
Type A Stations	12	28		40
Type B Stations	20	20	1	41
Campus:				
Community Based	34	6		40
Instructional	9			9
Native – Type B Stations:	40	6		46
Religious *(spoken word and/or music):*	31	25		56
Other *(Tourist/Traffic; Environment Canada; Special Event, etc.)*	107	16	1	124
Total Number of Over-the-Air Canadian Radio Services	853	260	26	1,139
Audio Services Delivered by BDUs				
Specialty Audio *(Commercial / Non-Profit, Regional / National)*	3		11	14
Pay Audio *(English & French National Services)*	2			2
Total Number of Canadian Audio Services Delivered by BDUs	5		11	16
Total Number of Canadian Radio & Audio Services	858	260	37	1,155

* Includes bilingual (English and French) and native services.
Excludes rebroadcasters and exempt radio services.
Sources: CRTC APP System (APP 1205 run April 2004) and CRTC Decisions

Table 1.3: Number of Licensed Broadcasting Distribution Undertakings (BDUs)

This table provides a breakdown of the number and types of Canadian BDUs.

	Number of Undertakings
Cable	
Cable Class 1	139
Cable Class 2	102
Cable Class 3	1,744
Sub-total Cable	1,985
DTH	2
MDS	29
STV	12
Total Number of Broadcasting Distribution Undertakings	2,028

Sources: Cable Systems - CCTA's 03-04 annual report. This information is as of September 2003 and is based on Mediastats; DTH, MDS & STV Systems - CRTC APP System (APP 1205 Report run Oct. 14, 2004)

B. Diversity of Voices in the Canadian Broadcasting System

The Commission's mandate with regard to the diversity of voices in markets across Canada originates from the Canadian broadcasting policy set out in section 3 of the Act, particularly in subsections 3(1)(*d*)(i), 3(1)(*d*)(ii) and 3(1)(*i*)(iv) of the 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 broadcasting 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 *1998 Commercial Radio Policy*, Public Notice CRTC 1998-41, 30 April 1998 (Commercial Radio Policy), the Commission sought to strike an appropriate 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 tables monitor the diversity of ownership and the diversity of programming choices in Canadian cities between 1991, 2002 and 2003. Table 1.4 examines the three largest cities, Montréal, Toronto and Vancouver. The city of Montreal has been subdivided into two markets, English-language and French-language, based on the broadcast language of the programming service. Table 1.5 examines three additional markets: Winnipeg, Quebec City and Halifax. These tables compare the following for each of the markets in each of the years:

- 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.

Table 1.4: Comparison of the Diversity of Ownership and Programming Choices in Montréal, Toronto and Vancouver 1991 - 2002 - 2003

	Montréal						Toronto			Vancouver		
	French-Language			English-Language								
	1991	2002	2003	1991	2002	2003	1991	2002	2003	1991	2002	2003
Radio												
Owners												
Canadian - Local	11	12	13	6	7	8	19	17	18	11	13	13
Canadian - Other	1	2	2	1	2	0	10	8	3	4	3	2
Total	12	14	15	7	9	8	29	25	21	15	16	15
Services												
Canadian - Local	15	18	19	9	11	12	25	33	34	20	24	25
Canadian - Other	4	7	11	3	3	2	18	22	24	9	6	6
Foreign	0	0	4	9	6	6	7	10		10	13	13
Total	19	25	30	16	23	20	49	62	68	39	43	44
Television												
Owners												
Canadian - Local	3	3	3	2	3	3	6	6	6	3	6	6
Canadian - Other	4	5	5	1	4	4	4	7	7	-	6	6
Total	7	8	8	3	7	7	10	13	13	3	12	12
Services												
Canadian - Local	3	4	4	2	3	3	7	9	9	5	9	9
Canadian - Other	8	15	15	3	15	15	6	20	20	1	13	13
Foreign		0	0	6	17	17	8	13	13	11	11	11
Total	11	19	19	11	35	35	21	42	42	17	33	33
Newspapers												
Owners - Local	3	4	4	1	1	1	9	12	12	4	3	3
Services - Local	3	4	4	1	1	1	9	12	12	7	4	4

Table 1.5: Comparison of the Diversity of Ownership and Programming Choices in Halifax, Québec and Winnipeg 1991 - 2002 - 2003

	Halifax			Québec			Winnipeg		
	1991	2002	2003	1991	2002	2003	1991	2002	2003
Radio									
Owners									
Canadian - Local	6	6	7	7	10	*10*	6	13	14
Canadian - Other	4	3	4	6	7	*5*	5	2	3
Total	10	9	11	13	17	*15*	11	15	17
Services									
Canadian - Local	10	11	12	11	15	*16*	12	21	22
Canadian - Other	10	6	10	9	13	*14*	7	10	10
Foreign	0	0	0	0	0	*0*	0	0	0
Total	20	17	22	20	28	*30*	19	31	32
Television									
Owners									
Canadian - Local	3	3	3	3	4	4	4	4	4
Canadian - Other	3	7	7	4	6	6	1	6	6
Total	6	10	10	7	10	10	5	10	10
Services									
Canadian - Local	3	3	3	4	4	4	5	5	5
Canadian - Other	9	25	25	10	20	20	3	24	24
Foreign	6	12	12	3	4	4	5	18	18
Total	18	40	40	17	28	28	13	47	47
Newspapers									
Owners - Local	2	2	2	2	2	2	2	2	2
Services - Local	3	3	3	2	2	2	2	2	2

Notes to Tables 1.4 & 1.5:
1. BBM Fall sweeps extended market data and CRTC research were used to determine the number of television services providing news and public affairs programming.
2. BBM Fall sweeps central market data were used to determine the number of radio stations available in each market. It was assumed that all radio stations and newspapers available provided news and public affairs programming.
3. Although the number of foreign services is indicated, the number of foreign owners is not provided.
4. Newspapers include only Canadian daily newspapers published locally and include third language daily newspapers.
5. Only out of market TV and radio services attracting a minimum of 0.1% audience share have been included.

Between 1991 and 2003, the number of available television and radio services has increased in each of Canada's three largest markets and in each of the three mid-sized markets examined.

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 of the markets examined between 1991 and 2003.

Since 1991, there has been an increase in radio ownership diversity in all the markets reviewed with the exception of Vancouver, where it has remained stable, and Toronto, where it has decreased. There was a decrease in radio ownership diversity in the Montréal English-language, Toronto, Vancouver and Québec City radio markets between 2002 and 2003.

In each of the markets there has been an increase in cross-media ownership between 1991 and 2003. Cross-media ownership is defined as the same owner controlling more than one type of media in the market. Between 1991 and 2003, the number of cross-media owners increased from 1 to 2 in the Montreal English-language market, from 1 to 3 in the Montreal French-language market, from 4 to 8 in the Toronto market, and from 2 to 6 in the Vancouver market.

Not included in the above charts is the on-going development of the Internet and its potential impact on the diversity of voices and information available in markets across Canada. As of March 2004, 76%[1] of Canadians reported having access to the Internet.

C. Trends in Television Viewing

New Audience Measures based on Meter Technology

The 2004 Broadcasting Policy Monitoring Report introduces new measures of audiences to Canadian programs using meter technology. A move towards increased use of metered television audience measures in this report is consistent with an increased emphasis on the results of television metered audience data by the industry.[2]

The following tables summarize an analysis of viewing to Canadian and foreign television services that are available in Canada by program genre[3] using Nielsen Media Research's metered audience data.[4] Table 1.6 provides trends in viewing by program genre and indicates the relative popularity of each genre. Table 1.6 also provides viewing results based on the programming provided by all English-language services available in Canada (Canadian and Foreign services) and the programming provided by Canadian English and French-language television services. Table 1.7 provides trends in viewing to Canadian versus foreign programs by program genre.

Important methodological factors to note when comparing the results of diary-based data from previous Broadcasting Policy Monitoring Reports with meter-based data:

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[1] Refer to Chart 6.1 located in the Internet Section of this report.

[2] The Commission is currently working with the Canadian Television Fund (CTF), Telefilm, Mediastats and interested government departments to refine a methodology that will facilitate the addition of country of origin and program genre for each program captured by both the BBM Canada and Nielsen Media Research people meter databases. These two additional data fields are available for programs broadcast beginning 1 September 2003.

[3] Program genre or type is based on the definitions set out in the *Television Broadcasting Regulations, 1987* and *Specialty Services Regulations, 1990*. The "Other" program type includes Religious (cat. 4), Educational (cat. 5a & 5b), Game shows (cat. 10), General entertainment & human interest (cat 11), Infomercials, promotional and corporate videos (cat 14) programs.

[4] Information was provided by CBC Research using data from Nielsen Media Research. The data reflects a 42 day sample spread throughout the broadcast year. It excludes viewing to Canadian services licensed for only digital distribution and ethnic services. CBC Research program genres or type are not identical to those developed by the CRTC. There are minor differences, and for the purpose of this report, they have been grouped together to match as closely as possible those categories used by the Commission.

- Diary surveys reflect average weekly viewing trends measured over a 4 week period in the fall of each year while meter surveys measure audiences 52 weeks a year.

- Diary surveys record viewing in 15 minute blocks while meters report average minute audiences.

- Diary samples are larger than metered samples and more geographically representative. Metered samples are concentrated in Canada's top 3 markets (Toronto, Montreal, Vancouver).

Table 1.6: Viewing by Program Genre
1998/99, 2000/01 and 2002/03 Broadcast Years
All Persons 2+, 6 a.m. to 6 a.m.
Nielsen Media Research Metered Data

Program Genre	Percentage of Average Weekly Viewing Hours (%)								
	English-language						French-language		
	Canadian & Foreign Services			Canadian Services			Canadian Services		
	98/99	00/01	02/03	98/99	00/01	02/03	98/99	00/01	02/03
News / Anal.& Interp.	18	16	18	19	17	18	29	28	30
Long-Form Doc.	4	4	3	3	3	2	3	2	3
Sports	10	11	10	12	12	11	6	7	5
Drama / Comedy	46	46	44	45	44	45	39	42	43
Music/Dance & Variety	6	7	8	7	8	9	10	11	10
Other	15	16	18	14	15	15	14	10	10
Total	100	100	100	100	100	100	100	100	100

Table 1.7: Viewing by Program Origin and Genre
1998/99, 2000/01 and 2002/03 Broadcast Years
All Persons 2+, 6 a.m. to 6 a.m.
Nielsen Media Research Metered Data

	Percentage of Average Weekly Viewing Hours (%)					
	1998/99		2000/01		2002/03	
	Program Origin					
	Canadian	Foreign	Canadian	Foreign	Canadian	Foreign
English-Language Television - Canadian and Foreign Services						
News / Anal.& Interp.	69	31	72	28	68	32
Long-Form Doc.	28	72	31	69	30	70
Sports	54	46	67	33	62	38
Drama / Comedy	13	87	13	87	14	86
Music/Dance & Variety	39	61	45	55	44	56
Other	23	77	23	77	18	82
Total	31	69	33	67	32	68
English-Language Television - Canadian Services						
News / Anal.& Interp.	95	5	95	5	97	3
Long-Form Doc.	58	42	58	42	58	42
Sports	66	34	83	17	74	26
Drama / Comedy	18	82	18	82	18	82
Music/Dance & Variety	55	45	56	44	54	46
Other	35	65	32	68	30	70
Total	45	55	46	54	44	56
French-Language Television - Canadian Services						
News / Anal.& Interp.	98	2	98	2	98	2
Long-Form Doc.	58	42	61	39	57	43
Sports	69	31	77	23	72	28
Drama / Comedy	32	68	28	72	32	68
Music/Dance & Variety	97	3	90	10	95	5
Other	92	8	93	7	91	9
Total	69	31	65	35	66	34

D. Competitive Disputes

The Broadcasting Directorate's Competitive Disputes Team was created in 2000 to more effectively process and resolve disputes in the increasingly competitive broadcasting industry. The process and procedures used for resolving competitive and access disputes are outlined in *Practices and procedures for resolving competitive and access disputes*, Public Notice CRTC 2000-65, 12 May 2000 (Public Notice 2000-65).

Disputes can generally be categorized as follows: (1) disputes between broadcasting distributors and the programming services that they distribute over the terms of distribution, including wholesale rates; (2) disputes between competing broadcasting distributors over access to buildings and the end-user; and (3) disputes between programmers regarding programming rights and markets served.

The Commission employs alternative dispute resolution techniques, such as fact-finding meetings, mediation and staff opinions to attempt to break deadlocks and assist disputing parties to directly resolve their disputes. When these techniques are insufficient, the Commission can determine on disputes by way of "final-offer" arbitration (under section 15 of the *Broadcasting Distribution Regulations* (BDU Regulations)) or by way of decisions involving allegations of undue preference or disadvantage (eg. under section 9 of the BDU *Regulations*).

"Final offers" selection processes are typically conducted on a confidential basis both to permit candour on the part of the parties and to take into account that the matters in dispute often involve commercially sensitive information for which the harm which could result from disclosure outweighs the public interest in disclosure.

In disputes that come before the Commission as allegations of undue preference or disadvantage by a party or parties vis-à-vis the actions of another party or parties, the complainant seeks a Commission ruling that the alleged preference or disadvantage has material and serious consequences that are contrary to the public interest for the complainant and/or the Canadian broadcasting system. Files involving such matters are generally immediately placed on a public file.

1. Number and Complexity of Disputes

In Public Notice 2000-65, the Commission noted that parties would be expected to have attempted to resolve their differences through private, third party mediation, bilateral negotiations or some other means before the Commission would be prepared to deal with the dispute. The intent of the Framework was to use the Commission as a last recourse if the parties proved unable, despite bona fide efforts, to achieve resolution on their own.

During the period of 1 April 2003 to 31 March 2004, the Commission processed 20 new disputes. The majority of these files, whether alleging undue preference or disadvantage or seeking staff assistance/Commission determinations, raised multiple issues and many involved multiple sets of facts. Overall, the complexity of submitted files is rising and most disputes now include "policy" components, both of which are factors that are not conducive to expedited processing by way of alternative dispute resolution techniques.

Table 1.8 compares the last three years' experience in the time taken to resolve disputes[5]. While undue preference files do not show great variance year over year, dispute resolution files under sections 12 to 15 of the BDU Regulations are now generally taking as long as undue preference files to complete.

Of the 20 files processed between 1 April 2003 and 31 March 2004, 10 were undue preference files under section 9 of the BDU Regulations and 10 were sections 12 to 15 of the BDU Regulations. Of these 20 files, 7 involved wholesale rates, 5 related to building access matters and the balance covered a wide range of issues including channel placement and programming rights-related issues. To the end of the period under review,

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[5] Files commenced in one year but concluded in another, are included in the calculation for the year of commencement.

resolution had been achieved in only 5 of the 20 submitted cases with the balance still ongoing. Many of these files have been suspended, at the request of the parties, for various periods of time in order to permit the parties to resume negotiations.

Table 1.8: Fiscal Year Comparisons of the Average Number of Days to Resolve Disputes

Disputes	2001/02	2002/03	2003/04
All	114	180	156
Undue Preference	169	190	146
Sections 12 to 15	58	177	163

April 1st to March 31st

It should be noted that for disputes pursuant to sections 12 to 15 under the BDU Regulations, the average completion time was increased by several lengthy "final offer" files brought to the Commission for determination. On the other hand, sections 12 to 15 disputes that that did not require a Commission determination were concluded in an average of 64 days.

2. Call for Comments on Ensuring Good Commercial Practices in Negotiations

In *Call for comments on possible requirements for the provision of notice to programming services by distributors of their plans to change packages,* Broadcasting Public Notice CRTC 2004-64, 25 August 2004, the Commission sought comments from interested parties with respect to the need for and, if so, the measures that may be required to ensure that negotiations between distributors and programmers are conducted in accordance with good commercial practices.

The Commission stated that the commercial arrangements between distributors and programmers should best be determined by negotiations between the parties. However, certain recent disputes led it to believe that the negotiation process between parties was not consistently characterized by good commercial relations. It also expressed its view that good commercial relations were essential to allow parties to fulfil their respective responsibilities under the *Act*.

Accordingly, comments were sought on the need for, and kinds of, new measures that may be required to reach that goal, as well as comments on how any such measures could best interface with the Commission's existing methods of dealing with disputes.

II. Radio

A. Number of Commercial Radio Stations in Canada

- The following table lists the number of commercial, over-the-air, AM and FM radio stations licensed to operate in Canada. These figures are based on the number of licences on file at 19 April 2004.

Table 2.1: Number of Commercial Radio Stations in Canada

	AM				FM				Total			
	English	French	Ethnic	Total	English	French	Ethnic	Total	English	French	Ethnic	Total
Nfld. & Lab.	11	-	-	11	7	-	-	7	18	-	-	18
Prince Edward Island	2	-	-	2	2	-	-	2	4	-	-	4
Nova Scotia	9	-	-	9	13	-	-	13	22	-	-	22
New Brunswick	4	1	-	5	16	3	-	19	20	4	-	24
Quebec	4	17	2	23	3	74	-	77	7	91	2	100
Ontario	47	-	4	51	112	3	5	120	159	3	9	171
Manitoba	13	-	1	14	15	-	-	15	28	-	1	29
Saskatchewan	18	-	-	18	21	-	-	21	39	-	-	39
Alberta	26	-	-	26	46	-	2	48	72	-	2	74
BC & Territories	38	-	2	40	63	-	1	64	101	-	3	104
Sub-total	*172*	*18*	*9*	*199*	*298*	*80*	*8*	*386*	*470*	*98*	*17*	*585*
Networks	14	5	-	19	12	6	-	18	26	11	-	37
TOTAL	186	23	9	218	310	86	8	404	496	109	17	622

Excludes digital radio
Source: CRTC APP 1205 Report (19 April 2004)

B. Transitional 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 19 April 2004, 76 licences for transitional digital radio programming undertakings have been granted. Of these licences, 57 have been issued to existing commercial radio programming undertakings, 1 to a stand-alone ethnic radio programming undertaking and 18 to existing CBC stations.

Table 2.2: Markets with Transitional Digital Radio Stations in Canada[1]

Market/Province[2]	Commercial			CBC English		CBC French		Total
	English	French	Ethnic	Radio One	Radio Two	Première chaîne	Espace musique	
Chilliwack, B.C.	1	-	-	-	-	-	-	1
Vancouver, B.C.	8	-	-	1	1	1	1	12
Victoria, B.C.	2	-	-	-	-	-	-	2
Montréal, Qc.	2	6	-	1	1	1	1	12
Ottawa/Gatineau, Ont./Qc.	8	3	-	1	1	1	1	15
Toronto, Ont.	17	-	7	1	1	1	1	28
Windsor, Ont.	4	-	-	1	1	-	-	6
All Canada	42	9	7	5	5	4	4	
	58			18				76

(1) Numbers of stations approved but not necessarily on air.
(2) Based on BBM Radio Markets
Includes stand-alone ethnic digital radio station located in Toronto
Source: CRTC APP 1205 report (19 April 2004)

C. Radio Tuning Trends

- The purpose of Tables 2.3, 2.4 and 2.5 is to monitor the on-going use of radio by Canadians.

Table 2.3: Per Capita Listening Hours by Age Group
Average Weekly Hours Tuned per Capita
BBM Fall 2003 – All Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.

	All Persons 12+	Teens 12-17	Adults 18-24	25-34	35-49	50-54	55-64	65+
1999	20.5	11.3	17.3	21.3	21.6	21.6	23.2	22.7
2000	20.3	10.5	18.1	20.6	21.8	21.9	22.8	22.4
2001	20.1	10.1	17.3	20.5	21.6	21.6	22.7	22.3
2002	20.2	9.4	16.7	20.1	21.7	22.3	23.1	22.8
2003	19.5	8.5	16.3	19.3	21.3	21.8	21.9	22.3

Source: BBM Canada 2003-2004 Radio Data Book

- Weekly listening levels by teens in the 12-17 demographic continue to decline, reaching 8.5 hours per capita in 2003.

- The following tables and charts outline the percentage of hours tuned to radio in an average week during the BBM fall surveys of 1997 to 2003. Table 2.4 and Chart 2.1 provide the percentage of hours tuned over the entire broadcast day while Table 2.5 and Chart 2.2 set out the percentage of hours tuned between 6 a.m. and 6 p.m.

Table 2.4: Radio Tuning Share in an Average Week – 5 a.m. to 1 a.m. BBM Fall – All Persons 12+ – Monday to Sunday

	Percentage of Hours Tuned							Growth 97 to 03
	1997	1998	1999	2000	2001	2002	2003	
AM English	27.7	25.1	24.5	23.8	23.7	22.6	22.2	(5.6)
AM French	5.7	4.4	3.8	3.0	2.9	2.7	2.4	(3.3)
FM English	45.2	48.7	49.2	50.3	50.1	51.1	52.1	6.9
FM French	15.4	16.5	16.9	17.4	17.7	18.4	18.4	3.0
Other	6.0	5.3	5.6	5.5	5.6	5.2	4.9	(1.1)
Total	100	100	100	100	100	100	100	
Total Average Weekly Hours (000,000)	516.6	552.8	544.6	531.8	532.9	540.5	529.6	13.1

Note: "Other" is principally over-the-air tuning to U.S. border stations.
Source: BBM Fall 1997 to Fall 2003

Table 2.5: Radio Tuning Share in an Average Week - 6 a.m. to 6 p.m. BBM Fall – All Persons 12+ – Monday to Sunday

	Percentage of Hours Tuned							Growth 97 to 03
	1997	1998	1999	2000	2001	2002	2003	
AM English	28.3	25.7	25.1	24.2	23.8	22.9	22.3	(6.0)
AM French	5.9	4.6	3.9	3.1	2.8	2.7	2.4	(3.6)
FM English	44.5	47.9	48.5	49.8	49.7	50.6	51.7	7.2
FM French	15.9	17.0	17.3	17.9	18.4	18.9	19.0	3.2
Other	5.4	4.8	5.2	5.1	5.3	4.8	4.6	(0.8)
Total	100	100	100	100	100	100	100	
Total Average Weekly Hours (000,000)	422.8	454.5	445.5	434.7	434.9	442.2	435.6	12.8

Note: "Other" is principally over-the-air tuning to U.S. border stations
Source: BBM Fall 1997 to Fall 2003

- The total average weekly hours tuned to radio, both over the entire broadcast day and between 6 a.m. to 6 p.m., have remained relatively stable since 1997.
- The following pie charts are based on Tables 2.4 and 2.5 and serve to demonstrate the dominance of FM radio in both the English and French-language markets.

Chart 2.1: Average Weekly Tuning Share, 5 a.m. to 1 a.m., BBM Fall 2003

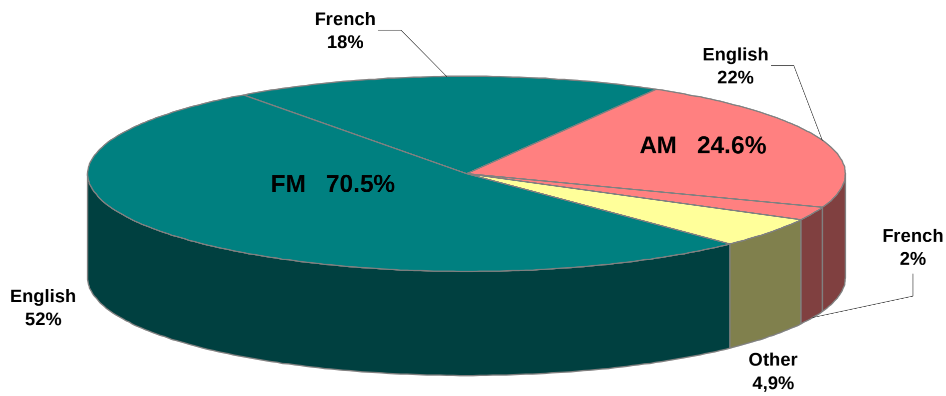
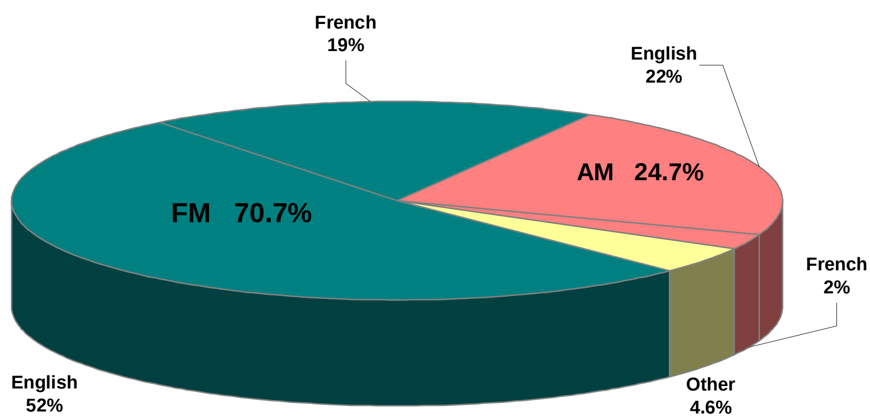


Chart 2.2: Average Weekly Tuning Share, 6 a.m. to 6 p.m., BBM Fall 2003



- According to the 2003-04 BBM Radio Data Book (5 a.m. to 1 a.m., Monday to Sunday):
  - 93.2% of Canadians aged 12 and over listened to the radio for at least 15 minutes per week in Fall 2003, as compared to 94% in 1998.
  - In Fall 2003, the average hours tuned per listener was 21 hours per week – a three-quarter-hour drop from the previous year's 21.7 hours per week.
  - In Fall 2003, the average hours tuned per capita dropped from the 20.2 hours per week range to 19.5 hours per week.

D. Ownership

- In revising its ownership policy in *the* Commercial Radio Policy, the Commission focussed 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.

- Tables 2.6 through 2.11 monitor ownership consolidation in the radio industry providing revenue and tuning information for the largest radio operators.

1. Total Hours Tuned to the Largest Private Commercial Radio Operators

Table 2.6: Tuning to the Ten Largest Radio Operators(1)

Corporation	Listening Hours (000) BBM Fall			Share of National Tuning		
	2001	2002	2003	2001	2002	2003
Corus Entertainment Inc.	89,397	83,493	83,785	17%	15%	16%
Standard Broadcasting Corporation Limited	36,115	66,010	64,496	7%	12%	12%
Rogers Communications Inc.	44,958	49,934	51,098	8%	9%	10%
Astral Media inc.	18,647	55,805	50,033	3%	10%	9%
CHUM Limited	36,169	36,441	34,581	7%	7%	7%
Newcap Inc.	15,565	16,161	20,052	3%	3%	4%
Jim Pattison Industries Ltd.	10,559	12,257	11,164	2%	2%	2%
Maritime Broadcasting System Limited	-	10,352	8,935	-	2%	2%
Cogeco Inc.	10,203	10,881	8,943	2%	2%	2%
Caineco Limited	-	8,248	7,173	-	2%	1%
Télémédia Inc.	59,667	-	-	11%	-	-
Radiomédia Inc.	9,621	-	-	2%	-	-
Total	330,901	349,582	340,260	62%	65%	64%
Total Canadian Private Commercial Radio(2)	439,870	441,952	434,153	83%	82%	82%
Total All Radio(3)	532,915	540,463	529,647	100%	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" following Table 2.11.
(2) Listening hours includes tuning to private commercial multilingual and native stations.
(3) Listening hours includes tuning to public and private Canadian and U.S. stations.

Sources: CRTC Internal Report "Ownership August 2003"; BBM Fall 2001 to 2003 surveys, 5am to 1am, all persons 12+; and CRTC Financial Database

- The tuning share of the 10 largest radio groups has risen considerably between 1998 and 2003, from 53% to 64%.

Table 2.7: Tuning to the Two Largest French-Language Radio Operators, BBM Fall 2002 and 2003 Surveys[1]

	Listening Hours (000) BBM Fall		Share of Tuning to French-Language Radio	
Corporation	2002	2003	2002	2003
Astral Media inc.	52,877	47,381	46%	43%
Corus Entertainment Inc.	13,983	13,909	12%	13%
Total	66,860	61,290	59%	56%
Total Canadian French-Language Radio[2]	113,864	110,177	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" following Table 2.11.
(2) Listening hours include tuning to public and private Canadian French-language stations.

Sources: CRTC Internal Report "Ownership August 2003"; BBM Fall 2002 to 2003 surveys, 5am to 1am, all persons 12+ ; and CRTC Financial Database

- Astral Media Inc. garnered 43% of the hours tuned to French-language radio in 2003 and 59% of French language radio revenues.

Table 2.8: Tuning to the Five Largest English-Language Radio Operators, BBM Fall 2002 and 2003 Surveys[1]

	Listening Hours (000) BBM Fall		Share of Tuning to English-Language Radio	
Corporation	2002	2003	2002	2003
Corus Entertainment Inc.	69,510	69,876	17%	18%
Standard Broadcasting Corporation Limited	66,010	64,496	17%	16%
Rogers Communications Inc.	49,934	51,098	13%	13%
CHUM Limited	36,441	34,581	9%	9%
Newcap Inc.	16,161	20,052	4%	5%
Total	238,056	240,103	60%	61%
Total Canadian English-Language Radio (2)	398,401	393,385	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" following Table 2.11.
(2) Listening hours include tuning to public and private Canadian English-language stations.

Sources: CRTC Internal Report "Ownership August 2003"; BBM Fall 2002 to 2003 surveys, 5am to 1am, all persons 12+; and CRTC Financial Database

2. Revenues of the Top Private Commercial Radio Ownership Groups

Table 2.9: Ten Largest Radio Operators Radio Revenue(1)

Corporation	Number of Radio Undertakings Reporting 2001	2002	2003	Radio Revenue ($ 000) 2001	2002	2003	Share of National Revenue (%) 2001	2002	2003
Corus Entertainment Inc.	49	52	50	199,002	198,245	210,529	19%	18%	18%
Standard Broadcasting Corporation Limited	12	50	51	92,385	153,984	164,966	9%	14%	14%
Rogers Communications Inc.	29	42	43	132,905	156,140	158,264	12%	14%	13%
Astral Media inc.	15	36	36	47,262	115,201	126,627	4%	10%	11%
CHUM Limited	29	29	30	108,435	110,283	116,968	10%	10%	10%
Newcap Inc.	24	39	41	33,833	45,880	55,509	3%	4%	5%
Jim Pattison Industries Ltd.	19	19	18	27,916	29,116	33,365	3%	3%	3%
Rawlco Radio Ltd.	-	12	12	-	22,019	27,020	-	2%	2%
Elmer Hildebrand (Golden West Broadcasting)	19	21	21	20,968	22,066	25,221	2%	2%	2%
Maritime Broadcasting System Limited	21	21	21	24,044	22,685	23,593	2%	2%	2%
Télémédia Inc.	81	-	-	136,256	-	-	13%	-	-
TOTAL	298	321	323	823,006	875,619	942,062	77%	79%	79%
TOTAL Canada (Private Radio Revenues)	514	528	532	1,069,267	1,103,329	1,189,483	100%	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" following Table 2.11.
Includes private commercial networks and commercial ethnic radio stations.

Sources: CRTC Internal Report "Ownership August 2003" and CRTC Financial Database

- The number of programming undertakings owned by the top 10 radio operators and their share of national revenue continues to rise, from 148 and 61% respectively in 1998 to 325 and 79% in 2003.

Table 2.10: Radio Revenues of the Two Largest French-Language Radio Operators(1)

Corporation	Number of Radio Undertakings Reporting 2001	2002	2003	Radio Revenue ($ 000) 2001	2002	2003	Share of French Radio Revenue 2001	2002	2003
Astral Media inc.	15	27	27	47,262	107,210	117,281	28%	60%	59%
Corus Entertainment Inc.	10	10	10	28,648	24,638	28,657	17%	14%	14%
Télémédia Inc.	9	-	-	40,971	-	-	24%	-	-
Total	34	37	37	116,881	131,848	145,938	68%	73%	73%
Total Private Commercial French Radio	87	88	87	171,117	180,143	198,913	100%	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" following Table 2.11.
Includes network radio revenues.

Sources: CRTC Internal Report "Ownership August 2003" and CRTC Financial Database

Table 2.11: Radio Revenues of the Five Largest English-Language Radio Operators(1)

Corporation	Number of Radio Undertakings Reporting			Radio Revenue ($ 000)			Share of English Radio Revenue		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
Corus Entertainment Inc.	39	42	40	170,354	173,607	181,872	20%	19%	18%
Standard Broadcasting Corporation Limited	12	50	51	92,385	153,984	164,966	11%	17%	17%
Rogers Communications Inc.	29	42	43	132,905	156,140	158,264	15%	17%	16%
CHUM Limited	29	29	30	108,435	110,283	116,698	12%	12%	12%
Newcap Inc.		39	41	-	45,880	55,509	-	5%	6%
Télémédia Inc.	72	-	-	95,286	-	-	11%	-	-
Total	181	202	205	599,365	639,894	677,309	69%	72%	69%
Total English Radio	412	427	432	867,847	893,417	990,569	100%	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" below.
Includes private commercial network and ethnic radio station revenues.

Sources: CRTC Internal Report "Ownership August 2003" and CRTC Financial Database

Notes to Tables 2.6 to 2.11:

- A dash (-) indicates that a company was not in the top 10 in a given year.
- The ownership structure reflects the licensees' filing of annual returns at 31 August of each year. Ownership transactions not taking effect until after 31 August are not reflected until the following year. In such cases, the station's entire year's revenue is reflected under the owner as of 31 August.
- 2001 and 2002 results have been restated to reflect current data on file.
- Corus acquired control of Métromédia CMR Broadcasting Inc. in 2001; Sale of CKDO and CKGE-FM to Durham Radio reflected in 2003.
- Standard acquired 4 stations from Craig Broadcasting Systems and 64 stations plus 3 networks from Télémédia in 2002. Of these, Standard sold 13 stations and one network to Rogers and 15 stations to Newcap in 2002. 2003 results include the new CIQK-FM Calgary station.
- Rogers acquired 13 stations and one network from Standard in 2002.
- Astral's results for 2002 and 2003 reflect the transaction that was approved pursuant to Broadcasting Decision CRTC 2002-90, the acquisition of assets from Télémédia; during 2002 and 2003 nine Astral stations were held in trust pending their sale: CKRS, CJRC, CHLN, CHLT, CKSM, CKTS, CKAC, CHRC and CFOM-FM (Acquisition of radio assets in Quebec, Broadcasting Decision CRTC 2003-205, 2 July 2003).
- CHUM acquired CKLY-FM from Centario Communications Inc. in 2001; acquired CKST from Grand Slam Radio Inc in 2003.
- Newcap acquired 15 stations from Standard in 2002; 2003 results include the new CIHT-FM Ottawa station.
- Jim Pattison Industries acquired the radio stations of Monarch Broadcasting Ltd. in 2001; In 2003, the AM station in MacKenzie was replaced with a rebroadcasting transmitter of the Prince George station.
- Elmer Hildebrand (Golden West Broadcasting): 2002 results include new Estevan and Moose Jaw FM stations.

E. Financial Performance – Promoting a Financially Sound Sector

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

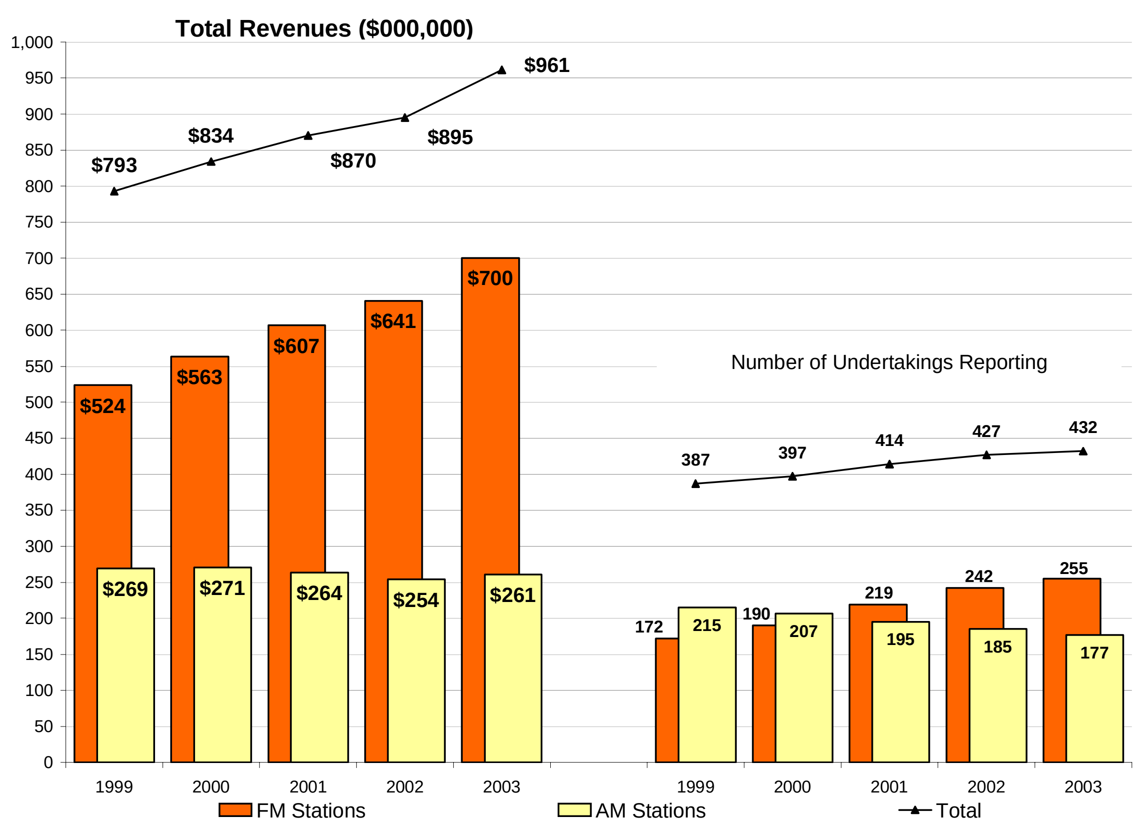
1. Commercial Radio Revenues

Table 2.12: Revenues – Commercial Radio – 1999 to 2003

($ 000)	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	487	496	514	528	532
AM Stations	314,391	315,119	306,788	298,713	306,253
FM Stations	660,328	710,476	762,479	804,617	883,229
Total	974,720	1,025,595	1,069,267	1,103,329	1,189,483
% Annual Inc/Dec		5%	4%	3%	8%

Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (FDB1 Report run March 2004)

Chart 2.3: Revenues – English-Language Commercial Radio Stations



Note: Includes network results; Excludes ethnic stations;1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (FDB1 Rpt. Run March 2004)

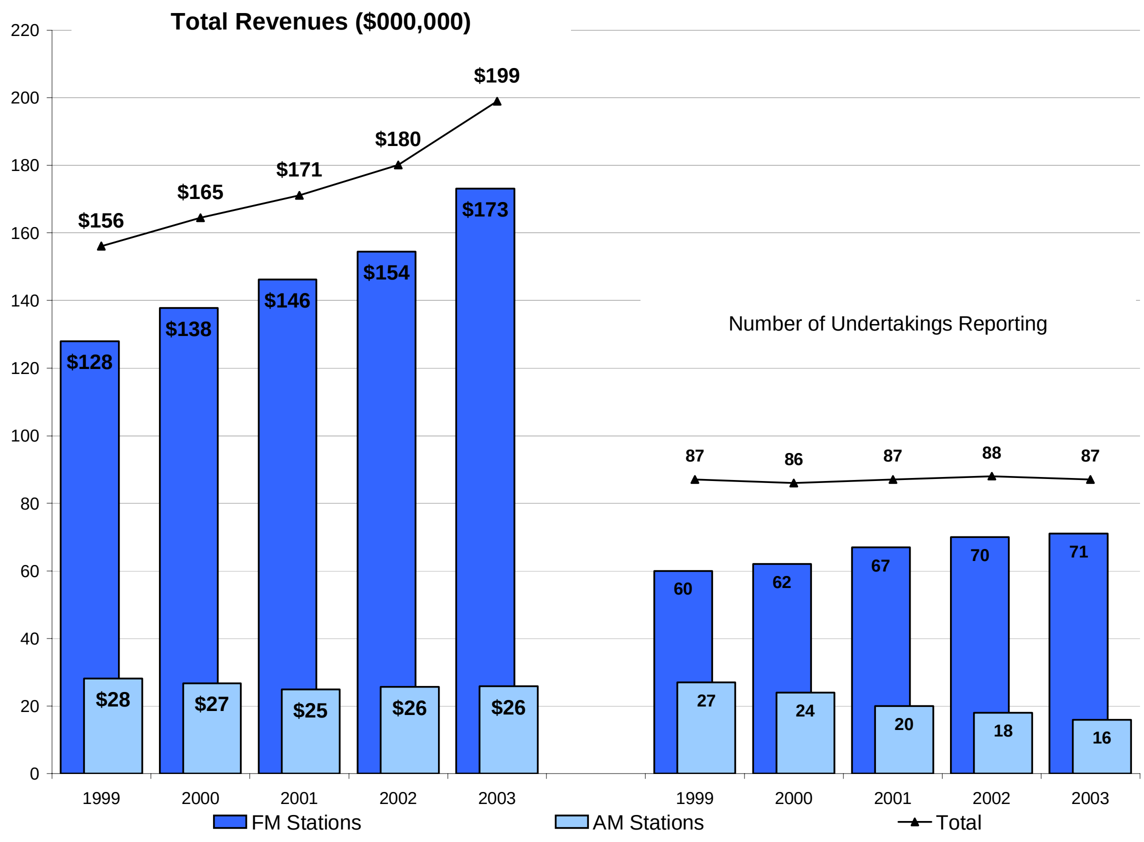
- English-language FM radio revenues increased 9.3% from 2002 to 2003. Revenues have increased by an average of 7.5% per year over the past four years.

- English-language AM radio revenues increased 2.6% from 2002 to 2003. Over the last four years, revenues decreased by an average of 0.8% per year.

- Combined English-language AM and FM radio revenues increased 7.4% from 2002 to 2003. This represents an average annual increase of 4.9% over the past four years.

- The number of English-language radio stations continues to increase annually. Roughly 60% of the new FM stations reporting in 2003 were by licensees converting their AM frequencies to FM frequencies.

Chart 2.4: Revenues – French-Language Commercial Radio Stations ($000,000)



Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (FDB1 Rpt. Run March 2004)

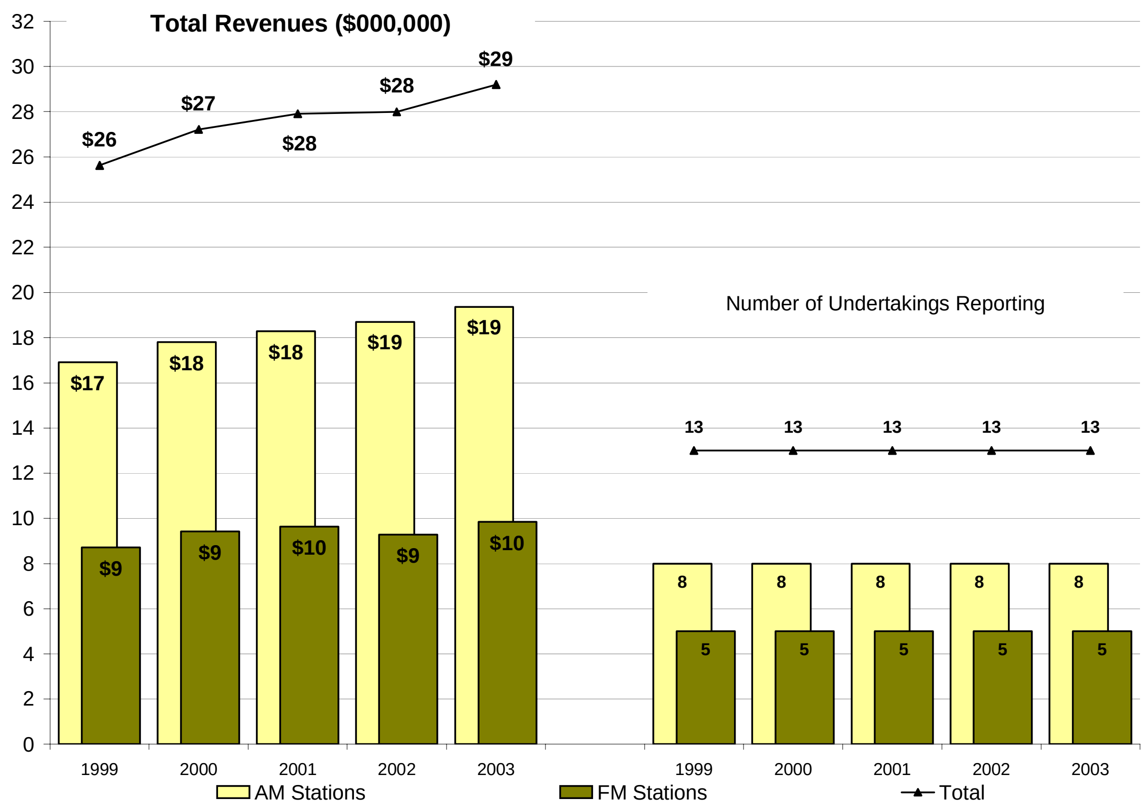
- Total revenues for French-language FM radio increased 12% from 2002 to 2003. Revenues have increased by an average of 7.8% per year over the past four years.

- Total revenues for French-language AM radio increased 0.8% from 2002 to 2003. Over the last four years, revenues decreased by an average of 2.1% per year.

- Overall, total revenues for French-language radio increased by 10.4% from 2002 to 2003. This represents an average annual increase of 6.2% over the past four years.

- French-language AM radio continues to see a steady decline in the number of stations, decreasing from 18 in 2002 to 16 in 2003.

Chart 2.5: Revenues – Ethnic Commercial Radio Stations ($000,000)



Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.
In previous Broadcasting Policy & Monitoring Reports, the revenues of private commercial ethnic radio stations were combined with total English-language revenues.
Source: CRTC Financial Database (FDB1 Rpt. Run March 2004)

- Ethnic radio stations derive approximately 95% of their advertising revenues from local sources compared to 76% for English and French-language stations.

- Total revenues for ethnic radio increased 4.3% from 2002 to 2003. Revenues have increased by an average of 3.3% per year over the past 4 years.

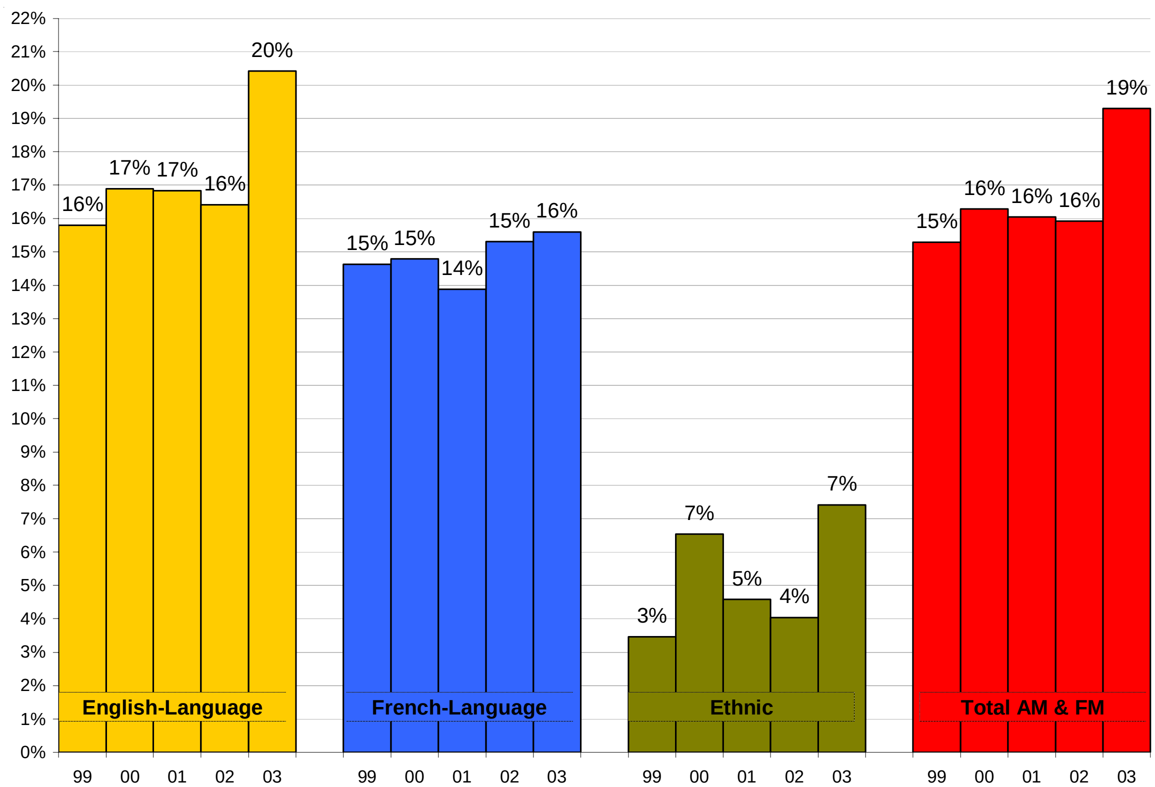
2. Profits before Interest and Taxes (PBIT) Margins

Table 2.13: Commercial Radio PBIT in Canada 1999 to 2003

($ 000)	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	487	496	514	528	532
PBIT ($ 000)					
AM Stations	-16,760	-15,007	-16,926	-19,692	1,957
FM Stations	165,766	181,986	188,530	195,354	227,591
Total	149,006	166,979	171,604	175,663	229,548
% Annual Inc/Dec	12%	3%	2%	31%	
PBIT Margin					
AM Stations	-5.3%	-4.8%	-5.5%	-6.6%	0.6%
FM Stations	25.1%	25.6%	24.7%	24.3%	25.8%
Total	15.3%	16.3%	16.1%	15.9%	19.3%

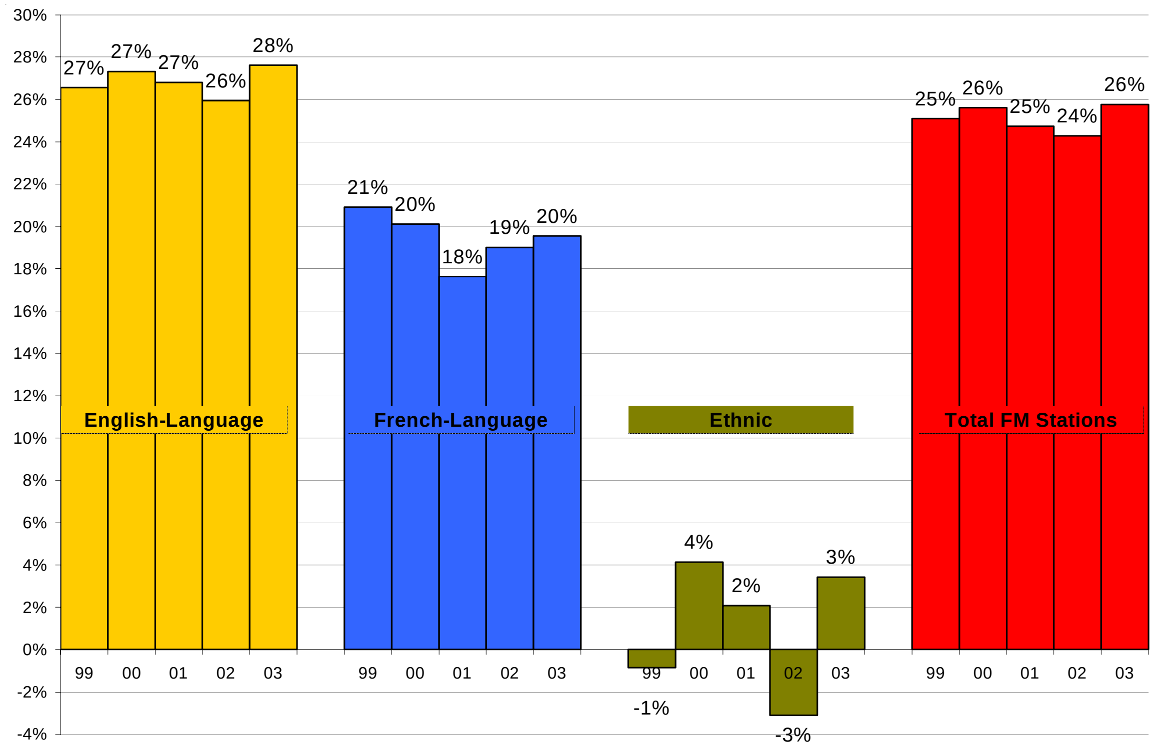
Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (FDB1 Rpt. Run March 2004)

Chart 2.6: PBIT Margins – Commercial AM & FM Radio Stations



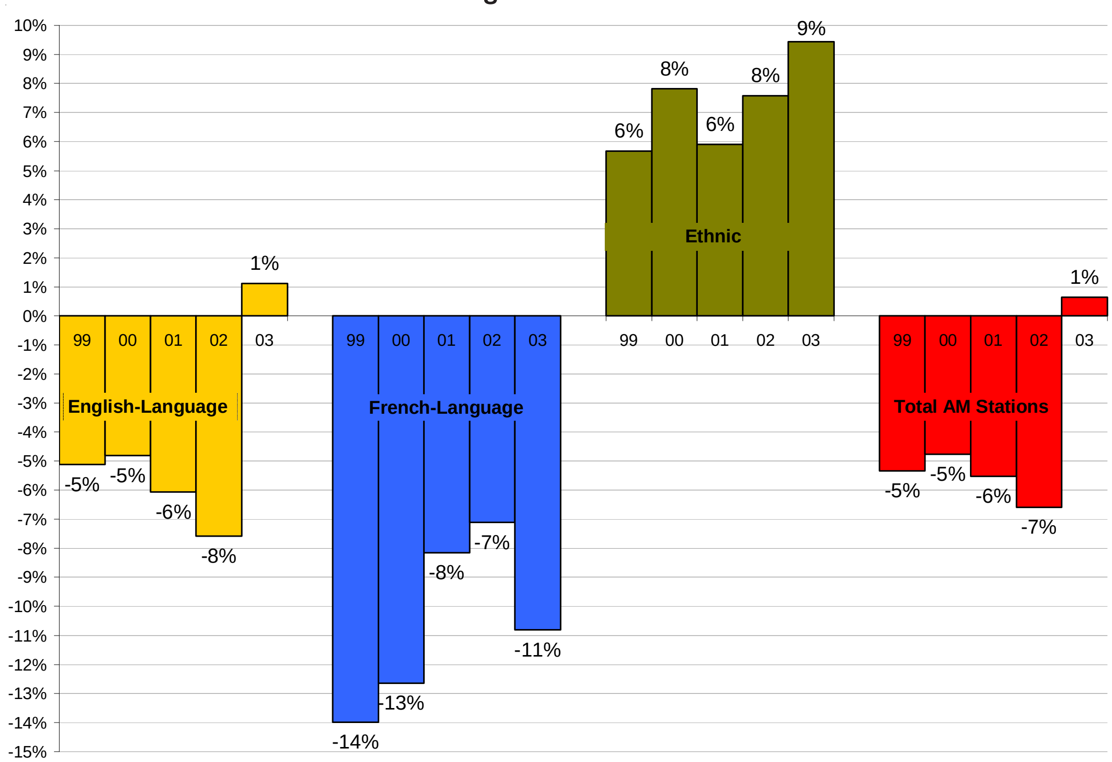
Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (FDB 1 Rpt. Run March 2004)

Chart 2.7: PBIT Margins – Commercial FM Radio Stations



Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (FDB 1 Rpt. Run March 2004)

Chart 2.8: PBIT Margins – Commercial AM Radio Stations



Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (FDB 1 Rpt. Run March 2004)

3. Number of AM to FM Frequency Conversions

- The following table shows the number of AM to FM conversions approved by the Commission from 1998 to 2003.

Table 2.14: Number of AM to FM Conversions per Calendar Year

	1998	1999	2000	2001	2002	2003
Number of AM to FM conversions	12	13	8	19	9	9

Source: CRTC Decisions (Jan 1 to Dec 31)

4. Jointly Operated & Stand-Alone 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 14% PBIT margin in 2003, compared to the 1% achieved by all English-language AM stations.

Table 2.15: Jointly Operated & Stand-Alone AM Stations

(in Canada)	2000	2001	2002	2003
ENGLISH RADIO				
- # of English AM stations	211	202	180	172
- # of English AM stations jointly operated with at least one other FM station	134	137	110	123
- % of English AM stations jointly operated with other stations	64%	68%	61%	72%
Average PBIT margin for the combined AM/FM results	18%	18%	21%	22%
- # of English AM stand-alone stations	77	65	70	49
Average PBIT margin of the stand-alone AM stations	12%	11%	11%	14%
FRENCH RADIO				
- # of French AM stations	22	20	17	15
- # of French AM stations jointly operated with at least one other FM station	9	8	6	6
- % of French AM stations jointly operated with other stations	41%	40%	35%	40%
Average PBIT margin for the combined AM/FM results	21%	17%	3%	23%
- # of French AM stand-alone stations	13	12	11	9
Average PBIT margin of the stand-alone AM stations	-26%	-15%	2%	-2%

Excludes native, ethnic & network stations
Source: CRTC Financial Database (run April 2004)

F. Competitive Licensing

- In the *Commercial Radio Policy*, the Commission determined that in order to encourage competition and choice it would no longer apply the criteria[1] 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 has 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. Decision 99-480 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 *Commercial Radio Policy*.

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[1] The *Radio Market Policy* set out the procedures and criteria to be followed when processing applications for conventional, commercial AM and FM undertakings.

Table 2.16: Factors Contributing to Successful Applications for Radio Licences Considered in Competitive Processes Following the 1998 Commercial Radio Policy

Market / Company	Decision Number	Language / Type			Canadian Content (1)	CTD	Business Plan	Competitive Balance	Diversity of voices
Vancouver Island, B.C. (4 May 1999 PH - 5 applications considered)									
Victoria, O.K. Radio	99-480	e	C	MF, FM		✓	✓		
Victoria, Rogers	99-480	e	C	MF, FM		✓	✓		
Victoria, Seacoast	99-480	e	C	MF, FM		✓	✓	✓	
Duncan, CKAY	99-480	e	C	MF, FM			✓		
Ontario (28 June 1999 PH - 4 applications considered)									
London, CHUM Limited	99-482	e	C	MF, FM		✓	✓		
Saskatchewan / Alberta (16 November 1999 PH - 5 applications considered)									
Saskatoon, Sask., Hildebrand	2000-73	e	C	MF, FM	✓	✓	✓	✓	
Lloydminster, Alb., Peace River	2000-93	e	C	MF, FM	✓	✓	✓		✓
Ontario (6 December 1999 PH - 7 applications considered)									
Hamilton/Burlington, Kirk/Roe	2000-142	e	C	MF, FM		✓	✓		✓
Barrie, Rock 95	2000-143	e	C	MF, FM	✓	✓	✓	✓	
Belleville/Trenton, Zwig	2000-155	e	C	MF, FM			✓	✓	
Ontario, PN 2000-84 (31 January 2000 PH - 16 applications considered)									
Toronto, Milestone	2000-203	e	C	MF, FM			✓		✓
Toronto, AVR	2000-204	e/n	N	Type B, FM					✓
Toronto, PrimeTime	2000-205	e	C	MF, AM		✓	✓		✓
New Brunswick (6 March 2000 PH - 7 applications considered)									
Moncton, Maritime	2000-360	e	C	MF, FM				✓	
Moncton, Atlantic	2000-360	e	C	MF, FM			✓	✓	
Moncton, Losier	2000-361	f	C	MF, FM			✓		✓
Saint-John, NBBC	2000-362	e	C	MF, FM				✓	
St. Stephen, NBBC	2000-363	e	C	MF, FM				✓	
Ontario (9 May 2000 PH - 3 applications considered)									
Kingston, Wright	2000-392	e	C	MF, FM		✓	✓		✓
Alberta (30 October 2000 PH - 6 applications considered)									
Calgary, Standard	2001-172	e	C	MF, FM	✓		✓	✓	
Calgary, Telemedia	2001-172	e	C	SpMF(NAC/Jazz) FM	✓		✓		✓
Calgary, AVR	2001-172	e/n	N	Type B, FM					✓
British Columbia, PN 2001-63 (20 November 2000 PH - 17 applications considered)									
Vancouver, Focus	2001-312	e	C	MF, FM		✓	✓		✓
Vancouver, CBC	2001-313	f	NC	SRC2, FM					✓
Vancouver, AVR	2001-314	e/n	N	Type B, FM					✓
Burnaby, SFU Community	2001-315	e	CC	FM					✓
Ontario / Québec, PN 2001-105 (22 May 2001 PH - 11 applications considered)									
Ottawa/Gatineau, Radio 1540	2001-625	o	C	Sp(Ethnic), FM		✓	✓		✓
Ottawa/Gatineau, Radio Nord	2001-626	f	C	SpMF(Classical) FM	✓	✓	✓		✓
Ottawa/Gatineau, AVR	2001-627	e/n	N	Type B, FM					✓
Ottawa/Gatineau, Newcap	2001-628	e	C	MF, FM	✓	✓	✓		✓

Table 2.16 (Continued)

Market / Company	Decision Number	Language /	Type		Canadian Content (1)	CTD	Business Plan	Competitive Balance	Diversity of voices
Manitoba, PN 2002-41 (4 February 2002 / PH - 7 applications considered)									
Winnipeg, Global	2002-224	e	C	SpMF(Jazz) FM	✓	✓	✓		
Winnipeg, Rogers	2002-224	e	C	MF FM			✓		
Winnipeg, Radiolink	2002-225	e	C	SpMF(1920's-70's) FM			✓		
Winnipeg, HIS Broadcasting	2002-226	e	C	SpMF(Religious) FM	✓	✓			
Winnipeg, Red River Campus	2002-227	e	CI	FM		✓			
Québec (18 February 2002 PH - 4 applications considered)									
Québec, Cogéco	2002-191	f	C	MF, FM	✓	✓		✓	
Toronto, PN 2003-20 (17 September 2002 PH - 17 applications considered)									
Canadian Multicultural Radio	2003-115	o	C	Sp(Ethnic), FM	✓				✓
Coopérative radiophonique de Toronto	2003-116	f	CO	Type B FM	✓				✓
Father Hernan Astudillo	2003-117	o	CO	Type B (Ethnic) AM	✓				✓
Sur Sagar Radio Inc.	2003-118	o	C	Sp(Ethnic), Digital	✓				✓
Kitchener-Waterloo, PN 2003-25 (28 October 2002 PH - 11 applications considered)									
Global	2003-152	e	C	MF, FM	✓	✓	✓		
Larche	2003-153	e	C	MF, FM	✓	✓	✓		✓
Sound of Faith	2003-154	e	NC	Sp(Religious) FM		✓			✓
AVR (Aboriginal Voices Radio)	2003-155	e/n	N	Type B, FM					✓
Newfoundland (10 December 2002 PH - 2 applications considered)									
St. John's, Newman/Bell	200-171	e	C	MF, FM			✓		✓
Québec, PN 2003-33 (3 February 2003 PH - 25 applications considered)									
Montréal, Radio Nord	2003-192	f	C	SpMF(Jazz) FM	✓	✓	✓		✓
Laval, Lajoie/Chabot	2003-193	f	C	SpMF(40's-70's), AM			✓		✓
Montréal, Canadian Hellenic Cable Radio	2003-194	o	C	Ethnic FM					✓
Montréal, AVR	2003-195	e/f/n	N	Type B, FM					✓
Sherbrooke, Cogéco	2003-197	f	C	MF, FM	✓	✓		✓	✓
Sherbrooke, Génération Rock	2003-198	f	C	MF, FM	✓			✓	✓
Trois Rivières, Cogéco	2003-201	f	C	MF, FM	✓	✓		✓	✓
Alberta, PN 2004-23 (18 June 2003 PH - 13 applications considered)									
Red Deer, CBC	2004-116	e	NC	CBC2,FM					✓
Red Deer, Pattison	2004-117	e	C	MF, FM				✓	
Edmonton, CHUM / Milestone	2004-133	e	C	MF, FM	✓	✓	✓		
Edmonton, AVR	2004-134	e/n	N	Type B, FM					✓
Edmonton, O.K. Radio	2004-135	e	C	MF, FM	✓	✓	✓		
Edmonton, Rawlco	2004-136	e	C	SpMF(Jazz), FM	✓	✓	✓		
Total (58 stations)					23	27	32	14	34

Source: CRTC Public Notices and Decisions (noted in table)

Legend: Languages: e = English-language, f = French-language, e/n = English & Aboriginal, f/n = French & Aboriginal, O = 3rd languages (other than English, French & Aboriginal) Type: C = Commercial, NC = Non-Commercial, N = Native, CO = Community, CC = Community based Campus, CI = Campus Instructional, MF = Musical format, SpMF = Specialty music format, Flip = Conversion of existing AM radio station to FM frequency, CBC1 = English-language CBC "Radio One" format, CBC2 = English-language CBC "Radio Two" format, SRC1 = French-language CBC "La première chaîne" format, SRC2 = French-language CBC "Espace musique" format.
(1) "Canadian Content" refers to applications that proposed to exceed the minimum regulatory requirement of Canadian content.

G. Canadian Talent Development

The Commission reviews radio licensee contributions to Canadian talent development (CTD) in the following instances:

- Applications for new radio stations
- Transfers of control or ownership (benefits)
- Renewal of radio licences

1. Applications for New Radio Licences

- Since the introduction of the *Commercial Radio Policy* in 1998, the Commission has licensed 58 new radio stations through competitive processes in markets across Canada through to April 30, 2004. These successful applicants have committed over $41 million to CTD initiatives over their initial licence terms.
- In addition, there were 99 new radio licences or AM to FM flips granted without a competitive process. These licensees committed a combined $900 thousand towards CTD initiatives.

2. Transfers of Control or Ownership (benefits)

- As outlined in the *Commercial Radio Policy*, applicants for the transfer of ownership or control of radio stations must make commitments 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 to other eligible CTD initiatives.
- Since the adoption of the *Commercial Radio Policy* to April 30, 2004, the Commission has approved 79 control and/or ownership transactions involving 316 radio stations.
- CTD commitments (benefits) from these transactions have totalled $92.9 million.

Table 2.17: Value of Radio Transactions and Corresponding Transfer Benefits for the period 1 May 1998 to 30 April 2004

	English-Language Services			French-Language Services			
($000,000)	# of Trans.	Value of the Transaction*	Benefits	# of Trans.	Value of the Transaction*	Benefits	Total Benefits
May 1/98 to Aug.31/98	3	9.6	0.3	0	0.0	0.0	0.3
Sep 1/98 to Aug. 31/99	17	281.1	14.8	4	5.0	0.3	15.1
Sep 1/99 to Aug. 31/00	16	386.8	23.0	4	11.4	0.7	23.7
Sep 1/00 to Aug. 31/01	11	98.7	5.7	1	110.0	6.6	12.3
Sep 1/01 to Aug. 31/02	14	458.2	27.6	2	227.0	13.6	41.2
Sep 1/02 to Aug. 31/03	2	5.5	0.0	1	0.4	0.0	0.0
Sep 1/03 to Apr. 30/04	3	3.7	0.2	1	-	-	0.2
Total	66	1,243.6	71.6	13	353.8	21.2	92.9

*Value determined by the Commission for the purpose of calculating transfer benefits.
Source: CRTC Decisions and Administrative approvals

3. 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 CTD.

- 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 that would ensure a minimum annual payment of $1.8 million to eligible third parties associated with CTD.

- The following table indicates the amount of money contributed to CTD initiatives in the context of licence renewals.

Table 2.18: CTD Annual Contributions – Licence Renewals

(dollars)	1999	2000	2001	2002	2003
A. 3rd Party Contributions					
FACTOR	965,043	835,074	894,640	891,266	746,770
MusicAction	287,800	269,599	258,000	307,900	365,450
Other :					
- Music Organizations	406,588	505,888	385,373	542,954	753,376
- Performing Arts Groups	408,672	109,836	689,336	516,523	181,551
- Schools or Scholarships	137,837	124,590	122,563	105,638	129,010
- Other 3rd party contributions					164,000
Total Other	953,097	740,314	1,197,272	1,165,115	1,228,337
Total 3rd Party Contributions	2,205,940	1,844,987	2,349,912	2,364,281	2,340,557
B. Local Initiative Contributions	614,068	657,487	570,300	718,247	745,375
TOTAL – CTD Contributions	2,820,008	2,502,474	2,920,211	3,082,528	3,085,932

Source: CRTC Financial Database and Annual Returns

H. Diversity of Formats

- In the development of the *Commercial Radio Policy* the broadcasting industry submitted that an increase in consolidation in markets would lead to an increase in the diversity of formats.

- Tables 2.19 to 2.22 compare the diversity of radio formats available in a sample of markets across Canada from 2001 to 2003.

- Note that formats change frequently. The format information used in tables 2.19 to 2.22 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 increased slightly since the introduction of the *Commercial Radio Policy*.

Legend to tables 2.19 to 2.22	
AC	- Adult Contemporary
AOR	- Adult Oriented Radio
CHR	- Contemporary Hit Radio
MOR	- Middle of the Road
R&B	- Rhythm and Blues

Table 2.19: Formats of Market Stations for Vancouver, Kelowna, Calgary and Regina

Format of market stations	Markets											
	Vancouver			Kelowna			Calgary			Regina		
	'01	'02	'03	'01	'02	'03	'01	'02	'03	'01	'02	'03
- AC						1		1	1	2	1	1
- AC / Light Rock	1	1		1	1		1					
- AC / Soft Favourites	1	1	1									
- Adult Rock										1		
- Adult Standards			1									
- Adult Standards Nostalgia							1	1	1			
- All News	1	1	1									
- AOR	1		1									
- CBC – Radio One	1	1	1				1	1	1	1	1	1
- CBC Espace musique			1						1			
- CBC Radio Two	1	1	1				1	1	1	1	1	1
- CHR	1	1	1									
- CHR / Hot AC				1	1	1						
- CHR / Top 40							1					
- Christian Music									1			
- Classic Hits			1						1			
- Classic Rock	1	1	1				2					
- Classic/Contemporary Rock				1	1	1						
- Classic/Mainstream Rock											1	
- Classic/Today's Rock								1	1			
- Contemporary Country								1	1			
- Country	1			1			1			1		
- Country/Talk/Sports											1	1
- Ethnic	3	3	3				1	1	1			
- Full Service	1	1	1									
- Gospel							1					
- Hip Hop/R&B/Old School								1	1			
- Hot Adult Contemporary								1	1		1	1
- Hot New Country					1	1						
- Jazz								1	1			
- Modern / Alternative Rock		1										
- New Country		1	1									
- News / Talk	2			1	1	1	1	1	1			1
- News / Talk / Sports		1	1							1	1	
- Nostalgia	1	1										
- Oldies		1	1				1	1	1			
- Rock											1	1
- Sports	1	1	1				1	1	1			
- CBC – Première chaîne	1	1	1							1	1	1
- Talk & Discussion		1	1									
- True Oldies	1									1		
- Urban		1	1						1			
- Urban/Hip Hop								1				
Total number of stations	19	20	21	5	5	5	13	14	17	9	9	8
Number of distinct formats	16	18	19	5	5	5	12	14	17	8	9	8

Table 2.20: Formats of Market Stations for Sudbury, London, Toronto and Ottawa-Gatineau

Format of market stations	Markets											
	Sudbury			London			Toronto			Ottawa-Gatineau		
	'01	'02	'03	'01	'02	'03	'01	'02	'03	'01	'02	'03
- AC		1	2	1	1	1	4	2	3	1	2	2
- AC / CHR										1	1	
- AC / New & Gold										1		
- AC /Soft	1	1										
- Adult Standards							1	1	1			
- All News								1	1			
- AOR / CHR			1									
- CBC – Radio One	1	1	1	1	1	1	1	1	1	1	1	1
- CBC Espace musique	1	1	1				1	1	1	1	1	1
- CBC Radio Two	1	1	1				1	1	1	1	1	1
- CFA Specialty							2					
- CHR	1	1	1	1			2	1		1	1	1
- CHR / Dance								1	1			
- CHR / Rhythmic / Dance												1
- CHR / Rock		1										
- CHR / Top 40	1				1	1						
- Classic Hits						1						1
- Classic Rock							1	1	1	1	1	1
- Classic/Contemporary Rock	1											
- Classic/Mainstream Rock										1	1	
- Classical								1	1			
- Classical / Jazz											1	1
- Contemporary Country											1	1
- Country	1	1	1	1	1	1				1		
- Dancing Oldies							1					
- Ethnic							5	5	5			
- Gold / Oldies								1				
- Hot Adult Contemporary				1	1			2	2			
- Jazz								1	1			
- Mainstream Rock												1
- Modern / Alternative Rock				1			1					
- Modern Rock								1	1			
- News / Talk				1			3	2	2	2	2	2
- News / Talk / Sports					2	2						
- Oldies				1	1	1			1		1	1
- Oldies/Sports/Talk				1								
- Pop / Rock						1						
- Pop Rock					1							
- Religious (Gospel)	1	1	1							1	1	1
- Sports							1	1	1		1	1
- Sports Talk							1			1		
- CBC – Première chaîne	1	1	1				1	1	1	1	1	1
- True Oldies										1		
- Unforgettable Hits								1	1			
- Urban							1					
- Urban/HipHop/R&B/Reggae								1	1			
Total number of stations	10	10	10	9	9	9	27	27	27	16	17	18
Number of distinct formats	10	10	10	9	8	8	16	20	19	15	15	16

Table 2.21: Formats of Market Stations for Montréal, Québec and Saguenay

Format of market stations	Markets											
	Montréal English			Montréal French			Québec			Saguenay (Chicoutimi-Jonquière)		
	'01	'02	'03	'01	'02	'03	'01	'02	'03	'01	'02	'03
- AC				1	1	2	1	1	2			1
- AC / CHR	1									1		
- AC / Light				1	1						1	
- AC / Light Rock	1	1	1									
- Album Genre Rock									1			
- All News			1			1						
- AOR	1						1	1				
- CBC – Radio One	1	1	1				1	1	1			
- CBC Espace musique				1	1	1	1	1	1	1	1	1
- CBC Radio Two	1	1	1									
- CFA Specialty				1								
- Classic Rock		1	1			1						
- Classical					1	1						
- Ethnic	1	1	1		1	1						
- Hot Adult Contemporary		1	1									
- Info / Commentary / Sports				1								
- Info / Sports / Services								1	1			
- Information / Music							1	1	1			
- Mainstream Top 40/CHR				2	2	2	1	1	1	1	1	1
- Middle of the Road / EL				1								
- Modern Rock					1							
- News / Talk	2	2	1	1	1		1			1	1	1
- News / Talk / Sports					1	1						
- Oldies									1			
- Religious (Gospel)				1	1	1	1	1	1			
- Retro Music							1	1				
- Sports (Talk)	1	1	1									
- CBC – Première chaîne				1	1	1	1	1	1	1	1	1
Total number of stations	9	9	9	11	12	12	10	10	11	5	5	5
Number of distinct formats	8	8	9	10	11	10	10	10	10	5	5	5

Table 2.22: Formats of Market Stations for Halifax and St. John's

Format of market stations	Halifax '01	Halifax '02	Halifax '03	St. John's '01	St. John's '02	St. John's '03
- AC / CHR	1	1		1		
- AC / Light Rock	1					
- AC / News / Talk				1		
- AC / Oldies	1					
- AOR / CHR					1	1
- CBC – Radio One	1	1	1	1	1	1
- CBC Radio Two	1	1	1	1	1	1
- CHR			1			2
- CHR / Top 40					1	
- Classic Hits		1	1			
- Classic Rock					1	1
- Country	2	1	1	1		1
- Country / News / Talk					1	
- Country Classic		1	1			
- Gospel				1	1	1
- Hot Adult Contemporary				1		
- News / Talk (Sports)	1					
- Oldies		2	1			
- Other – Nfld. Music				1	1	1
- Rock	1	1	1			
- CBC – Première chaîne	1	1	1			
- Variety				1	1	1
- Yesterday's Favourites			1			
Total number of stations	10	10	10	9	9	10
Number of distinct formats	9	9	10	9	9	9

I. Popularity of Formats

- The pie charts 2.3 and 2.4 show the percentage of tuning to Canadian English and French-language radio stations by format. These charts also indicate the number of Canadian stations that were broadcasting in these formats. The information used is based on BBM Fall 2003 data and excludes tuning to ethnic, bilingual and U.S. stations.

Chart 2.9: English-Language Station Formats – BBM Fall 2003[2]

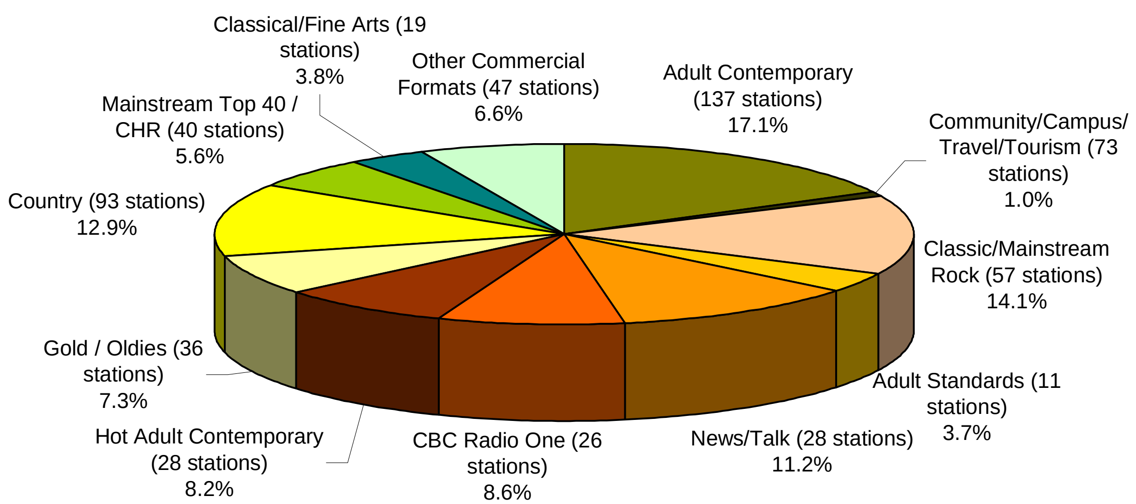
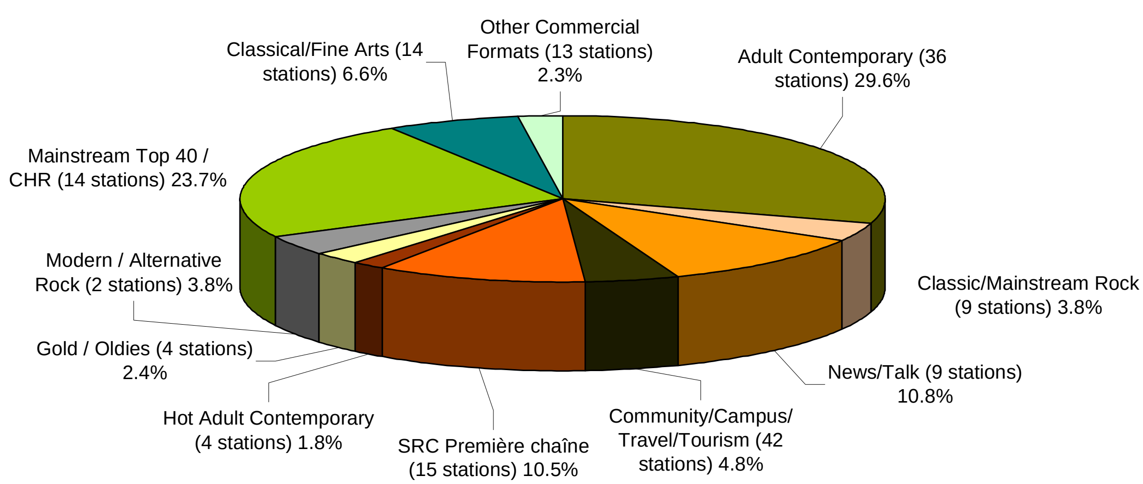


Chart 2.10: French-Language Station Formats – BBM Fall 2003[3]



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[2] BBM Fall 2003, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday - Canadian English-language stations
[3] BBM Fall 2003, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday - Canadian French-language stations

J. Promoting the Airplay of Canadian and French Vocal Music

- In 1998, the *Commercial Radio Policy* increased the required 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 *Commercial Radio 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.

- These requirements have since been incorporated in the *Radio Regulations, 1986*, as amended from time to time.

- Radio stations are analyzed, by the Commission, for compliance to their regulated Canadian music and French vocal music requirements during the licence renewal process.

- Table 2.23 provides the percentage of commercial radio stations that were in compliance with their Canadian content requirements in 2003. The results shown are based on a limited sample of stations analyzed from 1 January 2003 to 31 December 2003 and are not necessarily representative of the radio community as a whole.

Table 2.23: Canadian Content and French Vocal Music

Requirement	Number of stations analyzed in 2003	% Meeting Requirement	
		All Day & Weekly	6 a.m. to 6 p.m. Monday to Friday
35% Canadian content (English-language stations)	30	90%	93%
65% French vocal music	16	88%	Not applicable
55% French vocal music Weekly – 6 a.m.-6 p.m.		Not applicable	100%

Source: CRTC, Evaluation of licence renewal applications from 1 January 2003 to 31 December 2003

- 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.

K. 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 currently 16 commercial AM and FM ethnic radio stations 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, based on a broadcast week in May 2004.

- In *Ethnic FM radio station in Montréal*, Broadcasting Decision CRTC 2003-194, 2 July 2003, the Commission approved a new ethnic radio station in the Montréal market.

Table 2.24: Ethnic Radio in the Vancouver, Edmonton, Calgary, Winnipeg and Montréal Markets

	Weekly Number of Hours Broadcast during a Typical Week in May 2004										
	Vancouver				Edmonton	Calgary	Winnipeg	Montréal			
Language / Group	CHKG FM	CHMB AM	CJVB AM	Total	CKER FM	CHKF FM	CKJS AM	CJWI AM	CFMB AM	CKDG FM	Total
Third-Language Ethnic Programming											
Algerian				0.0					0.5		0.5
Arabic	0.2			0.2	2.5	1.0			1.0		1.0
Armenian				0.0						4.0	4.0
Bosnian			0.5	0.5		0.5					0.0
Brazilian		1.0		1.0							0.0
Cambodian	1.0		1.0	2.0		1.0					0.0
Caribbean				0.0		5.0			1.0		1.0
Chinese – Cantonese	18.0	95.0	93.0	206.0	31.5	78.0	1.0				0.0
Chinese – Mandarin	49.0	13.0	1.0	63.0	3.0	4.5	0.1		8.0		8.0
Croatian			1.0	1.0	1.0					1.0	1.0
Danish		0.3	0.4	0.7							0.0
Dutch	1.0		2.0	3.0	3.0	2.0					0.0
German				0.0	7.8		5.0		0.5		0.5
Greek		0.5	2.0	2.5	1.0		1.0		15.0	74.5	89.5
Haitian				0.0					6.0		6.0
Hebrew				0.0					0.5		0.5
Hindi	0.5			0.5	7.0	3.0	1.0		1.3		1.3
Hindustani				0.0		1.0					0.0
Hispano American				0.0					3.8		3.8
Hungarian				0.0	1.0	1.0	0.5			2.0	2.0
Icelandic		0.3		0.3							0.0
Indonesian	1.0			1.0		1.0					0.0
Irish				0.0			1.0				0.0
Italian		0.5	4.5	5.0	3.5		5.0		72.0		72.0
Japanese		7.0		7.0							0.0
Jewish				0.0					1.0		1.0
Korean	15.0			15.0	0.5						0.0
Laotian	1.0		1.0	2.0		1.0					0.0
Lingala	0.3			0.3							0.0
Lithuanian				0.0					1.0		1.0
Macedonian	1.0		1.0	2.0		1.0					0.0
Malaysian	1.0		1.0	2.0		1.0					0.0
Moroccan				0.0					1.0		1.0
Norwegian		0.3	0.4	0.7							0.0
Persian			2.0	2.0							0.0
Philipino–Tagalog	1.0	1.0	1.0	3.0	2.0		28.5		0.5	2.0	2.5
Polish			0.5	0.5	5.5	1.0	7.0		3.8		3.8
Portuguese		1.0		1.0	1.5		4.0		2.0		2.0
Punjabi	3.5			3.5	1.5	8.0	0.5		0.5		0.5
Romanian			1.0	1.0	1.0				0.5	2.0	2.5
Russian				0.0	0.5		0.5		0.5	3.0	3.5
Serbian			1.0	1.0	0.5	1.0				2.0	2.0
Slovenian				0.0			0.8				0.0

Weekly Number of Hours Broadcast during a Typical Week in May 2004

Language / Group	Vancouver CHKG FM	Vancouver CHMB AM	Vancouver CJVB AM	Vancouver Total	Edmonton CKER FM	Calgary CHKF FM	Winnipeg CKJS AM	Montréal CJWI AM	Montréal CFMB AM	Montréal CKDG FM	Montréal Total
Spanish	10.0	1.0	4.5	15.5	7.0	9.0	0.5				0.0
Swedish		0.3	0.4	0.7							0.0
Taiwanese	5.0			5.0							0.0
Tamil		0.5		0.5							0.0
Thai	1.0		1.0	2.0		1.0					0.0
Tunisian				0.0					1.0		1.0
Ukrainian		1.0		1.0	9.0	2.0	6.0		1.0		1.0
Urdu				0.0	0.5	3.0			0.5		0.5
Vietnamese	3.0	2.0	0.5	5.5	1.0		1.0		1.5		1.5
Yiddish							0.2		0.5		0.5
Total Third-Language Ethnic Programming	112.5	124.5	120.7	357.7	91.8	126.0	63.5	0.0	124.8	90.5	215.3
English, French & Aboriginal-Language Ethnic Programming											
English	13.2		5.3	18.5			16.0			0.5	0.5
French	0.3	0.5		0.8				126.0		0.8	126.8
Aboriginal		1.0		1.0							0.0
Total English, French & Aboriginal	13.5	1.5	5.3	20.3	0.0	0.0	16.0	126.0	0.0	1.3	127.3
Total Ethnic Programming	126.0	126.0	126.0	378.0	91.8	126.0	79.5	126.0	124.8	91.8	342.5

Table 2.25: Ethnic Radio, Toronto and Ottawa

Weekly Number of Hours Broadcast during a Typical Week in May 2004

Language / Group	Toronto CHIN AM	Toronto CHIN FM	Toronto CHKT AM	Toronto CIAO AM	Toronto CIRV FM	Toronto CJMR AM	Toronto Total	Ottawa CJLL FM
Third-Language Ethnic Programming								
Afghani			6.0	3.0			9.0	
Albanian		1.0					1.0	
Arabic	1.0						1.0	23.5
Bengali	1.0			1.0		0.5	2.5	
Bosnian			0.5				0.5	1.0
Brazilian					1.0		1.0	
Bulgarian		1.0					1.0	
Cambodian			1.0				1.0	
Caribbean					0.4	8.0	8.4	5.0
Chinese – Cantonese	25.0	5.0	56.0	3.0	16.3		105.3	10.5
Chinese – Mandarin	7.0		7.5		10.3		24.8	7.0
Croatian	1.0	5.0	1.5	1.5		2.5	11.5	
Dari	0.5						0.5	
Dutch						1.5	1.5	1.0
Ethiopian				2.0			2.0	
Farsi							0.0	1.0
German		2.5		5.0			7.5	1.0
Greek	10.0	5.0	1.0				16.0	2.0
Hebrew							0.0	1.0
Hindi		13.0	5.0	14.0		11.0	43.0	9.0
Hindi - Almendyya				2.0			2.0	
Hungarian				2.0			2.0	1.0
Indonesian			1.0				1.0	

Weekly Number of Hours Broadcast during a Typical Week in May 2004

Language / Group	CHIN AM (Toronto)	CHIN FM (Toronto)	CHKT AM (Toronto)	CIAO AM (Toronto)	CIRV FM (Toronto)	CJMR AM (Toronto)	Total (Toronto)	CJLL FM (Ottawa)
Irish			1.0				1.0	
Italian	51.0	34.5		11.0		1.0	97.5	27.0
Korean			10.0	10.0			20.0	
Laotian			1.0				1.0	
Macedonian	2.5	0.5	1.0				4.0	
Malaysian			2.0				2.0	
Montenegri		0.5					0.5	
Oromo	0.5						0.5	
Pashto	0.5						0.5	
Patua							0.0	8.0
Philipino–Tagalog	0.5						0.5	1.0
Polish		10.0		11.0	1.0	27.5	49.5	5.0
Portuguese		24.0		2.0	63.2	5.0	94.2	2.0
Punjabi		7.5	9.5	26.0	9.6	57.0	109.6	2.0
Romanian	0.5		1.0			0.5	2.0	
Russian		3.0	10.0		2.4		15.4	2.0
Scottish			1.0				1.0	
Serbian		1.0					1.0	1.0
Serbo-Croatian		1.0					1.0	
Serbo-Chetnic		1.0					1.0	
Slovenian		1.0					1.0	
Somali	2.0						2.0	2.0
Spanish	3.0			17.0	9.2	1.0	30.2	4.0
Swiss		0.5					0.5	
Thai			2.0				2.0	
Ukrainian	2.5				7.6	4.5	14.6	2.0
Urdu	2.5	1.0		6.0		4.0	13.5	1.0
Vietnamese			7.0		2.0	1.0	10.0	1.0
Other: (Please Specify)						0.5	0.5	
Total Third-Language Ethnic Programming	111.0	118.0	125.0	116.5	123.0	125.5	719.0	121.0
English, French & Aboriginal-Language Ethnic Programming								
English	15.0	8.0	1.0	9.5	3.0	0.5	37.0	5.0
French							0.0	
Aboriginal							0.0	
Total English, French & Aboriginal	15.0	8.0	1.0	9.5	3.0	0.5	37.0	5.0
Total Ethnic Programming	126.0	126.0	126.0	126.0	126.0	126.0	756.0	126.0

L. Religious Radio

- The Commission's *Religious Broadcasting Policy* is set out in 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.
  - The importance of balance: licensees are required to 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.

- As of April 19, 2004 there were 56 radio stations licensed to broadcast in Canada in a religious spoken word format or religious music format. Of these 56 stations, 25 are French-language and 31 are English-language.

M. 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 locations.

- 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 hold a broadcasting licence from the Commission.

  - 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 46 Type B native radio stations licensed.

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

Table 2.26: Revenues for Type B Native Stations

'($ 000)	1998	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	16	15	13	10	16	16
Local Advertising	1,123	1,182	1,183	1,056	1,546	1,859
National Advertising	1	47	83	137	181	223
Other	3,391	3,376	4,031	4,943	7,310	8,059
Total Revenues	4,516	4,606	5,297	6,137	9,037	10,141
% of Non-Advertising Revenues	75%	73%	76%	81%	81%	79%

Source: CRTC Financial Database Note: 1999 to 2002 figures have been updated to reflect current aggregate results.

N. 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 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 fundraising, grants, and other sources.
- There are currently 40 Type A and 41 Type B community stations.
- Of the Type A community stations, 28 are French, 11 are English and one is bilingual.
- Of the Type B community stations, 20 are French, 19 are English, one is bilingual and one is multicultural.

Table 2.27: Revenues for Type A Community Stations

'($ 000)	1998	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	24	22	22	18	23	22
Local Advertising	2,001	2,117	2,053	2,059	2,155	1,911
National Advertising	330	459	535	658	617	705
Other	2,445	2,557	2,195	2,399	2,749	2,788
Total Revenues	4,776	5,133	4,783	5,116	5,521	5,404
% of Non-Advertising Revenues	51%	50%	46%	47%	50%	52%

Source: CRTC Financial Database Note: 1998 to 2002 figures have been updated to reflect current aggregate results.

Table 2.28: Revenues for Type B Community Stations

'($ 000)	1998	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	21	23	19	22	14	24
Local Advertising	3,199	2,935	2,131	2,622	2,189	3,298
National Advertising	485	551	596	613	371	724
Other	2,956	3,288	2,851	2,870	2,422	3,307
Total Revenues	6,640	6,774	5,579	6,105	4,982	7,328
% of Non-Advertising Revenues	45%	49%	51%	47%	49%	45%

Source: CRTC Financial Database Note: 1998 to 2002 figures have been updated to reflect current aggregate results.

O. 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 49 campus stations licensed across Canada, 40 community-based campus stations and 9 instructional campus stations.

- Of the community-based campus stations, 6 are French, 33 are English and one is bilingual.

- The majority of campus radio revenues come from sources other than advertising, for example, revenues from the educational institution they are associated with, grants, the local community, fundraising, etc.

Table 2.29: Revenues for Community-Based Campus Radio Stations

'($ 000)	1998	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	28	30	21	21	21	19
Local Advertising	495	739	453	339	425	456
National Advertising	54	84	41	49	55	60
Other	3,243	3,807	3,001	2,686	2,858	3,369
Total Revenue	3,792	4,630	3,494	3,074	3,338	3,885
% of Non-Advertising Revenues	86%	82%	86%	87%	86%	87%

Source: CRTC Financial Database
Note: 1998 to 2002 figures have been updated to reflect current aggregate results.

Table 2.30: Revenues for Instructional Campus Radio Stations

'($ 000)	1998	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	4	5	6	6	6	6
Local Advertising	234	152	105	133	149	232
National Advertising	-	-	-	-	-	-
Other	126	178	217	234	198	195
Total Revenues	360	330	321	366	348	427
% of Non-Advertising Revenues	35%	54%	67%	64%	57%	46%

Source: CRTC Financial Database

P. Low Power Radio

- A new licensing policy for low-power radio was issued in *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002. This policy includes a definition of markets where low-power frequencies will be deemed to be scarce, circumstances where a low-power call for competing applications may occur and a priority system for assessing competing low-power radio applications.

- The following table outlines the number of low and very low-power radio stations in Canada as of July 2004, by type.

Table 2.31: Number of Originating Low and Very Low-Power Radio Stations in Canada by Type

Type	Private English-Language	Private French-Language	Other	Total
Tourist / Travel	62	3	1	66
Native Type B	20	5	1	26
Religious	21	21		42
Community - Type A	4	6		10
Community - Type B	7	2		9
Campus Community	8			8
Campus Instructional	4			4
Commercial	11	1	1	13
Specialty			1	1
Total	137	38	4	179

Source: CRTC Decisions

Q. Audio Services Delivered by Broadcasting Distribution Undertakings

1. Specialty Audio Services

- In *New licensing framework for specialty audio programming services*, Broadcasting Public Notice CRTC 2002-53, 12 September 2002, the Commission recognized the scarcity of over-the-air frequencies by offering an opportunity for a range of new discretionary specialty audio programming services distributed through other means.

- Specialty audio services are defined as audio programming services that are radio undertakings, other than licensed over-the-air services, delivered by BDUs and are specialized with respect to their content and/or target audience.

- There is no limit to the amount of advertising that may be broadcast on these services. There is also no carriage guarantee.

- From 1 October 2002 to 1 May 2004, the Commission approved 14 specialty audio services (2 regional and 12 national) targeting 8 ethnic communities and two Christian communities.

2. Pay Audio Programming Services

- In 1995[4], following a competitive process, the Commission approved two national pay audio programming undertakings services known as Galaxie and Max Trax. These services offer 30 channels of commercial-free music. Each channel is devoted to a specific type of music, including classical, Christian contemporary, jazz, rap, rock, etc.

- Galaxie and Max Trax are carried on a discretionary basis by major distributors across Canada. Subscriber revenue is the principal revenue source for these services.

R. Multi-Channel Subscription Radio Services

- In *Call for Applications for a Broadcasting Licence to Carry on a Multi-Channel Subscription Radio Programming Undertaking*, Broadcasting Public Notice CRTC 2003-68, 23 December 2003, the Commission issued a call for applications for parties wishing to seek authority to carry on a multi-channel audio distribution undertaking for direct reception by subscribers. Since no such service is currently licensed for operation in Canada, the Commission indicated that it had not reached any conclusion with respect to the viability of such a service, nor had it determined whether it would authorize such a service at this time. The Commission held a public hearing commencing on 1 November 2004[5] to consider three applications for this type of licence.

S. The National Public Broadcaster

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

1. Over-the-Air Radio Stations

- The CBC operates four national radio network services - *Radio One and Radio Two* in English and *La Première chaîne* and *Espace musique* in French. Additionally, CBC provides a unique radio service in Canada's North, broadcasting in English, French and eight Aboriginal languages. CBC also operates *Radio-Canada International*, an international short-wave radio service.

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[4] Licensing of four new pay audio programming undertakings, *Public Notice CRTC 1995-218, 20 December 1995;* New Pay Audio Programming Undertaking (Select Digital Music), *Decision CRTC 93-235, 25 June 1993*
[5] Broadcasting Notice of Public Hearing CRTC 2004-6, 6 July 2004

- CBC radio services broadcast commercial free and are funded by the federal government.

Table 2.32: CBC English and French-language Radio Networks

CBC's Over-the-Air Radio Networks	English-Language		French-Language		Total
	Radio One	Radio Two	Première chaîne	l'Espace musique	
CBC owned stations	37	14	21	12	84
CBC rebroadcasters	384	23	151	24	582
Community owned stations	1	1	-	-	2
Community owned rebroadcasters	47	10	9	-	66
Total	469	48	181	36	734

Source: CBC / Radio-Canada (Nov. 2004)

2. Pay Audio Services

- CBC owns and operates the national pay audio service Galaxie. The revenues of this bilingual service are derived entirely from subscriber revenues.

III. Television

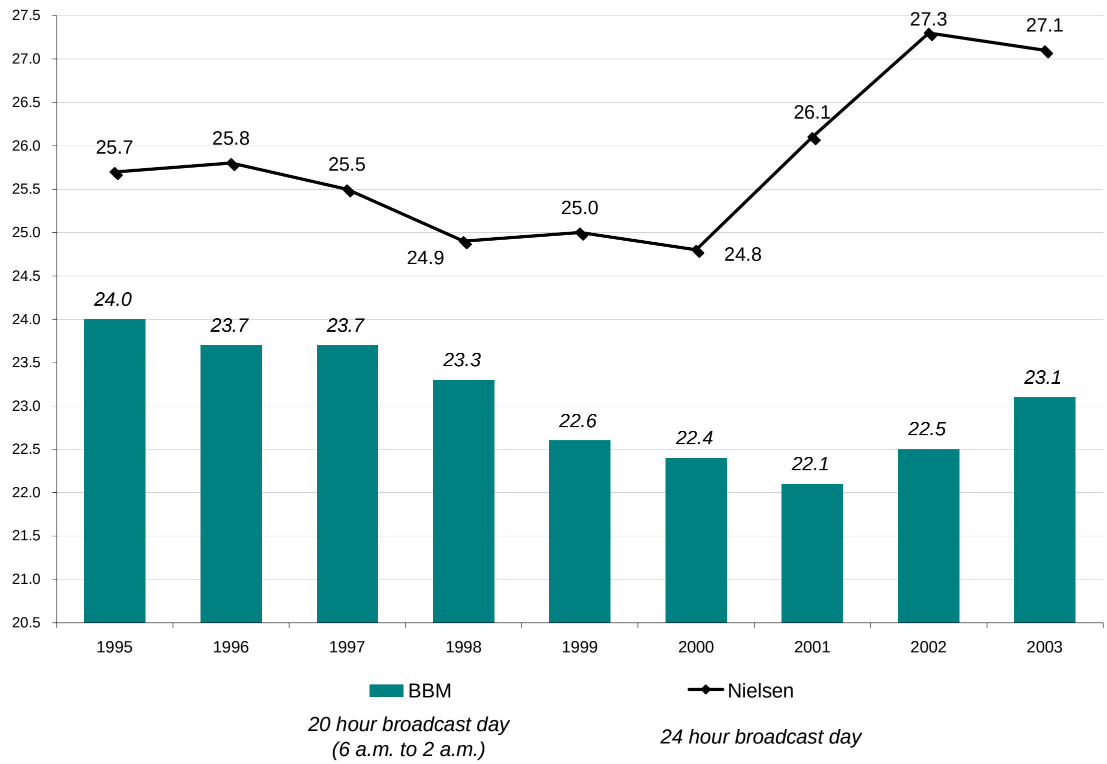
A. Audience

1. Average Weekly Hours per Viewer

- BBM data indicates that the average total weekly hours per viewer 2+ increased in 2003 by approximately 35 minutes.

- Nielsen Media Research reports a modest 12 minute decrease of average weekly viewing in 2003 compared to 2002.

Chart 3.1: **Average Weekly Hours per Viewer – All Persons 2+ – Fall**



Sources: BBM: 2003-2004 Television Data Book; Nielsen Media Research & CBC Research

2. Average Weekly Hours per Capita

- On a per capita basis in 2003, the average weekly hours for Nielsen and BBM were 26.1 and 21.7 hours respectively.

- The following table sets out the average weekly viewing hours per capita by age group for the Fall 1999 to Fall 2003 survey periods (BBM Fall surveys, all persons 2+, 6 a.m. to 2 a.m. broadcast day).

Table 3.1: Per Capita Average Weekly Viewing Hours by Age Group

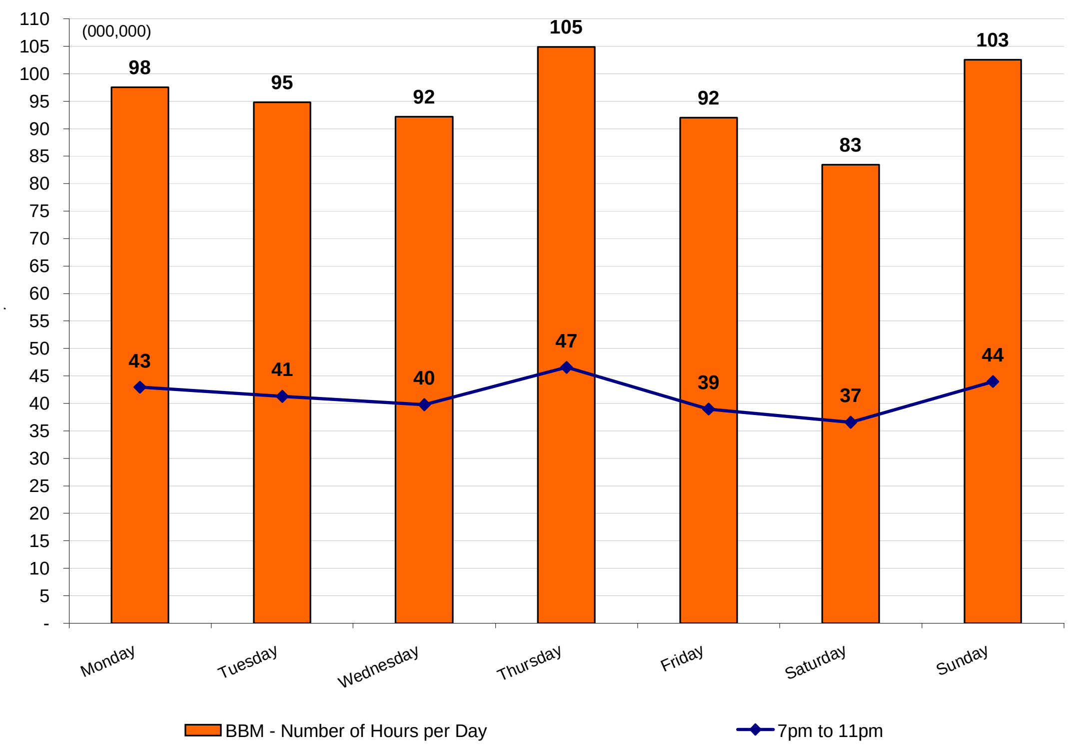
BBM Fall - All Persons 2+ - 6 a.m. to 2 a.m. Broadcast Day									
				Adults					
BBM Fall	All Persons 2+	Children 2-11	Teens 12-18	18-24	25-34	35-49	50-54	55-59	60+
1999	21.6	15.5	15.5	15.7	19.2	20.5	23.4	27.2	33.8
2000	21.5	15.5	14.1	14.8	19.0	20.2	23.4	27.3	34.2
2001	21.2	14.2	13.1	14.6	18.5	20.4	24.1	26.4	34.0
2002	21.6	14.6	13.7	14.4	19.2	20.7	24.1	26.3	34.1
2003	21.7	14.0	14.8	13.1	19.1	20.9	23.9	27.3	34.2

Source: MicroBBM – 1999 to 2003 Fall Surveys

- Average viewing for all persons 2+ has remained relatively stable since 1999.

3. Average Daily Viewing Hours

Chart 3.2: Average Daily Viewing Hours – All Persons 2+ – BBM Fall 2003 – 6 a.m. to 2 a.m. Broadcast Day



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

4. Viewing Share by Station Group

Table 3.2: Fall 1993 to Fall 2003 for All Persons 2+
All Provinces Excluding Quebec
Monday to Sunday, 6 a.m. to 2 a.m.

	Viewing Share % - Fall											*Growth*
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	*93 to 03*
Canadian Services:												
English Language												
- Private Conventional	44.1	42.9	42.6	41.3	39.6	37.5	37.6	35.9	33.3	34.8	35.1	*(9.0)*
- CBC & Affiliates	12.9	13.2	12.0	11.5	10.6	9.1	7.5	7.5	6.9	6.8	7.1	*(5.8)*
- Pay & Specialty	6.2	5.9	9.0	9.6	13.0	14.7	16.9	19.5	20.0	21.4	22.6	*16.4*
- Digital Specialty *									1.8	1.4	1.6	*1.6*
- TVO	0.8	1.0	1.0	1.1	1.2	1.3	1.2	1.3	1.0	1.2	1.0	*0.2*
- Other **	0.6	0.7	0.7	0.8	0.8	0.7	0.8	0.7	1.1	1.4	1.2	*0.6*
Total English	*64.6*	*63.7*	*65.1*	*64.3*	*65.3*	*63.3*	*64.0*	*65.0*	*64.1*	*66.9*	*68.6*	*4.0*
French Language												
- Private Conventional	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.4	0.5	*(0.1)*
- SRC & Affiliates	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.5	0.5	0.4	0.3	*(0.3)*
- Pay & Specialty	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	*0.2*
Total French	*1.3*	*1.2*	*1.3*	*1.3*	*1.3*	*1.3*	*1.2*	*1.3*	*1.2*	*1.1*	*1.1*	*(0.2)*
Other Languages												
- Private Conventional	1.2	1.5	1.2	1.0	0.9	1.1	1.0	0.9	0.7	0.9	1.4	*0.2*
- Pay & Specialty	0.1	0.2	0.4	0.4	0.5	0.5	0.7	0.8	0.5	0.6	0.4	*0.3*
- Digital Specialty *									-	0.0	-	*-*
Total Other	*1.3*	*1.7*	*1.6*	*1.4*	*1.4*	*1.6*	*1.7*	*1.7*	*1.2*	*1.6*	*1.8*	*0.5*
Total Cdn. Services	**67.3**	**66.6**	**68.0**	**67.0**	**68.0**	**66.3**	**66.9**	**68.0**	**66.5**	**69.6**	**71.5**	***4.2***
Foreign Services:												
- Conventional	17.8	17.4	16.6	16.2	13.5	14.2	13.2	12.4	12.2	10.9	10.9	*(6.9)*
- PBS	2.8	2.5	2.3	2.4	2.3	1.8	1.7	1.9	1.8	1.4	1.3	*(1.5)*
- Pay & Specialty	5.5	6.5	5.9	6.8	7.4	9.4	10.2	11.5	13.4	11.9	10.5	*5.0*
Total Foreign Services	**26.1**	**26.5**	**24.8**	**25.4**	**23.2**	**25.5**	**25.1**	**25.8**	**27.4**	**24.2**	**22.7**	***(3.4)***
Other	0.9	1.0	1.0	1.3	2.8	2.5	2.3	1.1	1.2	1.2	1.1	*0.2*
VCR	5.7	5.9	6.1	6.3	6.0	5.8	5.8	5.1	4.7	5.1	4.8	*(0.9)*
TOTAL	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	
Total Hours (000)	*448,541*	*471,494*	*488,749*	*486,246*	*488,769*	*503,072*	*478,576*	*471,198*	*472,640*	*486,011*	*492,453*	*43,912*

* BBM Fall 2001 sample was conducted during the promotional viewing period.
** Includes viewing to House of Commons (CPAC), Provincial Legislatures, Cable Community Channel, Other Educational and Religious
- In Fall 1997, results for the CFMT (OMNI 1) station, were moved from private conventional English-Language to private conventional Other-Languages.
Source: BBM Fall 1993-2003

- The total viewing share of Canadian English-language television services in all provinces excluding Quebec has increased by 4 percentage points compared to 1993. The viewing to all Canadian services has increased by 4.2 percentage points over the same period. Viewing to foreign services has decreased by 3.4 percentage points over the same period.

- Canadian English-language pay and specialty services continue to increase their share of the total viewing. BBM[1] reports a total viewing share of 24.2% in Fall 2003. Neilsen Research[2] data reports that the share for Canadian English pay and specialty services in all regions excluding Québec averaged 32.1% over the period of 27 October to 23 November 2003.

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

Table 3.3: Fall 1993 to Fall 2003 for All Persons 2+
Province of Quebec
Monday to Sunday, 6 a.m. to 2 a.m.

	Viewing Share % - Fall											Growth
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	93 to 03
Canadian Services:												
French Language												
- Private Conventional	47.6	47.7	44.9	44.7	46.1	44.9	45.0	46.1	44.0	45.4	45.8	*(1.8)*
- SRC & Affiliates	22.8	20.4	22.7	21.6	19.8	21.1	20.0	17.5	17.8	14.9	11.7	*(11.1)*
- Pay & Specialty	5.6	5.6	8.4	10.0	10.4	10.5	11.2	13.5	15.7	17.5	17.9	*12.3*
- Télé-Québec	2.6	3.3	2.4	1.5	1.1	1.3	2.0	2.0	2.2	2.5	2.6	*(0.0)*
Total French	*78.6*	*77.0*	*78.4*	*77.7*	*77.4*	*77.8*	*78.2*	*79.1*	*79.7*	*80.2*	*78.0*	*(0.6)*
English Language												
- Private Conventional	6.4	6.4	6.0	6.2	6.5	6.3	6.0	5.9	5.3	5.2	6.0	*(0.4)*
- CBC & Affiliates	2.1	2.3	2.1	2.1	1.9	1.6	1.2	1.3	1.1	1.1	1.5	*(0.6)*
- Pay & Specialty	0.9	0.9	1.3	1.4	2.1	2.0	2.3	2.6	2.7	3.0	3.1	*2.2*
- Digital Specialty *									0.4	0.3	0.4	*0.4*
- Other **	0.3	0.4	0.3	0.5	0.3	0.3	0.3	0.4	0.4	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*	*10.0*	*11.4*	*1.7*
Other Languages												
- Private Conventional	-	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.3	0.5	0.4	*0.4*
- Pay & Specialty	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	*0.2*
Total Other Languages	*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*0.2*	*0.3*	*0.3*	*0.5*	*0.7*	*0.6*	*0.6*
Total Cdn. Services	**88.3**	**87.0**	**88.1**	**87.9**	**88.3**	**88.2**	**88.2**	**89.5**	**90.1**	**91.0**	**90.0**	***1.7***
Foreign Services												
- Conventional	6.2	6.7	5.7	5.6	4.7	4.5	4.6	4.4	3.7	3.1	3.3	*(2.9)*
- PBS	1.1	1.2	0.9	0.9	0.7	0.7	0.6	0.7	0.5	0.4	0.4	*(0.7)*
- Pay & Specialty	0.2	0.2	0.6	0.6	0.9	1.0	1.1	1.4	1.9	1.6	1.7	*1.5*
Total Foreign Services	**7.5**	**8.1**	**7.3**	**7.0**	**6.2**	**6.2**	**6.3**	**6.5**	**6.1**	**5.1**	**5.4**	***(2.1)***
Other	0.6	0.7	0.7	0.8	1.3	1.4	1.7	0.9	0.9	0.8	0.9	*0.3*
VCR	3.6	4.3	4.0	4.4	4.2	4.2	3.8	3.2	2.9	3.1	3.6	*(0.0)*
TOTAL	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	
Total Hours (000)	*174,533*	*187,524*	*190,479*	*190,299*	*189,195*	*188,637*	*181,056*	*173,099*	*170,205*	*173,355*	*174,980*	*447*

* BBM Fall 2001 sample was conducted during the promotional viewing period.
** Includes viewing to House of Commons (CPAC), Provincial Legislatures, Cable Community Channel, Other Educational and Religious
- In Fall 1997, results for the CFMT (OMNI 1) station, were moved from private conventional English-Language to private conventional Other-Languages.
Source: BBM Fall 1993-2003

- The total viewing share of Canadian French-language television services in Quebec has remained relatively constant since 1993.
- BBM[3] reports that Canadian French-language pay and specialty services continue to increase their share of total viewing reaching a 17.9% share of viewing in Fall 2003 in the province of Quebec. Over the same period, French-language private conventional services have decreased by only 1.8%, while SRC has lost 11.1%.
- Nielsen Research[4] data reports that the share of Canadian French-language pay and specialty services in the province of Quebec averaged 30.8% over the period of 27 October to 23 November 2003.

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

5. Viewing Share by Ownership Group

- In *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999 (the Television Policy), the Commission established 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 3.4 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.

- Table 3.5 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.

Table 3.4: Combined Viewing Share of Conventional and Specialty Services Controlled, 50% or Greater, by Conventional English and French-Language TV Ownership Groups

			FALL - All Persons 2+, 6 a.m. to 2 a.m.											
Ownership Group	Voting Interest (1)	Lang.	All Regions *(Excl. Québec)*						Province of Québec					
			98	99	00	01*	02	03	98	99	00	01*	02	03
Bell Globemedia (CTV) (2)														
- CTV Conventional Stations	100%	e	14.3	15.0	14.2	14.2	14.9	15.2	0.6	1.0	0.9	3.6	3.5	4.1
- Newsnet	100%	e	0.3	0.3	0.4	0.4	0.3	0.3	-	-	-	0.1	0.0	0.0
- TalkTV	100%	e			-	-	0.0	0.0			-	-	-	0.0
- Comedy Network, The	100%	e	0.3	0.3	0.4	0.4	0.5	0.5	-	-	-	-	0.0	0.0
- ROBTV	100%	e				0.1	0.1	0.2				-	0.0	0.0
- TSN (Sports Network, The)	80%	e			2.3	2.2	2.4	2.0			0.4	0.4	0.5	0.4
- RDS (Réseau des sports)	80%	f			-	-	0.1	0.1			1.6	1.6	3.0	2.9
- Discovery Channel, The	64%	e			0.9	0.8	0.8	0.9			0.2	0.2	0.2	0.3
- Digital Specialty Services		e				0.3	0.2	0.2				0.1	0.0	0.0
Total			14.9	15.6	18.2	18.4	19.2	19.4	0.6	1.0	3.1	5.9	7.3	7.9
CanWest Media														
- Global Conventional Stations	100%	e/o	8.1	7.4	13.5	13.3	13.3	12.8	1.8	1.5	1.6	1.8	1.9	1.9
- Prime TV	100%	e	0.5	0.8	1.1	1.2	1.1	1.1	-	-	-	-	0.1	0.1
- Digital Specialty Services		e				0.5	0.4	0.4				0.1	0.1	0.1
Total			8.6	8.2	14.6	15.0	14.8	14.2	1.8	1.5	1.6	1.9	2.1	2.1
CHUM (7)														
- CHUM Conventional Stations	100%	e	4.2	4.3	4.4	4.5	4.9	5.2	0.2	0.1	0.1	0.1	0.2	0.2
- Bravo!	100%	e	0.4	0.3	0.5	0.4	0.7	0.7	0.1	0.1	0.1	0.1	0.1	0.1
- MuchMusic	100%	e	0.4	0.4	0.4	0.4	0.4	0.3	-	-	0.1	-	0.1	0.0
- MuchMoreMusic	100%	e	0.2	0.2	0.2	0.2	0.2	0.2	-	-	-	-	0.0	0.0
- Space	100%	e	0.7	0.6	0.9	0.9	0.8	0.6	0.1	0.1	0.2	0.2	0.2	0.2
- Star-TV	100%	e		0.1	0.1	0.1	0.1	0.1		-	-	-	0.0	0.0
- Pulse 24 (CP24)	70.1%	e	0.1	0.1	0.2	0.3	0.3	1.3	-	-	-	-	-	-
- Canadian Learning Channel (CLT)	60%	e		-	-	0.1	0.1	0.1		-	-	-	0.0	0.0
- MusiquePlus	50%	f	-	-	-	-	0.0	0.0	0.3	0.3	0.3	0.2	0.3	0.3
- Musimax	50%	f	-	-	-	-	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2
- Digital Specialty Services		e				0.1	0.1	0.2				-	0.0	0.0
Total			6.0	6.0	6.7	7.0	7.6	8.6	0.9	0.8	1.0	0.8	1.1	1.1
CBC / SRC														
- Conventional - English Stations	100%	e	7.2	6.0	6.1	5.7	5.8	6.1	1.6	1.2	1.3	1.1	1.1	1.5
- Newsworld	100%	e	0.9	0.7	1.0	1.0	0.9	1.0	0.1	0.1	0.1	0.2	0.2	0.2
- Digital Specialty Service(s)	100%	e				0.0	0.0	0.0				0.0	0.0	0.0
Subtotal - English Language			*8.1*	*6.7*	*7.1*	*6.7*	*6.7*	*7.1*	*1.7*	*1.3*	*1.4*	*1.3*	*1.3*	*1.7*
- Conventional - French Stations	100%	f	0.6	0.6	0.5	0.5	0.4	0.3	15.7	15.2	13.6	14.3	12.0	9.4
- RDI (Réseau de l'information)	100%	f	-	0.1	0.1	0.1	0.1	0.1	1.5	1.2	1.2	2.7	1.9	1.8
Subtotal - French Language			*0.6*	*0.7*	*0.6*	*0.6*	*0.5*	*0.4*	*17.2*	*16.4*	*14.8*	*17.0*	*13.9*	*11.2*
Total			8.7	7.4	7.7	7.3	7.2	7.4	18.9	17.7	16.2	18.3	15.2	12.9
Craig Media (3) (7)														
- Craig, Conventional Stations		*e*	1.3	1.5	1.4	1.1	1.0	1.2	-	-	-	-	-	-
- Digital Specialty Services		*e*				0.2	0.1	0.1				-	-	0.0
Total			1.3	1.5	1.4	1.3	1.1	1.3	-	-	-	-	-	0.0
Quebecor Media (4) (6) (7)														
- Conventional Stations		f	-	-	0.1	0.1	-	-	6.6	8.1	9.5	9.3	29.8	28.0
- LCN (Le Canal Nouvelles)		f					-	0.0					0.9	0.7
- Digital Specialty Services		*e*				0.1	0.1	0.1				-	-	0.0
Total			-	-	0.1	0.2	0.1	0.1	6.6	8.1	9.5	9.3	30.7	28.7
Cogeco (5) (6)														
- Conventional Stations		f	-	-	-	-	-	0.1	5.9	5.8	5.4	4.8	14.4	16.0
Vidéotron (6)														
- Conventional Stations		f	0.1	0.1	0.1	-			32.5	31.2	30.4	29.0		
- LCN (Le Canal Nouvelles)		f	-	-	-	-			0.3	0.5	0.6	0.6		
Total			0.1	0.1	0.1	-	-	-	32.8	31.7	31.0	29.6	-	-
Total viewing share - Conventional			35.8	34.9	40.3	39.4	40.3	40.9	64.9	64.1	62.8	64.0	62.9	61.1
Total viewing share - Specialty			3.8	3.9	8.5	9.9	9.7	10.2	2.6	2.5	5.0	6.6	7.9	7.6
Total Viewing Share - Conventional & Specialty			39.6	38.8	48.8	49.3	50.0	51.1	67.5	66.6	67.8	70.6	70.8	68.7

Sources: BBM Fall 1998 to 2003; Economic Analysis and Research Broadcasting Directorate, CRTC; CRTC Acquisitions and Ownership Policy Section.
* *BBM sample was conducted during the introductory promotional viewing period for digital specialty services.*
(1) Reflects percentage of direct and indirect voting interest as of Fall 2003.
(2) BCE Inc. holds a 68.5% voting interest in Bell Globemedia Inc(BGM); CTV acquired NetStar 24 March 2000 and therefore acquired controlling interest in TSN, RDS and Discovery specialty channels; BCE Inc. acquired controlling interest in CTV on 7 December 2000; BGM acquired control of ROBTV in October 2001; BGM sold its interest in Canal Évasion in January 2003.
(3) Manalta Investment Company Ltd. (Craig Family) holds 80.1% of the voting interest of Craig Media Inc.
(4) Quebecor inc. directly and indirectly owns and control 54.72% of the voting interest of Quebecor Media Inc. Quebecor Media Inc. holds 99.91% voting interest in TVA Group Inc.
(5) Cogeco inc. holds through subsidiaries 60% of the voting interest of TQS inc. The remaining 40% is owned by CTV Television Inc.
(6) TVA conventional television stations & LCN were controlled by Vidéotron from 1998 to 2001. Quebecor acquired controlling interest of these services in 2002. TQS inc. conventional stations were controlled by Quebecor from 1997 to 2001. Cogeco acquired controlling interest in 2002. Refer to Chart 3.11 for details.
(7) CHUM Limited acquired effective control of Craig Media Inc. in November 2004 (*Transfer of effective control of Craig Media Inc. to CHUM Limited; and Acquisition of assets – reorganization of Toronto One*, Broadcasting Decision CRTC 2004-502, 19 November 2004). In *Transfer of effective control of Toronto One to TVA Group Inc. and Sun Media Corporation*, Broadcasting Decision CRTC 2004-503, 19 November 2004, the Commission also approves the transfer of effective control of Toronto One to Quebecor Media Inc.

Table 3.5: 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

Ownership Group	Voting Interest (1)	Lang.	FALL - All Persons 2+, 6 a.m. to 2 a.m. — All Regions *(Excl. Québec)* 98	99	00	01*	02	03	Province of Québec 98	99	00	01*	02	03
Astral Media														
- TMN, The Movie Network	100%	e	0.3	0.6	0.7	0.7	0.7	0.6	0.1	0.1	0.2	0.1	0.2	0.2
- SuperÉcran	100%	f	-	-	-	-	-	0.0	1.3	1.2	1.6	1.7	1.9	1.7
- Moviepix! (The Classic Channel)	100%	e	0.1	0.2	0.2	0.2	0.2	0.1	-	-	0.1	0.1	0.1	0.1
- VRAK-TV (Canal Famille)	100%	f	-	-	-	-	-	0.0	1.3	1.3	0.8	1.9	2.1	2.0
- Canal D	100%	f	-	-	-	-	-	0.0	1.1	1.1	1.0	1.0	1.2	1.1
- Canal Vie	100%	f	-	-	-	-	-	0.0	0.5	0.7	0.9	0.8	1.0	1.5
- Canal Z	100%	f			-	-	-	0.0			0.4	0.5	0.5	0.6
- Family Channel, The	100%	e	0.5	0.7	0.8	0.9	1.2	1.2	-	-	-	-	-	0.1
- Viewer's Choice Canada	50.1%	e	-	0.1	-	0.1	0.1	0.0	-	-	-	-	-	0.0
- Séries +	50%	f			-	-	-	0.0			0.9	0.8	1.1	1.4
- Historia	50%	f			-	-	-	0.0			0.4	0.3	0.5	0.5
- MusiquePlus	50%	f	-	-	-	-	-	0.0	0.3	0.3	0.3	0.2	0.3	0.3
- Musimax	50%	f	-	-	-	-	-	0.0	0.2	0.2	0.2	0.2	0.2	0.2
Total			0.9	1.5	1.7	1.8	2.2	2.1	4.7	4.8	6.9	7.7	8.9	9.7
Corus														
- Conventional Television Stations	100%	e			0.4	0.3	0.3	0.4			0.6	-	-	-
- Movie Central (SuperChannel)	100%	e	0.2	0.3	0.4	0.6	0.7	0.7	-	-	-	-	-	-
- Encore Avenue (MovieMax!)	100%	e	0.0	0.0	0.1	0.1	0.1	0.0	-	-	-	-	-	-
- YTV	100%	e	1.7	1.9	1.6	1.4	1.5	1.3	0.3	0.4	0.3	0.3	0.2	0.3
- Treehouse TV	100%	e	0.2	0.4	0.7	0.6	0.9	1.7	-	-	-	0.1	0.0	0.1
- W (Women's Television Network)	100%	e				0.6	0.6	0.6				-	-	0.0
- CMT (Country Music Television)	90%	e	0.3	0.4	0.5	0.4	0.5	0.5	0.1	0.1	0.1	0.1	0.1	0.1
- Telelatino	50.5%	o				0.1	0.1	0.1				0.1	0.1	0.1
- Digital Specialty Services		e				0.2	0.1	0.1				-	-	0.0
Total			2.5	3.0	3.7	4.2	4.8	5.5	0.4	0.5	1.0	0.5	0.4	0.5
Alliance Atlantis														
- Showcase	100%	e	0.4	0.5	0.6	0.6	0.4	0.7	0.1	0.1	0.1	0.1	0.0	0.2
- Life Network, The	100%	e	0.3	0.3	0.3	0.3	0.3	0.4	0.1	0.1	0.1	0.1	0.1	0.1
- History Channel, The	100%	e	0.6	0.5	0.8	0.7	0.7	0.5	0.1	0.1	0.1	0.1	0.1	0.1
- HGTV Canada	80.24%	e	0.3	0.3	0.3	0.5	0.6	0.7	-	-	-	-	0.1	0.1
- Food Network Canada	57.6%	e			0.3	0.3	0.4	0.0			-	-	0.0	0.0
- Historia	50%	f			-	-	-	0.0			0.4	0.3	0.5	0.5
- Séries +	50%	f			-	-	-	0.0			0.9	0.8	-	1.4
- Digital Specialty Services		e				0.3	1.1	0.5				0.1	0.1	0.1
Total			1.6	1.6	2.3	2.6	3.6	2.9	0.2	0.2	1.5	1.4	0.9	2.5

Sources: BBM Fall 1998 to 2003; Economic Analysis and Research, Broadcasting Directorate, CRTC; CRTC Acquisition and Ownership Policy Section

* BBM sample was conducted during the introductory promotional viewing period for digital specialty services.

(1) Percentage of direct and indirect voting interest

B. Canadian Priority Programming

- In *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 sufficient number of hours of diverse programming 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 magazine programs.

- The Television Policy also required that the large multi-station ownership groups offer as a minimum, in each broadcast year, an average of 8 hours per week of Canadian priority 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 and Craig, 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 drama programs 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 were also renewed in 2004[6]. 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.

- 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:

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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*

- In *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 mini-mum total incremental expenditure of $140 million over the licence term on the benefits-related priority programming.

- In *Transfer of effective control of TVA to Québecor 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 commenced in the 2001/2002 broadcast year.

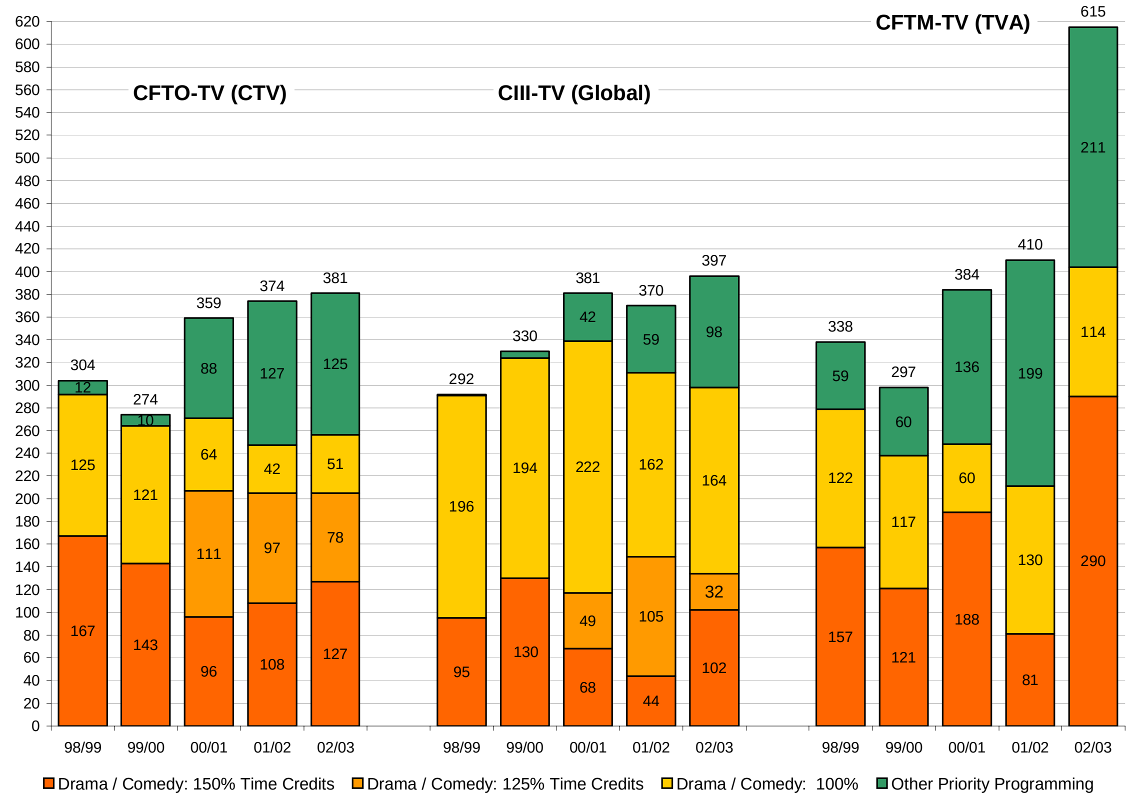
1. Scheduling of Priority Programs

• The following chart sets out the total number of Canadian priority programming hours scheduled during the 1998/99 to 2002/03 broadcast years for the following stations:

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

• Results for the last three broadcast years (2000/01 to 2002/03) are based on the revised definitions of priority programming that came into effect on 1 September 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 chart.

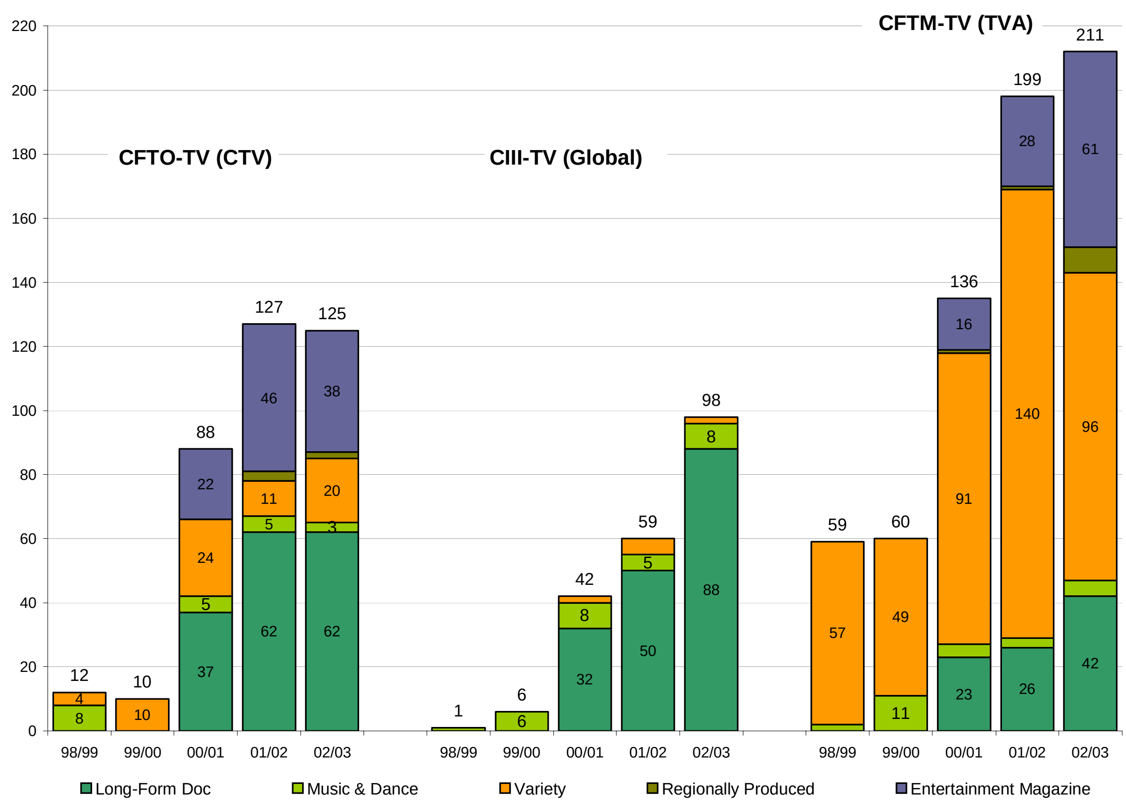
Chart 3.3: Number of Hours of Drama/Comedy and Other Canadian Priority Programming Scheduled Annually – 7 p.m. to 11 p.m.



Notes: Reflects actual hours broadcast. Results for the 00/01, 01/02 and 02/03 broadcast years are based on the revised definitions of priority programming that came into effect on 1 September 2000.
Source: CRTC Logs (August 2004)

- The following chart sets out the total number of Canadian priority programming hours, other than drama/comedy, scheduled in the 1998/99 to 2002/03 broadcast years for CFTO-TV, Toronto (CTV), CIII-TV, Toronto (Global) and CFTM-TV, Montréal (TVA).

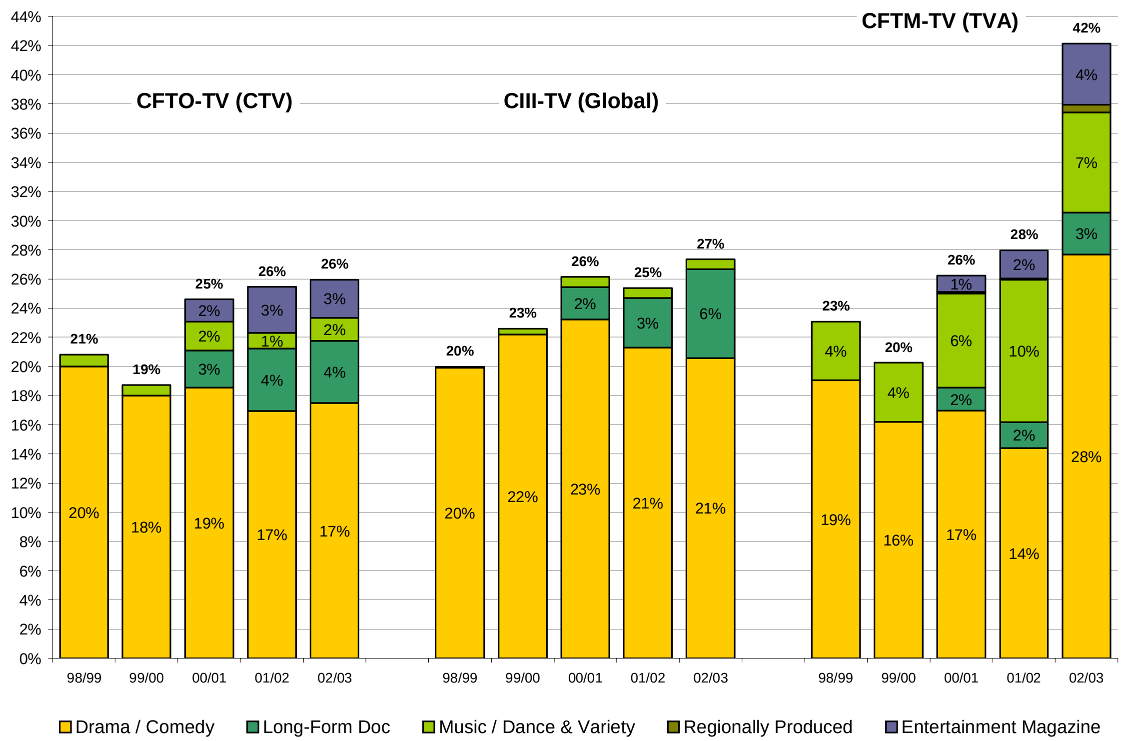
Chart 3.4: Number of Hours Non-Drama/Comedy Canadian Priority Programming Scheduled Annually – 7 p.m. to 11 p.m.



Notes: Reflects actual hours broadcast. Results for the 00/01, 01/02 and 02/03 broadcast years are based on the revised definitions of priority programming that came into effect on 1 September 2000.
Source: CRTC Logs (August 2004)

- The following chart sets out for each of the Canadian priority programming categories, the percentage of hours broadcasted during the peak viewing period of 7 p.m. to 11 p.m. by CFTO-TV Toronto (CTV), CIII-TV Toronto (Global) and CFTM-TV Montréal (TVA) during the 1998/99 to 2002/03 broadcast years.

Chart 3.5: Percentage of Hours Broadcast for Each Canadian Priority Programming Category from 1998/99 to 2002/03



Notes: Calculation of percentages is based on actual hours broadcast. Results for the 00/1, 01/02 and 02/03 broadcast years are based on the revised definitions of priority programming that came into effect on 1 September 2000.
Source: CRTC Logs (August 2004)

2. Drama

- In *Incentives for English-language Canadian television drama*, Broadcasting Public Notice CRTC 2004-93, 29 November 2004, the Commission set out its final program of incentives designed to increase the viewing to, the expenditures on, the production and the broadcast of Canadian English-language drama programming.

- The program includes incentives to increase the viewing to Canadian drama. Additional advertising minutes will be awarded for an annual increase, over the broadcast year, in the ratio of total viewing to all Canadian drama as a percent of the total drama viewing on all the conventional television stations and specialty services within an ownership group that meets or exceeds the targets set by the Commission. The Commission indicated that a public notice will be issued in the 2004/05 broadcast year, setting out its proposed industry viewing objective along with the preliminary viewing targets for those groups participating in the incentive program. The increases will be measured using metered data over the entire broadcast year.[7]

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[7] The Commission is currently working with the Canadian Television Fund (CTF), Telefilm, Mediastats and interested government departments to refine a methodology that will facilitate the addition of country of origin and program genre for each program captured by both the BBM Canada and Nielsen Media Research people meter databases. These two additional data fields will be available for programs broadcast beginning 1 September 2003.

- The following tables provide preliminary viewing results to drama/comedy[8] programming for the largest conventional groups in Canada.

Table 3.6: Viewing to Drama/Comedy by Ownership Group in the Toronto, Vancouver and Calgary Markets English-Language Conventional Stations All Persons 2+, 6 a. m. to 6 a. m. 1 September 2003 to 29 February 2004 (26 weeks) Nielsen Media Research Metered Data [(1)]

		Percentage of Average Weekly Viewing Hours (%)	
Ownership Group / Stations		Canadian	Foreign
Toronto / Vancouver / Calgary Markets			
CBC	CBLT-TV / CBUT-TV / CBRT-TV	41.9	58.1
CTV	CFTO-TV / CIVT-TV / CFCN-TV	9.5	90.5
CanWest	CIII-TV & CHCH-TV / CHAN-TV & CHEK-TV / CICT-TV	8.5	91.5
Toronto / Vancouver Markets			
CHUM	CITY-TV / CKVU-TV & CIVI-TV	8.1	91.9

Notes:
1. Preliminary data for the 1st half of the 2003/04 broadcast year based on a 24 hour clock.
   Excludes viewing to drama programs where the country of origin was not identified – less than 1% of total hours.

Table 3.7: Viewing to Drama/Comedy for SRC and TVA Conventional Stations[(1)] in the Quebec Franco Market All Persons 2+, 6 a. m. to 6 a. m. 1 September 2003 to 29 February 2004 (26 weeks) BBM Metered Data[(2)]

	Percentage of Average Weekly Viewing Hours (%)	
Ownership Group & Affiliates	Canadian	Foreign
Quebec Franco Market		
SRC & Affiliates	74.4	25.5
TVA & Affiliates	32.0	66.9

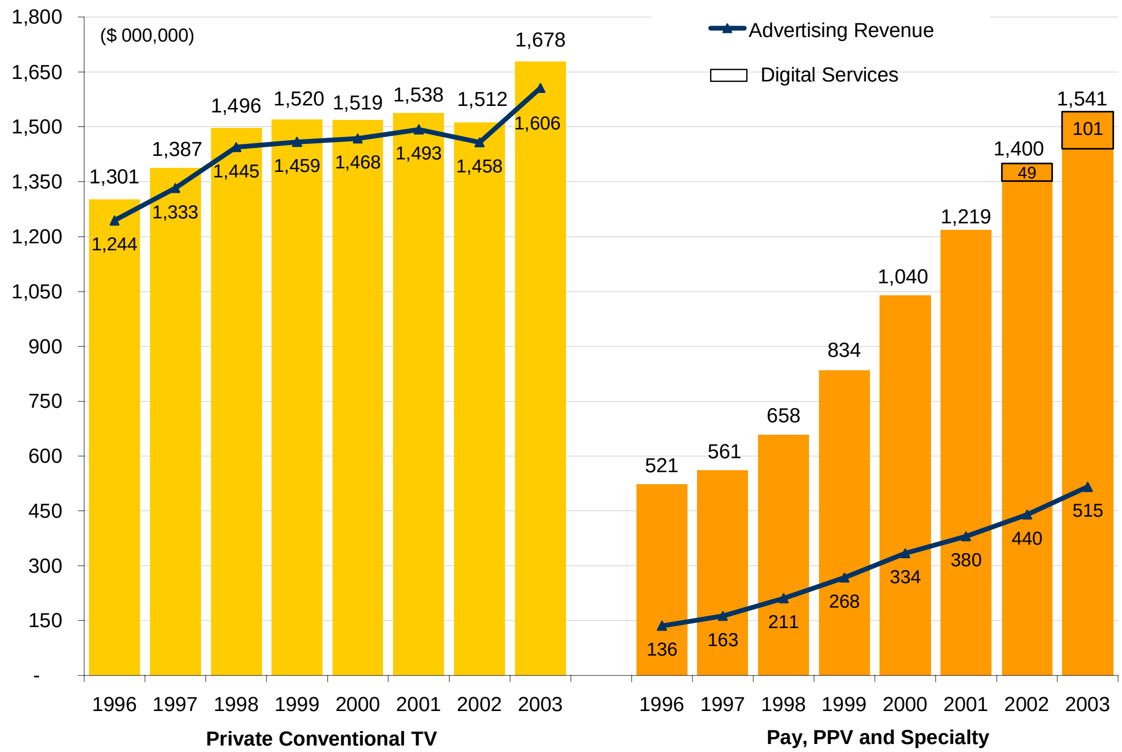
1. Includes viewing SRC and TVA affiliate stations
2. Preliminary data for the 1st half of the 2003/04 broadcast year based on a 24 hour clock.
   SRC and TVA results were based on BBM Québec Franco metered data.
   Excludes viewing to drama programs where the country of origin was not identified - 0.1% for SRC and 1.2% for TVA.

[8] Category 7a to 7g, Drama and Comedy programming as defined the Television Broadcasting Regulations, 1987 and Specialty Services Regulations, 1990.

C. Financial Performance

1. English-Language Private Services

Chart 3.6: Revenues of English-Language Private Conventional Television and Pay, PPV & Specialty Services



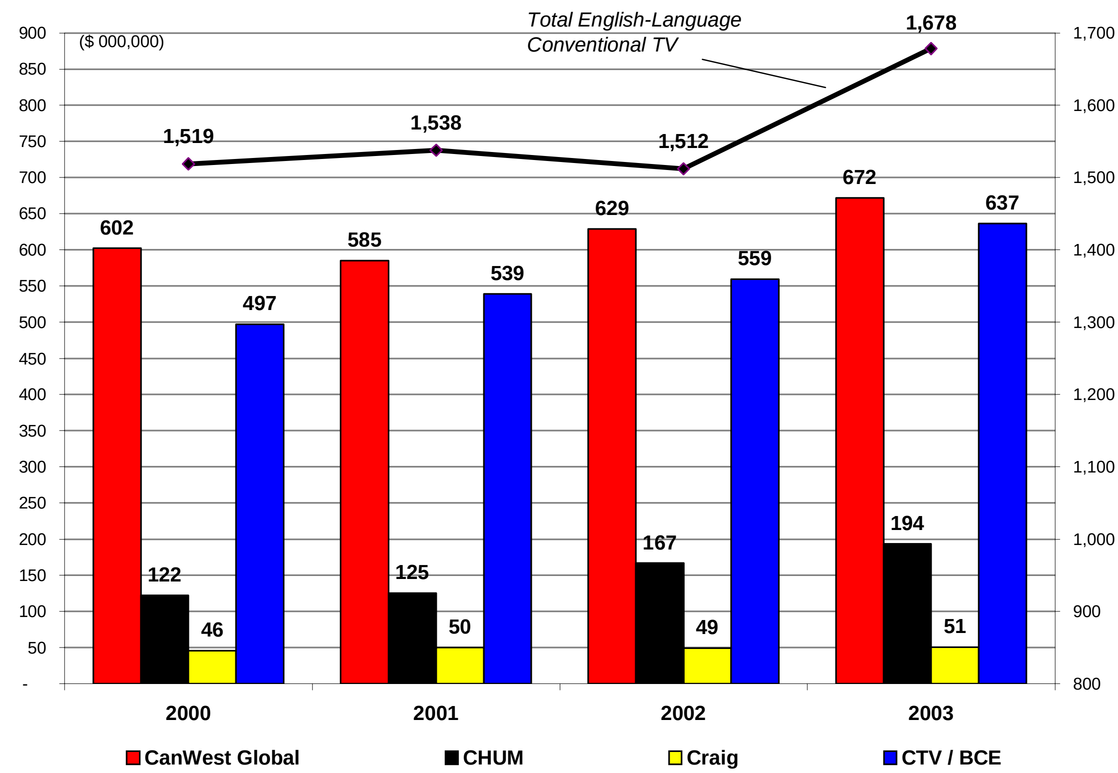
Includes ethnic & bilingual services
Source: CRTC Financial Database

- The 8% revenue increase in 1998 for private conventional television was due to five new stations (CKMI-TV Québec; CJNT-TV Montréal; CKAL-TV Calgary; CKEM-TV Edmonton; CIVT-TV Vancouver). Between 1998 and 2002, revenue growth was flat. In 2003, revenues increased by 11%.

- 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. In 2002, an additional 47 English-language and third-language digital services reported first year results. In 2003, the number of digital services reporting financial results increased to 48.

- Specialty television services have a dual revenue stream from both advertising and subscription. In 2003, 41% of their revenues were derived from advertising revenues. Pay and PPV services, on the other hand, rely entirely on subscription revenues.

Chart 3.7: Revenues of English-Language Private Conventional Television Services by Ownership 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, 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 revenues for 2000 and 2001 shown here for Global exclude CFCF-TV and CKVU-TV. In 2000[9], CanWest Global acquired the Montréal independent ethnic station CJNT-TV. This station's revenues are included from 2001 to 2003.*
- CHUM acquired the CKUV-TV Vancouver[10] station and launched CIVI-TV Victoria[11] in 2001. Revenues for these stations are included in 2002 and 2003 respectively.
- *CTV revenues for 2000 and 2001 include the CTV network plus CTV stations, less the network payments to CTV affiliates. BCE acquired controlling interest in CTV on December 7, 2000. CTV acquired CKY-TV Winnipeg* (Acquisition of the assets of CKY-TV Winnipeg and its transmitters, Decision CRTC 2001-460, *2 August 2001*) *and CFCF-TV Montréal* (CTV Inc. is authorized to acquire effective control of CFCF-TV Montréal, subject to the condition that it increase the amount of the tangible benefits to a level commensurate with the Commission's determination regarding the value of the transaction, *Decision CRTC 2001-604, 21 September 2001*) *in the 2000/01 and 2001/02 broadcast years respectively*.

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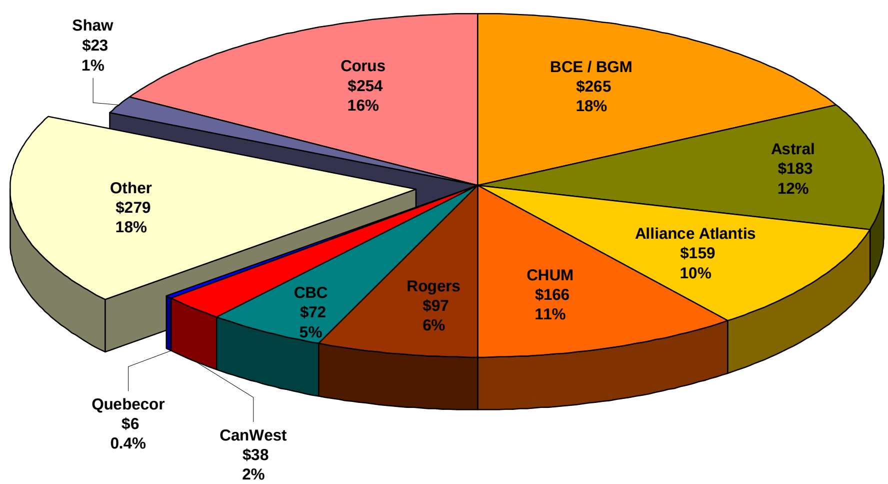
[9] Acquisition of the assets of CJNT-TV, Decision CRTC 2000-744, 29 November 2000
[10] Transfer of control of CKVU-TV Vancouver, Decision CRTC 2001-647, 15 October 2001
[11] New television station on Vancouver Island, Decision CRTC 2000-219, 6 July 2000

In 2003, these four ownership groups accounted for 93% of the total revenues reported by private English-language conventional television stations.

- CTV Television owns and operates 26 English-language conventional television stations and a satellite-to-cable service. It also has affiliation agreements with three private independently owned television stations. Its network operation reaches approximately 99%[12] of English-speaking Canadians. CTV also holds a 40% voting interest in TQS Inc.
- CanWest Global owns and operates twenty-one English-language conventional television stations as well as an independent conventional ethnic station located in Montréal. Its network operation reaches approximately 94%[13] of English-speaking Canadians.
- CHUM owns and operates eight English-language conventional television stations located in Ontario (6) and British Columbia (2). In November 2004, CHUM acquired four television stations from Craig.[14] CHUM now also owns and operates conventional television stations located in Alberta (2) and Manitoba (2). This makes CHUM the third largest English-language national multi-station group in Canada.
- Craig Media owned and operated five English-language conventional television stations located in Alberta (2), Manitoba (2) and Ontario (1). As noted above, In November 2004, CHUM acquired effective control of Craig's Alberta and Manitoba stations. Effective control of the Toronto station was acquired by Quebecor Media.[15]

Chart 3.8: Revenues of English-Language Pay, PPV & Specialty Services by Ownership Groups - 31 August 2003 ($000,000)

- The following pie chart sets out 2003 revenues reported by English and third-language pay, PPV & specialty services by large broadcasting groups. The total revenue calculation for each ownership group is based on its percentage of direct and indirect voting interest in each service as at July 31, 2004.



Source: CRTC Ownership Charts as of 31 July 2004; CRTC Financial Database based on 31 August 2003 financial results

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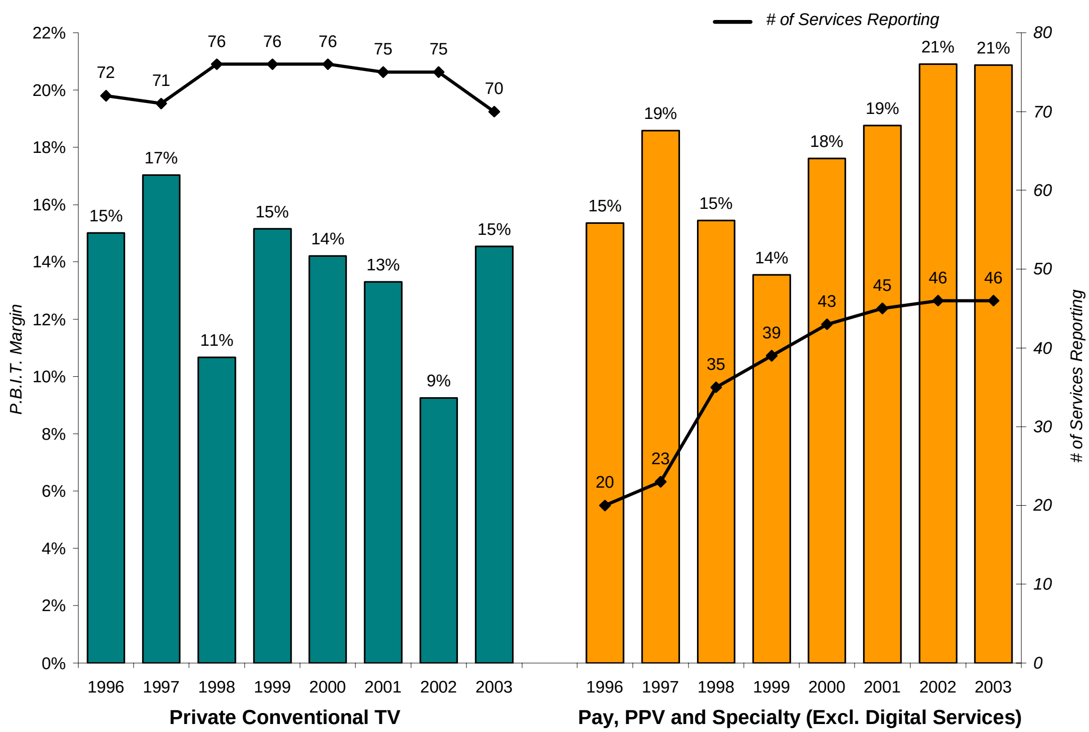
[12] Bell Globemedia website August 31, 2004: www.bellglobemedia.com
[13] CanWest Global Communications website September 2, 2004: www.canwestglobal.com
[14] *A public hearing held in Gatineau commencing on 7 September 2004*, Broadcasting Notice of Public Hearing CRTC 2004-5, dated 7 July 2004.
[15] New Toronto One station was launched in the Fall 2003.

Chart 3.9: Aggregate PBIT[16] Margins of English-Language Private Conventional Television & Pay, PPV and Analog Specialty Services



Notes: Includes ethnic & bilingual services; in 2003 CBC acquired six of its affiliates (CKNC-TV, CFCL-TV, CJIC-TV, CHNB-TV, CKBI-TV and CKOS-TV) which are no longer included in the above.
Source: CRTC Financial Database

- The new ethnic conventional television stations OMNI 2 and Channel M, located in Toronto and Vancouver respectively, reported first year results in 2003.
- The drop in profitability in 1998 for conventional television stations was due to five new services reporting first year losses. A large one-time write-off by one of the large broadcasters also contributed to the downturn.
- 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 2003 pay, PPV & specialty results reflect $301 million in profits from the analog services with a PBIT of 21%. The digital services reported losses of $87 million in 2003 which resulted in a combined PBIT margin of 14% for English and third-language analog and digital pay, PPV and specialty services.

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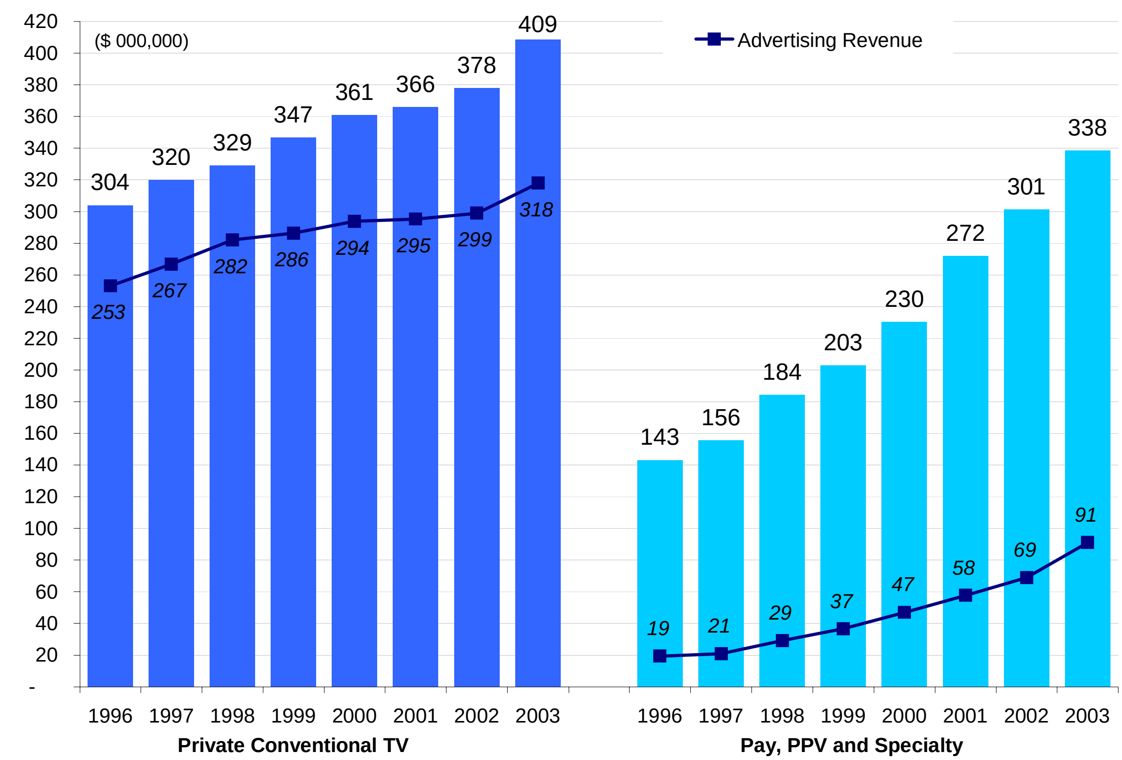
[16] Profit before Interest & Taxes (PBIT)

2. French-Language Private Services

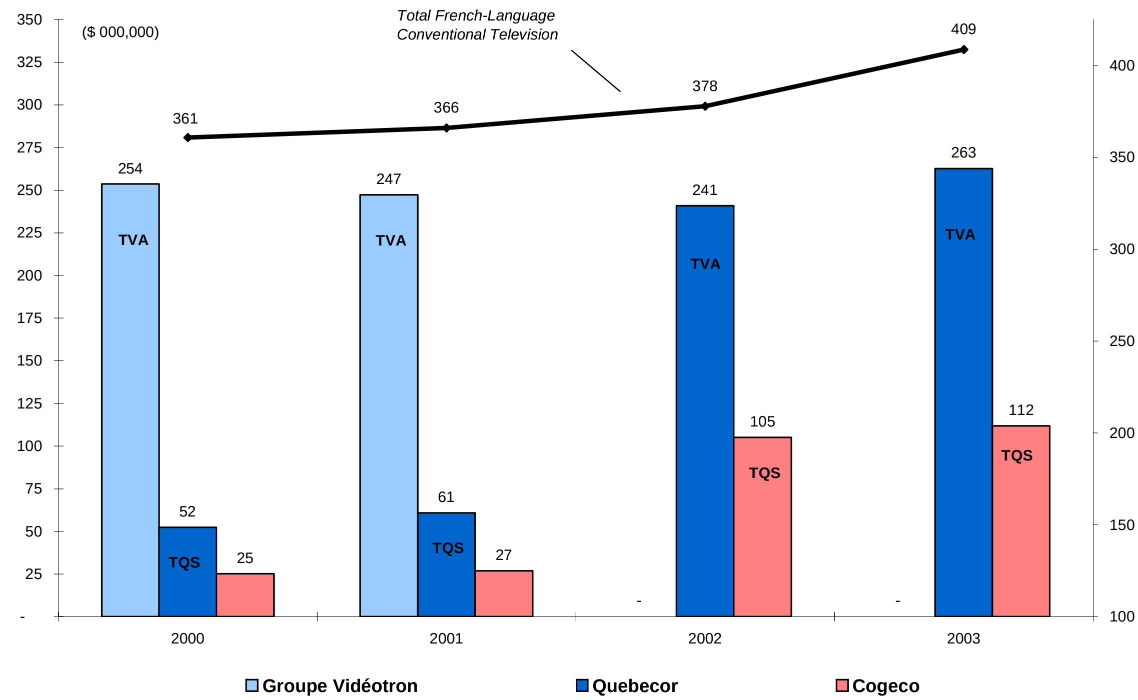
Chart 3.10: Revenues of French-Language Private Conventional Television & Pay, PPV and Specialty Services



Excludes bilingual services
Source: CRTC Financial Database

- Revenue growth for French-language private conventional stations averaged 4% per year from 1996 to 2002. Revenues increased by 8% in 2003. The number of stations has remained unchanged since 1993.
- French-language pay, PPV and specialty services have achieved strong revenue growth. Since 1996, the number of services has increased from 7 to 17 services in 2002.
- French-language specialty services rely heavily on subscription revenues. In 2003, 66% of their revenues were derived from subscription revenues.

Chart 3.11: Revenues of French-Language Private Conventional Television Services by Ownership Group



Source: CRTC Financial Database

Notes:

- Based on conventional stations owned or controlled by the ownership group on August 31st of each year.

Groupe Vidéotron:

- Held majority voting interest in Groupe TVA inc. In 2002, Quebecor acquired effective control of Vidéotron.

Quebecor:

- Held majority voting interest in TQS Inc. (CFJP-TV & CFAP-TV) from 1999 to 2001.
- *In* Transfer of effective control of TVA to Quebecor Media inc., *Decision CRTC 2001-384, 5 July 2001, Quebecor acquired control of Groupe TVA inc. Approval was subject to the condition precedent that Quebecor divest itself of TQS inc.*
- In Transfer of effective control of TVA to Quebecor Media inc., Decisision CRTC 2001-384, 5 July 2001, Quebecor acquired control of Groupe TVA inc. Approval was subject to the condition precedent that Quebecor divest itself of TQS inc. On 7 December 2001 (Decision CRTC 2001-746) the Commission approved the purchase of TQS inc. by Cogeco inc. (60%) and Bell Gloemdia Inc. (40%)

Cogeco:

- In December 2001, Cogeco acquired majority controlling interest of the TQS inc. television stations.

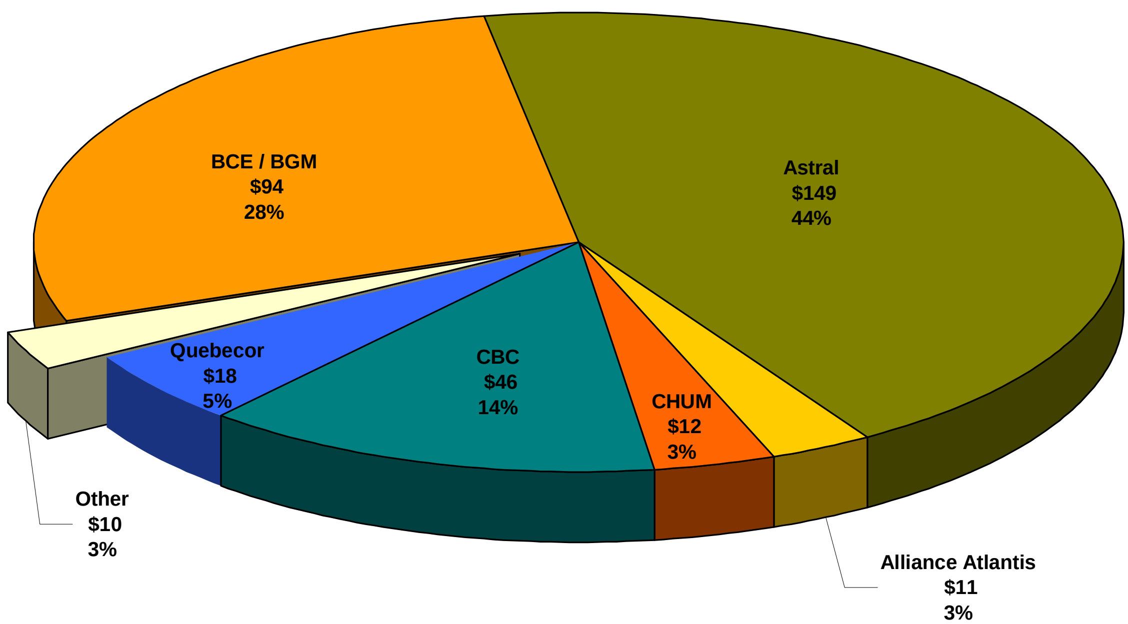
Quebecor and Cogeco's combined revenues accounted for 92% of the total revenues reported by private French-language conventional television in 2003.

- Groupe TVA is the largest private French-language conventional television broadcaster in Canada. In addition to the network, TVA owns and operates six television stations, including CFTM-TV Montréal and CFCM-TV Québec. It also has affiliation agreements with four private independently owned television stations and it holds a 45% ownership interest in two of these stations. The TVA service has been licensed for national distribution since 1998.

- TQS inc. owns and operates eight French-language television stations (five TQS & three SRC affiliate stations) located in the province of Quebec. It also operates TQS, a French-language television network originating in Montréal.

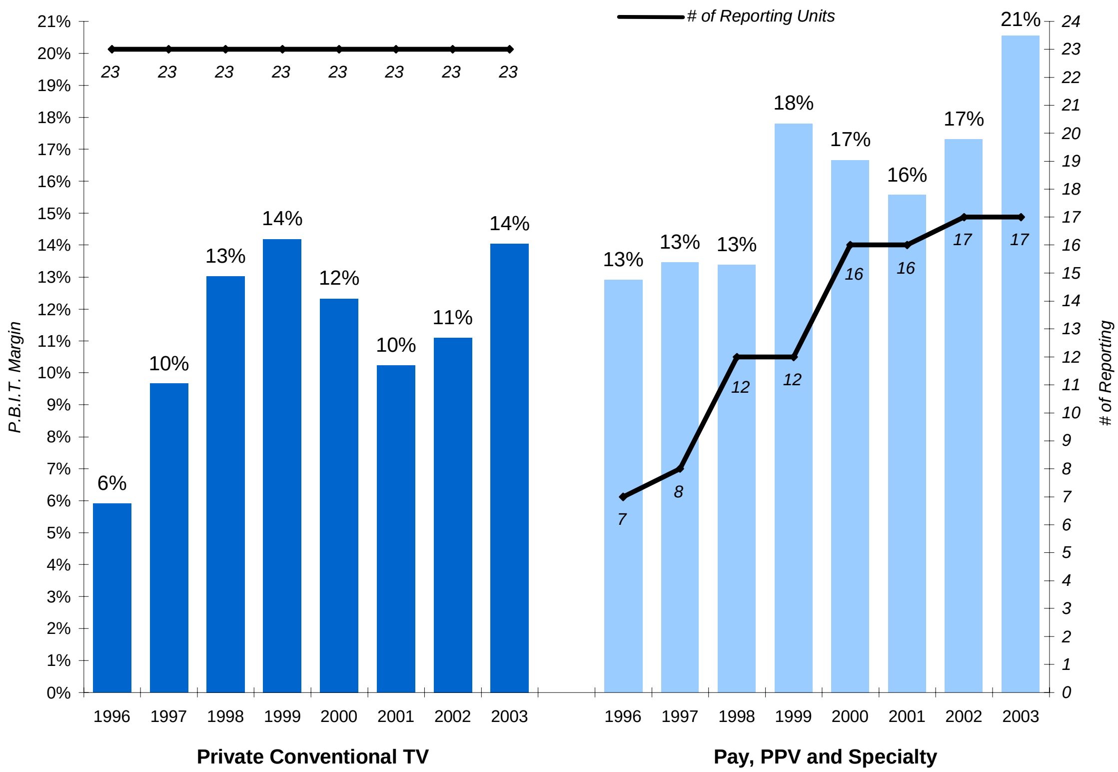
- The following pie chart sets out 2003 revenues reported by French-language pay, PPV & specialty services by large broadcasting groups. The total revenue calculation for each ownership group is based on its percentage of direct and indirect voting interest in each service as at 31 July 2004.

Chart 3.12: Revenues for French-Language Pay, PPV & Specialty Services by Ownership Groups - 31 August 2003 ($000,000)



Source: CRTC Ownership Charts as of 31 July 2004; CRTC Financial Database based on 31 August 2003 financial results

Chart 3.13: Aggregate PBIT Margins of Private French-Language Conventional Television & Pay, PPV and Specialty Services

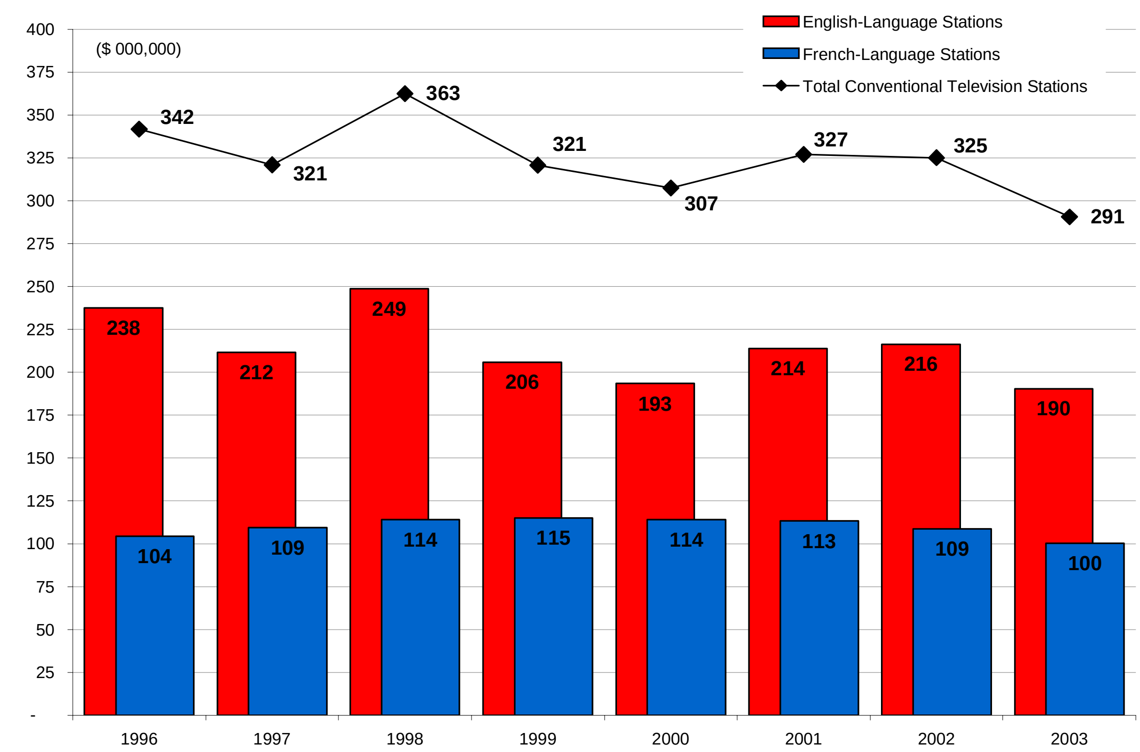


Source: CRTC Financial Database

- In 2002, the number of French-language specialty services increased from 16 to 17 with the addition of ARTV.

3. CBC Conventional Television Stations

Chart 3.14: Advertising Revenues: CBC Conventional Television Stations *(Owned & Operated)*



Source: Annual Financial Return filed with the CRTC

- The advertising revenues by CBC's English-language conventional television stations in 2003 represented 11% of the total advertising dollars reported by CBC & private English and third-language conventional television stations. In 1996, its share was 16%.

- The advertising revenues by CBC's French-language conventional television stations represented 24% of the total advertising dollars achieved by CBC & private French-language conventional television stations in 2003. In 1996, its share was 29%.

D. Eligible Expenditures on Canadian Programming (CPE)[17]

1. English-Language

Table 3.8: Private Commercial Conventional Television

Genre ($000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
News (Cat. 1)	237,223	229,931	235,149	247,719	255,976	3%	-3%	2%	5%	3%
Other Info. (Cat. 2 to 5)	29,846	28,413	34,496	40,369	41,983	15%	-5%	21%	17%	4%
Sports (Cat. 6)	29,901	26,727	24,942	19,088	17,477	-5%	-11%	-7%	-23%	-8%
Drama & Comedy (Cat. 7)	57,818	60,443	62,594	58,589	64,706	-21%	5%	4%	-6%	10%
Music/Variety (Cat. 8 & 9)	5,515	5,368	4,163	4,583	2,251	-29%	-3%	-22%	10%	-51%
Game Show (Cat. 10)	220	41	1,590	106	75	23%	-81%	3738%	-93%	-29%
Human Interest (Cat. 11)	28,586	25,017	20,321	18,658	21,321	-22%	-12%	-19%	-8%	14%
Other (Cat. 12 to 15)	-	-	965	2,033	2,340				111%	15%
Total (Cat. 1 to 15)	389,109	375,940	384,221	391,143	406,129	-4%	-3%	2%	2%	4%

Includes ethnic stations
Source: CRTC Financial Database

Table 3.9: CBC Television

Genre ($000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
News (Cat. 1)	97,606	100,047	59,200	130,463	131,102	81%	3%	-41%	120%	0%
Other Info. (Cat. 2 to 5)	48,079	40,086	37,143	99,929	64,447	-9%	-17%	-7%	169%	-36%
Sports (Cat. 6)	128,455	95,031	141,046	169,278	183,147	8%	-26%	48%	20%	8%
Drama & Comedy (Cat. 7)	62,016	62,407	46,212	60,702	66,676	76%	1%	-26%	31%	10%
Music/Variety (Cat. 8 & 9)	12,218	8,156	5,982	16,789	13,774	-36%	-33%	-27%	181%	-18%
Game Show (Cat. 10)	-	-	-	6,049						-100%
Human Interest (Cat. 11)	4,667	18,568	9,962	19,061	25,680	-85%	298%	-46%	91%	35%
Other (Cat. 12 to 15)	-	-	-	-	-					
Total (Cat. 1 to 15)	353,041	324,295	299,545	502,271	484,826	13%	-8%	-8%	68%	-3%

CBC introduced a new accounting system in April 1999 and in some instances new cost allocation bases are now being used. These figures are therefore not comparable.
Source: CRTC Financial Database

[17] Excludes Canadian Television Fund (CTF) reported by stations and services.

Table 3.10: Pay, PPV and Specialty Services

Genre ($000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
Specialty Services:										
Analog Services *	290,539	335,784	390,263	441,682	473,368	40%	16%	16%	13%	7%
Digital Services				34,297	36,539					7%
Pay & PPV Services	15,841	28,763	24,599	34,357	43,427	20%	82%	-14%	40%	26%
Total	306,380	364,547	414,862	510,336	553,335	39%	19%	14%	23%	8%
Number of Services Reporting:										
Analog Specialty Services	25	28	30	30	30	14%	12%	7%	0%	0%
Digital Specialty Services				45	46					2%
Pay & PPV Services	9	10	10	11	11	0%	11%	0%	10%	0%
Total	34	38	40	86	87	10%	12%	5%	115%	1%

Includes bilingual services* 2000 to 2003 includes estimated CPE for ROBTV service
Source: CRTC Financial Database

2. French-Language

Table 3.11: Private Commercial Conventional Television and SRC

Genre ($000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
News (Cat. 1)	96,726	111,698	88,947	91,087	96,731	*36%*	*15%*	*-20%*	*2%*	*6%*
Other Info. (Cat. 2 to 5)	49,469	53,669	40,980	44,613	52,101	*3%*	*8%*	*-24%*	*9%*	*17%*
Sports (Cat. 6)	22,430	20,674	24,884	23,642	11,626	*-7%*	*-8%*	*20%*	*-5%*	*-51%*
Drama & Comedy (Cat. 7)	57,974	59,800	59,502	64,591	84,874	*-3%*	*3%*	*0%*	*9%*	*31%*
Music/Variety (Cat. 8 & 9)	38,104	37,792	24,155	32,668	26,269	*17%*	*-1%*	*-36%*	*35%*	*-20%*
Game Show (Cat. 10)	3,112	2,241	5,350	6,686	4,183	*11%*	*-28%*	*139%*	*25%*	*-37%*
Human Interest (Cat. 11)	36,173	44,012	52,584	42,179	51,675	*24%*	*22%*	*19%*	*-20%*	*23%*
Other (Cat. 12 to 15)	-	-	-	233	4					*-98%*
Total (Cat. 1 to 15)	303,989	329,887	296,403	305,701	327,463	*14%*	*9%*	*-10%*	*3%*	*7%*

SRC introduced a new accounting system in April 1999 and in some instances new cost allocation bases are now being used. These figures are therefore not comparable.
Source: CRTC Financial Database

Table 3.12: Pay, PPV and Specialty Services

Genre ($000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
Specialty Services:										
Analog Services *	73,785	83,562	99,443	111,070	130,698	6%	13%	19%	12%	18%
Digital Services				n/a	n/a					
Pay & PPV Services	5,405	6,798	6,750	8,848	10,572	1%	26%	-1%	31%	19%
Total	79,190	90,360	106,193	119,918	141,270	6%	14%	18%	13%	18%
Number of Services Reporting:										
Analog Specialty Services	9	13	13	14	14	0%	44%	0%	8%	0%
Pay & PPV Services	3	3	3	3	3	0%	0%	0%	0%	0%
Total	12	16	16	17	17	0%	33%	0%	6%	0%

* 2000 to 2003 includes estimated CPE for LCN service
Source: CRTC Financial Database

3. Ethnic Specialty Services

Table 3.13: Pay & Specialty Services

Genre ($000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
Specialty Services:										
Analog Services	7,842	8,336	9,052	9,419	10,917	7%	6%	9%	4%	16%
Digital Services				262	303					16%
Total	7,842	8,336	9,052	9,681	11,220	7%	6%	9%	7%	16%
Number of Services Reporting:										
Analog Specialty Services	4	4	4	4	4	0%	0%	0%	0%	0%
Digital Specialty Services				1	1					0%
Total	4	4	4	5	5	0%	0%	0%	25%	0%

Source: CRTC Financial Database

E. Canada's Independent Production Companies

- Table 3.14 below lists Canada's top independent production companies ranked by their total production and development expenditures in 2003. Table 3.15 provides the total production and development expenditures of all Canadian independent production companies.

Table 3.14: Top Canadian Independent Production Companies in 2003 ($ 000,000)

1.	Alliance Atlantis	$ 188
2.	Fireworks Entertainment	110*
3.	Lions Gate Films	101
4.	Corus Entertainment	61*
5.	Pebblehut Too	60
6.	Zone3	50
7.	Temple Street	40
8.	DECODE Entertainment	37
9.	Remstar Production	31
10.	Peace Arch Entertainment	29*
11.	Brightlight Pictures	29
12.	CineGroupe	27*
13.	Knightscove Entertainment	26
	Total	$789

Source: Playback © 2004 Brunico Communications Inc. (Website: www.playbackmag.com)
Payback notes that the production companies provide the data on a voluntary basis.
* Indicates that the magazine's editorial staff have estimated this amount.

Table 3.15: All Canadian Independent Production Companies

Production and Development Expenditures ($ in Millions)	1997	1998	1999	2000	2001	2002	2003
Total Expenditures for Companies with Expenditures Totalling:							
• $25 million or greater	976	1,241	1,231	1,274	1,121	1,043	789
% of total	66%	73%	71%	70%	64%	64%	52%
• less than $25 million	499	459	496	557	644	581	724
% of total	34%	27%	29%	30%	36%	36%	48%
Total	1,475	1,700	1,727	1,831	1,765	1,624	1,513
% Annual Growth		15%	2%	6%	-4%	-8%	-7%
Number of Production Companies With Expenditures Totalling:							
• $25 million or greater	13	19	17	15	13	14	13
% of total	12%	16%	13%	13%	8%	8%	8%
• less than $25 million	97	99	115	101	142	157	159
% of total	88%	84%	87%	87%	92%	92%	92%
Total	110	118	132	116	155	171	172
% Annual Growth		7%	12%	-12%	34%	10%	1%

Note: Expenditure amounts are based on information provided by production companies as well as estimates by Playback editorial staff. Expenses are reported on a calendar year basis
Source: Playback © 1997, 1998, 1999, 2000, 2001, 2002, 2003 & 2004 Brunico Communications Inc. (Website: www.playbackmag.com): Independent Production 2003, May 10, 2004 Issue; Independent Production 2002, May 12, 2003 Issue; Independent Production Companies 2001, May 13, 2002 Issue; Independent Production Companies 2000, May 14, 2001 Issue; Who spent what in '99, May 15, 2000 Issue; Independent Production- Production Companies by Volume, May 17, 1999 Issue; Independent Production- Production Companies by Volume, April 20, 1998 Issue

F. 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. Since 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 *The television Policy*, 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.

- The following table shows the number of English-language and French-language transfers of ownership or control of television broadcasting undertakings from 11 June 1999 to 30 April 2004.

Table 3.16: Value of Television Transactions and Corresponding Transfer Benefits for the Period 11 June 1999 to 30 April 2004

	English-Language Services			French-Language Services			
($000,000)	# of Trans.	Value of the Trans-action*	Benefits	# of Trans.	Value of the Trans-actions*	Benefits	Total Benefits
June 11/99 to July 31/01	10	3,582	374.2	3	556	55.7	429.9
Aug 1/01 to July 31/02	10	749	78.2	1	74	7.4	85.6
Aug 1/02 to July 31/03	2	1	0.4	1	1	0.0	0.4
Aug 1/03 to April 30/04	2	-	-	-	-	-	-
Total	24	4,333	452.8	5	631	63.0	515.9

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

G. Digital Over-the-Air Television Services

- Digital television (DTV) is a new technology based on the Advanced Television Systems Committee transmission standard (A/53). The new standard has been adopted for use in Canada and is designed to replace the current analog NTSC broadcast system that has been in use in North America for over half a century. The Commission's policies are intended to encourage the transition of the Canadian broadcasting system from analog to digital and high definition technology.

- In *A licensing policy to oversee the transition from analog to digital over-the-air television broadcasting*, Broadcasting Public Notice CRTC 2002-31, 12 June 2002 (Public Notice 2002-31), the Commission sets out the policy framework for the broadcast of digital over-the-air television services. The policy framework is based on a voluntary, market-driven transition model, without mandated deadlines as well as the principle that digital technology will be treated as a replacement for analog technology.

- In Public Notice 2002-31, the Commission also determined that transitional digital licensees would be allowed to broadcast a maximum of 14 hours per week of programming that is not duplicated on the analog version of the service. A minimum of 50% of this unduplicated high definition programming must be Canadian.

- Additionally, the Commission encourages transitional DTV broadcasters to ensure that two-thirds of their schedule is available in a high definition television format (HDTV) by 31 December 2007[18].

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[18] Consistent with recommendation eight of the Task Force on the Implementation of Digital Television report submitted to the Minister of Canadian Heritage in October 1997.

- The following table lists the eleven stations that currently hold transitional digital television licences.

Table 3.17: Over-the-Air Transitional Digital Television(1)

Market	Language	Source Station	
Montréal	F	CFJP-TV	TQS
Toronto	F	CBLFT	SRC
	E	CBLT	CBC
	E	CITY-TV	CHUM
	E	CFTO-TV	CTV
	E	CKXT-TV	Craig
	E	CITS-TV	Crossroads (devoted to religious programming)
	E	CIII-TV-41	Global
	O/E	OMNI 1	Rogers (Ethnic station)
	O/E	OMNI 2	Rogers (Ethnic station)
Vancouver	E	CIVT-TV	CTV

(1) Number of stations approved but not necessarily on air.
Source: CRTC APP System (APP1205 run 30 July 2004)
E: English; F: Fr ench; O/E: Multi/English

H. 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[19].

- There are also 18 category 1 digital specialty services: 15 English-language[20] services that were launched in Fall 2001 and 3 French-language[21] services that were launched in Fall 2004. These services were approved following a competitive hearing and were licensed on a one-per-genre basis.

- Category 2 specialty services are licensed on a more competitive, open-entry basis. The Commission continues to approve additional category 2 services. To date, licences have been issued to over 291 category 2 specialty services, including 205 English-language, 13 French-language, 63 ethnic or third-language, 10 bilingual. Approximately 48 of these services, 33 English-language and 15 third-language, have been launched.

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[19] Languages other than English and French or those of Aboriginal Canadians
[20] There were 16 English-language category 1 digital specialty services authorized by the Commission in November 2000. One of these, WSTN (Women's Sport Television Network), is no longer in operation.
[21] There were 5 French-language category 1 digital specialty services authorized by the Commission in November 2000. The licensees of Télé Ha! Ha! and Perfecto, La Chaîne have decided not to launch these services.

Pay Services (Pay Television Regulations, 1990)

- Five English-language and one French-language pay television services were licensed prior to 1995.
- The Commission has also licensed 8 digital pay services.

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

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

Vide-on-Demand (VOD) Services (Pay Television Regulations, 1990)

- As of 30 September 2004, there were 11 licensed video-on-demand programming undertakings.

1. Financial Results for Pay, PPV and Specialty Analog & Digital Services

- The following table provides the 2003 financial results[22] of Pay, PPV and Specialty Analog and Digital services. Services are sorted by launch date.

Table 3.18: English-Language Analog Specialty Services

Launched	Service	Genre		# of Subscr. (August 31, 2003 (000))		Total Revenue $	PBIT $	PBIT Margin
Sep-84	- MuchMusic	Music Video - Rock/Altern./Rap		6,725		45,875	12,148	26%
	- TSN (Sports Network, The)	Sports		7,787		175,559	32,886	19%
			Average	*7,256*	*2*	*110,717*	*22,517*	*20%*
Sep-88	- YTV	Kids/Teens/Family		8,161		78,824	29,517	37%
	- Weather/Météomédia *(b)*	Information - Weather		9,500		37,599	8,603	23%
	- VisionTV	Religious (non-profit)		7,758		16,145	1,986	12%
Jul-89	- Newsworld	News & Information (non-profit)		9,101		69,740	(3,891)	-6%
			Average	*8,630*	*4*	*50,577*	*9,054*	*18%*
Jan-95	- Showcase	Drama & Film		5,692		39,323	2,385	6%
	- Bravo!	Perform. & Visual Arts		5,842		32,266	5,909	18%
	- Discovery Channel, The	Nature/Science & Tech.		6,790		59,747	16,356	27%
	- W *(Women's Television Network*	Lifestyle - Women		6,269		42,341	12,309	29%
	- CMT *(Country Music Television)*	Music Video - Country		7,757		14,824	3,193	22%
	- Life Network, The	Doc. & Information		5,708		34,693	2,261	7%
			Average	*6,343*	*6*	*37,199*	*7,069*	*19%*
Fall-97	- Score, The	Sports - Video Highlights		5,318		19,246	(896)	-5%
	- Space	Science Fiction		4,751		36,517	6,446	18%
	- Teletoon/Télétoon *(b)*	Animated Programming		6,019		59,584	26,618	45%
	- History Television, The	Information - History		5,242		25,399	1,087	4%
	- HGTV Canada	Lifestyle - House & Garden		4,857		29,733	9,559	32%
	- Comedy Network, The	Comedy		4,821		34,779	8,935	26%
	- Outdoor Life Network	Info - Adv./Outdoor/Recreat.		4,845		12,229	3,281	27%
	- Prime TV	Lifestyle - 50+		4,893		26,307	10,953	42%
	- Newsnet	News - Headlines		7,021		13,176	(1,567)	-12%
Mar-98	- Pulse 24 (CP24)	News & Inf. - Reg. Ont.		2,704		8,316	(775)	-9%
			Average	*5,047*	*10*	*26,529*	*6,364*	*24%*
Fall 98	- MuchMoreMusic	Music Video - Adult Contemp.		5,956		14,472	3,834	26%
	- Treehouse	Children		5,299		8,732	3,448	39%
	- Rogers Sportsnet	Sports		6,784		104,709	4,977	5%
			Average	*6,013*	*3*	*42,637*	*4,086*	*10%*
Fall 99	- Canadian Learning Channel (CLT)	Learning / Education		3,580		11,493	4,045	35%
	- Star-TV	Entertainment Info		3,842		13,784	2,545	18%
	- ROBTV	News - Business		4,388		16,169	551	3%
			Average	*3,937*	*3*	*13,815*	*2,380*	*17%*
Fall 00	- Food Network Canada	Lifestyle - Food		4,048		17,563	5,713	33%
	- Talk-TV	Information - Talk		4,296		4,563	2,713	59%
			Average	*4,172*	*2*	*11,063*	*4,213*	*38%*
TOTAL - English-Language Specialty Services					30	1,103,706	215,129	19%
			Average	*5,858*		*36,790*	*7,171*	

Note: (b) = bilingual

[22] Based on services reporting to the CRTC.

Table 3.19: French-Language Analog Specialty Services

Launched	Service	Genre	August 31, 2003 (000)				
			# of Subscr.		Total Revenue $	PBIT $	PBIT Margin
Sep-88	- VRAK TV (Canal Famille)	Children / Family Progr.	2,210		17,095	6,351	37%
	- MusiquePlus	Music Video	2,064		15,607	1,723	11%
	- RDS (Réseau des Sports)	Sports	2,148		76,932	15,650	20%
	- TV5	Cdn./ Intern. Franc. Progr. (Non-Profit)	5,952		12,043	(32)	0%
	- Météomédia/Weather *(b)*	Information - Weather	*n/a*		*n/a*	*n/a*	*n/a*
		Average	*3,094*	*4*	*30,419*	*5,923*	*19%*
Jan-95	- Canal D	Doc / Films / Series / Perf. Arts	2,105		24,698	10,006	41%
	- RDI *(Réseau de l'information)*	News & Information (Non-Profit)	9,034		42,006	228	1%
		Average	*5,570*	*2*	*33,352*	*5,117*	*15%*
Sep-97	- Canal Vie	Lifestyle / Health	1,721		27,890	11,503	41%
	- LCN - Le Canal Nouvelles	News & Information	1,644		16,241	8,153	50%
	- Musimax	Music Video - All Forms	1,612		8,050	1,292	16%
	- Teletoon/Télétoon *(b)*	Animated Programming	*n/a*		*n/a*	*n/a*	*n/a*
		Average	*1,659*	*3*	*17,394*	*6,983*	*40%*
Jan-00	- Canal Évasion	Tourism / Adv. / Travel	1,123		4,373	(134)	-3%
	- Canal Z	Science/Tech/Sc.Fiction	1,129		9,848	(844)	-9%
	- Historia	History	1,129		7,619	(1,104)	-14%
	- Séries+	Cdn. & Intern. Drama Progr.,	1,129		13,596	3,617	27%
		Average	*1,127*	*4*	*8,859*	*383*	*4%*
Fall 01	- ARTV	Arts	1,557	*1*	10,925	(67)	-1%
TOTAL - French-Language Specialty Services				16	286,922	56,341	20%
		Average	*2,468*	*14*	*20,494*	*4,024*	

(b) Denotes bilingual (English and French) services. Financial results for these services are reported with English-language specialty services

Table 3.20: Ethnic Specialty Analog Services

Launched	Service	Language	August 31, 2003 (000)				
			# of Subscr.		Total Revenue $	PBIT $	PBIT Margin
1984	- Fairchild TV	Chinese -Predominately Cantonese	313		21,004	3,446	16%
1984	- Telelatino	Italian / Hispanic	3,229		12,277	4,032	33%
1992	- Talentvision	Chinese -Predominately Mandarin	183		3,477	(957)	-28%
1997	- ATN (Asian Television Network)	South Asian - Predominately Hindi	52		3,775	378	10%
1999	- Odyssey	Greek	11		820	117	14%
TOTAL - Ethnic Specialty Services				5	41,354	7,015	17%
		Average			*8,271*	*1,403*	

Table 3.21: English and French-Language Pay & PPV Services

Launched	Name	Lang./Type	# of Subscr.	Total Revenue $	PBIT $	PBIT Margin
			August 31, 2003 (000)			
1983-4	- SuperÉcran	*f PAY*	453	45,558	13,106	29%
	- MovieCentral (SuperChannel)	*e PAY*	548	62,891	20,849	33%
	- TMN (Movie Network,The)	*e PAY*	892	89,427	18,686	21%
1988	- Family Channel, The	*e PAY*	4,538	41,343	13,913	34%
1992	- Shaw Pay-Per-View	*e Terrestrial PPV*	475	14,837	2,247	15%
	- Viewers Choice Canada	*e Terrestrial PPV*	986	20,970	4,729	23%
1995	- Encore Avenue (MovieMax!)	*e PAY*	369	8,756	4,556	52%
	- Moviepix!	*e PAY*	1,206	15,597	6,859	44%
1997	- Canal Indigo	*f Terrestrial PPV*	376	4,437	(371)	-8%
	- Canal Indigo	*f DTH PPV*	186	1,491	466	31%
	- Shaw Pay-Per-View	*e DTH PPV*	277	5,095	1,170	23%
	- Viewers Choice Canada	*e DTH PPV*	322	5,148	2,033	39%
	Subtotal (Services launched 1983 to 1997)			***315,552***	***88,244***	***28%***
2000	- Bell ExpressVu	*b DTH PPV*	*na*	29,437	3,446	12%
2001	- Bell ExpressVu	*b Terrestrial PPV*	*na*	*na*	*na*	*na*
2001	Breakaway	*e Terrestrial & DTH PPV*	*na*	1,821	-	0%
Total Pay & PPV Services - English & French-Languages			*15*	346,810	91,690	26%

Table 3.22: Digital Category 1 and 2 Pay & Specialty Services

Launched		Service	Genre	Type	# of Subscr.	Revenue $	PBIT $	PBIT Margin
					August 31, 2003 ($000)			
		Category 1 Digital Services: English Language						
Fall 01	1	Biography Channel, The	Biographies	Sp 1	619	3,264	(648)	-20%
	2	Book Television: The Channel	Literature	Sp 1	507	2,433	(104)	-4%
	3	Canadian Documentary Channel, The	Documentary	Sp 1	624	2,605	(1,252)	-48%
	4	Country Canada	Rural Info & Entertainment	Sp 1	522	1,934	(2,064)	-107%
	5	CTV Travel (Travel TV)	Travel	Sp 1	490	2,513	(894)	-36%
	6	Discovery Health Network	Health	Sp 1	639	2,697	(3,247)	-120%
	7	Fashion Television: The Channel	Fashion/Art	Sp 1	573	2,581	(953)	-37%
	8	iChannel	Public Affairs	Sp 1	640	2,146	(2,248)	-105%
	9	Independent Film Channel, The	Independent Film Productions	Sp 1	726	3,139	(4,133)	-132%
	10	Men TV (M)	Men	Sp 1	632	2,964	(822)	-28%
	11	MTV Canada	Teen	Sp 1	630	6,576	(3,300)	-50%
	12	Mystery	Mystery & Suspense	Sp 1	687	3,271	(1,135)	-35%
	13	One: Canada's Mind, Body & Spirit Channel	Holistic Health	Sp 1	745	2,636	(767)	-29%
	14	PrideVision	Gay/Lesbian	Sp 1	21	1,618	(1,395)	-86%
	15	TechTV	Technology	Sp 1	620	3,210	(35)	-1%
	16	WTSN *(1)*	Women's Sports	Sp 1	427	1,422	(3,173)	-223%
		Category 1 Digital Services - Total			**16**	**45,010**	**(26,171)**	**-58%**
				Average	*569*	*2,813*	*(1,636)*	

Table 3.22: Digital Category 1 and 2 Pay & Specialty Services *(Cont'd)*

Launched		Service	Genre	Type	August 31, 2003 ($000) # of Subscr.	Revenue $	PBIT $	Margin
		Category 2 Digital Services: English Language						
	1	Animal Planet	Animals	Sp 2	917	2,249	(1,023)	-45%
	2	BBC Canada	UK Drama	Sp 2	695	2,954	(3,010)	-102%
	3	BBC Kids	Kids & Youth	Sp 2	339	1,186	(3,664)	-309%
	4	BPM:TV	Dance	Sp 2	368	443	(379)	-86%
	5	Court TV Canada	Law & Order	Sp 2	822	3,254	(763)	-23%
	6	DejaView	Classic Drama	Sp 2	669	2,363	(943)	-40%
	7	Discovery Civilization Channel	People/History	Sp 2	595	1,518	(1,123)	-74%
	8	Discovery Kids	Kids & Youth	Sp 2	592	1,923	(1,151)	-60%
	9	Drive In Classics	B Movies	Sp 2	479	1,640	(395)	-24%
	10	Edge TV *(1)*	Alternative Music Video	Sp 2	328	461	(2,959)	-642%
	11	ESPN Classics	Classic Sports	Sp 2	435	1,437	(2,267)	-158%
	12	Fox Sports World	Cricket/Rugby/Soccer	Sp 2	479	1,934	(2,623)	-136%
	13	Green Channel, The	Environmental Issues	Sp 2	23	77	(956)	-1239%
	14	Leafs TV	Maple Leaf Hockey	Sp 2	85	1,109	(5,016)	-452%
Fall 01	15	Lonestar	Action/Western Drama	Sp 2	643	2,478	(337)	-14%
	16	MSNBC Canada	US & Cdn. News	Sp 2	286	1,105	(497)	-45%
	17	MTV 2	Pop Music Video	Sp 2	223	451	(1,590)	-353%
	18	MuchLOUD	Hard Rock/ Alternative Music	Sp 2	30	104	(507)	-489%
	19	MuchVibe	Urban Music Video	Sp 2	357	453	(297)	-66%
	20	National Geographic Channel	Geography/ Science	Sp 2	642	2,902	(4,418)	-152%
	21	NHL Network, The	Hockey	Sp 2	446	3,306	(3,342)	-101%
	22	Racing Network Canada, The	Horse Racing	Sp 2	254	1,110	(9,380)	-845%
	23	Raptors NBA TV	Raptors Basketball	Sp 2	409	2,720	(2,397)	-88%
	24	Scream	Horror Drama	Sp 2	775	2,581	(979)	-38%
	25	SexTV: The Channel	Sex/ Relationships	Sp 2	465	1,705	(1,050)	-62%
	26	Showcase Action	Action Drama	Sp 2	885	4,296	(2,463)	-57%
	27	Showcase Diva	Romance Drama	Sp 2	766	3,512	(3,313)	-94%
	28	TV Land	Classic Drama	Sp 2	608	2,500	(1,641)	-66%
	29	Xtreme Sports	Extreme Sports	Sp 2	441	1,798	(422)	-23%
	30	Moviola (2)	Short film	Sp 2	459	1,699	(172)	-10%
		Total Category 2 Digital Services - English Language		30		55,268	(59,076)	-107%
				Average	*484*	*1,842*	*(1,969)*	
		Category 2 Digital Services: Third Language						
	1	Festival Portuguese Television	Portuguese	Sp 2	6	1,000	(186)	-19%
Fall 01	2	Odyssey 2	Ethnic - Greek	Sp 2	3	194	33	17%
	3	SSTV	50% Punjabi & 25% Hindi	Sp 2	6	402	16	4%
		Total Category 2 Digital Services - Third Language		3		1,597	(138)	-9%
				Average	*5*	*532*	*(46)*	
		Category 2 Digital Services - Total		***33***		***56,864***	***(59,214)***	**-104%**
				Average	*440*	*1,723*	*(1,794)*	
		Total Category 1 & 2 Digital Services		**49**	**-**	**101,874**	**(85,385)**	**-84%**
				Average	*482*	*2,079*	*(1,743)*	

Table 3.23: Summary Totals Specialty, Pay & PPV Services

	Number of Units Reporting	August 31, 2003 ($000)		
		Revenue	PBIT	
		$	$	Margin
English-Language Analog Specialty Services	30	1,103,706	215,129	19%
English-Language Category 1 Digital Specialty Services	16	45,010	(26,171)	-58%
English-Language Category 2 Digital Specialty Services	30	55,268	(59,076)	-107%
Total English-Language Specialty Services	*76*	*1,203,984*	*129,881*	*11%*
French-Language Specialty Services	14	286,922	56,341	20%
Third-Language Specialty Services	5	41,354	7,015	17%
Third-Language Category 2 Digital Specialty Services	3	1,597	(138)	-9%
Total Third-Language Specialty Services	*8*	*42,951*	*6,877*	*16%*
Total Specialty Services (2)	*98*	*1,533,856*	*193,100*	*13%*
Pay & PPV Services (English & French-language)	14	346,810	91,690	26%
Total Specialty, Pay & PPV Services	112	1,880,666	284,790	15%

Notes to tables 3.18 to 3.23:

(b) Denotes bilingual (English / French) service. Financial results for this service are reported with the English-language specialty services.

(1) As of 3 November 2003, Edge TV and WTSN were no longer broadcasting.

(2) Includes revised 2003 financial results for the English-language category 2 digital specialty service Moviola.

Legend:

Language: E-English; F-French; B-English/French

Type: Sp 1-Digital Category 1 Specialty; Sp 2-Digital Category 2 Specialty; Pay 2- Category 2 Digital Pay Service; PPV-Terrestrial Pay-Per-View Service; DTHPPV-Direct-to-home Pay-Per-View Service

Source: CRTC Financial Database

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

Table 3.24: The following Table Provides a Listing of the Companies with Significant Ownership Interest in Specialty, Pay, PPV and VOD Services as at 31 July 2004

Alliance Atlantis	Language	Direct/Indirect Voting Interest
Analog Specialty Services:		
• Life Network, The	e	100%
• Showcase	e	100%
• History Television, The	e	100%
• HGTV Canada (Home & Garden Television)	e	80.24%
• Food Network Canada	e	57.61%
• Séries+	f	50%
• Historia	f	50%
• The Score (Headline Sports)	e	25.98%
Category 1 Digital Specialty Services:		
• Independent Film Channel, The	e	95%
• Discovery Health Network	e	80%
• PrideVision	e	2.57%
• One: The Body, Mind & Spirit	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	64%
• Scream	e	49%

Astral Media	Language	Direct/Indirect Voting Interest
Analog Specialty Services:		
• VRAK-TV (Canal Famille)	f	100%
• Canal D	f	100%
• Canal Vie	f	100%
• Canal Z	f	100%
• Historia	f	50%
• Séries+	f	50%
• MusiquePlus	f	50%
• Musimax	f	50%
• Teletoon / Télétoon	b	40%
Pay Services:		
• Moviepix! (The Classic Channel)	e	100%
• TMN (Movie Network, The)	e	100%
• SuperÉcran	f	100%
• Family Channel, The	e	100%
PPV Services: (Terrestrial & DTH):		
• Viewers Choice Canada	e	50.1%
• Canal Indigo	f	20.04%

BCE	Language	Direct/Indirect Voting Interest
PPV Service (Terrestrial & DTH):		
• Bell ExpressVu	b	100%

Bell Globemedia BCE Inc. holds 68.5% voting interest in Bell Globemedia Inc.

Analog Specialty Services:		
• Newsnet	e	100%
• TalkTV	e	100%
• ROBTv	e	100%
• Comedy Network, The	e	100%
• TSN (Sports Network, The)	e	80%
• RDS - Réseau des Sports	f	80%
• Discovery Channel, The	e	64%
• Outdoor Life Network (OLN)	e	33.34%
• ARTV	f	16%
Category 1 Digital Specialty Services:		
• CTV Travel	e	100%
• WTSN *(2)*	e	80%
• RDS Info-Sports (Réseau Info Sports)	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%
• Raptors NBA-TV	e	15.44%
• Leaf TV	e	15.44%
PPV Services (Terrestrial & DTH):		
• Viewer's Choice Canada	e	19.96%
• Canal Indigo (4)	f	15.98%

CanWest	Language	Direct/Indirect Voting Interest
Analog Specialty Service:		
• Prime TV	e	100%
Category 1 Digital Specialty Services:		
• MenTV (M)	e	49%
• Mystery	e	50%
• Canal Mystère (13ième rue) (5)	f	45.05%
Category 2 Digital Specialty Services:		
• Cool TV	e	100%
• DejaView	e	100%
• Fox Sports World Canada	e	100%
• Lonestar	e	100%
• Xtreme Sports	e	100%

CBC / SRC	Language	Direct/Indirect Voting Interest
Analog Specialty Services:		
• Newsworld	e	100%
• RDI – Réseau de l'information	f	100%
• ARTV	f	37%
Category 1 Digital Specialty Services:		
• Country Canada	e	100%
• Canadian Documentary Channel, The	e	29%
Pay Service:		
• Galaxie (Pay Audio)	e/f	100%

CHUM	Language	Direct/Indirect Voting 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%
Category 2 Digital Specialty Services:		
• Drive-in Classics	e	100%
• MuchLOUD	e	100%
• MuchMoreRETRO	e	100%
• MuchVibe	e	100%
• SexTV: The Channel	e	100%
• Court TV Canada	e	60%

Cogeco	Language	Direct/Indirect Voting Interest
PPV (Terrestrial & DTH) & VOD Services:		
• Canal Indigo – PPV	e	32%
• Cogeco Câble – Regional VOD	e/f	100%

Corus (1)	Language	Direct/Indirect Voting 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/Télétoon*	b	40%
• Food Network Canada	e	22.59%
Category 1 Digital Specialty Services:		
• Canadian Documentary Channel, The	e	53%
Category 2 Digital Specialty Services:		
• Edge TV *(3)*	e	100%
• Discovery Kids	e	80%
• Scream	e	51%
• Video Italia (Ethnic Service)	o	50.5%
• Leonardo World (Ethnic Service)	o	50.5%
Pay & VOD Services:		
• MovieCentral (SuperChannel) – Pay	e	100%
• Encore Avenue (MovieMax!) – Pay	e	100%
• MaxTrax (Pay Audio)	e/f	100%
• National VOD	e/f	100%

**20% of the 40% voting interest is held by Nelvana Limited, a company that produces and distributes children and family productions. Corus Entertainment Inc. holds 97.71% voting interest in Nelvana Limited. Corus also holds 7.41% voting interest in Astral Media Inc.*

Quebecor Media	Language	Direct/Indirect Voting Interest
• Quebecor inc. holds 54.72% in Quebecor Media Inc.		
Analog Specialty Services:		
• Pulse 24 (CP24)	e	29.9%
TVA Group Inc.		
• Quebecor Media Inc. holds 99.9% voting interest in TVA Group Inc.		
Analog Specialty Services:		
• LCN - Le Canal Nouvelles	f	100%
• Canal Évasion	f	8.31%
Category 1 Digital Specialty Services:		
• MenTV (M)	e	51%
• Mystery	e	50%
• LCN Argent (LCN Affaires)	f	100%
• Canal Mystère (13ième rue) (5)	f	45.05%
PPV (Terrestrial & DTH) and VOD Services:		
• Canal Indigo – PPV	f	20%
• Illico sur demande – Regional VOD	f/e	94.5%

Rogers Media	Language	Direct/Indirect Voting 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%
• Canal Mystère (13ième rue) (5)	f	9.9%
Category 2 Digital Specialty Services:		
• MSNBC Canada	e	33.3%
PPV (Terrestrial & DTH) and VOD Services:		
• Sports/Specials Pay-per-View – PPV	e	80%
• Viewer's Choice Canada – PPV	e	24.95%
• Canal Indigo – PPV	f	9.98%
• Rogers Cable – Regional VOD	e/f	100%

Note: Rogers also holds 7.20% voting interest in Astral Media and 10.82% voting interest in Rawlco Inc. Rogers also holds 4.01% and 5.30% voting interests in Cogeco Câble Inc. and Cogeco Inc. respectively.

Shaw (1)	Language	Direct/Indirect Voting Interest
Category 1 Digital Specialty Services:		
• Biography Channel, The	e	40%
• TechTV	e	33.33%
Category 2 Digital Specialty Service:		
• MSNBC Canada	e	33.33%
PPV & VODServices (Terrestrial & DTH):		
• Shaw Pay-per-View – PPV	e	100%
• Videon CableSystems Inc., Regional VOD	e/f	100%

Sources: CRTC Acquisition & Ownership Policy Section, Industry Analysis Division and CRTC Decisions

Notes to Table 3.24:

- Legend: Language: e = English; f = French; o = Other; b=English/French; PPV = Pay-Per-View; VOD = Video-on-Demand
- Percentage of ownership interest indicated is related to the percentage of direct and indirect voting interest.
- Includes only category 2 services that have been launched as of 31 July 2004.

(1) Shaw Communications Inc. is affiliated with Corus Entertainment Inc. as J.R. Shaw has voting control of both companies.
(2) As of 30 September 2003 WTSN was no longer broadcasting.
(3) As of 3 November 2003, Edge TV was no longer broadcasting.
(4) Comprised of 8% held through TQS inc. and 7.98% held through Viewer's Choice Canada.
(5) As of September 2004, Quebecor owns 100% of Canal Mystère.

I. Ethnic Programming Services

- Section 3 (d) (iii) of the *Broadcasting Act* (the 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.

1. Over-the-air Ethnic Television Stations

As a way of reflecting the circumstances and aspirations of the multicultural and multi-racial 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:

i) 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.

ii) 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/Hamilton area with retransmitters in Ottawa and London making it available to approximately 70% of all Ontario residents[23]. 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** was approved in April 2002. This station provides programming of interest to the Asian and African communities in the Toronto/Hamilton area with transmitters[24] in Ottawa and London.

  OMNI 2 was launched in September 2002 and is required to broadcast to a minimum of 22 ethnic groups in at least 18 different languages per month.

iii) Vancouver

Channel M was approved in February 2002. This station is operated by Multivan Broadcast Limited Partnership and was launched on June 27, 2003. In *CHNM-TV Vancouver – New transmitter in Victoria*, Broadcasting Decision CRTC 2003-594, 3 December 2003, the Commission also approved a retransmitter in the Victoria market.

Channel M is required to broadcast ethnic programming directed to at least 22 ethnic groups in a minimum of 22 distinct languages per month.

The following table outlines the languages of ethnic programming scheduled for broadcast during a typical week in September 2004. This information was provided by each station.

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[23] *Licence renewal for ethnic television station CFMT-TV*, Decision CRTC 2000-772, 21 December 2000
[24] CJMT-TV (OMNI 2) Toronto – New transmitters in Ottawa and London, *Broadcasting Decision CRTC 2003-602, 17 December 2003*

Table 3.25: Number of Ethnic Programming Hours Scheduled for Broadcast During a Typical Week in September 2004

	CJNT-TV	OMNI 1	OMNI 2	Channel M	
Language	Montréal	Toronto (1)		Vancouver	Total
Third-Language Ethnic Programming					
- African				1.0	1.0
- Albanian		1.0			1.0
- Amharic			1.0		1.0
- Arabic	9.0		2.0	2.0	13.0
- Armenian	1.5	2.0			3.5
- Bengali			1.0		1.0
- Chinese – Cantonese	2.0		17.0	13.0	32.0
- Chinese – Mandarin	2.0		10.5	7.0	19.5
- Czech		1.0		0.5	1.5
- Creole	4.0				4.0
- Estonian		0.5			0.5
- German	2.0	0.5		2.0	4.5
- Greek	5.0	4.0		1.5	10.5
- Hebrew	1.5				1.5
- Hindi	2.5		14.0	1.5	18.0
- Hungarian		1.0		1.0	2.0
- Italian	20.5	22.0		2.5	45.0
- Japanese			1.0	2.0	3.0
- Korean			1.5	3.0	4.5
- Latvian		0.5			0.5
- Lithuanian		0.5			0.5
- Macedonian		2.0		2.0	4.0
- Malayalam			1.0		1.0
- Maltese		1.0			1.0
- Persian – Farsi	1.5		2.0	2.0	5.5
- Filipino – Tagalog			1.0	2.0	3.0
- Polish	2.5	3.0		3.5	9.0
- Portuguese	2.0	15.0		0.5	17.5
- Portuguese / Brazilian	4.0				4.0
- Punjabi			3.0	9.0	12.0
- Pushto			1.0		1.0
- Romanian	1.5	1.0		1.0	3.5
- Russian	1.5	4.5		2.5	8.5
- Sinhalese			1.0		1.0
- Somali			1.0		1.0
- Spanish	7.5	3.0		4.5	15.0
- Tamil			1.5		1.5
- Turkish			1.0		1.0
- Ukrainian		3.0		2.0	5.0
- Urdu			3.0		3.0
- Vietnamese			2.0		2.0
- Various (Ind. Producers Series)		2.0	2.0		4.0
Total Third Language	70.5	67.5	67.5	66.0	271.5
Number of 3rd Languages	17	18	19	22	
English & French-Language Ethnic Programming					
- English	1.5	12.5	21.0	18.0	53.0
- French	2.5		1.5		4.0
Total English & French	4.0	12.5	22.5	18.0	57.0
Total Ethnic Programming	74.5	78.5	90.0	84.0	328.5

Source: CJNT-TV, OMNI 1, OMNI 2 & Channel M: - based on a typical weekly schedule in September 2004
(1) OMNI 1 and OMNI 2 are rebroadcast over the air into the London and Ottawa markets.

2. Ethnic Pay & Specialty Services

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

a) 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 Vietnamese and Korean. The service was approved by the Commission in December 1993[25].

- 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 provides programming intended for the Greek community. 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.

b) Category 2 Digital Ethnic Pay & Specialty Services

As of September 30, 2004, the Commission has approved over fifty ethnic category 2 digital pay & specialty services. Of these, sixteen (15 specialty & 1 pay) 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 Punjabi is a national specialty service directed to the Punjabi speaking community. 100% of this service's programming is in Punjabi.

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

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

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

- ARY Digital (Urdu Channel) is a national specialty service directed to the Urdu-speaking community. 100% of the programming broadcast is in Urdu.

- ECG Filipino (Filipino TV) is a national ethnic specialty service directed to the Filipino-speaking community. 90% of the programming broadcast is in Filipino.

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

- Inter TV (Ukrainian TV1) is a national specialty service directed to the Ukrainian-speaking community. 90% of its programming is in Ukrainian.

- ITBC Television Canada *(NTI Tamil Service)* is a national specialty pay service targeting the Tamil-speaking community. 90% of the programming is in Tamil.

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

- Persion Vision is a national specialty service directed to the Persian community. 85% of the programming is in Farsi.

- RTVi (Russian TV1) is a national specialty service directed to the Russian-speaking community. 90% of the programming is in Russian.

- SBTN (Vietnamese TV) is a national specialty service directed to the Vietnamese-speaking community. 90% of the programming is in Vietnamese.

- 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 the Punjabi-, Hindi- and English-languages respectively.

- Salt & Light Television (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.

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

c) **Non-Canadian Third-Language Programming Services Eligible for Distribution in Canada**

- The Commission also authorizes non-Canadian third-language programming services that may be distributed by broadcasting distribution undertakings in Canada. There are currently 19 third-language programming services authorized for distribution.[26]

J. Native Television Services

Section 3(1)(o) of the *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 *Act*.

K. 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 examine or expound religious practices and beliefs or present a religious ceremony, service or other similar event.

[26] See table 3.27 Non-Canadian Satellite Services Authorized in Canada.

1. Over-the-air Religious Television Stations

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

- The Miracle Channel (CJLT-TV) Lethbridge, Alberta
- Crossroads Television System (CITS-TV) Burlington, Ontario. The station serves the Hamilton, Burlington, St. Catharines and Toronto markets. It also has rebroadcasting transmitters in the Ottawa and London markets.
- CFEG-TV, Abbotsford, British Columbia
- Trinity Television (CHNU-TV), Fraser Valley, British Columbia
- On 8 August 2002 the Commission approved an application by Trinity Television Inc. for a religious television station to serve the Winnipeg area.[27]

2. 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.

3. Foreign Religious Services

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

L. The National Public Broadcaster

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

1. Over-the-air Conventional Television Stations

CBC/SRC operates two national television conventional network services – one in English and the other in French. CBC/SRC also provides distinctive television service in Northern Canada, broadcasting in English, French and eight Aboriginal-languages. Privately owned stations affiliated with the CBC/SRC help it to reach Canadians.

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[27] *In* Deadline to commence operations, Broadcasting Decision *CRTC 2004-279, 19 July 2004, the Commission extended the time limit to commence operations to 30 November 2005.*

Table 3.26: CBC owned and affiliated English and French-language television stations

	English	French	Total
CBC/SRC owned stations	15	8	23
CBC/SRC rebroadcasters	455	173	628
Private affiliated stations	15	5	20
Private affiliated rebroadcasters	35	13	48
Community owned rebroadcasters	145	11	156

Source: CBC / SRC

2. Specialty Services

CBC/SRC 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.

- Country Canada is a national English-language category 1 digital specialty service.

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

- ARTV (Télé des arts) is a national French-language arts specialty service (37%).

- The Canadian Documentary Channel is a national English-language category 1 digital specialty service that broadcasts documentary programming on a 24-hour basis (29%).

M. Community-Based Television

- The role of community-based television is primarily to provide a public service, facilitating self-expression through free and open access to members of the community. As such, at least 60% of the programming aired during each broadcast week is comprised of local community television programming.

- In *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002 (Public Notice 2002-61), the Commission set out an integrated policy framework for community-based media. The objective of this policy is to ensure the creation and exhibition of more locally produced, locally-reflective community programming and to foster a greater diversity of voices and alternative choices by facilitating new entrants at the local level.

- Public Notice 2002-61 replaced the 1991 Community Channel Policy[28] establishing a new licensing framework for community channels. It also established a new class of broadcasting licence for the provision of community programming called "community-based television programming undertakings"[29]

  In situations where the cable company does not provide a community channel, or does not operate a community channel in accordance with the provisions of the Commission's policy, community groups may apply for a community programming service licence. The licensees of these services must be non-profit organizations with membership, management and programming that is mainly from the community. There are currently 12 such services licensed in Canada.

N. Non-Canadian Satellite Services Authorized in Canada

- The Commission's policy precludes the addition of non-Canadian services to the lists if the Commission determines them to be either partially or totally competitive with Canadian specialty or pay television services. This serves to ensure that the Canadian licensed services are in a position to fulfil their commitments and obligations regarding the airing of Canadian programming, a responsibility that their non-Canadian competitors do not have.

- In *Review of the approach to assessing requests to add non-Canadian third-language services to the lists of eligible satellite services for distribution on a digital basis*, Broadcasting Public Notice CRTC 2004-53, 15 July 2004, the Commission called for comments on whether there are ways to improve access by Canadians to non-Canadian third-language programming, while continuing to foster Canadian third-language and other ethnic services, in accordance with the objectives set out in the *Act*.

- There are currently 107 non-Canadian services authorized for distribution in Canada by digital distributors broadcasting in 23 languages from approximately 21 countries. 75 of these services are also authorized for distribution by broadcasting distribution undertakings on an analog basis.

- *Revised lists of eligible satellite services*, Broadcasting Public Notice CRTC 2004-88, 18 Novtember 2004, lists eligible satellite services authorized for distribution in Canada. This list is updated from time to time as required.

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[28] Community channel policy, *Public Notice CRTC 1991-59, 5 June 1991 (1991 Community Channel Policy)*
[29] The licensing framework for community-based television programming undertakings includes two sub-categories: Community-based low-power television undertakings and, Community-based digital services.

- The following table lists the non-Canadian satellite services currently authorized for distribution in Canada[30].

Table 3.27: Non-Canadian Satellite Services Authorized in Canada

Country of Origin/Foreign Service Name	Language	Authorized for: Analogue & Digital	Authorized for: Digital Only
Australia			
Network TEN	English		✓
Europe			
France, Eurochannel	Spanish / French / English / Italian / Portuguese		✓
France, EuroNews	English / French		✓
France, Eurosportsnews	English		✓
France, KTO	French		✓
France, Mezzo	French		✓
France, Paris-Première	French		✓
France, Planète	French		✓
France, Radio-France outre-mer (RFO1)	French	✓	
France, Trace TV (formerly Tropic)	French		✓
German, Deutsche Welle	German	✓	
German, German TV	German		✓
Great Britain, BBC World	English	✓	
Great Britain, Muslim Television Ahmadiyya	Arabic/Chinese/French/ Russian/Spanish/ Swahili/Urdu		✓
Ireland, TV3 Republic of Ireland	English		✓
Netherlands, BVN-TV	Dutch		✓
Poland, TV Polonia	Polish	✓	
Romania, Romanian Television International (RTVI)	Romanian		✓
Spain, Grandes Documentales de TVE	Spanish		✓
Yugoslavia, RTV Palma	Hungarian/Serbian		✓
Japan			
TV Japan	Japanese	✓	
Latin America[31]			
Argentina, Utilisima	Spanish		✓
Latin America, Canal SUR	Spanish		✓
Latin America, CineLatino	Spanish		✓
Middle East & North Africa			
Qatar, Al Jazeera	Arabic		✓
Saudi Arabia, Art Movies	Arabic		✓
New Zealand			
TV3 Television Network	English		✓
TV4 Television Network	English		✓

[30] In some cases, distribution is authorized under specific terms or conditions. Carriage of eligible services is at the discretion of the BDU.
[31] From a variety of Latin American countries including Mexico, Argentina, Columbia, Chile, Venezuela and Peru

Country of Origin/Foreign Service Name	Language	Authorized for	
		Analogue & Digital	Digital Only
United States			
ABC - 8 Independent Stations*	English	✓	
CBS - 9 Independent Stations*	English	✓	
FOX - 7 Independent Stations*	English	✓	
NBC - 8 Independent Stations*	English	✓	
PBS - 7 Independent Stations*	English	✓	
8 Superstations*	English	✓	
WUAB-TV, Cleveland (Independent)	English	✓	
American Movie Classics	English	✓	
ART America	Arabic	✓	
Arts and Entertainment Network (A&E), The	English	✓	
Black Entertainment Television (BET)	English	✓	
Bloomberg Television	English		✓
Cable News Network (CNN)	English	✓	
Cable Satellite Public Affairs Network (C-Span)	English	✓	
Comedy Central	English	✓	
Consumer News and Business Channel (CNBC)	English	✓	
Court TV	English	✓	
CNN Headline News (CNN-2)	English	✓	
Discovery Wings	English		✓
Eternal Word Television Network (EWTN)	English		✓
Fox News	English		✓
Filipino Channel, The	Tagalog	✓	
Game Show Network	English	✓	
Golf Channel, The	English	✓	
Learning Channel, The	English	✓	
Lifetime Television	English	✓	
MSNBC	English		✓
Nashville Network (TNN), The	English	✓	
NFL Network	English		✓
Oxygen Network	English		✓
Playboy TV	English	✓	
Scandinavian Channel, The	Multilingual-language of originating countries[32]		✓
Speed Channel	English	✓	
Silent Network, The	English	✓	
Weather Channel (TWC), The	English	✓	
Turner Classic Movies	English	✓	
TV Land	English		✓
WMNB-TV: Russian-American Broadcasting Company	Russian	✓	

* Refer to Appendix A of *Revised lists of eligible satellite services*, Broadcasting Public Notice CRTC 2004-88, 18 Novtember 2004 for listing of each station.

[32] Denmark, Finland, Iceland, Norway and Sweden

IV. Broadcasting Distribution

A. Promoting Effective Competition

- The Commission has put in place policies promoting competition among Broadcasting Distribution Undertakings (BDUs) in *New Regulatory framework for Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-25, 11 March 1997 (Public Notice 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 2,000 subscribers*, Public Notice CRTC 2001-121, 7 December 2001 (Public Notice 2001-121), *Exemption order respecting radiocommunication distribution undertakings (RDUs)*, Public Notice CRTC 2002-45, 12 August 2002 (Public Notice 2002-45), *Exemption order respecting cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers,* Public Notice CRTC 2003-23, 30 April 2003, and *Amendment to the Broadcasting Distribution Regulations,* Public Notice CRTC 2004-39, 14 June 2004.

- In Public Notice 2001-121, the Commission identified 1,583 cable distribution undertakings having fewer than 2000 subscribers. To date, 1,417 Class 3 licensees have been granted exemption status. According to the Canadian Cable Telecommunications Association's (CCTA) 2003-2004 Annual Report, there were 583,532 subscribers to class 3 systems as of September 2003.

1. Subscriber Levels of Incumbent and Alternative BDU Delivery Systems

Table 4.1: Number of Basic Subscribers (000)

Distribution Type	1999		2000		2001		2002		2003	
Cable - class 1*	6,914	88%	6,951	84%	6,857	77%	6,702	74%	6,581	72%
Cable - class 2	383	5%	368	4%	405	5%	355	4%	313	3%
Sub-total	*7,297*	*93%*	*7,319*	*88%*	*7,262*	*82%*	*7,057*	*78%*	*6,894*	*76%*
DTH	519	7%	880	11%	1,520	17%	1,960	22%	2,152	24%
MDS & STV	35	0.5%	86	1%	88	1%	59	0.6%	50	0.6%
Total	7,851	100%	8,285	100%	8,870	100%	9,075	100%	9,096	100%

Note: 1999 to 2002 figures have been updated to reflect current August 31 aggregate results.
* Includes Digital Subscriber Line (DSL)
Source: CRTC Financial Database (June 2004)

- Class 1 licensees 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 licensees from 88% in 1999 to 72% in 2003.

- DTH subscribership increased by 192,000 in 2003. This represents an increase of 9.8% in 2003 for a total market share of 23.7%. The rate of growth of DTH is slowing, from 29% in 2002 to 10% in 2003.

- Subscription Television systems (STV) 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 Public Notice 2002-45, the Commission issued an exemption order affecting most of these undertakings.

- Digital Subscriber Line (DSL) undertakings distribute programming to subscribers through a telephone line or "copper twisted-pair". Digital modulation techniques permit the transmission of voice, high-speed data and video on the same copper twisted-pair. Currently Aliant Telecom Inc. (Aliant), MTS Communications Inc. (MTS), Saskatchewan Telecommunications (SaskTel) and Telus Communications Inc. (TCI) possess BDU licences using DSL technology. Applications for BDU licences for Ontario and Quebec from Bell Canada have also been recently approved by the Commission.

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

Table 4.2: Number of Basic Cable Subscribers by Region / Province

Region / Province	1999		2000		2001		2002		2003	
Atlantic	471	6.5%	506	6.9%	479	6.6%	463	6.6%	456	6.6%
Nfld. & P.E.I.	*101*	*1.4%*	*146*	*2.0%*	*96*	*1.3%*	*95*	*1.4%*	*95*	*1.4%*
N.B. & N.S.	*370*	*5.1%*	*359*	*4.9%*	*382*	*5.3%*	*367*	*5.2%*	*362*	*5.2%*
Quebec	1,763	24.2%	1,755	24.0%	1,732	23.9%	1,650	23.4%	1,499	21.7%
Ontario	2,909	39.9%	2,903	39.7%	2,905	40.0%	2,831	40.1%	2,805	40.7%
Prairies	1,051	14.4%	1,051	14.4%	1,035	14.2%	1,023	14.5%	1,023	14.8%
Manitoba	*241*	*3.3%*	*240*	*3.3%*	*236*	*3.2%*	*233*	*3.3%*	*232*	*3.4%*
Saskatchewan	*158*	*2.2%*	*155*	*2.1%*	*152*	*2.1%*	*149*	*2.1%*	*146*	*2.1%*
Alberta	*652*	*8.9%*	*655*	*9.0%*	*647*	*8.9%*	*641*	*9.1%*	*646*	*9.4%*
B.C. & Territories	1,103	15.1%	1,104	15.1%	1,112	15.3%	1,091	15.5%	1,110	16.1%
B.C.	*1,103*	*15.1%*	*1,104*	*15.1%*	*1,112*	*15.3%*	*1,091*	*15.5%*	*1,110*	*16.1%*
Total	7,297	100%	7,319	100%	7,262	100%	7,057	100%	6,894	100%

Note: (1) Number of basic subscribers to Class 1 and 2 licensees as of August 31 of each year.
1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (June 2004)

B. Ensuring Contributions to Canadian Programming and Local Expression

- The BDU Regulations require that all Class 1 and Class 2 licensees[1], 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)[2] or to other independent production funds, as well as a contribution to local expression or to a community programming undertaking.

1. Contributions to Programming Funds

Table 4.3: Contributions to Programming Funds

Contributions to Programming Funds ($ 000,000)

	CTF					Other Funds					Total CTF & Other Funds				
Class & Subscriber Level	99	00	01	02	03	99	00	01	02	03	99	00	01	02	03
Class 1 > 20k	61	66	70	70	71	6	8	7	7	8	67	74	77	78	79
Class 1 < 20k	5	5	5	4	4	0	1	1	1	0	5	5	5	5	4
Class 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DTH, MDS & SRDU*	6	15	27	31	37	1	3	6	7	9	6	19	33	37	46
Total	72	86	102	105	113	8	12	14	15	17	79	98	116	120	129

** SRDU: Satellite Relay Distribution Undertaking*
Based on August 31 of each year.
Source: CRTC Financial Database

- The BDU Regulations require that a minimum of 80% of the required contribution be directed to the CTF and up to 20% to one or more independently-administered production funds, other than the CTF. The Commission's *Contributions to Canadian Programming by Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-98, 22 July 1997 sets out the criteria to be met by such independently administered funds.

2. Total Community Channel Expenses

Table 4.4: Community Channel Expenses

Total Community Channel Expenses ($ 000)

Class & Subscriber Level	1999	2000	2001	2002	2003
Class 1 > 20k	54,879	58,540	53,870	53,299	53,530
Class 1 < 20k	12,579	13,169	12,826	18,236	15,697
Class 2	6,795	8,021	8,004	8,872	6,709
Total	74,253	79,730	74,700	80,407	75,936

Based on August 31 of each year. Source: CRTC Financial Database

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[1] Includes Digital Subscriber Line (DSL)
[2] The CTF is the successor to the Canadian Television and Cable Production Fund.

- Public Notice 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.

- In *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002, the Commission announced its intention to amend the BDU Regulations to permit Class 1 licensees with fewer than 20,000 subscribers to allocate all of their Canadian programming funding contributions to local expression.

3. Number of Systems Maintaining a Community Channel

- The BDU Regulations no longer 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. There has been no significant change in the number of systems operating a community channel since the amendment of the BDU Regulations in 1997.

- The following table outlines the number of Class 1 and Class 2 licensees that have reported community channel expenses between 1999 and 2003. The figures do not necessarily represent the actual number of community channels in operation, as some channels are funded by more than one undertaking.

Table 4.5: Cable Licensees Contributing to Community Channels

Number of Class 1 & 2 Licensees Contributing to Community Channels					
Class & Subscriber Level	1999	2000	2001	2002	2003
Class 1 > 20k	68	72	72	70	66
Class 1 < 20k	71	74	73	74	80
Class 2	101	99	99	96	90

Source: CRTC Financial Database / *Based on August 31 of each year.*

C. Affordability of Basic Service Rates

- The following table presents the average basic service monthly rates for the last five years for Class 1 and Class 2 licensees.

Table 4.6: Average Cable Basic Service Monthly Rates ($)

Distribution Level	1999	2000	2001	2002	2003
Class 1	18.99	19.50	20.16	20.05	21.83
Class 2	21.50	21.90	21.96	22.96	20.22
Average	19.12	19.62	20.26	20.19	21.75

Note: 1999 to 2002 figures have been updated to reflect current August 31 aggregate results.
Source: CRTC Financial Database

- The monthly rates are based on the rates provided by the distributors in their August 31st annual returns to the Commission. The calculation of the average monthly rates is based on the rates provided and are weighted to account for subscriber numbers.

Table 4.7: Average Basic Service Monthly Rates by Province
Cable - Class 1 Licensees

Province	1999	2000	2001	2002	2003
Newfoundland	19.74	19.82	19.94	20.16	21.99
P.E.I.	20.29	20.72	20.72	20.72	20.72
N.S.	14.60	16.54	16.55	16.53	16.61
N.B.	19.23	19.10	19.19	20.28	22.94
Quebec	21.32	21.64	21.61	21.74	22.98
Ontario	18.95	19.48	20.98	20.58	21.66
Manitoba	14.62	14.92	15.33	15.34	20.99
Saskatchewan	17.89	18.39	18.89	18.88	20.31
Alberta	17.57	18.54	18.72	18.73	21.86
B.C.	17.99	18.39	18.49	18.57	21.99

Note: 1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database / Based on August 31 of each year.

- With the introduction of the BDU Regulations in 1998, the Commission introduced a process allowing for the deregulation of the basic rates of incumbent Class 1 licensees. New entrants are no longer rate regulated, nor are Class 2 and Class 3 licensees.

- Incumbent Class 1 licensees can qualify for rate deregulation if they meet a two-pronged test:

  - if the basic service of one or more licensed competitors is accessible to 30% of households in the incumbent's service area (which is currently deemed to be met by the existence of DTH services); and

  - if the cable incumbent can demonstrate that it lost 5% or more of its basic subscribers since competition entered its service area.

- By the end of June 2004, about 115 Class 1 licensees were rate deregulated. The total number of subscribers in these rate-deregulated systems is about 4.7 million subscribers (or 71% of all Class 1 subscribers).

D. Ensuring a Financially Strong Sector

1. Revenues

Table 4.8: BDU Revenues ($000,000)

	1999	2000	2001	2002	2003
Basic Programming Revenue					
Revenue obtained from the basic programming service packages provided by distributors.					
Cable (Class 1 & 2)	1,784	1,812	1,810	1,762	1,800
DTH, MDS & STV	27	54	91	281	357
Total	1,810	1,865	1,901	2,043	2,156
Non-Basic Programming Revenue					
Revenue derived from discretionary programming service packages provided by distributors (programming services not on the basic service).					
Cable (Class 1 & 2)	1,121	1,307	1,360	1,425	1,467
DTH, MDS & STV	140	325	575	650	811
Total	1,261	1,631	1,934	2,075	2,277
Non-Programming Revenue					
Revenue derived from exempt services and non-programming services such as the Internet.					
Cable (Class 1 & 2)	120	190	437	687	908
DTH, MDS & STV	0	9	13	16	36
Total	121	199	450	703	944
Total Revenue					
Includes revenue derived from programming and non-programming services.					
Cable (Class 1 & 2)	3,025	3,308	3,606	3,875	4,174
DTH, MDS & STV	167	388	679	946	1,204
Total	3,192	3,696	4,285	4,821	5,377

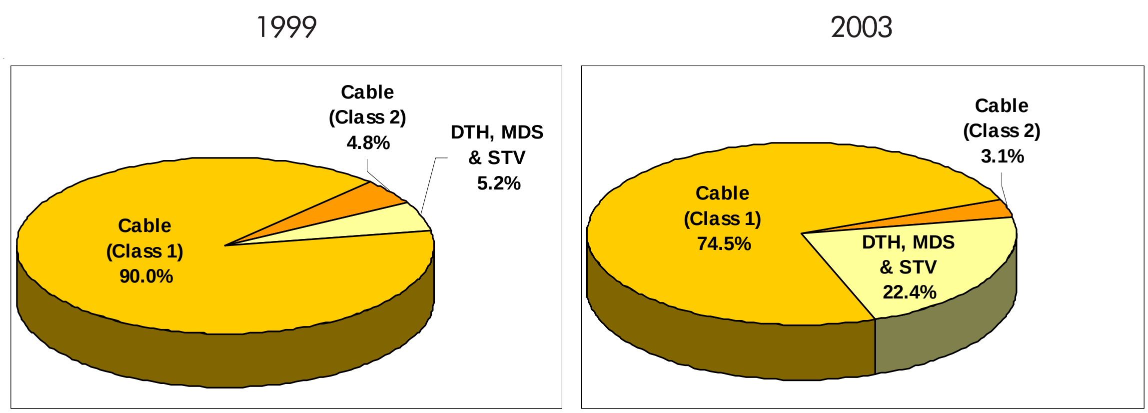
1999 to 2002 figures have been updated to reflect current August 31 aggregate results.
Source: CRTC Financial Database

- The BDU industry as a whole has been enjoying strong growth. In 2003 total revenues increased by over $556 million.

- Traditional Class 1 & 2 licensees realized a revenue increase of about $299 million in 2003, a 7.7% increase over 2002. The growth in revenues since 1999 is mostly due to non-basic programming services (30%) as well as exempted and non-programming services (69%). In fact, exempt and non-programming services revenues contributed to 22% of total Class 1 & 2 licensee revenues in 2003 compared to 4% in 1999.

- DTH, MDS and STV providers reported increased revenues of 27.2% in 2003.
- The charts below illustrate the changes in the share of total BDU revenues from 1999 to 2003.

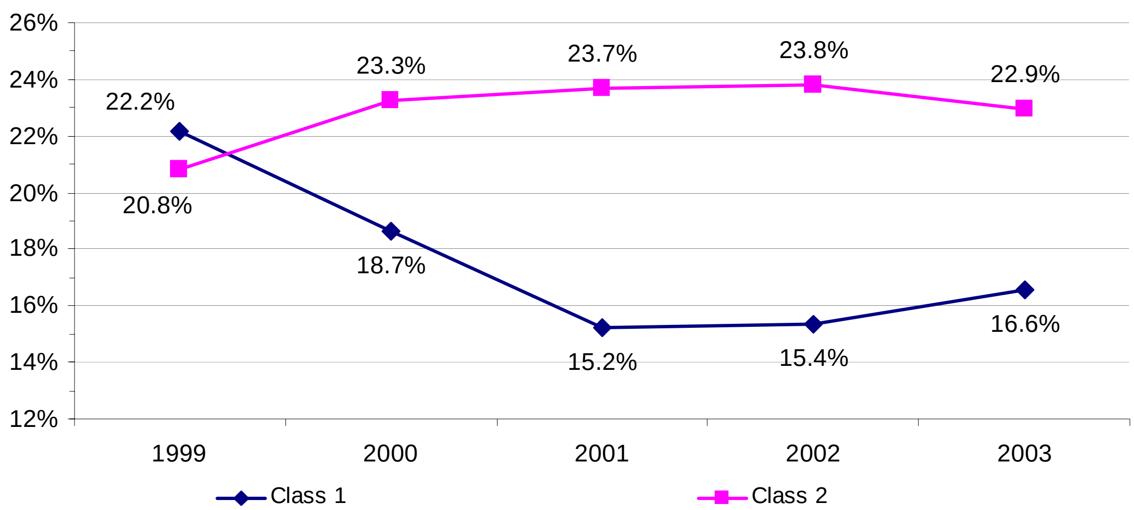
Chart 4.1: **Distribution of Total Revenues**



Note: 1999 percentages have been updated to reflect current aggregate results.
Source: CRTC Financial Database

2. Profit Before Interest and Taxes (PBIT) Margins, Class 1 & 2 Licensees

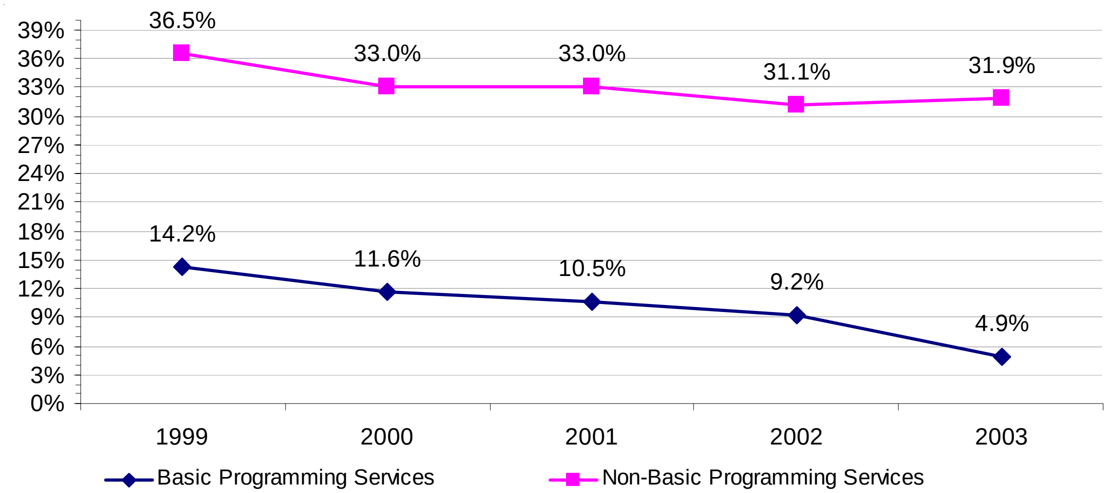
Chart 4.2: **PBIT Margins - Class 1 & 2 Licensees**



Note: 1999 to 2002 figures have been updated to reflect current August 31 aggregate results .
Source: CRTC Financial Database

- The chart above shows the PBIT margins for Class 1 and 2 licensees based on the reported results from all programming and non-programming services.
- The PBIT margin for Class 1 licensees decreased significantly in 2001. This decrease was caused by higher affiliation payments, higher technical expenses, and increased depreciation expenses due to significant fixed asset investment.

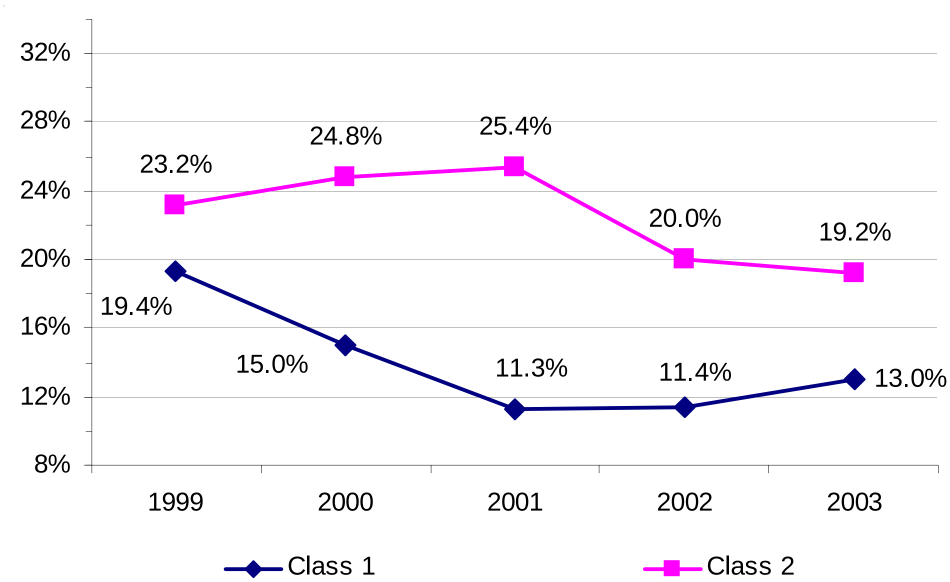
Chart 4.3: PBIT Margins - Class 1 & 2 Licensees Basic and Non-Basic Programming Services



Note: In accordance with Public Notice 1990-53, 15 May 1990, an incremental costing approach is applied to discretionary programming (non-basic programming) services. As such, recoveries for common facilities operating costs and historical cost of distribution plant and subscriber drops are not applied to discretionary programming services.
Source: CRTC Financial Database

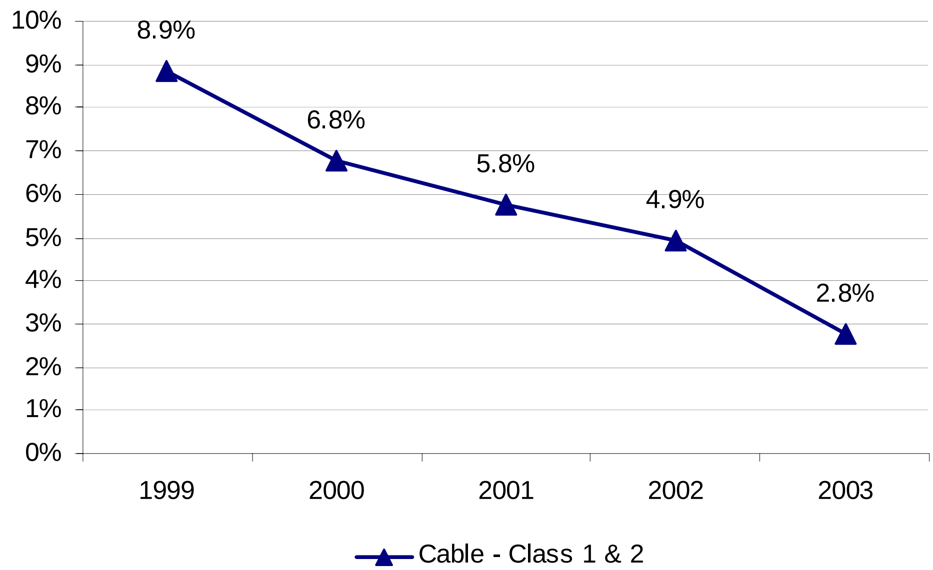
3. Return on Investment - Class 1 and Class 2 Licensees

Chart 4.4: Return on Average Net Fixed Assets (RANFA)



Note: 1999 to 2002 figures have been updated to reflect current August 31 aggregate results.
Source: CRTC Financial Database

Chart 4.5: Return on Average Net Fixed Assets (RANFA)
Basic Programming Services



Note: In accordance with Public Notice 1990-53, 15 May 1990, an incremental costing approach is applied to discretionary programming (non-basic programming) services. As such, recoveries for common facilities operating costs and historical cost of distribution plant and subscriber drops are not applied to discretionary programming services.
Source: CRTC Financial Database

E. Top Canadian Distributors

Table 4.9: Top Canadian Distributors and Number of Basic Subscribers(1)

	Number of Subscribers (000)			%		
Corporations	2001	2002	2003	2001	2002	2003
Rogers Cable Inc.	2,267	2,252	2,235	26%	25%	25%
Shaw Communications Inc.	2,070	1,988	2,012	23%	22%	22%
Bell ExpressVu (2)	891	1,200	1,343	10%	13%	15%
Vidéotron Ltée (3)	1,529	1,440	1,288	17%	16%	14%
Cogeco Cable Inc.	879	821	816	10%	9%	9%
Star Choice (4)	629	760	809	7%	8%	9%
Total	8,264	8,461	8,503	93%	93%	93%
Total – All Canada	8,870	9,075	9,096	100%	100%	100%

Sources: CRTC Financial Database and Distributor information (as at August 31st of each year)
(1) Includes both analog and digital subscribers. Excludes subscribers to exempted systems (including exemption of Class 3 licences in 2002 & 2003).
(2) Bell ExpressVu is controlled by BCE Inc.
(3) Quebecor Media Inc. acquired control of Vidéotron Ltée in 2002.
(4) Star Choice is controlled by Shaw Communications Inc.

F. Promoting Digital Technology

Table 4.10: Number of Subscribers Receiving Digital Services

Distribution Type	Number of Digital Subscribers (000)						
	English		French		Total		
	Number	%	Number	%	Number	%	Growth
June 2004							*03 to 04*
Digital Cable	1,561.7	-	366.0	-	1,727.7	45%	*24%*
DTH *	-	-	-	-	2,257.4	53%	*14%*
MDS	32.4	-	16.5	-	48.9	1%	*-14%*
DSL	40.9	-	-	-	40.9	1%	
Total	-	-	-	-	4,274.8	100%	*19%*
June 2003							*02 to 03*
Digital Cable	1,295.6	46%	254.9	32%	1,550.4	43%	*34%*
DTH	1,458.6	52%	528.9	66%	1,987.5	55%	*9%*
MDS	35.5	2%	21.2	2%	56.7	2%	*-19%*
Total	2,789.7	100%	805.0	100%	3,594.7	100%	*18%*
June 2002							
Digital Cable	989.3	42%	166.3	24%	1,155.6	38%	
DTH	1,339.4	56%	485.6	72%	1,825.0	60%	
MDS	42.4	2%	27.5	4%	69.9	2%	
Total	2,371.1	100%	679.4	100%	3,050.5	100%	

* English and French-language subscriber estimates for DTH were not provided in 2004.
Source: Mediastats

G. Signal Theft

Signal theft continues to be a widespread problem within the Canadian broadcasting system. This activity can take many forms, and includes the theft of both cable television and satellite services.

The theft of signals harms Canadians both economically and culturally. From an economic perspective, signal theft deprives the Canadian broadcasting industry of substantial amounts of revenue, weakening the ability of satellite and cable distributors to support their infrastructure and invest in new technologies. Reductions in revenues to cable and satellite distributors, television broadcasters, producers and program rights holders, lessen the ability of broadcasters to acquire and air Canadian programming. Further, it reduces the level of the CTF, which is tied to the levels of revenues achieved by licensees. CTF provides key financing for distinctively Canadian productions.

In response to the issue of satellite signal theft, in 2004, the Government introduced Bill C-2: *An act to amend the Radiocommunication Act*. Bill C-2 was intended to strengthen the ability of law enforcement and the industry to prevent satellite signal theft.

Among the key amendments was to add a requirement to the *Radiocommunication Act* that an import certificate be obtained from the Minister of Industry for anyone wishing to bring satellite equipment into Canada. In order to further deter dealers of illegal satellite equipment, Bill C-2 provided for significantly increased penalties in order to better reflect the seriousness of this offence. Bill C-2 also strengthened the right of civil action, allowing the aggrieved party to recover damages stipulated in the Act.

In the Spring of 2004, The Standing Committee on Industry, Science and Technology considered these amendments, with a number of industry and government representatives, including the Commission, appearing as witnesses. However, with the call of the election on 23 May 2004, and the dissolution of Parliament, Bill C-2 died on the Order Paper.

In their ongoing efforts to combat signal theft, the key industry players have each undertaken various initiatives. A sample of these activities is provided below:

- The cable industry continues to improve their operational controls, including system audits, to detect signal theft and respond quickly when cases are discovered. The cable companies are also aggressively moving their few remaining premium services to more secure digital platforms.

- ExpressVu has implemented a new conditional access system, which operates in parallel with the existing system, in order to prevent future hacking of its service. To fully implement this initiative, a complete card swap for ExpressVu's subscriber base is underway. When completed, the system will be protected against all illegal devices. ExpressVu continues to utilize electronic counter measures to harass, interrupt or shut down illegal devices used to steal ExpressVu's service.

- In order to curtail unauthorized multiple receiver or "second address" use, Star Choice continues to monitor the number of customers who utilize multiple receivers. Star Choice also limits the number of receivers that customers can have on each account as a deterrent against unauthorized use.

- The industry associations, Canadian Association of Broadcasters (CAB) and CCTA, are committed to supporting the efforts of the Coalition Against Satellite Signal Theft (CASST), including public affairs activities designed to increase awareness on the issue of signal theft. Their member companies along with other industry players have also continued to pursue businesses that deal in illegal satellite equipment through civil actions.

V. Social Issues

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

A. Official languages
B. Diversity
C. Accessibility
D. Programming Standards

A. Official Languages

The broadcasting policy for Canada set out in section 3 of the *Broadcasting Act* (the Act) provides, among other things, that the Canadian broadcasting system should reflect Canada's linguistic duality. The objectives set out in section 3(1) of the Act with respect to official languages include the following statements:

- a range of broadcasting services in English and in French shall be extended to all Canadians as resources become available;
- the programming provided by the Canadian broadcasting system should be drawn from local, regional, national and international sources; and
- English and French-language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements.

In order to meet these objectives, the Commission has undertaken a number of initiatives including:

- making the televised proceedings of the House of Commons more accessible to Canadians in the official language of their choice;
- implementing a policy to increase the availability of specialty services in the official language of the minority to cable subscribers; and
- the preparation of an action plan for the CRTC's implementation of section 41 of the *Official Languages Act*.

1. House of Commons Proceedings

- In the Commission's view, the televised proceedings of the House of Commons are vital to the public interest in a democratic society and are an important part of the Canadian broadcasting system. In order to make this programming more accessible to Canadians in the official language of their choice, with the exception of the smallest analog cable distributors, Canadian broadcasting distributors have been required to distribute the proceedings of the House of Commons in both official languages throughout Canada since 1 September 2002[1].

[1] *Amendments to the Broadcasting Distribution Regulations – Distribution of the proceedings of the House of Commons and its various committees*, Broadcasting Public Notice CRTC 2002-72, 19 November 2002.

- When Canadian Public Affairs Channel's (CPAC) licence was renewed on 19 November 2002[2], a similar distribution regime was imposed. To ensure that its services are maintained and its programming is improved, CPAC receives $0.11 per month, per subscriber, for the distribution of both the French and English-language services. Of this amount, subscribers pay $0.08 and distributors pay the difference of $0.03 to fund CPAC's coverage of the proceedings of the House of Commons.

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

- Since 1 September 2001, cable systems have been 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 (Public Notice 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.

- Public Notice 2001-25 requires that all Class 1 and Class 2 cable distributors using high-capacity digital technology (i.e. 750 MHz nominal capacity or more) offer all Canadian English- and French-language specialty services and at least one pay television service in each language. This requirement does not include 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 capacity) 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 is 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.

[2] *Licence renewal for CPAC; and issuance of a distribution order*, Broadcasting Decision CRTC 2002-377, 19 November 2002.

Table 5.1: Number of Systems and Subscribers

Class 1 > 20,000 Subscribers	English Markets		French Markets	
	Number of Systems	Number of Subscribers	Number of Systems	Number of Subscribers
March 2004*				
Nominal Bandwidth of 750 MHz or higher	21	2,416,303	4	707,282
Nominal Bandwidth of less than 750 MHz	35	2,081,945	5	245,228
March 2003				
Nominal Bandwidth of 750 MHz or higher	11	1,144,689	4	777,049
Nominal Bandwidth of less than 750 MHz	47	3,351,198	5	256,516
March 2002				
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

* Four (4) systems were combined into two (2) systems.
Source: March 31st CRTC Cable Capacity Reports

3. 2004-2005 Action Plan: Implementation of Section 41 of the Official Languages Act[3]

- Following its designation under section 41 of the *Official Languages Act* on 22 August 2003, the Commission submitted its first Action Plan on official languages. In the preparation of the Action Plan, a number of representative organizations of official-language minority communities were consulted in order to identify priorities.

- Based on the comments received during consultations, the Commission put forward specific measures and objectives in order to:

  - continue implementing the recommendations in the CRTC report on broadcasting services in a minority environment in order to:

    - promote access to both English and French-language television services throughout Canada for minority official-language communities; and

    - encourage broadcasting licensees to continue efforts to increase production and broadcast of regionally produced programs reflecting the realities of those communities;

  - promote dialogue between the CRTC and minority official language communities; and

  - recognize the special role of community radio stations.

- The CRTC will submit a year-end report to the Minister of Canadian Heritage on the achievements and results of the 2004-2005 action plan.

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[3] *CRTC 2004-2005 Action Plan: Implementation of Section 41 of the* Official Languages Act, 23 March 2004.

B. Diversity

- The Commission's objective with regard to diversity is to ensure all broadcasters contribute to a system that accurately reflects the presence in Canada of cultural, ethnic and racial minorities, Aboriginal peoples and persons with disabilities. 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 Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of Aboriginal peoples within that society.

- Accordingly, the Commission expects all licensees to reflect the diversity of the markets they serve.

- The Commission has identified two clear objectives for the Canadian broadcasting system with respect to diversity[4]:

  - The broadcasting system should be a mirror in which all Canadians can see themselves.

  - 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" and "who we hear") of cultural and racial minorities, Aboriginal peoples and persons with disabilities, and

  - the accurate, fair and non-stereotypical portrayal ("how we see" and "how we hear") of such groups.

- The Commission is achieving its objectives by targeting specific communities, private television broadcasters, private radio broadcasters and the Canadian Broadcasting Corporation (CBC):

a) Services targeted to specific communities:

- 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)

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[4] *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999.

- In Public Notice 2004-53[5], the Commission called for comments on various questions related to its approach to authorizing non-Canadian third-language services for distribution on a digital basis in order to determine whether there are ways to improve access by Canadians to non-Canadian third-language programming, while continuing to foster Canadian ethnic services, in accordance with the objectives set out in the Act.

b) Private Television Broadcasters

- Requiring broadcasters to describe their plans and activities with respect to the equitable employment[6] and on-air representation of the following four designated groups: visible minorities, Aboriginal persons, women and persons with disabilities.

- Requiring corporate plans for cultural diversity[7]. As of August 2001, the Commission has required 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 31 August 2004, sixteen plans have been received from:

  - CTV Television Inc. (CTV)
  - Global Communications Limited (Global)
  - Groupe TVA inc. (TVA)
  - Corus Premium Television Ltd.
  - Astral Broadcasting Group Inc.[8]
  - MusiquePlus inc.
  - Vision TV
  - Pelmorex Communications Inc.
  - Rogers Broadcasting Limited (OMNI.1 & OMNI.2)
  - CHUM Limited (CHUM)
  - Craig Media Inc.
  - Cable Public Affairs Channel Inc. (CPAC)
  - Learning & Skills Television of Alberta Limited (ACCESS)
  - Consortium de télévision Québec Canada inc. (TV5)
  - The Score Television Network Limited
  - Alliance Atlantis Broadcasting Inc.

- Requiring that licensees file annual reports outlining progress made to achieve the stated goals and new initiatives undertaken in these corporate plans. To date, the Commission has received annual reports from 13 broadcasters. These reports are available on the Commission's website[9].

- Calling for a cultural diversity task force *Representation of cultural diversity on television – Creation of an industry/community task force*, Public Notice CRTC 2001-88,

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[5] *Review of the approach to assessing requests to add non-Canadian third-language services to the lists of eligible satellite services for distribution on a digital basis – Call for comments*, Broadcasting Public Notice CRTC 2004-53, 15 July 2004.
[6] Licensees with 100+ employees report on employment equity directly to HRDC.
[7] Broadcasters' corporate plans for cultural diversity are available on the corporate public files.
[8] Note that Teletoon/Télétoon adheres to the plan filed by Astral Broadcasting Group Inc.
[9] http://www.crtc.gc.ca/eng/BCASTING/ann_rep/annualrp.htm

2 August 2001. In that notice 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. Accordingly, the Task Force for Cultural Diversity on Television (the Task Force) was formed by the Canadian Association of Broadcasters (CAB). The Task Force undertook a landmark quantitative and qualitative study of the state of representation on private Canadian television. Results of the study were published on 15 July 2004. The Commission is currently reviewing the results of the study and the recommendations of the Task Force.

- In Public Notice 2004-2[10], the Commission called upon broadcasters to incorporate persons with disabilities into their cultural diversity corporate planning, to be reflected in the annual reports filed by broadcasters beginning with those due in December 2004.

- In Public Notice 2004-2, the Commission also called upon the CAB to develop and file a plan outlining its proposed process to examine issues surrounding the presence, portrayal and participation of persons with disabilities in television programming. The Commission is currently reviewing the plan that the CAB filed on 16 August 2004.

- Discussing with broadcasters their commitment and activities to enhance diversity at renewal or as other opportunities arise.

c) The CBC

- Requiring that the CBC include in its annual reports a description of how it is fulfilling its commitment as noted in Public Notice CRTC 2000-1[11], to more adequately reflect the multicultural and multiracial nature of Canada and to balance the representation of these groups on air in a manner that realistically reflects their participation in Canadian society, and that will help to counteract negative stereotypes. In response to the CBC's Year 3 Annual Reports filed on 30 November 2003, the Commission noted the CBC's efforts in relation to addressing representation and reflection issues and encouraged the CBC to continue to strive to reflect the full diversity of Canadian society and to report on its activities in this regard, including the reflection of persons with disabilities.

d) Private Radio Broadcasters

- Encouraging broadcasters in *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998, to reflect the cultural diversity of Canada in their programming and employment practices, especially with respect to news, music and promotion of Canadian artists.

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[10] *Introduction to Broadcasting Decisions CRTC 2004-6 to 2004-27 renewing the licences of 22 specialty services*, Broadcasting Public Notice CRTC 2004-2, 21 January 2004.
[11] *A distinctive voice for all Canadians: Renewal of the Canadian Broadcasting Corporation's licences*, Public Notice CRTC 2000-1, 6 January 2000.

- Initiating discussions with applicants about cultural diversity in radio broadcasting at competitive licensing hearings.

C. 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".

1. 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 generally presented as a banner at the bottom of the screen, showing on-screen dialogue and selected sounds in text form.

- The Commission generally requires English-language conventional and specialty services to caption 90% of their programming including 100% of their news programming, by condition of licence.

- With regard to French services, *Building on Success – A Policy Framework for Canadian TV*, Public Notice CRTC 1999-97, 11 June 1999, stated that French-language broadcasters should have requirements similar to English broadcasters. Increased obligations are being implemented at individual licence renewals.

- The Commission also expects licensees to focus on improving the quality, reliability and accuracy of closed captioning, and to work with representatives of the hearing impaired community to ensure that captioning continues to meet their needs.

- The Commission notes that the CAB has developed a Closed Captioning Manual which it encourages its English-language broadcasters to use.

- In addition, the CBC/SRC has developed *The CBC Captioning Style Guide* and the *Normes de sous-titrage* which its services use.

2. Access for Persons Who Are Visually Impaired

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

- Audio description is the provision of basic voice-overs of textual or graphic information displayed on screen. The Commission 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. Programming such as drama, documentary and children's programs best lend themselves to described video.

Current Requirements to Provide Described Video Programming

- Major conventional stations are:
  - required by condition of licence to describe a minimum amount of Canadian programming generally starting at 2 hours per week and eventually reaching 4 hours per week.
  - expected to broadcast described versions of programming wherever available.

- Pay and specialty services renewed since 2001 are:
  - expected to broadcast described versions of programming wherever available.
  - 6[12] of the specialty services renewed in January 2004 are required by condition of licence to describe a minimum of 2 hours per week (starting 1 September 2005) and increasing to three hours per week (beginning 1 September 2008).

3. 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.

- VoicePrint has mandatory carriage in English markets pursuant to an order issued under section 9(1)(h) of the Act[13]. Cable companies distributing VoicePrint on an analog basis distribute it on CBC Newsworld's SAP channel. Multipoint distribution system (MDS) licensees, direct-to-home (DTH) satellite distributors and cable companies distributing Voiceprint on a digital basis, distribute it on an audio channel located near a CBC channel.

- In its renewal decision in January 2004[14], VoicePrint was given a $0.03 rate increase in order to fund the licensee's proposals to increase the amount of local, regional, and original programming broadcast on VoicePrint as well as to provide persons who are blind or who have visual impairments with easier access to the service through expanded local program centres and an expanded outreach program.

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[12] History Television, Space: The Imagination Station, The Comedy Network, Teletoon/Télétoon, Treehouse TV, Prime TV

[13] *Broadcasting Distribution Order,* Decision CRTC 2000-380, 11 September 2000 and *Broadcasting Distribution Order – Erratum : Distribution Order 2000-1,* CRTC Decision 2000-380-1, 21 September 2000

[14] *VoicePrint – Licence renewal*, Broadcasting Decision CRTC 2004-28, 21 January 2004.

D. Programming Standards

The Commission is required, pursuant to section 5(1) of the Act, to regulate and supervise the Canadian broadcasting system with a view to implementing the broadcasting policy set out in section 3(1) of the Act. Section 3(1) sets out an extensive declaration of the broadcasting policy for Canada, listing a number of policy objectives that speak to programming standards. Section 3(1)(d)(i) declares 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 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*." Section 3(1)(d)(iii) states that the Canadian broadcasting system should, through its programming and employment opportunities arising out of its operations, "*serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights*." Section 3(1)(g) states that "*the programming originated by broadcasting undertakings should be of high standard.*"

- The Commission is required to balance the achievement of these objectives against the requirement to apply the Act in a manner consistent with freedom of expression and journalistic, creative and programming independence enjoyed by broadcasting undertakings as set out in Section 2(3) of the Act. Section 3(1)(h) of the Act states that the broadcasters themselves have a responsibility for the programs they broadcast.

- A key mechanism for achieving these objectives is through self-regulation. The industry must abide by the following industry codes[15], 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
  - CAB Code of Ethics
  - Radio-Television News Directors Association of Canada (RTNDA Canada) Code of 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
  - Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-On-Demand Services
  - Broadcast Code for Advertising to Children
  - Advertising Standards Canada (ASC) Canadian Code of Advertising Standards
  - Cable Television Community Channel Standards
  - Cable Television Customer Service Standards

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

- The Commission expects any discretionary services broadcasting adult programming to adhere to the adult programming provisions contained within *Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-on-Demand Services*[16]. The Code includes a comprehensive section specifically addressing adult programming which provides clear guidance for broadcasters regarding the classification and scheduling of adult films. Furthermore, the Commission expects all licensees that distribute adult programming to develop internal policies for broadcast to be submitted at the time of licensing, licence renewal or in the event of a complaint.

1. Complaints

- The Commission frequently receives requests for information, comments 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 contacts related to broadcasting matters in general and broadcasting complaints that the Commission received from 1 September 2001 to 31 August 2004. In the broadcast year 2003/2004, there was a small decline in the number of complaints received from that of the previous year.

Table 5.2: Number of Contacts by Public

	1 September 2001 - 31 August 2002	1 September 2002 - 31 August 2003	1 September 2003 - 31 August 2004
Overall contacts by public	58,487	53,382	55,386
Broadcasting matters only	26,881	24,770	18,273
Broadcasting complaints only	12,425	11,581	10,575

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 PPV 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.

[16] *Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-On-Demand Services*, Broadcasting Public Notice CRTC 2003-10, 6 March 2003.

Table 5.3: Broadcasting Complaints by Sector, by Issue

	1 September 2001 - 31 August 2002		1 September 2002 - 31 August 2003		1 September 2003 - 31 August 2004	
Topic	Complaints received	Referrals to CBSC	Complaints received	Referrals to CBSC	Complaints received	Referrals to CBSC
Radio						
Abusive comment[17]	85	29	148	57	81	39
Adult content	66	21	46	23	32	16
Alcohol advertising	2	0	0	0	1	0
Gender portrayal	5	2	39	27	1	1
Offensive comment[18]	241	56	408	255	291	165
Offensive language[19]	71	29	74	24	27	8
Conventional Television						
Abusive comment	39	8	87	31	195	34
Adult content	360	101	303	145	441	286
Alcohol advertising	23	0	19	3	17	1
Gender portrayal	17	3	51	32	14	0
Offensive comment	214	55	203	62	660	158
Offensive language	103	41	91	59	48	21
Television violence	83	22	84	27	99	34
Specialty Channels						
Abusive comment	4	1	25	18	10	2
Adult content	145	65	110	59	102	62
Alcohol advertising	0	0	4	0	1	0
Gender portrayal	3	0	6	4	0	0
Offensive comment	38	28	35	19	38	21
Offensive language	19	11	15	7	8	1
Television violence	13	8	12	9	11	11
Pay Television and Pay-per-view Services[20]						
Abusive comment	5	0	0	0	0	0
Adult content	8	0	11	0	14	0
Alcohol advertising	0	0	0	0	0	0
Gender portrayal	0	0	0	0	0	0
Offensive comment	87	0	0	0	0	0
Offensive language	2	0	0	0	0	0
Television violence	1	0	1	0	5	0

Source: CRTC Correspondence Tracking System

2. Canadian Broadcast Standards Council (CBSC)

- The CBSC[21] 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 Television and Radio Programming
  - RTNDA of Canada Code of Ethics

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[17] Where a complaint alleges that hatred or contempt was incited on-air against one of the groups identified in the Television, Radio, and Specialty Regulations.
[18] Where a complaint alleges offensive humour or other comments that do not fall under the "abusive comment" provision.
[19] Where a complaint alleges offensive language in song lyrics or spoken word.
[20] Note that none of the Pay and Pay-Per-View services are CBSC members so there are no referrals to the CBSC.
[21] www.cbsc.ca

- The Commission deals with complaints that are related to non-member broadcasters and with issues which do not fall within the parameters of the Codes administered by the CBSC.

Table 5.4: Complaints Handled by the CBSC

	2002/03	2001/02	2000/01	1999/00	1998/99	1997/98
Files handled by the CBSC	1,395	924	873	620	1,097	1,212
Referred by the CRTC	941	635	443	283	795	977

Source: CBSC Annual Reports

- The CBSC files annual reports about its activities with the Commission.
- It is important to note that, while not a censor, the Commission is always the final arbiter for matters regarding programming standards. Viewers and 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.

3. Advertising Standards Canada (ASC)

- ASC[22] is a not-for-profit industry body committed to creating and maintaining community confidence in advertising. ASC responds to advertising complaints from consumers and special interest groups for all media under the Canadian Code of Advertising Standards, the principal instrument of advertising self-regulation. In addition, ASC undertakes pre-clearance functions in five industry categories based on applicable legislation, regulations, and/or industry codes and guidelines.

Table 5.5: Complaints Handled by ASC

	2003	2002	2001	2000	1999	1998	1997
Complaints received by ASC	1,133	1,828	1,164	1,143	1,075	828	598
Complaints about television ads	588 (52%)	591 (32%)	549 (47%)	595 (52%)	554 (51%)	371 (45%)	185 (31%)
Complaints about radio ads	51 (5%)	50 (2.7%)	57 (5%)	48 (4%)	51 (5%)	28 (3%)	30 (5%)

Source: Ad Complaints Reports

4. Cable Television Standards Council (CTSC)

- The CTSC[23] deals with complaints with respect to cable service, such as concerns about quality of service and billing. For the 2003/2004 broadcast year, the CTSC processed 715 complaints of which approximately 37% were referred to the CTSC from the CRTC.

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[22] www.adstandards.com
[23] www.ctsc.ca

VI. Internet

A. Computer Ownership by Canadian Households

Table 6.1: Personal Computer Ownership Rates of Canadian Households

1998	1999	2000	2001	2002	2003	2004
49%	53%	55%	63%	64%	64%	68%

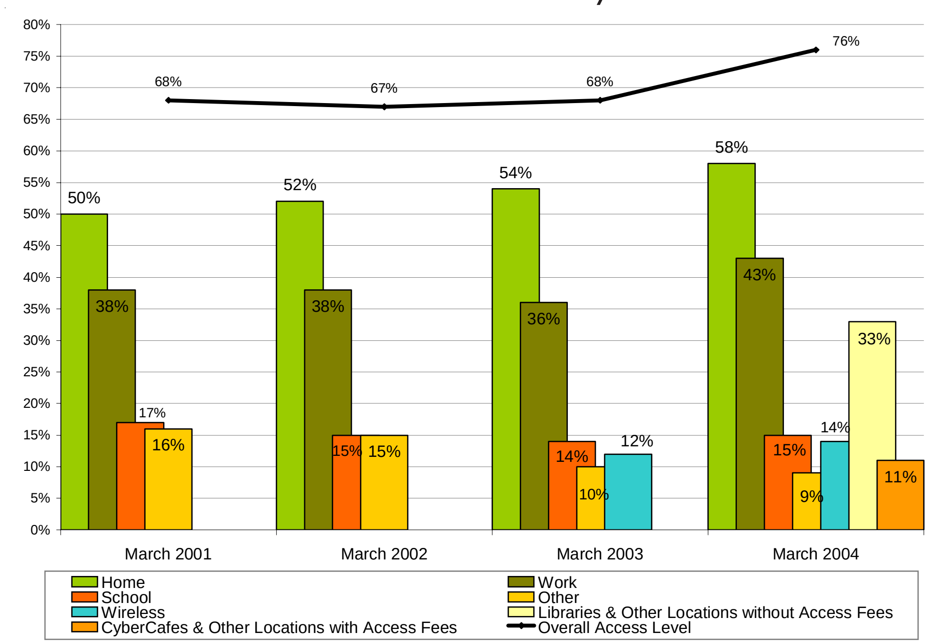
Source: CyberTRENDS Spring Editions, March 1998 to 2004, ComQUEST Research

- Income was a determining factor in computer ownership. In March 2004, 87% of households with an income over $80,000 owned computers while 40% of households with an income under $20,000 owned computers.
- Overall personal computer ownership rates remained constant from 2001 to 2003 and increased by 4% in 2004. According to CyberTRENDS, significant ownership increases were noted among women (5%), individuals 65 years of age and older (10%) and in households with an income under $20,000 (9%).

B. Internet Access by Canadians[1]

1. Internet Access by Location

Chart 6.1: Internet Access by Location



Source: CyberTRENDS Spring Editions, March 2001 to 2004, ComQUEST Research

[1] The CRTC's 2004 *Report to the Governor in Council on the Status of Competition in Canadian Telecommunications Markets/ Deployment and Accessibility of Advanced Telecommunications Infrastructure and Services* contains analysis of Internet access subscriptions. It is noted that these subscriptions were derived from data provided by the Internet service providers via the CRTC data collection forms for the period ending December 31. The results presented in this report are provided by CyberTRENDS, ComQUEST Research and are based on surveys of Internet users for a period ending March 31.

- Overall Internet access levels increased by 8% in 2004, after flat growth in the previous three years.

- The percentage of Canadians accessing the Internet from both work and home increased in 2004.

- The decline in the "Other" category in 2003 and 2004 can be partially explained by the addition of a new and separate category, wireless Internet access, specifically access via pagers, cell phones or personal digital assistants. In March 2003 and 2004, 12% and 14% of the respondents reported having wireless Internet access. In March 2004, two new categories were also added. The first is for those accessing the Internet from libraries and other public places where access is free. The second is for those using cybercafés and other public places where there is a fee for access. Thirty three percent of the respondents reported having access via libraries and other public locations without fees and 11% reported accessing the Internet by cybercafés and other public locations charging access fees.

Table 6.2: Internet Access by Household Income (%)

	Home %			Work %			School %			Overall %		
	March			March			March			March		
Income ($ 000)	02	03	04	02	03	04	02	03	04	02	03	04
< 20	22	25	31	7	11	12	14	14	20	36	36	54
20-40	42	42	45	26	24	23	12	13	16	58	56	65
40-60	62	62	62	44	38	50	10	13	13	79	77	84
60-80	70	72	75	57	55	65	20	15	13	86	88	93
80 <	78	82	78	67	67	74	22	17	14	89	93	91
All	52	54	58	38	36	43	15	14	15	67	68	76

Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- As with computer ownership, lower income groups continue to be the least likely to have access to the Internet. However, in 2004 there was a significant increase in the percentage of lower income groups accessing the Internet from home and school.

Table 6.3: Internet Access by Education (%)

	Home %			Work %			School %			Overall %		
	March			March			March			March		
Education	02	03	04	02	03	04	02	03	04	02	03	04
< High School	21	23	28	8	6	13	6	6	8	28	30	41
High School	42	45	50	25	22	29	13	8	11	60	59	71
Some College/ University	62	64	66	44	40	45	21	23	23	79	80	85
Post Secondary	70	71	68	55	57	61	17	12	14	86	87	88
Post Graduate	73	75	83	70	67	70	20	25	21	87	87	93
All	52	54	58	38	36	43	15	14	15	67	68	76

Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- Access to the Internet increases with the level of education.

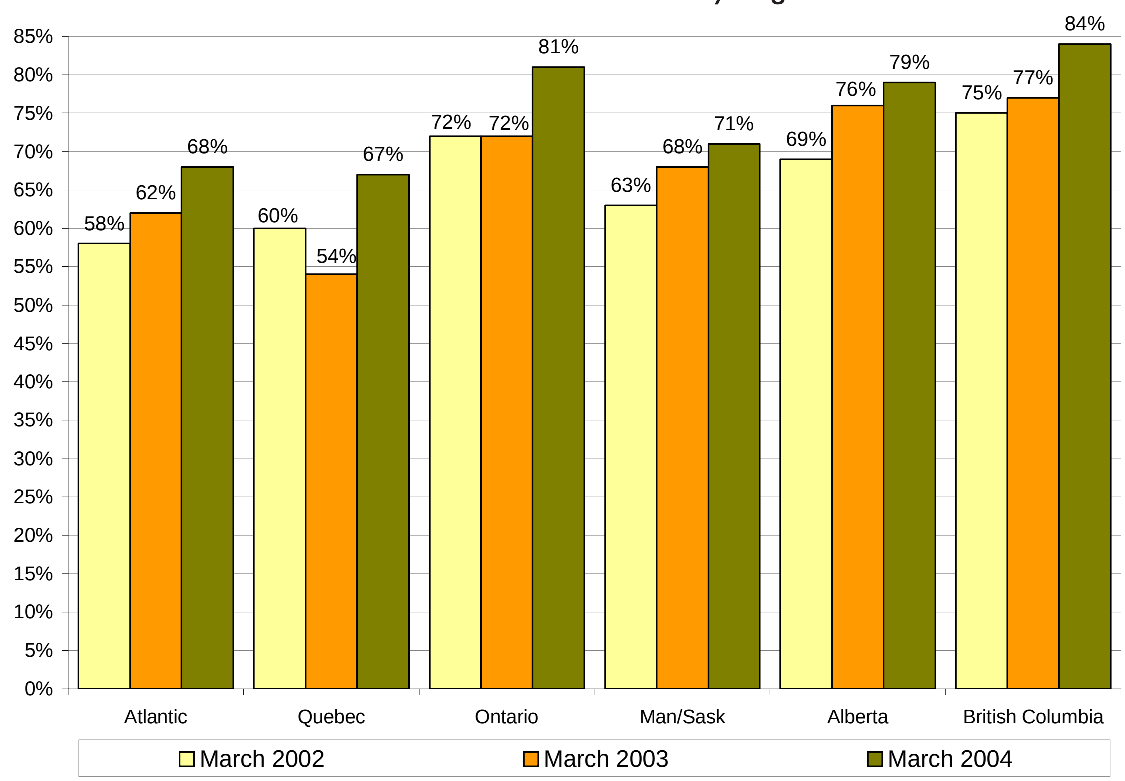
Table 6.4: Internet Access by Age (%)

Age	Home % 02	Home % March 03	Home % 04	Work % 02	Work % March 03	Work % 04	School % 02	School % March 03	School % 04	Overall % 02	Overall % March 03	Overall % 04
18-34	62	68	69	43	47	50	30	35	33	85	89	92
35-44	66	66	70	52	52	57	16	13	14	83	84	88
45-54	60	67	62	52	44	58	17	8	11	76	76	82
55-64	40	45	51	23	28	33	3	6	8	48	58	66
65+	20	22	32	4	5	6	0	1	0	26	26	40
All	52	54	58	38	36	43	15	14	15	67	68	76

Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- As a new medium, the Internet has been more readily adopted by younger households. In 2003, where the head of a household was between the ages of 18 and 34, Internet access was three times more likely than in cases where the head of the household was aged 65 or older. In 2004, this gap narrowed as the percentage of households with Internet access where the head of the household was 65 and older, increased from 22% in 2003 to 32% in 2004.

Chart 6.2: Penetration Rates by Region

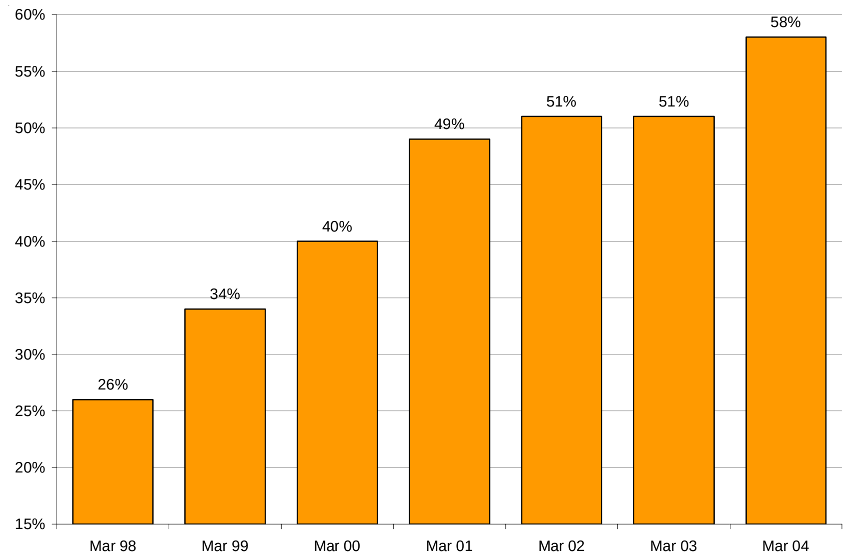


Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- In 2004, Internet access levels increased in all of the provinces.

2. Frequency and Duration of Internet Use

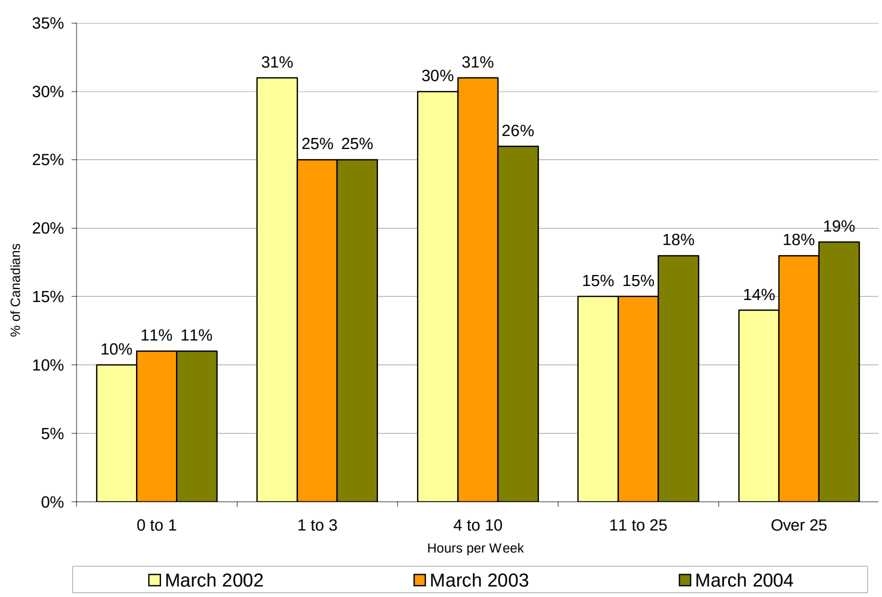
Chart 6.3: Percentage of Canadian Adults Using the Internet in a Given Week



Source: CyberTRENDS Spring Editions, March 1998 to 2004, ComQUEST Research

- The number of Canadians who reported using the Internet, at least once a week, increased from 51% in 2003 to 58% in 2004, this after relatively flat growth from 2001 to 2003.

Chart 6.4: Time Spent by Canadian Adults on the Internet in a Given Week

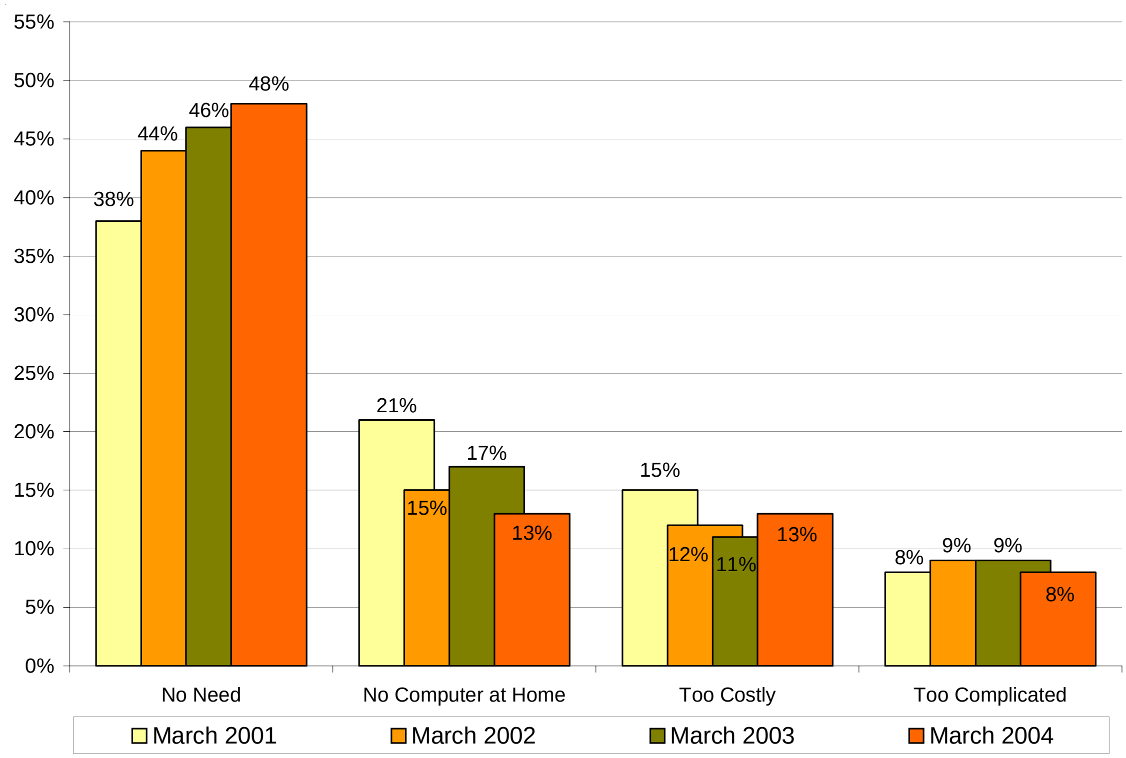


Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- In March 2004, the average Canadian, with Internet access, connected to the Internet 16 times a week for an average of 16 hours of Internet use per week.

3. Profile of Canadians without Internet Access

Chart 6.5: Major Reasons for not Having Access to the Internet



Source: CyberTRENDS Spring Editions, March 2001 to 2004, ComQUEST Research

- The number of Canadians who indicated a lack of need or lack of interest for not using the Internet increased from 38% in 2001 to 48% in 2004.

- The percentage of households reporting no computer at home has decreased from 21% in 2001 to 13% in 2004.

4. Internet Activities

Table 6.5: On-line Activities of Canadians

Activity	% of Canadian Adults Who Connected to the Internet at Least Once a Month							
	Most of the Time				Some of the Time			
	2001	2002	2003	2004	2001	2002	2003	2004
E-Mail	67	69	71	71	22	21	17	18
Specific sites of interest	62	58	61	57	27	32	29	30
Search for specific information	58	52	55	54	31	39	37	38
Research information on services / products		25	29	30		51	47	47
Surf or browse	19	21	28	25	37	41	38	38
Download / Listen to music	13	13	16	9	22	19	24	17
Downloading files or software	12	12	15	9	30	34	31	28
Chat	5	5	8	5	12	9	11	12
Online Gaming	5	3	6	7	8	8	7	9
Watch video	2	1	4	3	17	14	18	16
Listen to radio	4	3	4	4	12	11	12	14
Shop on-line		2	2	2		14	17	21

Source: CyberTRENDS Spring Editions, March 2001 to 2004, ComQUEST Research

- High-speed Internet users take advantage of faster data transfer rates, therefore spending more time than dial-up users on bandwidth-intensive activities.

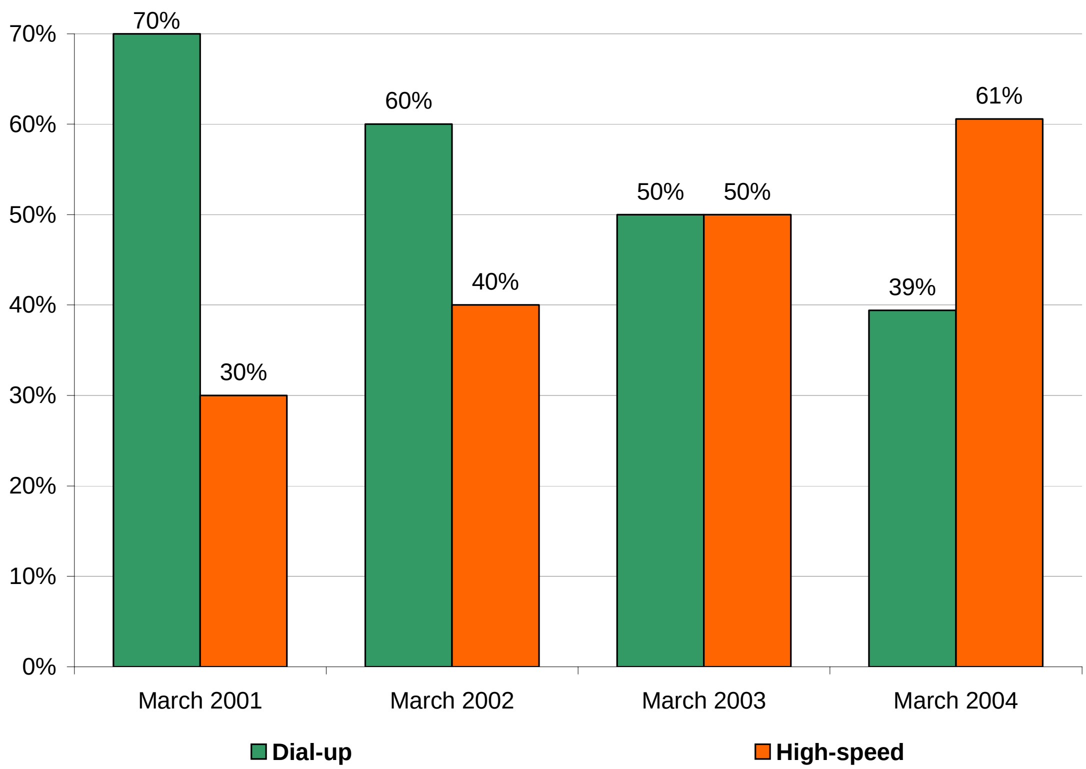
Table 6.6: On-Line Activities of High-Speed Users vs. Dial-up Users

Activity	Use Most or Some of the Time			
	High Speed		Dial-up	
	2003	2004	2003	2004
Download / Listen to music	53%	32%	32%	21%
Downloading files or software	54%	41%	46%	37%
Chat	26%	20%	16%	15%
Watch video	29%	27%	17%	11%
Listen to radio	20%	23%	12%	13%
Shop on-line	25%	28%	16%	21%

Source: CyberTRENDS Spring Editions, March 2003 and 2004, ComQUEST Research

5. Type of Internet Access Used at Home

Chart 6.6: Dial-up and High-speed Internet Access at Home



Source: CyberTRENDS Spring Editions, March 2001 to 2004, ComQUEST Research

- High-speed Internet access at home has risen from 30% in March 2001 to 61% in March 2004.
- According to the CyberTRENDS March 2004 Report, high-speed Internet users connect an average of 17 times more per month than dial-up Internet users.

6. The Canadian Internet Service Provider (ISP) Industry

- The following table provides the number of Canadian dial-up and high-speed residential subscribers by Internet service providers (ISP). Only those Internet service providers that include this information in their quarterly financial reports are listed below.

Table 6.7: Canadian Residential Subscribers of the Largest ISPs

(000)	Dial-up Subscribers			High-speed Subscribers			Total Subscribers		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Bell [1]	1,031	911	807	909	1,287	1,670	1,940	2,198	2,477
Telus [2]	432	352	301	326	469	624	758	821	925
Shaw [3]	-	-	-	758	881	997	758	881	997
Rogers [4]	-	-	-	541	755	851	541	755	851
Quebecor (Vidéotron) [5]	-	-	-	265	379	447	265	379	447
Look [6]	96	83	51	3	3	10	99	86	61
Sprint [7]	85	66	60	-	-	-	85	66	60
Cogeco [8]	-	-	-	154	196	240	154	196	240

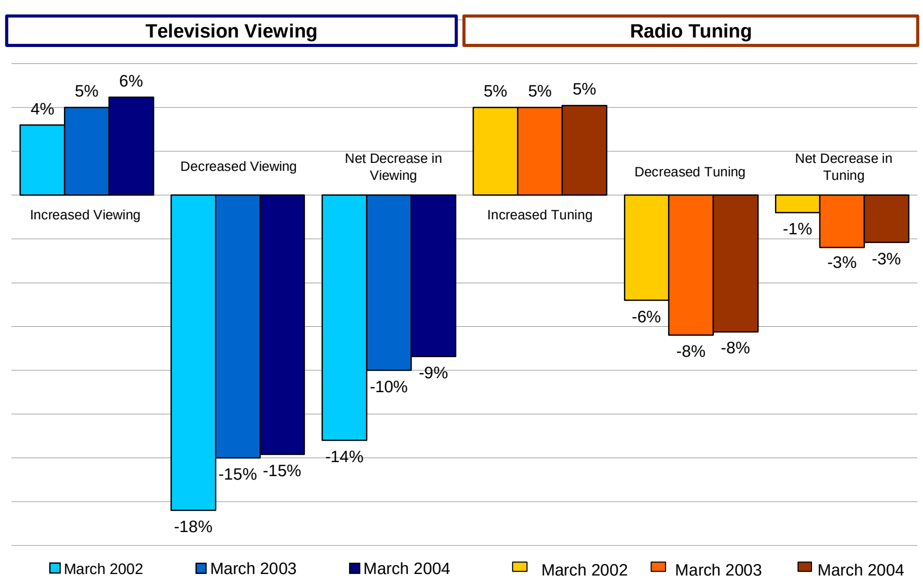
Sources: Quarterly financial reports
Notes:
1. Bell: June 30, 2002, June 30, 2003, June 30,2004
2. Telus: June 30, 2002, June 30, 2003, June 30, 2004
3. Shaw: May 31, 2002, May 31, 2003, May 31, 2004
4. Rogers: June 30, 2002, September 30, 2003, June 30,2004
5. Quebecor (Vidéotron): June 30, 2002, September 30, 2003, June 30, 2004
6. Look: June 30, 2002, December 31, 2002, June 2004
7. Sprint: June 30, 2002, June 30, 2003, June 30, 2004
8. Cogeco: May 31, 2002, May 31, 2003, May 31, 2004

- In 2004 Bell dominated the Canadian ISP market, with 807,000 dial-up subscribers and just under 1.7 million high-speed subscribers.

C. The Effect of Internet Use on Broadcast Media

- CyberTRENDS reports that, in some instances, the Internet has influenced Canadians 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.

Chart 6.7: Percentage of Canadians Reporting an Effect of Internet Use on Broadcast Media



Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- Thirty-nine percent of Canadian households with Internet access have a TV in the same room as the computer.

- Of the above households, 28% regularly watch TV while using the Internet.

Table 6.8: Listening to Radio via the Internet

Fall survey	Total hours tuned via the internet (000)	Share of total tuning (%)
1997	8	0.0
1998	94	0.0
1999	279	0.1
2000	454	0.1
2001	634	0.1
2002	942	0.2
2003	778	0.1

Source: MicroBBM, Fall 1997 to Fall 2003, All Canada, Persons 2+

- Data from the BBM Fall surveys indicate that the amount of tuning to Canadian radio stations via the Internet is still insignificant.

D. Trends in Internet Advertising and E-Commerce

- Internet advertising revenues in Canada increased by 34% in 2003 to $156 million.[2]

- As of March 2004, 63% of Canadian Internet users recalled having seen an ad on the Internet during the week, this compared to 74% in March 2003.[3]

- As of March 2004, 44% of Canadian adults reported having made a purchase on-line, compared to 27% in March 2003.

- The most popular types of products purchased on-line in 2004 were books (24%), computer hardware and software (23%), clothing (17%), travel services (17%) and music/audio CDs (12%).

- Retail stores are still the favourite destination of 89% of Canadians with Internet access. Only 15% prefer to shop on-line.

- More than three quarters (77%) of Canadians, with Internet access, used the Internet to research product information. Twenty-three percent of the time, those who researched specific products on-line, purchased them over the Internet.

[2] Carat Expert
[3] CyberTRENDS, March 2004 Spring Edition, ComQUEST Research

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 Telecommunications Association (website: www.ccta.com)
CPE	Canadian programming expenditures
CRTC	Canadian Radio-television and Telecommunications 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
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