

Broadcasting
Policy
Monitoring
Report
2005

Radio
Television
Broadcasting distribution
Social issues
Internet

For additional copies of the report, please contact:

Documentation Centre
Canadian Radio-television and
Telecommunications Commission (CRTC)
Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage
Gatineau, Quebec

Mailing Address:
CRTC
Ottawa, Ontario
Canada
K1A 0N2

Telephone: 1 (819) 997-2429
1 (877) 249-2782 (toll-free)
TDD: 1 (877) 909-2782 (toll-free)

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Introduction

This is the sixth edition of the CRTC's Broadcasting Policy Monitoring Report, which provides an on-going assessment of the impact of CRTC regulations, policies and decisions¹ on the achievement of the objectives of the *Broadcasting Act*. The 2005 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 2005 edition updates the performance indicators and continues the trends outlined in previous reports. In addition, the 2005 report provides audience measures for the entire 2003/04 broadcast year in regard to the viewing to Canadian programming using metered data. BBM Canada (BBM) and Nielsen Media Research released the final metered viewing results for the 2003/04 broadcast year with the additional program level data relating to country of origin and program genre in the spring of 2005.

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 into 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

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; *Achieving a better balance: Report on French-language broadcasting services in a minority environment*, Public Notice CRTC 2001-25, 12 February 2001;

A Policy to Increase the Availability to Cable Subscribers of Specialty Services in the Minority Official Language, Public Notice CRTC 2001-26, 12 February 2001;

Licence Renewals for the French-language National Television Network TVA and for the French-language Television Programming Undertaking CFTM-TV Montréal, Decision CRTC 2001-385, 5 July 2001;

Licence Renewals for the Television Stations Controlled by CTV, Decision CRTC 2001-457, 2 August 2001;

Licence Renewals for the Television Stations Controlled by Global, Decision CRTC 2001-458, 2 August 2001;

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;

Small cable systems – Digital migration policy, Public Notice CRTC 2001-130, 21 December 2001;

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;

Exemption order respecting radiocommunication distribution undertakings (RDUs), Broadcasting Public Notice CRTC 2002-45, 12 August 2002;

New licensing framework for specialty audio programming services, Broadcasting Public Notice CRTC 2002-53, 12 September 2002;

Policy framework for community-based media, Broadcasting Public Notice CRTC 2002-61, 10 October 2002;

Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers, Broadcasting Public Notice CRTC 2003-23, 30 April 2003;

The regulatory framework for the distribution of digital television signals, Broadcasting Public Notice CRTC 2003-61, 11 November 2003;

Incentives for English-language Canadian television drama, Broadcasting Public Notice CRTC 2004-93, 29 November 2004;

Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the list of eligible satellite services for distribution on a digital basis, Broadcasting Public Notice CRTC 2004-96, 16 December 2004;

Incentives for original French-language Canadian television drama, Broadcasting Public Notice CRTC 2005-8, 27 January 2005; and

Revised lists of eligible satellite services, Broadcasting Public Notice CRTC 2005-51, 13 May 2005.

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

Table 1.1: Diversity of television services available in Canada

	English Language*	French Language	Third Language	Total
Canadian conventional (over-the-air) ⁽¹⁾				
National Public Broadcaster (CBC)				
- Owned & operated	15	8	-	23
- Transitional digital ⁽⁶⁾	3	2	-	5
Private commercial ⁽⁷⁾	74	23	4	101
Religious	5	-	-	5
Educational	4	3	-	7
Native	10	-	-	10
Transitional digital ⁽⁶⁾	8	1	2	11
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⁾	40	1	17	58
Pay television services ⁽³⁾	5	2	5	12
Terrestrial PPV services ⁽³⁾	4	1	-	5
Direct-to-home (DTH) PPV services ⁽³⁾	5	1	-	6
VOD services ⁽³⁾	13	-	-	13
Other Canadian services				
Community channels ⁽⁴⁾	187	48	-	235
Community programming services	10	1	-	11
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	20	108
Total number of television services	511	115	53	679

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 22 April 2005. (3) Number of services licensed. (4) Excludes Class 3 licensees and exempted BDU's. (5) Carriage of authorized services is at the discretion of the broadcast distribution undertaking. (6) Number of over-the-air transitional digital television approved as of 21 April 2005. (7) Excludes private commercial religious stations.

Sources: CRTC APP1205 report dated 21 February 2005, CRTC decisions and CRTC Financial database system (FDB) as of 31 August 2003

Table 1.2: Canadian radio and audio services

	English Language ⁽¹⁾	French Language ⁽²⁾	Third Language	Total
Over-the-air radio services				
National public broadcaster:				
CBC: <i>Radio One / Première chaîne</i>	36	20	-	56
CBC: <i>Radio Two / Espace musique</i>	14	8	-	22
CBC network licences	2	2	-	4
CBC digital: <i>Radio One / Première chaîne</i>	5	4	-	9
CBC digital: <i>Radio Two / Espace musique</i>	5	4	-	9
Private commercial				
AM stations	169	18	8	195
FM stations	318	80	9	407
AM & FM network licences	26	11	-	37
Digital radio (<i>transitional</i>)	42	9	7	58
Community:				
Type A stations	13	29	-	42
Type B stations	25	22	1	48
Campus:				
Community based	37	6	-	43
Instructional	10	-	-	10
Native – Type B stations:				
	39	6	-	45
Religious (spoken word and/or music):				
	34	25	1	60
Other (tourist/traffic; Environment Canada; special event, etc.)				
	86	9	1	96
Total number of over-the-air Canadian radio services	861	253	27	1,141
Audio services delivered by BDUs				
Specialty audio (<i>commercial / Non-profit, regional / national</i>)	4	-	11	15
Pay audio (<i>English & French national services</i>)	2	-	-	2
Total number of Canadian audio services delivered by BDUs	6	-	11	17
Total number of Canadian radio & audio services	867	253	38	1,158

(1) Includes bilingual (English and French) and native services.

(2) Includes French-native services.

Excludes rebroadcasters and exempt radio services.

Sources: CRTC APP 1205 report (21 February 2005), CRTC decisions and CBC website

Table 1.3: Number of Canadian broadcasting distribution undertakings (BDUs)

	Number of distribution undertakings
Cable	
Cable class 1	139
Cable class 2	104
Cable class 3	1,717
<i>Sub-total cable</i>	<i>1,960</i>
DTH	2
MDS	29
STV	12
Total number of broadcasting distribution undertakings	2,003

Sources: Cable systems – September 2004, Mediastats; DTH, MDS & STV systems – CRTC APP1205 report dated 22 February 2005

- Most class 2 and 3 cable undertakings are eligible for exemption from licensing requirements.¹

B. Competitive disputes

- The Broadcasting Directorate’s competitive disputes team was created in 2000 to process and resolve disputes effectively 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 classified as follows: (1) disputes between broadcasting distributors and programming services concerning the terms of distribution, including wholesale rates; (2) disputes between competing broadcasting distributors over access to buildings and to the end-user; and (3) disputes between programmers regarding programming rights and markets served.
- The Commission employs alternative dispute resolution techniques, including fact-finding meetings, mediation and staff opinions, to attempt to break deadlocks and assist parties to resolve their disputes. When these techniques fail, the Commission may render decisions on disputes under sections 12 and 15 of the *Broadcasting Distribution Regulations* (BDU Regulations) i.e., by way of “final-offer” arbitration, or under section 9 of the *BDU Regulations* i.e., in cases involving allegations of undue preference or disadvantage. In the 2004/05 fiscal year, the Commission also considered two disputes that involved a request for a Commission order under the general powers provision established in section 9(1)(h) of the Act.

¹ Exemption order respecting cable systems having fewer than 2,000 subscribers, Public Notice CRTC 2001-121, 7 December 2001 / Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers, Broadcasting Public Notice CRTC 2003-23, 30 April 2003.

- “Final offer” arbitration processes are typically conducted on a confidential basis, both to encourage candour on the part of the parties and to take into account that the matters in dispute often involve commercially sensitive information, the disclosure of which could cause harm that would outweigh any public interest benefit.
- Disputes involving allegations by a party of undue preference or disadvantage in which it is alleged that the alleged preference or disadvantage has material and serious consequences for the complainant that are contrary to the public interest and/or the Canadian broadcasting system are generally immediately placed on a public file.

1. Type, number and complexity of disputes

Table 1.4: New disputes received – 1 April 2004 to 31 March 2005

Type of new disputes received (1 April 2004 to 31 March 2005)	Dispute issues				Total
	Wholesale rates	Building access	Channel placement	Programming rights-related issues	
Undue preference	4			1	5
Section 12-15 dispute resolution	4	1		2	7
Section 9 (1) (h)			2		2
Other				1	1
Total	8	1	2	4	15
	53%	7%	13%	27%	100%

- During the period from 1 April 2004 to 31 March 2005, the Commission opened 15 new dispute files and closed 44.² Of the 7 disputes outstanding, 2 disputes have been suspended and the remaining 5 were received in or after December 2004.
- An important trend to note in this reporting period is a gradual increase in the number of requests for earlier informal staff alternative dispute resolution interventions. Typically, these earlier interventions have taken place prior to the filing of formal complaints or requests for dispute resolution and prior to the provision of any related documentation. Such interventions are intended primarily to assist in early detection and removal of actual or probable obstacles to the resolution of disputes, and were successfully conducted by telephone. In January 2005, the Commission started tracking this type of activity as a separate dispute resolution category that will be included in next year’s report.
- Table 1.5 compares the average time taken to resolve disputes over each of the last three years.³ In arriving at these averages, it should be noted that some of the disputes were suspended, at the request of the parties, for various periods of time in

² There were 36 files outstanding from the previous period.

³ Files commenced in one year but concluded in another, are included in the calculation for the year of closure.

order to permit the parties to negotiate. Time while suspended is not included in calculating time to closure.

Table 1.5: Fiscal year comparisons of the average number of days to resolve disputes

Disputes	2002/03	2003/04	2004/05
Undue preference	176	245	142
Sections 12 to 15	84	152*	152*
Section 9(1)(h)	-	-	16

* The increase in the average times to resolution in this category was due to a number of complex "final offer" determination disputes that involved one or more CRTC staff mediation meetings and a subsequent written final offer stage.

- The majority of the new disputes, whether alleging undue preference or disadvantage or seeking staff assistance or Commission determinations on other matters, raised multiple issues and involved complex fact situations. Overall, the complexity of disputes submitted to the Commission continues to increase and most now include "policy" components. Neither factor is conducive to expedited processing by way of alternative dispute resolution techniques.

2. Ensuring good commercial practices in negotiations

- In *Good commercial practices*, Broadcasting Public Notice CRTC 2005-35, 18 April 2005, the Commission announced a number of measures involving the provision of notice to programming services by distributors of their plans to alter packages or channel position.
- The Commission announced that it would be appropriate, prior to any proposed channel realignment, for all BDUs to provide sufficient information to programmers to allow them to analyze the impact of the proposed change on their businesses, including the effect the proposed changes may have on their advertising and subscription revenues. In the Commission's view, the provision of such information should result in better informed negotiations and enhance the ability of programmers to inform subscribers about the details of the proposed changes.
- Accordingly, the Commission expects all BDU operators intending to make a change to the distribution of a programming service, to provide the operator of the affected programming service with the following information:
 - the intended date of the change;
 - the new channel number on which the programming service will be distributed;
 - if the service is moved from one package to another, a full description of the package in which the service will be distributed, including the name of the package, the expected penetration rate, and the retail rate for the package; and

- any change that may be contemplated in the wholesale rate or in the method used to calculate this rate.
- The Commission found the 60-day notice period established in section 26 of the BDU Regulations to be reasonable advance notice.
- The Commission expected that adherence to these notice measures would promote good negotiating relationships among licensees, and that this, in turn, would help achieve the various objectives set out in section 3(1) of the Act.

3. Expedited hearing process

- The Commission continues to seek new practices and procedures that will bring about the timely resolution of issues arising under the Act.
- As a further means to hasten the resolution of broadcasting disputes, the Commission has adopted procedures for the conduct of expedited public hearings. In *Expedited procedure for resolving issues arising under the Broadcasting Act*, Broadcasting Circular CRTC 2005-463, 18 April 2005, the Commission stated that expedited public hearings will complement the Commission's existing dispute resolution guidelines and tools, and be similar to the procedures that it recently established for resolving disputes arising under the *Telecommunications Act*.⁴
- The Commission recently employed an expedited hearing process in the context of an allegation of undue preference. This involved a complaint by Aliant Telecom Inc. (Aliant) against Bragg Communications Incorporated and its subsidiaries in which Aliant alleged undue preference or disadvantage under both the Telecommunications and Broadcasting Acts. The matter was heard by a panel of three Commissioners at a Public Hearing in the National Capital Region on 21 March 2005 followed by the issuance of a decision on 1 April 2005.⁵

⁴ *Expedited procedure for resolving competitive issues*, Telecom Circular CRTC 2004-2, 10 February 2004.

⁵ *Complaint by Aliant Telecom Inc. against Bragg Communications Incorporated and its subsidiaries alleging breaches of section 9 of the Broadcasting Distribution Regulations and section 27(2) of the Telecommunications Act*, Broadcasting Decision CRTC 2005-120, 1 April 2005.

II. Radio

A. Radio tuning trends

Table 2.1: Per capita listening hours by age group
Average weekly hours tuned per capita
BBM Fall 1999 – 2004 – 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
2004	19.5	8.5	15.7	19.3	21.5	21.6	22.1	22.3
<i>Growth99 to 04</i>	-1.0	-2.8	-1.6	-2.0	-0.1	0.0	-1.1	-0.4

Source: MicroBBM surveys fall 1999 to fall 2004

- Overall weekly listening levels have decreased by roughly one hour from 1999 to 2004. This decrease is most notable in the teen demographics and for adults aged 18 to 34.
- The following table sets out the percentage of hours tuned to radio in an average week during the BBM fall surveys from 1997 to 2004.

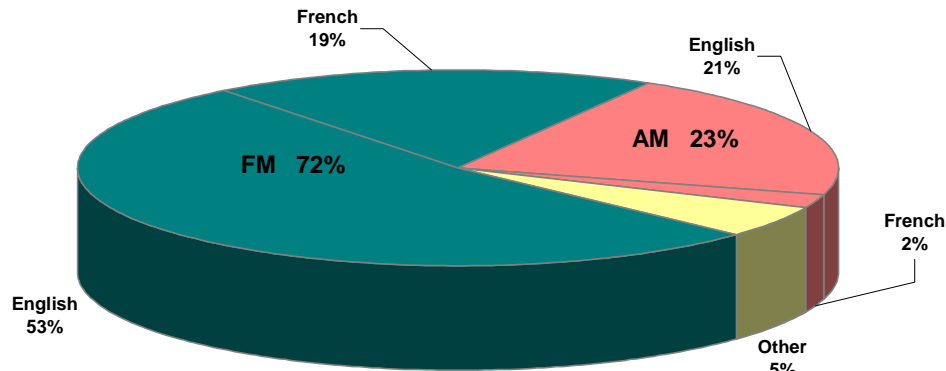
Table 2.2: Radio tuning share in an average week
BBM fall – all persons 12+,
Monday to Sunday, 5 a.m. to 1 a.m.

	Percentage of Hours Tuned								Growth 97 to 04
	1997	1998	1999	2000	2001	2002	2003	2004	
AM English	27.7	25.1	24.5	23.8	23.7	22.6	22.2	21.2	-6.5
AM French	5.7	4.4	3.8	3	2.9	2.7	2.4	2.1	-3.6
FM English	45.2	48.7	49.2	50.3	50.1	51.1	52.1	52.7	7.5
FM French	15.4	16.5	16.9	17.4	17.7	18.4	18.4	18.8	3.4
Other	6.0	5.3	5.6	5.5	5.6	5.2	4.9	5.2	-0.8
Total	100	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	538.1	21.5

Note: "Other" is principally over-the-air tuning to U.S. border stations.
Source: BBM Fall 1997 to Fall 2004

- The total average weekly hours tuned to radio have remained relatively stable since 1997.
- The following pie chart is based on Table 2.2 and serves to demonstrate the dominance of FM radio in both the English- and French-language markets.

Chart 2.1: Radio tuning share in an average week, 5 a.m. to 1 a.m., BBM Fall 2004



- According to the 2004-5 BBM Radio Data Book (5 a.m. to 1 a.m., Monday to Sunday):
 - 92.9% of Canadians aged 12 and over listened to the radio for at least 15 minutes per week in Fall 2004, as compared to 94% in 1998.
 - In Fall 2004, the average hours tuned per listener was 21 hours per week, the same number as in the previous year.
 - In Fall 2004, the average hours tuned per capita remained the same as in 2003, 19.5 hours per week.

B. Ownership

- In revising its ownership policy in *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998 (the Commercial Radio Policy), the Commission focussed on developing a model that would allow for some consolidation, while taking into account the Commission's general concerns for preserving a diversity of news voices and maintaining competition.
- Tables 2.3 through 2.8 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 2.3: Tuning to the ten largest radio operators⁽¹⁾

Corporation	Listening hours (000) BBM fall			Share of national tuning		
	2002	2003	2004	2002	2003	2004
Corus Entertainment Inc.	83,493	83,785	85,391	15%	16%	16%
Standard Broadcasting Corporation Limited	66,010	64,496	64,526	12%	12%	12%
Rogers Communications Inc.	49,934	51,098	44,732	9%	10%	8%
Astral Media inc.	55,805	50,033	47,479	10%	9%	9%
CHUM Limited	36,441	34,581	36,019	7%	7%	7%
Newcap Inc.	16,161	20,052	20,039	3%	4%	4%
Jim Pattison Industries Ltd.	12,257	11,164	11,029	2%	2%	2%
Cogeco Inc.	10,881	8,943	9,345	2%	2%	2%
Maritime Broadcasting System Limited	10,352	8,935	8,282	2%	2%	2%
Caineco Limited	8,248	7,173	6,894	2%	1%	1%
Total	349,582	340,260	333,736	65%	64%	62%
Total Canadian private commercial radio⁽²⁾	441,952	434,153	437,181	82%	82%	81%
Total all radio⁽³⁾	540,463	529,647	538,202	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

(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: BBM Fall 2002 to 2004 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC financial database

- The tuning share of the ten largest radio groups rose considerably between 1998 and 2004, from 53% to 62%, although this figure is down from a high of 65% in 2002.

Table 2.4: Tuning to the two largest French-language radio operators, BBM fall 2003 and 2004 surveys⁽¹⁾

Corporation	Listening hours (000) BBM fall		Share of tuning to French- language radio	
	2003	2004	2003	2004
Astral Media inc.	47,381	45,317	43%	40%
Corus Entertainment Inc.	13,909	15,224	13%	14%
Total	61,290	60,541	56%	54%
Total Canadian French-language radio⁽²⁾	110,177	112,508	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

(2) Listening hours include tuning to public and private Canadian French-language stations.

Sources: BBM Fall 2003 to 2004 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC financial database

- Astral Media inc. garnered 40% of the hours tuned to French-language radio in 2004 and 57% of French-language radio revenues.

Table 2.5: Tuning to the five largest English-language radio operators, BBM fall 2003 and 2004 surveys⁽¹⁾

Corporation	Listening hours (000) BBM fall		Share of tuning to English- language radio	
	2003	2004	2003	2004
Corus Entertainment Inc.	69,876	70,167	18%	18%
Standard Broadcasting Corporation Limited	64,496	64,526	16%	16%
Rogers Communications Inc.	51,098	44,732	13%	11%
CHUM Limited	34,581	36,019	9%	9%
Newcap Inc.	20,052	20,039	5%	5%
Total	240,103	235,483	61%	59%
Total Canadian English-language radio ⁽²⁾	393,385	397,409	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

(2) Listening hours include tuning to public and private Canadian English-language stations.

Sources: BBM Fall 2003 to 2004 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC financial database

2. Revenues of the top private commercial radio ownership groups

Table 2.6: Ten largest radio operators radio revenue⁽¹⁾

Corporation	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of national revenue		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Corus Entertainment Inc.	52	50	50	198,245	210,529	216,119	18%	18%	18%
Rogers Communications Inc.	42	43	42	156,140	158,264	177,178	14%	13%	14%
Standard Broadcasting Corporation Limited	50	51	51	153,984	164,966	162,884	14%	14%	13%
CHUM Limited	29	30	30	110,283	116,968	121,144	10%	10%	10%
Astral Media inc.	36	36	34	115,201	115,881	119,368	10%	10%	10%
Newcap Inc.	39	41	41	45,880	55,509	58,012	4%	5%	5%
Jim Pattison Industries Ltd.	19	18	18	29,116	33,365	33,637	3%	3%	3%
Rawlco Radio Ltd.	12	12	12	22,019	27,020	28,907	2%	2%	2%
Elmer Hildebrand (Golden West Broadcasting)	21	21	23	22,066	25,221	27,077	2%	2%	2%
Maritime Broadcasting System Limited	21	21	21	22,685	23,593	22,856	2%	2%	2%
TOTAL	321	323	322	875,619	931,222	967,017	79%	79%	79%
TOTAL Canada (private radio revenues)	526	530	544	1,101,895	1,183,019	1,224,155	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

Includes private commercial networks and commercial ethnic radio stations.

Source: CRTC financial database

- The number of programming undertakings owned by the top ten radio operators and their share of national revenue continues to rise, from 148 and 61% respectively in 1998, to 322 and 79% in 2004.

Table 2.7: Radio revenues of the two largest French-language radio operators⁽¹⁾

Corporation	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of French-language radio revenue		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Astral Media inc.	27	27	27	107,210	106,441	110,750	60%	55%	57%
Corus Entertainment Inc.	10	10	10	24,638	28,657	31,838	14%	15%	16%
Total	37	37	37	131,848	135,098	142,588	73%	70%	73%
Total private commercial French-language radio	88	87	92	180,038	193,693	195,093	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

Includes network radio revenues.

Source: CRTC financial database

Table 2.8: Radio revenues of the five largest English-language radio operators⁽¹⁾

Corporation	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of English-language radio revenue		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Corus Entertainment Inc.	42	40	40	173,607	181,872	184,281	19%	19%	18%
Rogers Communications Inc.	42	43	42	156,140	158,264	177,178	17%	16%	18%
Standard Broadcasting Corporation Limited	50	51	51	153,984	164,966	162,884	17%	17%	16%
CHUM Limited	29	30	30	110,283	116,698	121,144	12%	12%	12%
Newcap Inc.	39	41	41	45,880	55,509	58,012	5%	6%	6%
Total	202	205	204	639,894	677,309	703,499	72%	71%	70%
Total English-language radio	425	430	438	893,868	960,121	998,191	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" below.

Includes private commercial network and ethnic radio station revenues.

Source: CRTC financial database

Notes to tables 2.3 to 2.8:

- The ownership structure reflects the licensees' filing of annual returns on 31 August of each year. Ownership transactions not taking effect until after 31 August are not reflected until the following year, except as noted below. The ownership structure relating to the following transactions are based on the date of the approving decision, not the official closing date of the transaction.
- An undertaking's entire annual revenue and tuning is attributed to the corporation that was deemed to be its owner as of 31 August as noted above.
- 2002 and 2003 results have been restated to reflect current data on file.
- The sale of CKDO and CKGE-FM by Corus to Durham Radio is 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 in Broadcasting Decision CRTC 2002-90, the acquisition of assets from Télémedia; 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).
- Astral's and Corus' results for 2004 do not reflect the transaction that was approved pursuant to Broadcasting Decision CRTC 2005-15, in which Astral acquired 5 stations from Corus and Corus acquired 8 stations and 3 networks from Astral.
- CHUM 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.
- Elmer Hildebrand (Golden West Broadcasting): 2002 results include new Estevan and Moose Jaw FM stations.

C. 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 Act.

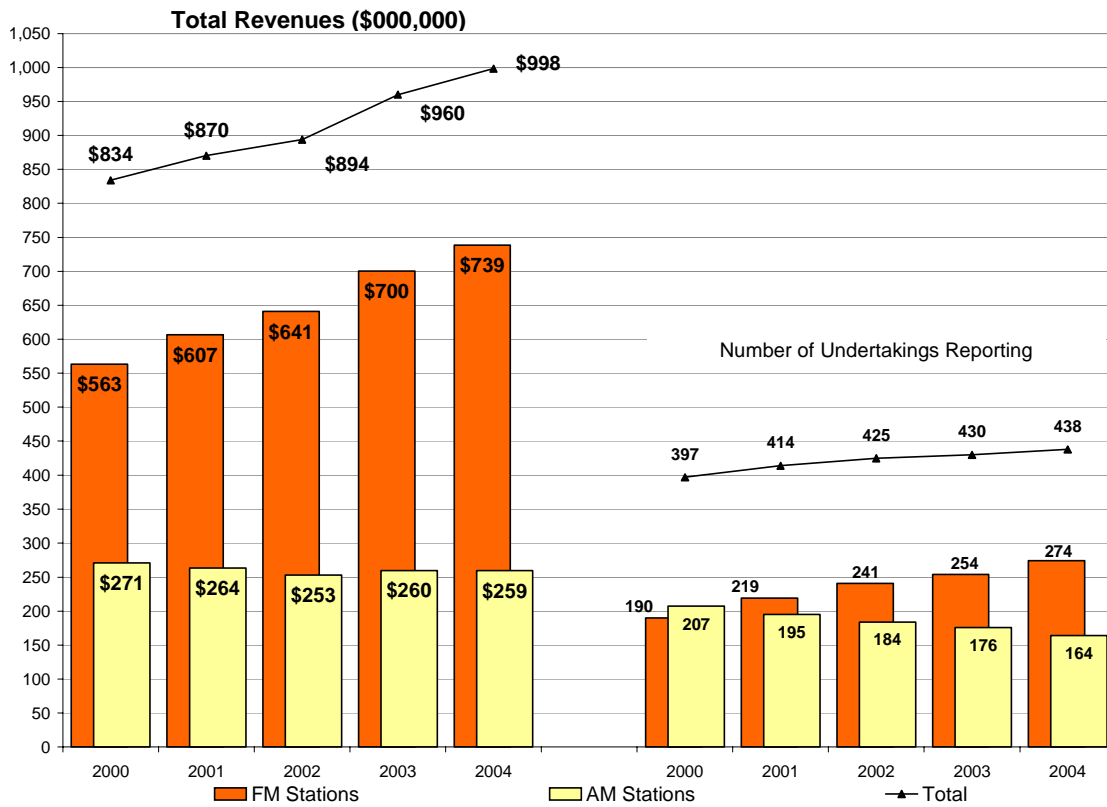
1. Commercial radio revenues

Table 2.9: Revenues – commercial radio – 2000 to 2004

(\$ 000)	2000	2001	2002	2003	2004
Number of radio undertakings reporting	496	514	526	530	544
AM stations	315,119	306,788	297,386	305,232	302,439
FM stations	710,476	762,479	804,509	888,627	921,716
Total	1,025,595	1,069,267	1,101,895	1,193,859	1,224,155
% Annual growth		4%	3%	8%	3%

Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

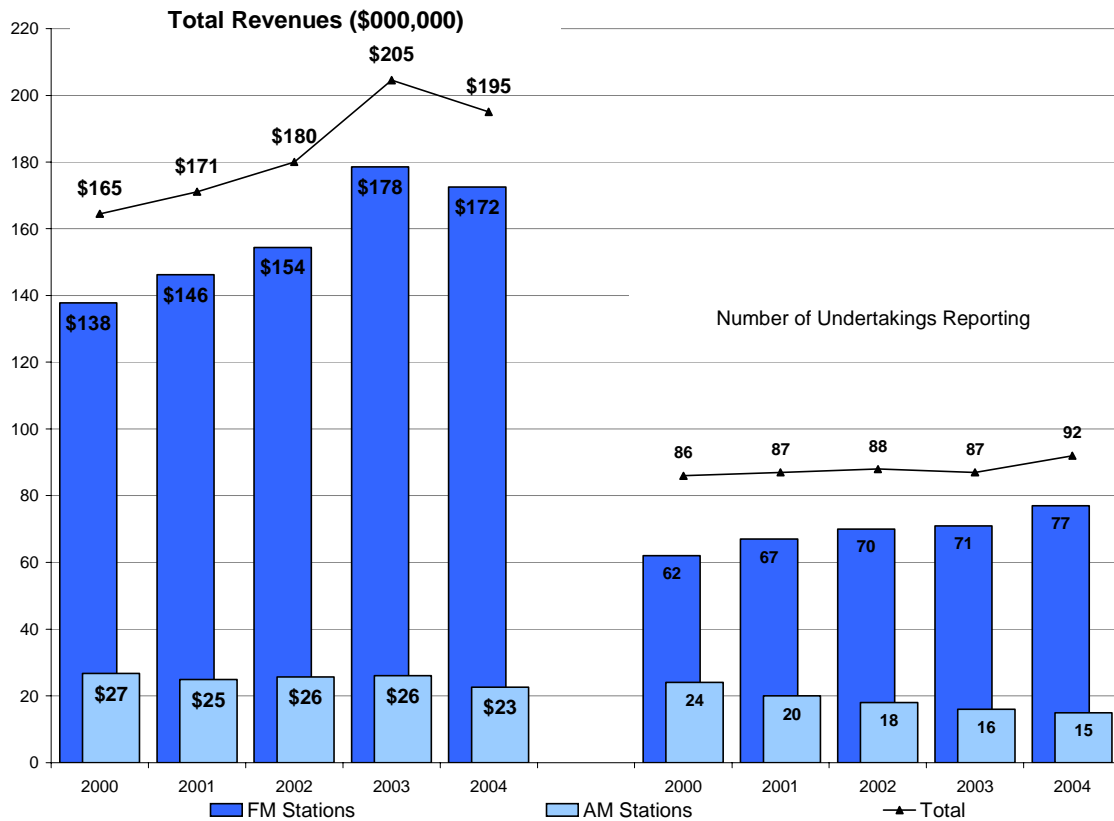
Chart 2.2: Revenues – English-language commercial radio stations



Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

- English-language FM radio revenues increased by 5.5% from 2003 to 2004. FM revenues have increased by an average of 7.0% per year over the past four years.
- English-language AM radio revenues decreased by 0.1% from 2003 to 2004. Over the past four years revenues decreased by an average of 1.0% per year.
- Combined English-language AM and FM radio revenues increased by 4.0% from 2003 to 2004. This represents an average annual increase of 4.6% over the past four years.
- The number of English-language radio stations continues to increase annually. Roughly 40% of the new FM stations reporting in 2004 were by licensees who had converted their AM frequencies to FM frequencies.

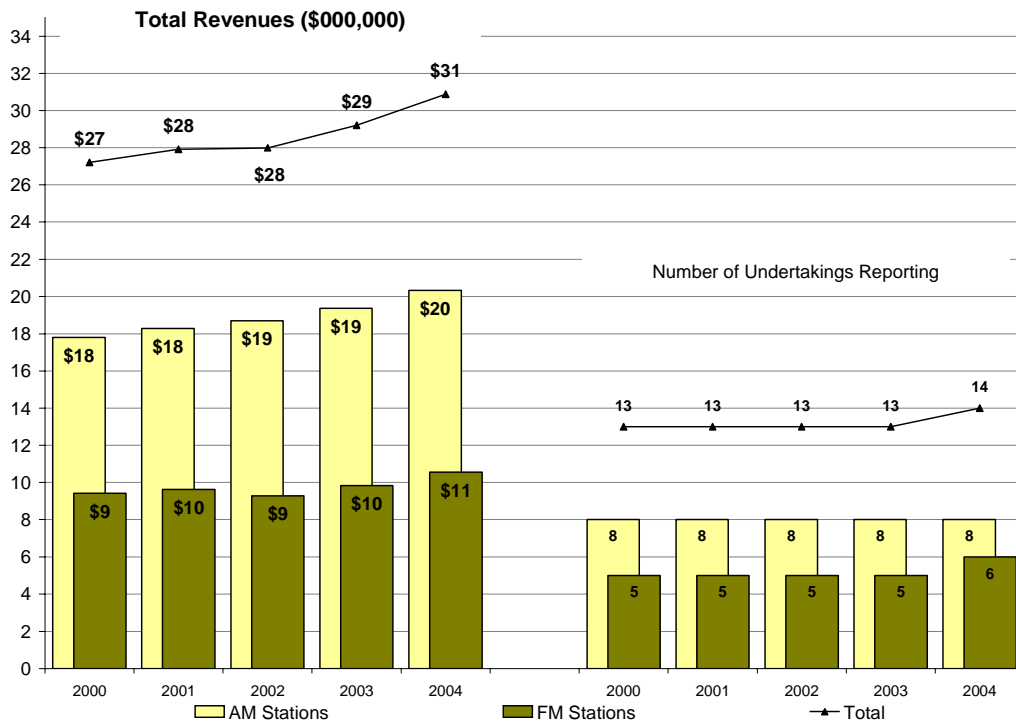
Chart 2.3: Revenues – French-language commercial radio stations



Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

- Revenues for French-language FM radio decreased by 3.4% from 2003 to 2004. FM revenues have increased by an average of 5.8% per year over the past four years.
- Revenues for French-language AM radio decreased by 13.2% from 2003 to 2004. Over the last four years, revenues decreased by an average of 4.1% per year.
- Overall, total revenues for French-language radio decreased by 4.6% from 2003 to 2004. French-language radio has experienced an average annual increase of 4.4% over the past four years.
- French-language AM radio continues to see a steady decline in the number of stations, decreasing from 16 in 2003 to 15 in 2004.

Chart 2.4: Revenues – Ethnic commercial radio stations



Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

- 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 5.7% from 2003 to 2004. Revenues have increased by an average of 3.2% per year over the past four years.

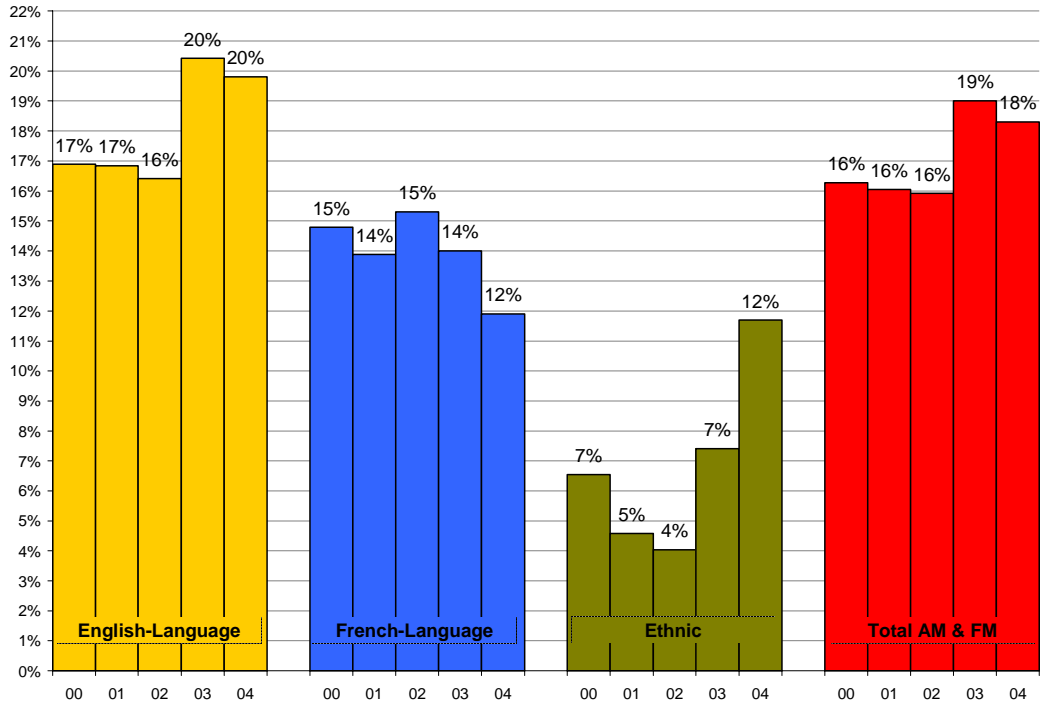
2. Profits before interest and taxes (PBIT) margins

Table 2.10: Commercial radio PBIT in Canada – 2000 to 2004

	2000	2001	2002	2003	2004
Number of radio undertakings reporting	496	514	526	530	544
PBIT (\$ 000)					
AM stations	-15,007	-16,926	-19,777	2,034	3,372
FM stations	181,986	188,530	195,304	224,977	220,725
Total	166,979	171,604	175,527	227,011	224,097
% Annual growth		3%	2%	29%	-1%
PBIT margin					
AM stations	-4.8%	-5.5%	-6.7%	0.7%	1.1%
FM stations	25.6%	24.7%	24.3%	25.3%	24.0%
Total	16.3%	16.1%	15.9%	19.0%	18.3%

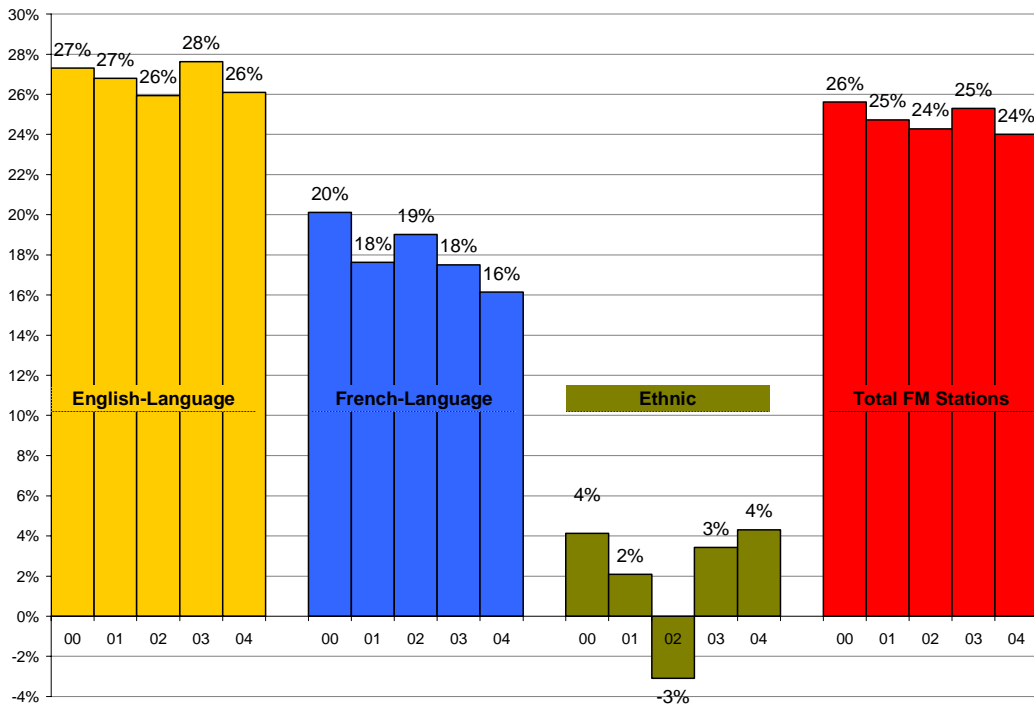
Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

Chart 2.5: PBIT margins – Commercial AM & FM radio stations



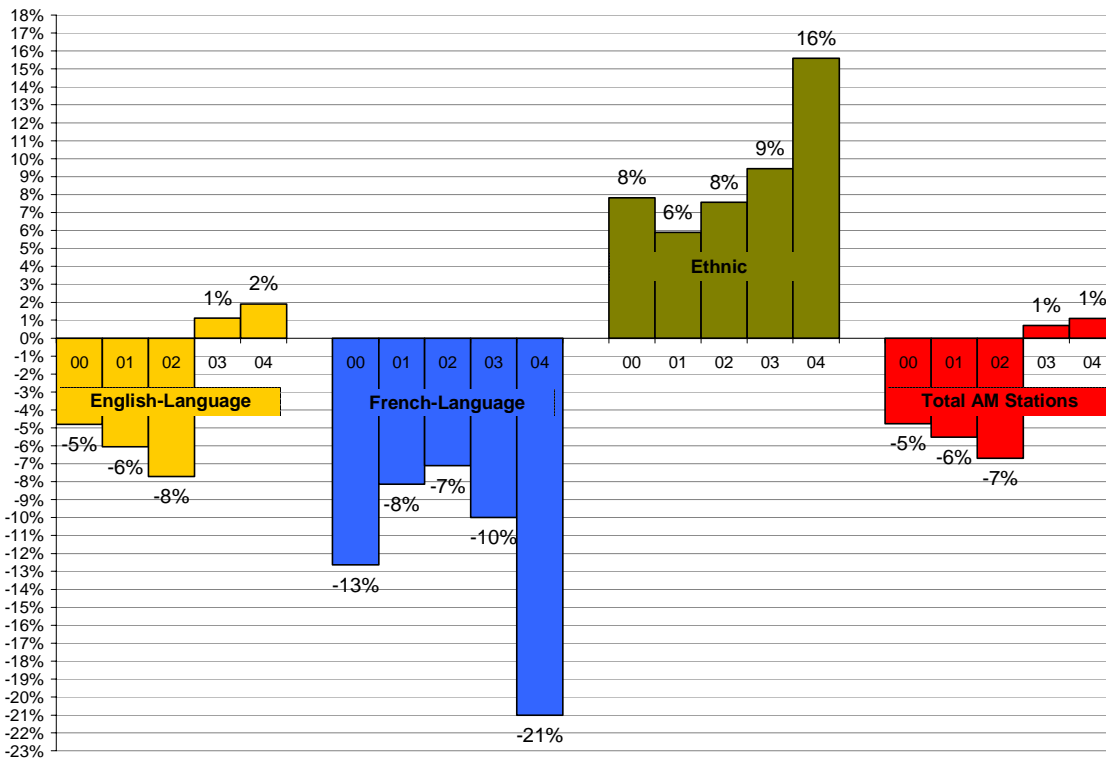
Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

Chart 2.6: PBIT margins – Commercial FM radio stations



Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

Chart 2.7: PBIT margins – Commercial AM radio stations



Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

D. Competitive licensing

- In the Commercial Radio Policy, the Commission determined that in order to encourage competition and choice it would no longer apply the criteria¹ outlined in the *Radio Market Policy*, Public Notice CRTC 1991-74, 23 July 1991 (the *Radio Market Policy*). 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 *Introductory statement – licensing new radio stations*, Decision CRTC 99-480, 28 October 1999 (Decision 99-480), 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.

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 2.11: 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
<i>Vancouver Island, British Columbia (4 May 1999 PH - 5 applications considered)</i>									
Victoria, O.K. Radio	99-480	e	C	MF, FM (flip)		✓	✓		
Victoria, Rogers	99-480	e	C	MF, FM		✓	✓		
Victoria, Seacoast	99-480	e	C	MF, FM		✓	✓	✓	
Duncan, CKAY	99-480	e	C	MF, FM (flip)			✓		
<i>Ontario (28 June 1999 PH - 4 applications considered)</i>									
London, CHUM Limited	99-482	e	C	MF, FM		✓	✓		
<i>Saskatchewan / Alberta (16 November 1999 PH - 5 applications considered)</i>									
Saskatoon, SK, Hildebrand	2000-73	e	C	MF, FM	✓	✓	✓	✓	
Lloydminster, AB, Peace River	2000-93	e	C	MF, FM	✓	✓	✓		✓
<i>Ontario (6 December 1999 PH - 7 applications considered)</i>									
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			✓	✓	
<i>Ontario, PN 2008-84 (31 January 2000 PH - 16 applications considered)</i>									
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		✓	✓		✓
<i>New Brunswick (6 March 2000 PH – 7 applications considered)</i>									
Moncton, Maritime	2000-360	e	C	MF, FM (flip)				✓	
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				✓	
<i>Ontario (9 May 2000 PH - 3 applications considered)</i>									
Kingston, Wright	2000-392	e	C	MF, FM		✓	✓		✓
<i>Alberta (30 October 2000 PH - 6 applications considered)</i>									
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					✓
<i>British Columbia, PN 2001-63 (20 November 2000 PH - 17 applications considered)</i>									
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					✓
<i>Ontario / Québec, PN 2001-105 (22 May 2001 PH - 11 applications considered)</i>									
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 2.11 (continued)

Market / Company	Decision number	Language / Type			Canadian content (I)	CTD	Business plan	Competitive balance	Diversity of voices
<i>Manitoba, PN 2002-41 (4 February 2002 / PH - 7 applications considered)</i>									
Winnipeg, Global	2002-224	e	C	SpMF(jazz) FM	✓	✓	✓		
Winnipeg, Rogers	2002-224	e	C	MF, FM (flip)			✓		
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		✓			
<i>Québec (18 February 2002 PH - 4 applications considered)</i>									
Québec, Cogéco	2002-191	f	C	MF, FM	✓	✓		✓	
<i>Toronto, PN 2003-20 (17 September 2002 PH - 17 applications considered)</i>									
Toronto, Canadian Multicultural Radio	2003-115	o	C	Sp(ethnic), FM	✓				✓
Toronto, Coopérative radiophonique de Toronto	2003-116	f	CO	Type B FM	✓			✓	
Toronto, Father Hernan Astudillo	2003-117	o	CO	Type B (ethnic) AM	✓				✓
Toronto, Sur Sagar Radio Inc.	2003-118	o	C	Sp(ethnic), digital	✓				✓
<i>Kitchener-Waterloo, PN 2003-25 (28 October 2002 PH - 11 applications considered)</i>									
Kitchener-Waterloo, Global	2003-152	e	C	MF, FM	✓	✓	✓		
Kitchener-Waterloo, Larche	2003-153	e	C	MF, FM	✓	✓	✓		✓
Kitchener-Waterloo, Sound of Faith	2003-154	e	NC	Sp(religious) FM		✓			✓
Kitchener-Waterloo, AVR	2003-155	e/n	N	Type B, FM					✓
<i>Newfoundland (10 December 2002 PH - 2 applications considered)</i>									
St. John's, Newman/Bell	2003-171	e	C	MF, FM			✓		✓
<i>Québec, PN 2003-33 (3 February 2003 PH - 25 applications considered)</i>									
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	✓	✓		✓	✓
<i>Alberta, PN 2004-23 (18 June 2003 PH - 13 applications considered)</i>									
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	✓	✓	✓		
<i>Atlantic, PN 2004-91 (1 March 2004 PH - 25 applications considered)</i>									
Halifax, Rogers	2004-513	e	C	SP (Spoken Word) FM	✓	✓			✓
Halifax, CKMW Radio	2004-514	e	C	MF, FM	✓	✓	✓		✓
Halifax, Global	2004-515	e	C	MF, FM	✓	✓	✓		
Halifax, International Harvesters	2004-516	e	C	MF, FM					✓
Moncton, Rogers	2004-517	e	C	SP (Spoken Word) FM	✓	✓			✓
Moncton, Radio Beauséjour	2004-518	f	CO	Type B, FM					✓
Saint John, Rogers	2004-520	e	C	SP (Spoken Word) FM	✓	✓			✓

Table 2.11 (continued)

Market / Company	Decision number	Language / Type			Canadian content (1)	CTD	Business plan	Competitive balance	Diversity of voices
Saint John, Coopérative	2004-521	f	CO	Type A, FM					✓
Fredericton, Newcap	2004-522	e	C	MF, FM		✓	✓		✓
Fredericton, Ross Ingram	2004-523	e	C	SP (Spoken Word) FM					✓
Total (68 stations)					28	33	35	14	43

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.

E. Canadian talent development

The Commission reviews contributions by radio licensees to Canadian talent development (CTD) in the context of:

- applications for new radio stations
- transfers of control or ownership (benefits)
- renewal of radio licences

1. Applications for new radio stations

- Between the introduction of the Commercial Radio Policy in 1998 and 31 March 2005, the Commission licensed 68 new radio stations through competitive processes in markets across Canada. The successful applicants have committed over \$44 million to CTD initiatives over their initial licence terms.
- In addition, there were 126 new radio licences or AM to FM flips granted without a competitive process. These licensees committed a combined \$1.14 million 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 commercial 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.

- From the adoption of the Commercial Radio Policy to 31 March 2005, the Commission has approved 86 control and/or ownership transactions involving 346 radio stations.
- CTD commitments (benefits) from these transactions have totalled \$93.9 million.

Table 2.12: Value of radio transactions and corresponding transfer benefits for the period 1 May 1998 to 31 March 2005

(\$000,000)	English-language services			French-language services			Total benefits
	# of Trans.	Value of the transaction*	Benefits	# of Trans.	Value of the transaction*	Benefits	
1 May 98 to 31 Aug. 98	3	9.6	0.3	0	0.0	0.0	0.3
1 Sep. 98 to 31 Aug. 99	17	281.1	14.8	4	5.0	0.3	15.1
1 Sep. 99 to 31 Aug. 00	16	386.8	23.0	4	11.4	0.7	23.7
1 Sep. 00 to 31 Aug. 01	11	98.7	5.7	1	110.0	6.6	12.3
1 Sep. 01 to 31 Aug. 02	14	458.2	27.6	2	227.0	13.6	41.2
1 Sep. 02 to 31 Aug. 03	2	5.5	0.0	1	0.4	0.0	0.0
1 Sep. 03 to 31 Aug. 04	5	3.7	0.2	1	-	-	0.2
1 Sep. 04 to 31 Mar. 05	4	13.7	0.5	1	22	0.7	1.1
Total	72	1257.3	72.1	14	375.8	21.9	93.9

* 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 2.13: CTD annual contributions – Licence renewals

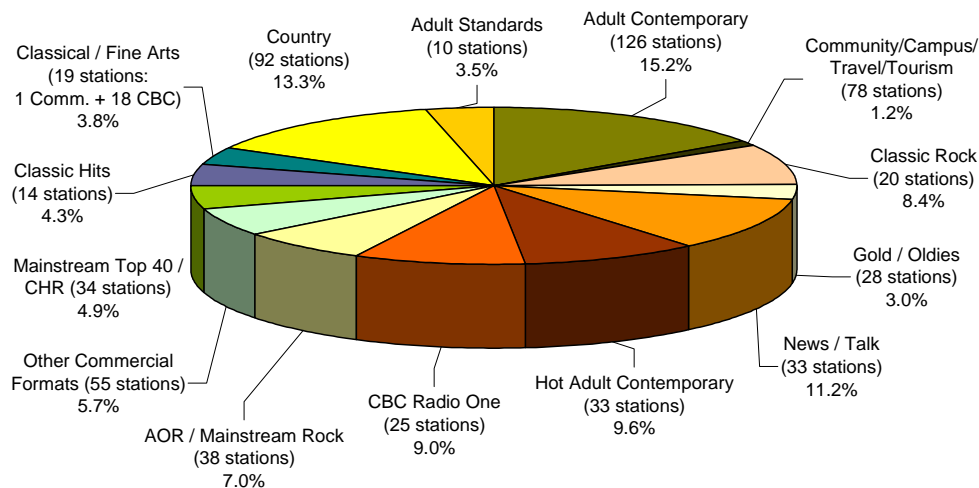
(\$000)	1999	2000	2001	2002	2003	2004
A 3rd Party Contributions						
FACTOR	965	835	895	891	747	775
MusicAction	288	270	258	308	365	332
Other :						
- Music organizations	407	506	385	543	753	459
- Performing arts groups	409	110	689	517	182	605
- Schools or scholarships	138	125	123	106	129	91
Total other	953	740	1,197	1,165	1,064	1,155
TOTAL 3 rd party contributions	2,206	1,845	2,350	2,364	2,176	2,262
B Local initiative contributions	614	657	570	718	909	625
TOTAL – CTD contributions	2,820	2,502	2,920	3,083	3,086	2,887

Source: CRTC financial database and annual returns

F. Popularity of formats

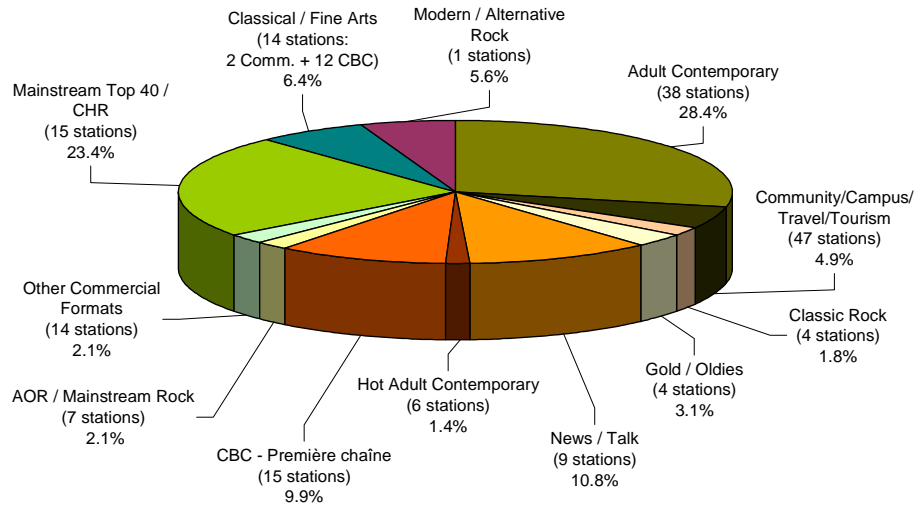
- Charts 2.8 and 2.9 show the percentage of tuning to Canadian English- and French-language radio stations by format. These charts also indicate the number of Canadian stations that were broadcasting in these formats. The information used is based on BBM Fall 2004 data and excludes tuning to ethnic, bilingual and U.S. stations.

Chart 2.8: English-language station formats – BBM Fall 2004²



² BBM Fall 2004, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday – Canadian English-language stations.

Chart 2.9: French-language station formats – BBM Fall 2004³



G. Promoting the airplay of Canadian and French-language vocal music

- In 1998, the Commercial Radio Policy increased the required minimum percentage of category 2 musical selections each broadcast week that must be Canadian from 30% to 35% for commercial AM and FM radio stations.
- The Commercial Radio Policy maintained the minimum level of French-language vocal category 2 music selections to be aired during each broadcast week at 65% and introduced the requirement that at least 55% of vocal category 2 music broadcast Monday through Friday between 6 a.m. and 6 p.m. be in the French language.
- These requirements have since been incorporated into the *Radio Regulations, 1986*, as amended from time to time.
- Table 2.14 provides the percentage of commercial radio stations that were in compliance with their Canadian content and French-language vocal music requirements in 2004. The results are based on a limited sample of stations analyzed from 1 January 2004 to 31 December 2004 and are not necessarily representative of the radio industry as a whole.

³ BBM Fall 2004, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday – Canadian French-language stations.

Table 2.14: Canadian content and French-language vocal music

Requirement	Number of stations analyzed in 2004	% Meeting requirement	
		All day & weekly	6 a.m. to 6 p.m. Monday to Friday
35% Canadian content (<i>English-language stations</i>)	25	92%	96%
65% weekly French-language vocal music	6	100%	<i>Not applicable</i>
55% French-language vocal music Mon to Fri – 6 a.m.-6 p.m.		<i>Not applicable</i>	83%

Source: CRTC, Evaluation of licence renewal applications from 1 January 2004 to 31 December 2004

- 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.

H. 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 21 February 2005, 76 licences for transitional digital radio programming undertakings have been granted. Of these licences, 57 have been issued to existing commercial radio programming undertakings, one to a stand-alone ethnic radio programming undertaking and 18 to existing CBC stations.

Table 2.15: 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	
Montréal, QC	2	6	-	1	1	1	1	12
Ottawa/Gatineau, ON/QC	8	3	-	1	1	1	1	15
Toronto, ON	17	-	7	1	1	1	1	28
Vancouver, BC	9	-	-	1	1	1	1	13
Victoria, BC	2	-	-	-	-	-	-	2
Windsor, ON	4	-	-	1	1	-	-	6
All Canada	42	9	7	5	5	4	4	76
		58			18			

(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 (21 February 2005)

I. Ethnic radio

- The Commission revised its ethnic broadcasting policy in *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999.
- The primary goal of the policy was to ensure access by Canadians 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.
- As of 31 March 2005 there were 17 commercial AM and FM ethnic radio stations licensed to broadcast in Canada:

Vancouver

- CJVB is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 23 different languages.
- CHKG-FM is required to provide programming directed to a minimum of 20 cultural groups in a minimum of 15 different languages.
- CHMB is required to broadcast ethnic programming directed to a minimum of 12 cultural groups in a minimum of 12 different languages. The station is also required to provide programming directed to Aboriginal people.

Edmonton

- CKER-FM is required to broadcast, during each broadcast week, ethnic programming directed towards not less than 19 distinct ethnic groups, in not less than 19 different languages.

Calgary

- CHKF-FM is required to provide ethnic programming during each broadcast week that is directed to a minimum of ten ethno-cultural groups in a minimum of 19 different languages.

Winnipeg

- CKJS is required to broadcast ethnic programming directed towards not less than 19 cultural groups, in not less than 16 different languages in each broadcast week.

Toronto

- CIRV-FM is required to provide programming directed to a minimum of nine cultural groups in a minimum of nine different languages.
- CHIN-FM is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 20 different languages.

- CHIN is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 17 different languages.
- CHKT is required to broadcast a maximum of 66 hours per broadcast week of ethnic programming directed to the Chinese community.
- CJSF-FM is required to offer programming directed to a minimum of 16 cultural groups in a minimum of 22 languages.
- CIAO is required to provide programming directed to a minimum of 12 cultural groups in a minimum of 13 different languages.
- CJMR is required to provide programming directed to a minimum of 11 cultural groups in a minimum of 15 different languages.

Montreal

- CFMB is required to provide programming directed to a minimum of 19 cultural groups in a minimum of 18 different languages.
- CJWI is a French-language ethnic station. The station must devote no less than 90% of its programming to French-language ethnic programming, targeting the Haitian, Latin-American and African communities.
- CKDG-FM is required to direct programming primarily to a minimum of six cultural groups in a minimum of eight languages.

Ottawa

- CJLL-FM is required to provide programming to a minimum of 37 cultural groups in a minimum of 20 different languages.

J. 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.
 - 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 21 February 2005, there were 60 radio stations licensed to broadcast in Canada in a religious spoken word format or religious music format. Of these 60 stations, 25 are French-language, 34 are English-language and one is third-language.

K. 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 aboriginal broadcasters to the Canadian broadcasting system.
- These undertakings play a distinct role 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 45 Type B Native radio stations licensed.
- Advertising is not one of the principal sources of revenue for Native radio stations.

Table 2.16: Revenues for type B Native radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004
Number of radio undertakings reporting	16	15	13	10	16	16	15
Local advertising	1,123	1,182	1,183	1,056	1,546	1,859	1,524
National advertising	1	47	83	137	181	223	91
Other	3,391	3,376	4,031	4,943	7,310	8,059	4,699
Total revenues	4,516	4,606	5,297	6,137	9,037	10,141	6,314
% of Non-advertising revenues	75%	73%	76%	81%	81%	79%	74%

Source: CRTC financial database

L. Community radio

- The *Community radio policy*, Public Notice CRTC 2000-13, 28 January 2000 (Community Radio Policy), states that the primary objective for community radio stations is to provide a local programming service that differs in style and substance from the services provided by commercial stations and the Canadian Broadcasting Corporation (CBC). Programming should be relevant to the communities served, including official language minorities, adding diversity to the broadcasting system by increasing program choice in both music and spoken word.
- A community radio station is owned and controlled by a not-for-profit organization, the structure of which provides for membership, management, operation and programming primarily by members of the community at large. In addition to advertising revenues, community radio stations also receive revenues from fundraising, grants, and other sources.
- 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 the same 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.
- There are currently 42 type A and 48 type B community stations. Of the type A community stations, 29 are French-language, 12 are English-language and one is bilingual. Of the type B community stations, 22 are French-language, 24 are English-language, one is bilingual and one is multicultural.

Table 2.17: Revenues for type A community radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004
Number of radio undertakings reporting	24	22	22	18	23	24	20
Local advertising	2,001	2,117	2,053	2,059	2,155	1,995	1,988
National advertising	330	459	535	658	617	705	450
Other	2,445	2,557	2,195	2,399	2,749	2,902	2,576
Total revenues	4,776	5,133	4,783	5,116	5,521	5,602	5,014
% of non-advertising revenues	51%	50%	46%	47%	50%	52%	51%

Note: 2000 to 2003 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database

Table 2.18: Revenues for type B community radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004
Number of radio undertakings reporting	21	23	19	22	14	25	19
Local advertising	3,199	2,935	2,131	2,622	2,189	3,842	2,592
National advertising	485	551	596	613	371	794	459
Other	2,956	3,288	2,851	2,870	2,422	3,352	2,595
Total revenues	6,640	6,774	5,579	6,105	4,982	7,988	5,646
% of non-advertising revenues	45%	49%	51%	47%	49%	42%	46%

Note: 2000 to 2003 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database

M. 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 53 campus stations licensed across Canada: 43 community-based campus stations and ten instructional campus stations.
- Of the community-based campus stations, six are French-language, 36 are English-language and one is bilingual.
- The majority of campus radio revenues come from sources other than advertising, for example, revenues from the educational institution with which they are associated, grants, the local community, fundraising, etc.

Table 2.19: Revenues for community-based campus radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004
Number of radio undertakings reporting	28	30	21	21	21	20	20
Local advertising	495	739	453	339	425	467	236
National advertising	54	84	41	49	55	62	49
Other	3,243	3,807	3,001	2,686	2,858	3,503	2,724
Total revenues	3,792	4,630	3,494	3,074	3,338	4,032	3,009
% of non-advertising revenues	86%	82%	86%	87%	86%	87%	91%

Note: 2000 to 2003 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database.

Table 2.20: Revenues for instructional campus radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004
Number of radio undertakings reporting	4	5	6	6	6	6	6
Local advertising	234	152	105	133	149	232	56
National advertising	-	-	-	-	-	-	-
Other	126	178	217	234	198	195	323
Total revenues	360	330	321	366	348	427	379
% of non-advertising revenues	35%	54%	68%	64%	57%	46%	85%

Note: 2000 to 2003 figures have been updated to reflect current August 31 aggregate results.
Source: CRTC financial database

N. Low-power radio

- The licensing policy for low-power radio is set out 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 call for competing applications may occur and a priority system for assessing competing low-power radio applications.
- The following table sets out the number of low- and very low-power radio stations in Canada as of 24 March 2005, by type.

Table 2.21: 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	65	3	1	69
Native type B	20	5	1	26
Religious	21	21	-	42
Community - type A	4	6	-	10
Community - type B	9	2	-	11
Campus community	9	-	-	9
Campus instructional	4	-	-	4
Commercial	13	2	1	16
Specialty	-	-	1	1
Total	145	39	4	188

Source: CRTC Decisions

O. 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 21 February 2005, the Commission approved 15 specialty audio services (two regional and 13 national) targeting eight ethnic communities and three Christian communities.

2. Pay audio programming services

- In 1995,⁴ following a competitive process, the Commission approved two national pay audio programming 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, contemporary Christian, 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.

P. 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

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.

whether it would authorize such a service at this time. The Commission held a public hearing commencing on 1 November 2004⁵ to consider three applications for this type of licence.

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

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.

⁵ Broadcasting Notice of Public Hearing CRTC 2004-6, 6 July 2004.

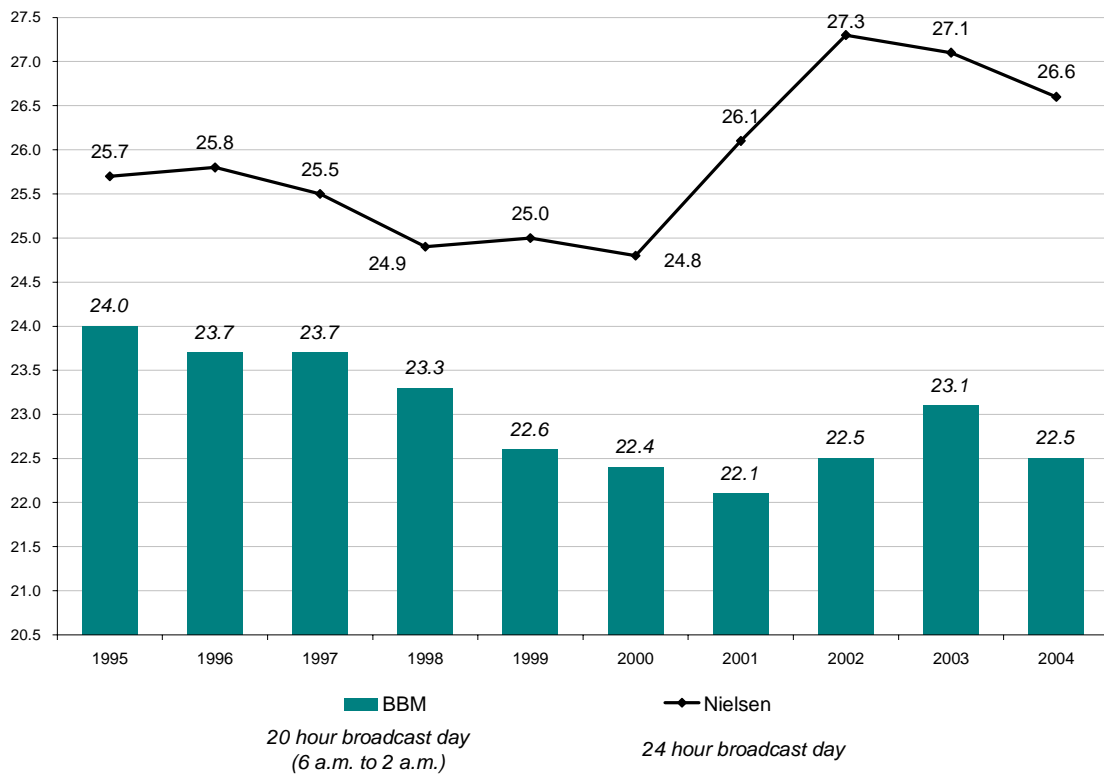
III. Television

A. Audience

1. Average weekly hours per viewer

- BBM data indicates that the average total weekly hours per viewer 2+ decreased in 2004 by approximately 35 minutes.
- Nielsen also reports a 30-minute decrease in the average weekly viewing from 2003 to 2004.

Chart 3.1: Average weekly hours per viewer – all persons 2+ – Fall



Sources: BBM: Diary data Fall survey period; Nielsen Media Research & CBC Research

2. Average weekly hours per capita

- On a per capita basis in 2004, the average weekly hours for Nielsen and BBM were 25.8 and 21.4 hours, respectively.
- The following table sets out the average weekly viewing hours per capita by age group for the Fall 1999 to Fall 2004 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

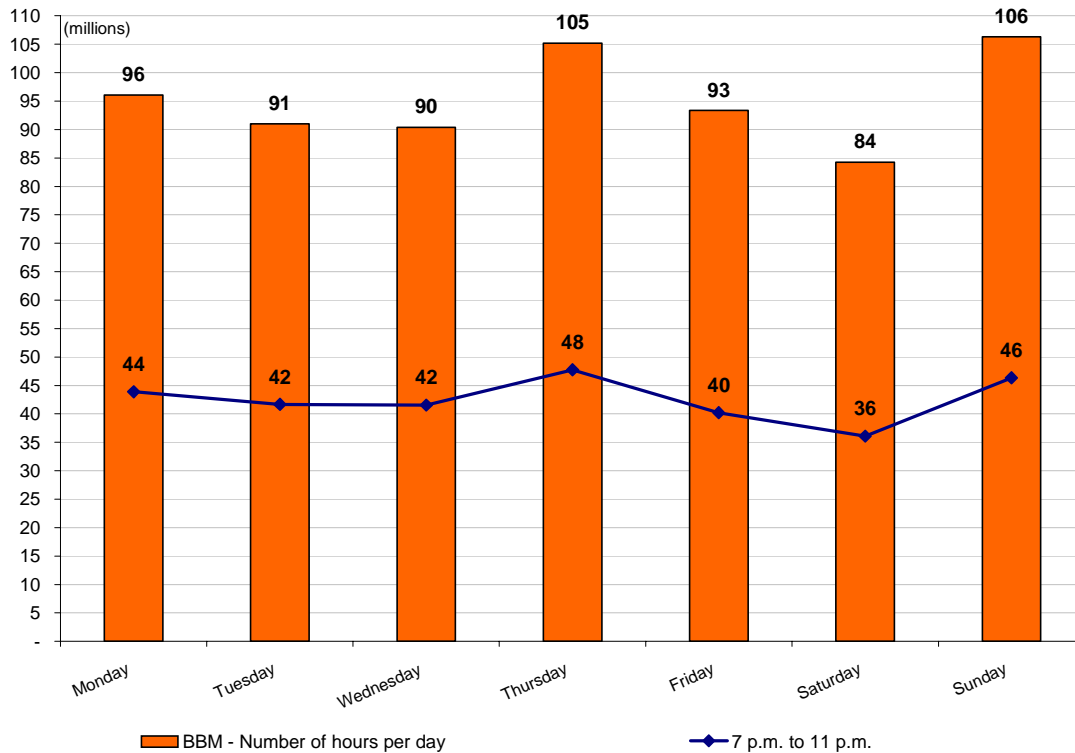
BBM Fall - all persons 2+ - 6 a.m. to 2 a.m. broadcast day									
BBM Fall	All persons 2+	Children 2-11	Teens 12-18	Adults					
				18-24	25-34	35-49	50-54	55-59	60+
1999	21.6	15.5	15.5	15.7	19.2	20.5	23.4	27.2	33.8
2000	21.5	15.5	14.1	14.8	19.0	20.2	23.4	27.3	34.2
2001	21.2	14.2	13.1	14.6	18.5	20.4	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
2004	21.4	14.1	12.9	13.6	18.6	20.4	24.6	27.4	33.6

Source: MicroBBM – 1999 to 2004 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 2004 – 6 a.m. to 2 a.m. broadcast day



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

4. Viewing share of Canadian and non-Canadian services by language and type of service

Table 3.2: Fall 1993 to Fall 2004 for all persons 2+ Monday to Sunday, 6 a.m. to 2 a.m. All provinces excluding Quebec

	Viewing share % – Fall												Inc./Dec. 93 to 04
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Canadian services:													
<i>English language</i>													
- Private conventional	44.1	42.9	42.6	41.3	39.6	37.5	37.6	35.9	33.3	34.8	35.1	35.3	(8.8)
- CBC & affiliates	12.9	13.2	12.0	11.5	10.6	9.1	7.5	7.5	6.9	6.8	7.1	6.4	(6.5)
- Pay & specialty	6.2	5.9	9.0	9.6	13.0	14.7	16.9	19.5	20.0	21.4	22.6	22.4	16.1
- Digital specialty*									1.8	1.4	1.6	1.9	1.9
- TVO	0.8	1.0	1.0	1.1	1.2	1.3	1.2	1.3	1.0	1.2	1.0	1.1	0.3
- Other**	0.6	0.7	0.7	0.8	0.8	0.7	0.8	0.7	1.1	1.4	1.2	1.5	0.9
Total English	64.6	63.7	65.1	64.3	65.3	63.3	64.0	65.0	64.1	66.9	68.6	68.6	4.0
<i>French language</i>													
- Private conventional	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.4	0.5	0.5	(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	0.4	(0.2)
- Pay & specialty***	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	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	1.2	(0.1)
<i>Other languages</i>													
- Private conventional	1.2	1.5	1.2	1.0	0.9	1.1	1.0	0.9	0.7	0.9	1.4	1.5	0.3
- Pay & specialty	0.1	0.2	0.4	0.4	0.5	0.5	0.7	0.8	0.5	0.6	0.4	0.6	0.4
- Digital specialty*									0.0	0.0	0.0	0.0	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	2.1	0.8
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	71.9	4.6
Non-Canadian services:													
- Conventional	17.8	17.4	16.6	16.2	13.5	14.2	13.2	12.4	12.2	10.9	10.9	9.9	(7.9)
- PBS	2.8	2.5	2.3	2.4	2.3	1.8	1.7	1.9	1.8	1.4	1.3	1.3	(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	10.5	5.0
Total non-Cdn. services	26.1	26.5	24.8	25.4	23.2	25.5	25.1	25.8	27.4	24.2	22.7	21.7	(4.4)
Other	0.9	1.0	1.0	1.3	2.8	2.5	2.3	1.1	1.2	1.2	1.1	0.9	0.0
VCR/DVD/PVR/VOD	5.7	5.9	6.1	6.3	6.0	5.8	5.8	5.1	4.7	5.1	4.8	5.5	(0.2)
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	
<i>Total hours (000)</i>	<i>448,541</i>	<i>471,494</i>	<i>488,749</i>	<i>486,246</i>	<i>488,769</i>	<i>503,072</i>	<i>478,576</i>	<i>471,198</i>	<i>472,640</i>	<i>486,011</i>	<i>492,453</i>	<i>493,496</i>	<i>44,955</i>

* 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 services.

*** Includes viewing to digital services.

- 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 1993-2004

- The total viewing share of Canadian English-language television services in all provinces excluding Quebec has increased by four percentage points compared to 1993. The viewing of all Canadian services increased by 4.6 percentage points while viewing to non-Canadian services decreased by 4.4 percentage points over the same period.

- Total viewing share of Canadian English-language television services remained unchanged from Fall 2003 to Fall 2004. The viewing share of Canadian English-language pay and specialty services, including digital, increased only marginally over the same period. BBM¹ reports a total viewing share of 24.3% in Fall 2004 – an increase of only 0.1 percentage points over the previous year. Nielsen² data reports that the share of Canadian English pay and specialty services in all regions excluding Québec averaged 33.1% over the period of 25 October to 21 November 2004 – an increase of 1.4 percentage points compared to Fall 2003.
- The total viewing share of Canadian third-language television services has increased steadily since 2001, achieving a 2.1 viewing share in Fall 2004.

**Table 3.3: Fall 1993 to Fall 2004 for all persons 2+
Monday to Sunday, 6 a.m. to 2 a.m.
Province of Quebec**

	Viewing share % – Fall												Inc./Dec. 93 to 04
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Canadian services:													
<i>French language</i>													
- Private conventional	47.6	47.7	44.9	44.7	46.1	44.9	45.0	46.1	44.0	45.4	45.8	41.9	(5.7)
- SRC & affiliates	22.8	20.4	22.7	21.6	19.8	21.1	20.0	17.5	17.8	14.9	11.7	16.6	(6.1)
- Pay & specialty	5.6	5.6	8.4	10.0	10.4	10.5	11.2	13.5	15.7	17.5	17.9	16.8	11.2
- Digital specialty												0.2	0.2
- Télé-Québec	2.6	3.3	2.4	1.5	1.1	1.3	2.0	2.0	2.2	2.5	2.6	2.6	(0.1)
Total French	78.6	77.0	78.4	77.7	77.4	77.8	78.2	79.1	79.7	80.2	78.0	78.1	(0.5)
<i>English language</i>													
- Private conventional	6.4	6.4	6.0	6.2	6.5	6.3	6.0	5.9	5.3	5.2	6.0	6.0	(0.3)
- CBC & affiliates	2.1	2.3	2.1	2.1	1.9	1.6	1.2	1.3	1.1	1.1	1.5	1.3	(0.8)
- Pay & specialty	0.9	0.9	1.3	1.4	2.1	2.0	2.3	2.6	2.7	3.0	3.1	3.2	2.4
- Digital specialty *									0.4	0.3	0.4	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	0.4	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	11.4	1.7
<i>Other languages</i>													
- Private conventional	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.3	0.5	0.4	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	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	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	90.1	1.8
Non-Canadian services													
- Conventional	6.2	6.7	5.7	5.6	4.7	4.5	4.6	4.4	3.7	3.1	3.3	3.0	(3.3)
- PBS	1.1	1.2	0.9	0.9	0.7	0.7	0.6	0.7	0.5	0.4	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	1.8	1.6
Total non-Cdn. services	7.5	8.1	7.3	7.0	6.2	6.2	6.3	6.5	6.1	5.1	5.4	5.1	(2.4)
Other	0.6	0.7	0.7	0.8	1.3	1.4	1.7	0.9	0.9	0.8	0.9	1.0	0.4
VCR/DVD/PVR/VOD	3.6	4.3	4.0	4.4	4.2	4.2	3.8	3.2	2.9	3.1	3.6	3.8	0.2
TOTAL	100	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	173,008	(1,525)

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.

* BBM Fall 2001 sample was conducted during the promotional viewing period.

** Includes viewing to House of Commons (CPAC), provincial legislatures, cable community channel, educational and religious services.

*** Includes viewing to digital services.

- 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 1993-2004

- The total viewing share of Canadian French-language television services in Quebec has remained relatively constant since 1993.
- BBM³ reports that viewing of Canadian French-language pay and specialty services, including digital, decreased by almost one percentage point in Fall 2004 in the province of Quebec.
- Although the total viewing share of Canadian television services remained relatively unchanged from Fall 2003 to Fall 2004, viewing to SRC's conventional television services increased by 4.9 percentage points compared to a 3.9 decline in viewing share experienced by private Canadian French-language conventional television services.
- Nielsen⁴ data reports that the share of Canadian French-language pay and specialty services in the province of Quebec averaged 24.9% over the period of 25 October to 21 November 2004 – a decrease from last year's 25.4%.

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, pay and specialty services controlled by the conventional English- and French-language television ownership groups (Quebecor Media, Cogeco, Bell Globemedia, CanWest Media, CHUM, Craig Media and Vidéotron) as well as the combined viewing share of pay and specialty services controlled by the largest ownership groups of pay and specialty services (Astral, Corus and Alliance Atlantis). This table reflects only those specialty services in which these groups have a 50% or greater ownership interest.
- The table shows that, on a combined basis, private conventional television ownership groups have been able to maintain or increase their overall viewing share through acquisition and new specialty services.

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.

Table 3.4: Combined viewing share of conventional and specialty services controlled⁽¹⁾, 50% or greater, by conventional English- and French-language TV ownership groups and by the largest ownership groups of pay and specialty services

Ownership groups (owned & operated)	BBM fall – all persons 2+, 6 a.m. to 2 a.m.													
	All regions (excl. Quebec)							Province of Quebec						
	98	99	00	01*	02	03	04	98	99	00	01	02	03	04
Alliance Atlantis														
- Conventional														
- Pay & specialty	1.6	1.6	2.3	2.6	3.6	2.9	4.0	0.2	0.2	1.5	1.4	0.9	2.5	2.5
Total	1.6	1.6	2.3	2.6	3.6	2.9	4.0	0.2	0.2	1.5	1.4	0.9	2.5	2.5
Astral Media														
- Conventional														
- Pay & specialty	0.9	1.5	1.7	1.8	2.2	2.1	2.1	4.7	4.8	6.9	7.7	8.9	9.7	9.6
Total	0.9	1.5	1.7	1.8	2.2	2.1	2.1	4.7	4.8	6.9	7.7	8.9	9.7	9.6
Bell Globemedia⁽³⁾														
- Conventional	14.3	15.0	14.2	14.2	14.9	15.2	16.4	0.6	1.0	0.9	3.6	3.5	4.1	4.3
- Pay & specialty	0.6	0.6	4.0	4.2	4.3	4.2	3.8			2.2	2.3	3.8	3.8	2.4
Total	14.9	15.6	18.2	18.4	19.2	19.4	20.2	0.6	1.0	3.1	5.9	7.3	7.9	6.7
CanWest Media														
- Conventional	8.1	7.4	13.5	13.3	13.3	12.8	11.7	1.8	1.5	1.6	1.8	1.9	1.9	1.7
- Pay & specialty	0.5	0.8	1.1	1.7	1.5	1.4	1.2	-	-	-	0.1	0.2	0.2	0.1
Total	8.6	8.2	14.6	15.0	14.8	14.2	12.9	1.8	1.5	1.6	1.9	2.1	2.1	1.8
CBC / SRC														
<i>English-language services</i>														
- Conventional	7.2	6.0	6.1	5.7	5.8	6.1	5.5	1.6	1.2	1.3	1.1	1.1	1.5	1.3
- Pay & specialty	0.9	0.7	1.0	1.0	0.9	1.0	1.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Total	8.1	6.7	7.1	6.7	6.7	7.1	6.4	1.7	1.3	1.4	1.3	1.3	1.7	1.4
<i>French-language services</i>														
- Conventional	0.6	0.6	0.5	0.5	0.4	0.3	0.4	15.7	15.2	13.6	14.3	12.0	9.4	13.6
- Pay & specialty	0.0	0.1	0.1	0.1	0.1	0.1	0.1	1.5	1.2	1.2	2.7	1.9	1.8	2.2
Total	0.6	0.7	0.6	0.6	0.5	0.4	0.5	17.2	16.4	14.8	17.0	13.9	11.2	15.7
Total CBC / SRC	8.7	7.4	7.7	7.3	7.2	7.4	6.9	18.9	17.7	16.2	18.3	15.2	12.9	17.2
CHUM⁽⁸⁾														
- Conventional	4.2	4.3	4.4	4.5	4.9	5.2	4.9	0.2	0.1	0.1	0.1	0.2	0.2	0.2
- Pay & specialty	1.8	1.7	2.3	2.5	2.7	3.4	2.7	0.7	0.7	0.9	0.7	0.9	0.9	1.0
Total	6.0	6.0	6.7	7.0	7.6	8.6	7.6	0.9	0.8	1.0	0.8	1.1	1.1	1.2
Cogeco⁽⁶⁾ (7)														
- Conventional	-	-	-	-	-	0.1	0.1	5.9	5.8	5.4	4.8	14.4	16.0	13.3
- Pay & specialty	-	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-
Total	-	-	-	-	-	0.1	0.1	5.9	5.8	5.4	4.8	14.4	16.0	13.3
Corus														
- Conventional			0.4	0.3	0.3	0.4	0.3			0.6	-	-	-	-
- Pay & specialty	2.5	3.0	3.3	3.9	4.5	5.1	5.0	0.4	0.5	0.4	0.5	0.4	0.5	0.8
Total	2.5	3.0	3.7	4.2	4.8	5.5	5.4	0.4	0.5	1.0	0.5	0.4	0.5	0.8
Craig Media⁽⁴⁾ (8)														
- Conventional	1.3	1.5	1.4	1.1	1.0	1.2	1.3	-	-	-	-	-	-	0.1
- Pay & specialty				0.2	0.1	0.1	0.1							
Total	1.3	1.5	1.4	1.3	1.1	1.3	1.4	-	-	-	-	-	-	0.1

Table 3.4 (continued)

Ownership groups (owned & operated)	All regions (excl. Quebec)							Province of Quebec						
	98	99	00	01*	02	03	04	98	99	00	01	02	03	04
Quebecor Media^{(5) (7) (8)}														
- Conventional	-	-	0.1	0.1	-	-	-	6.6	8.1	9.5	9.3	29.8	28.0	27.3
- Pay & specialty				0.1	0.1	0.1	0.2				-	0.9	0.7	1.0
Total	0.0	0.0	0.1	0.2	0.1	0.1	0.2	6.6	8.1	9.5	9.3	30.7	28.7	28.2
Vidéotron⁽⁷⁾														
- Conventional	0.1	0.1	0.1					32.5	31.2	30.4	29.0			
- Pay & specialty								0.3	0.5	0.6	0.6			
Total	0.1	0.1	0.1					32.8	31.7	31.0	29.6			
Total - Ownership Groups														
- Conventional	35.8	34.9	40.7	39.7	40.6	41.3	40.7	64.9	64.1	63.4	64.0	62.9	61.1	61.6
- Pay & specialty	8.8	10.0	15.7	18.2	20.0	20.3	20.1	8.0	8.0	13.7	16.2	18.2	20.3	19.9
Total	44.6	44.9	56.4	57.9	60.6	61.6	60.8	72.9	72.1	77.1	80.2	81.1	81.4	81.5

Sources: BBM Fall 1998 to 2004 surveys; Economic Analysis and Research Broadcasting Directorate, CRTC; CRTC Acquisitions and Ownership Policy Section and Licensees.

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

(1) Based on percentage of direct and indirect voting interest held on 31 August 2004.

(2) Minor variances are due to rounding.

(3) 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.

(4) On 31 August 2004, Manalta Investment Company Ltd. (Craig Family) held 80.1% of the voting interest of Craig Media Inc (see note 8).

(5) Quebecor inc. directly and indirectly owns and controls 54.72% of the voting interest of Quebecor Media Inc. Quebecor Media Inc. holds 99.91% voting interest in TVA Group Inc.

(6) Cogeco inc. holds, through subsidiaries, 60% of the voting interest of TQS inc. The remaining 40% is owned by CTV Television Inc, which BCE controls (see note 3).

(7) TVA conventional television stations and LCN were controlled by Vidéotron from 1987 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.

(8) 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 (Decision 2004-502)). In *Transfer of effective control of Toronto One to TVA Group Inc. and Sun Media Corporation*, Broadcasting Decision CRTC 2004-503, 19 November 2004 (Decision 2004-503), the Commission also approved the transfer of effective control of Toronto One to Quebecor Media Inc. The stations will be reported with CHUM and Quebecor Media commencing in 2005.

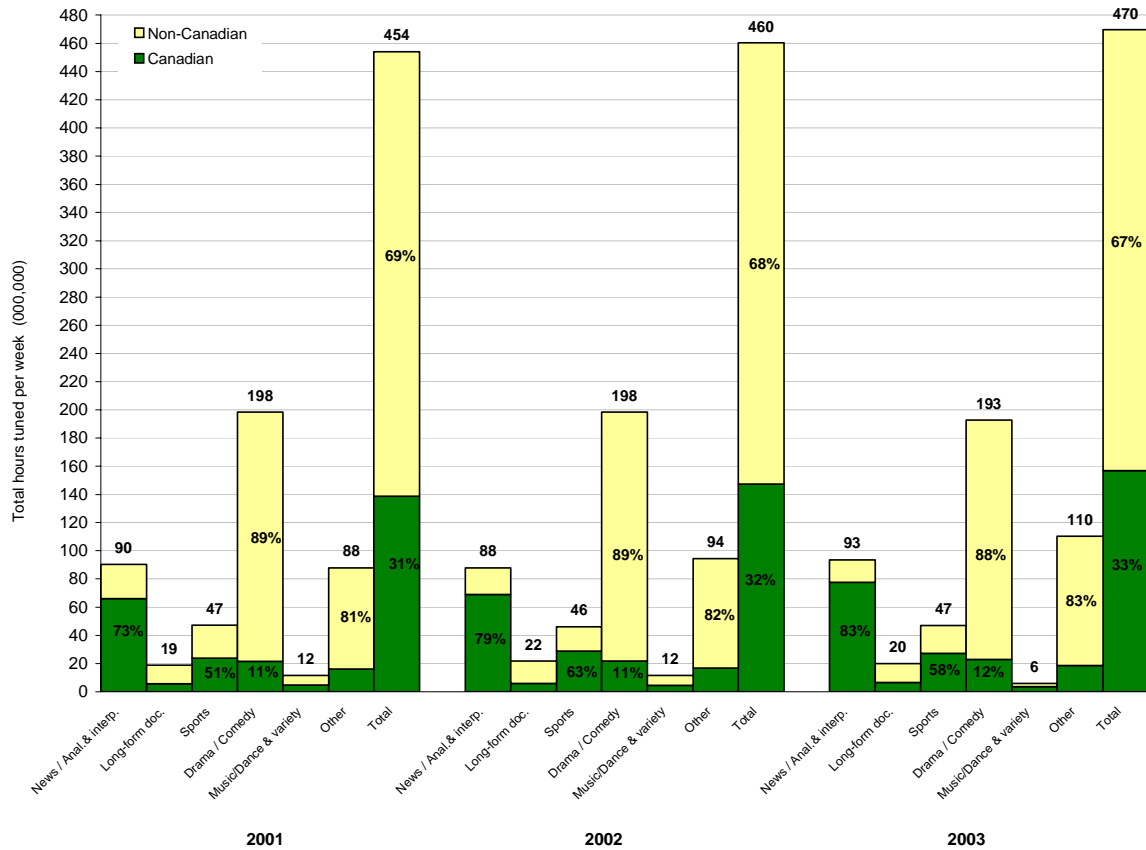
6. Distribution of viewing by program genre⁵

a) BBM Fall 2001 to 2003 diary data

- The following charts reveal the trends in viewing to all Canadian and non-Canadian English- and French-language television services available in Canada. These charts provide the average number of weekly viewing hours to Canadian and non-Canadian programming by program genre during the Fall 2001 to 2003 periods. This information is derived from BBM and CRTC research data for a 4-week period in the Fall of each year.

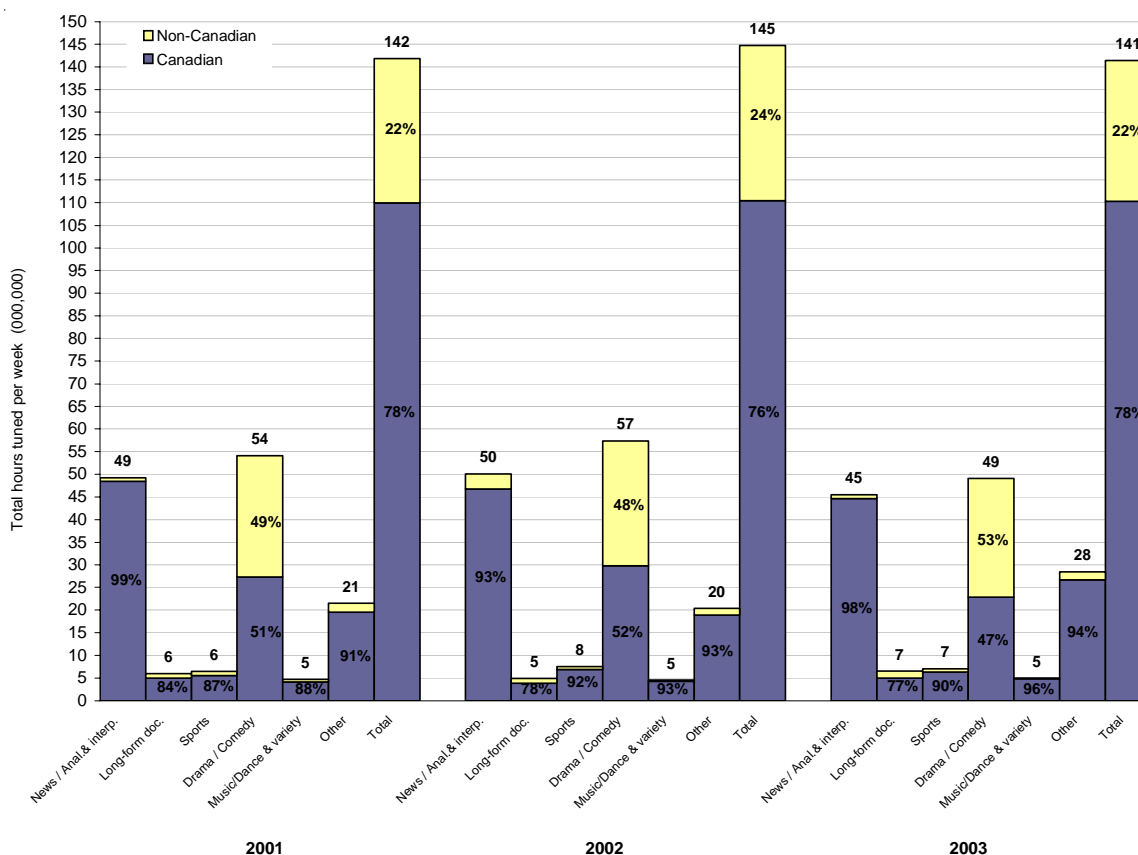
⁵ Program genre or type is based on the definitions set out in the *Television Broadcasting Regulations, 1987* and *Specialty Services Regulations, 1990*. The "Other" program type includes Religious (cat. 4), Educational (cat. 5a & 5b), Game shows (cat. 10), General entertainment & human interest (cat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

Chart 3.3: Viewing by program origin and genre – all English-language services (Canadian & non-Canadian) – BBM fall 2001 to 2003 diary data, persons 2+, 6 a.m. – 2 a.m. – average weekly hours (000,000)



- The chart reveals the continued popularity of drama/comedy programming broadcast by English services.
- The viewing of Canadian programs on English services differs significantly between genres. Viewing of news and analysis & interpretation programming is predominantly of Canadian programs. In contrast, viewing of drama/comedy programming is predominantly to non-Canadian programs. The overall viewing of Canadian programs on English services remains unchanged at approximately one-third of total viewing.
- Viewing of other programming has increased 25% since Fall 2001. This is the result of increased viewing of general entertainment and human interest programming, reflecting the popularity of reality style programs.

Chart 3.4: Viewing by program origin and genre – all Canada – all French-language services (Canadian & non-Canadian) – BBM fall 2001 to 2003 diary data, persons 2+, 6 a.m. – 2 a.m. – average weekly hours (000,000)



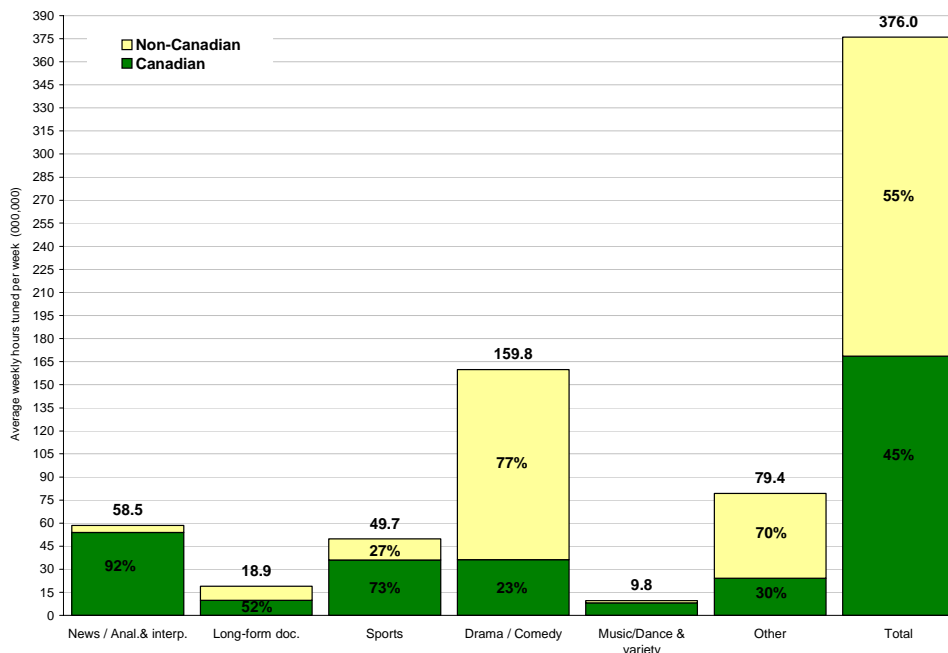
- Drama/comedy programming is the most popular genre on French-language services, with news and analysis & interpretation programming a close second.
- For French services, viewing is predominantly to Canadian programs in all genres, with the exception of drama/comedy programs where the viewing is evenly split between Canadian and non-Canadian programs.

b) BBM metered data September 1, 2003 to August 29, 2004

- The move towards increased use of metered television audience measures in this and future monitoring reports is consistent with an increased emphasis on the results of television metered audience data by the industry.
- The availability of metered data that captures country of origin and program genre is the result of a project undertaken by the Canadian Television Fund (CTF) in conjunction with the CRTC, Telefilm, Mediastats and other government departments. The goal of this project was to refine a methodology that would add this information to programs captured by both the BBM Canada and Nielsen Media Research metered databases. These two additional data fields are available for programs broadcast beginning 1 September 2003. For many years, the Commission has augmented the BBM fall diary results by adding the country of origin and program genre to the programs captured.

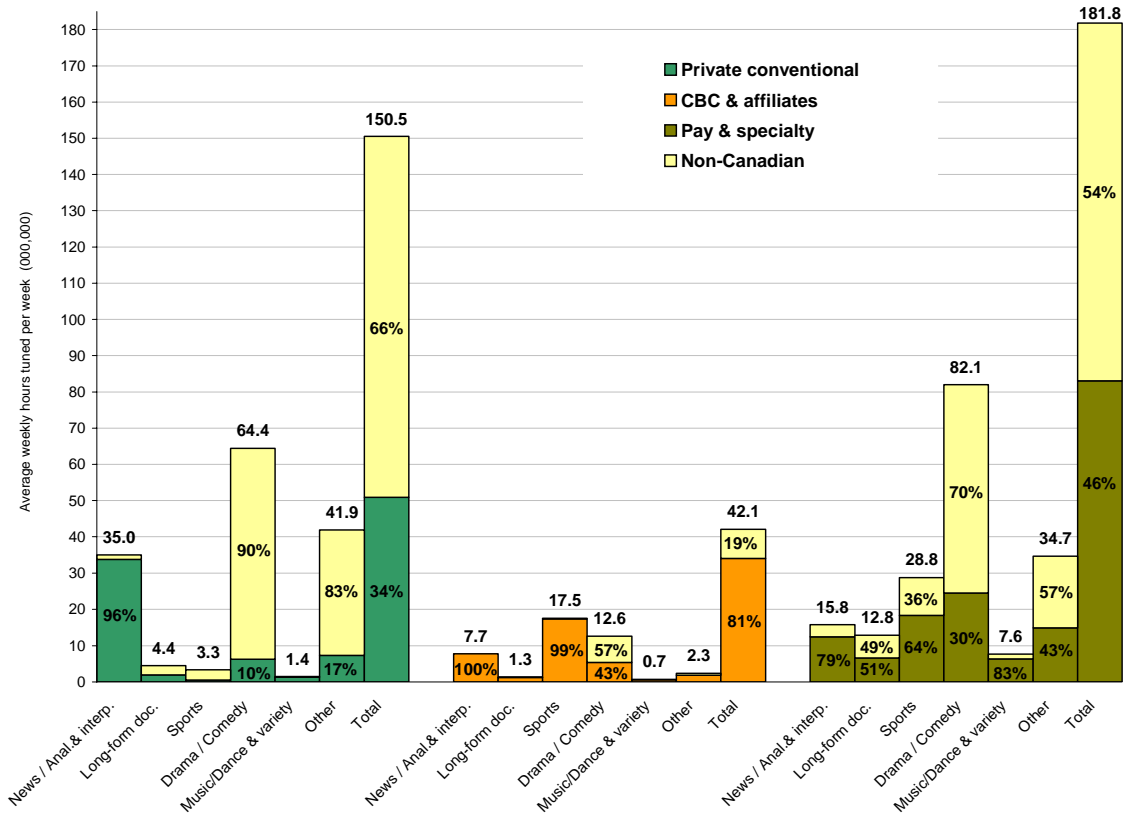
- Charts 3.5 to 3.8 below provide information on viewing of English- and French-language Canadian television services by program genre using BBM metered audience data for the period September 1, 2003 to August 29, 2004. Whereas, the data provided in charts 3.3 and 3.4 is based on BBM Fall 2001 to 2003 diary data and viewing trends to both Canadian and non-Canadian programming services available in Canada.
- The charts indicate the relative popularity of each genre as well as the viewing of Canadian versus non-Canadian programming offered by Canadian services. Charts 3.5 and 3.7 provide overall viewing trends for all English- and French-language Canadian services. Charts 3.6 and 3.8 provide a further breakdown of the viewing trends between Canadian private conventional services, CBC/SRC conventional services and Canadian pay and specialty services.
- The following methodological differences when comparing the results of diary-based data and meter-based data should be noted:
 - Diary surveys reflect average weekly viewing trends measured over a 4 week period in the Fall of each year while meter data 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 are more geographically representative.

Chart 3.5: Viewing of Canadian and non-Canadian programs distributed by English-language Canadian television services by program origin and genre – BBM metered data – 2003/04 broadcast year (1 Sep./ 03 to 29 Aug. /04) – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



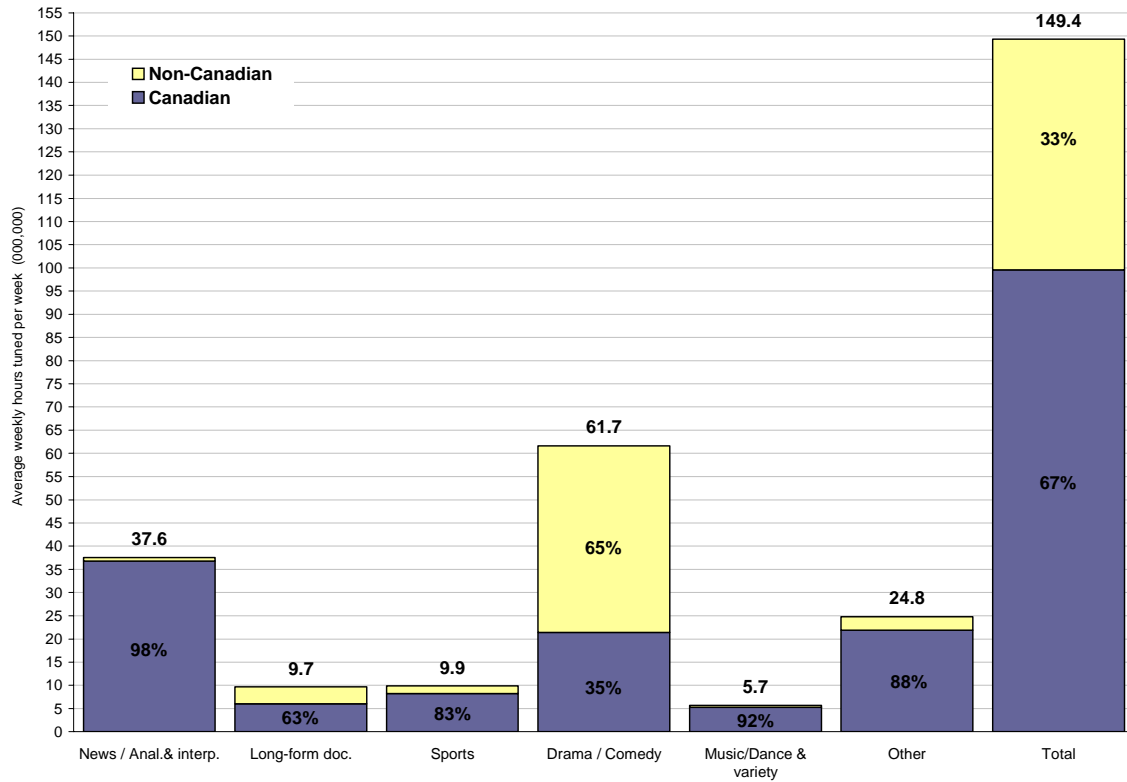
Based on Canadian services with available program level data that incorporates country of origin and program genre.

Chart 3.6: Viewing of Canadian and non-Canadian programs distributed by Canadian English-language private conventional, CBC and pay & specialty television services by program origin and genre – BBM metered data – 2003/04 broadcast year (1 Sep./ 03 to 29 Aug. /04) – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



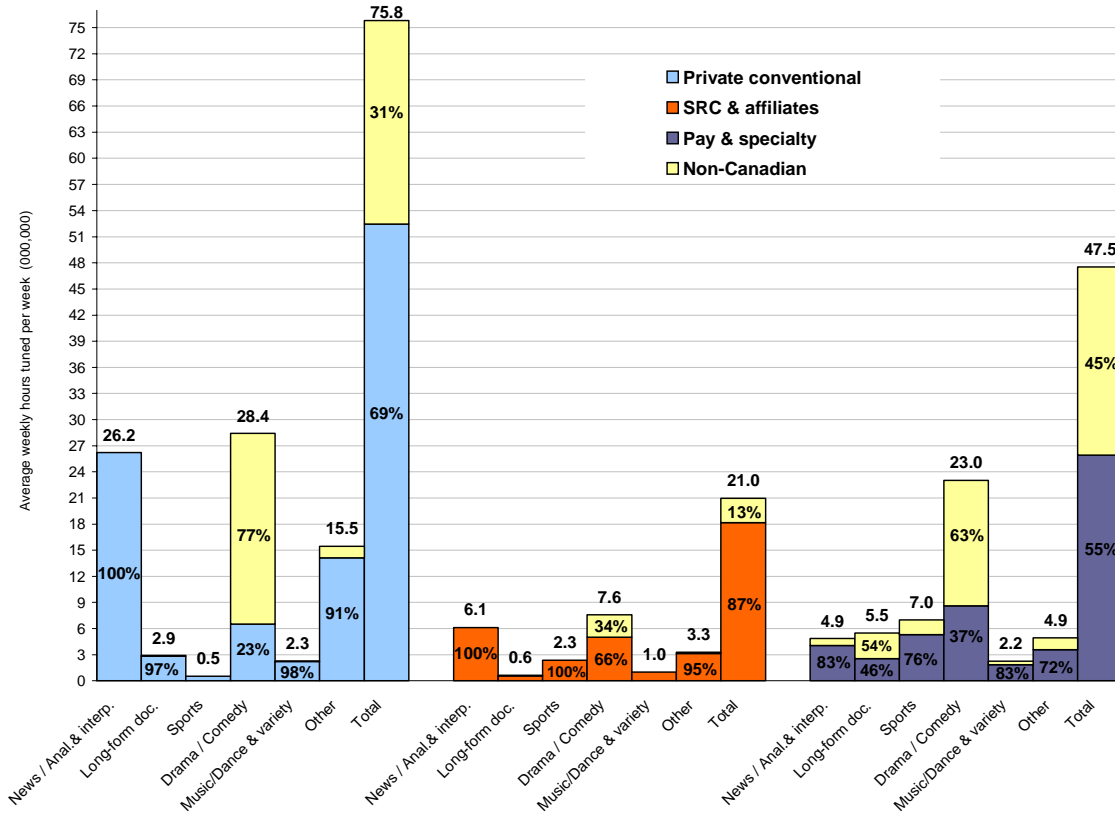
Based on Canadian services with available program level data that incorporates country of origin and program genre.

Chart 3.7: Viewing of Canadian and non-Canadian programs distributed by French-language Canadian television services by program origin and genre – BBM metered data – 2003/04 broadcast year (1 Sep./ 03 to 29 Aug. /04) – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre.

Chart 3.8: Viewing of Canadian and non-Canadian programs distributed by Canadian French-language private conventional, SRC and pay & specialty television services by program origin and genre – BBM metered data – 2003/04 broadcast year (1 Sep./ 03 to 29 Aug. /04) – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre.

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 especially during peak viewing periods (7 p.m. to 11 p.m.).
- In the Television Policy, “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 requires that the largest 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, CHUM⁶ and TVA meet the Commission's definition of largest multi-station ownership groups.

- The 150% dramatic time credit that previously could be applied against regulated Canadian content requirements was also discontinued for the largest multi-station ownership groups. In its place, the Commission introduced a 150% priority programming time credit for Canadian drama programs that receive the full 10 Canadian key creative points and a 125% time credit 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.⁷
- The majority of the television stations controlled by CTV and Global were renewed in 2001.⁸ TVA's network television licence and its mother station CFTM-TV Montréal were also renewed in 2001.⁹ TVA's five regional stations were renewed in 2004.¹⁰ 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:
 - 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 minimum 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.

⁶ The Commission approved the transfer of effective control of Craig's conventional television stations to CHUM on 19 November 2004. As a result, CHUM is now considered to be a large multi-station ownership group (Decision 2004-502).

⁷ *Definitions for new types of priority programs; revisions to the definitions of television content categories; definitions of Canadian dramatic programs that will qualify for time credits towards priority programming requirements*, Public Notice CRTC 1999-205, 23 December 1999.

⁸ *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.

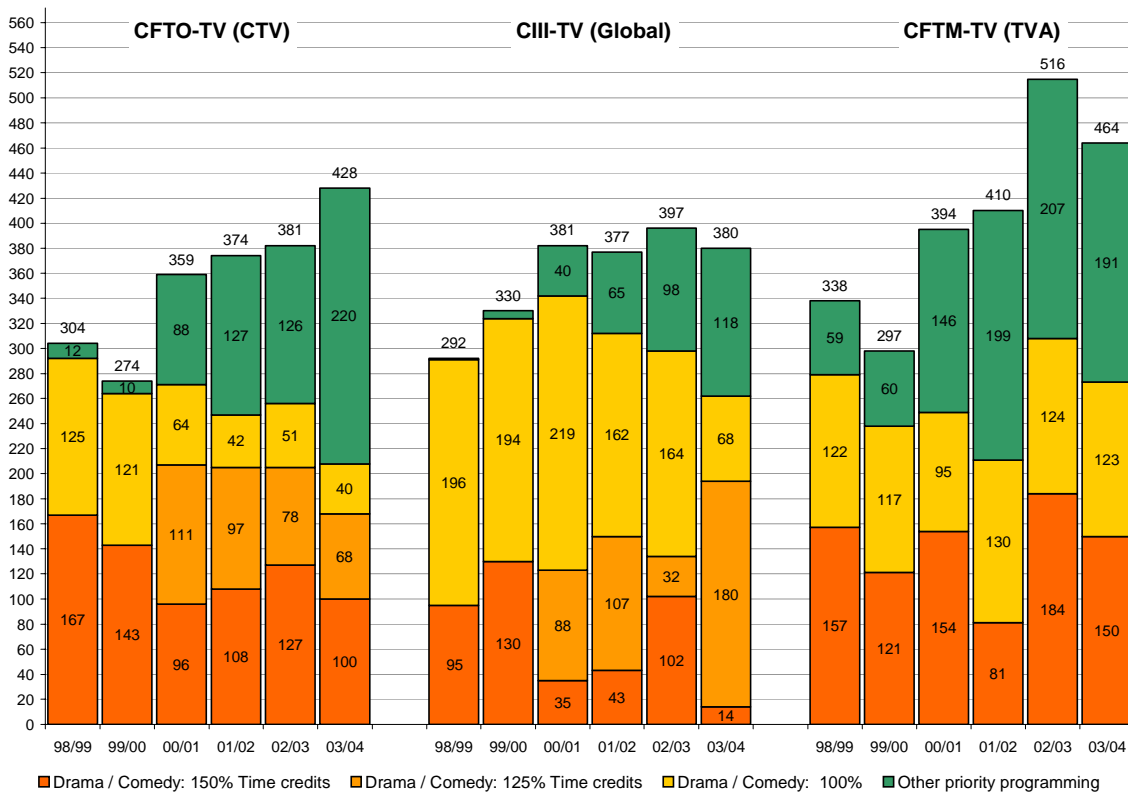
⁹ Licence renewals for the French-language national television network TVA and for the French-language television programming undertaking CFTM-TV Montréal, Decision CRTC 2001-385, 5 July 2001.

¹⁰ *CFCM-TV Québec, CHEM-TV Trois-Rivières, CHLT-TV Sherbrooke, CFER-TV Rimouski and its transmitter CFER-TV-2 Gaspé-Nord, CJPM-TV Saguenay and its transmitter CJPM-TV-1 Chambord – Licence renewals*, Broadcasting Decision CRTC 2004-530, 3 December 2004.

1. Scheduling of Canadian priority programs

- The following chart sets out the total number of hours of Canadian priority programming scheduled during the 1998/99 to 2003/04 broadcast years for the following stations:
 - CFTO-TV (CTV) Toronto
 - CIII-TV (Global) Toronto
 - CFTM-TV (TVA) Montréal
- Results for the last three broadcast years (2000/01 to 2003/04) 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.

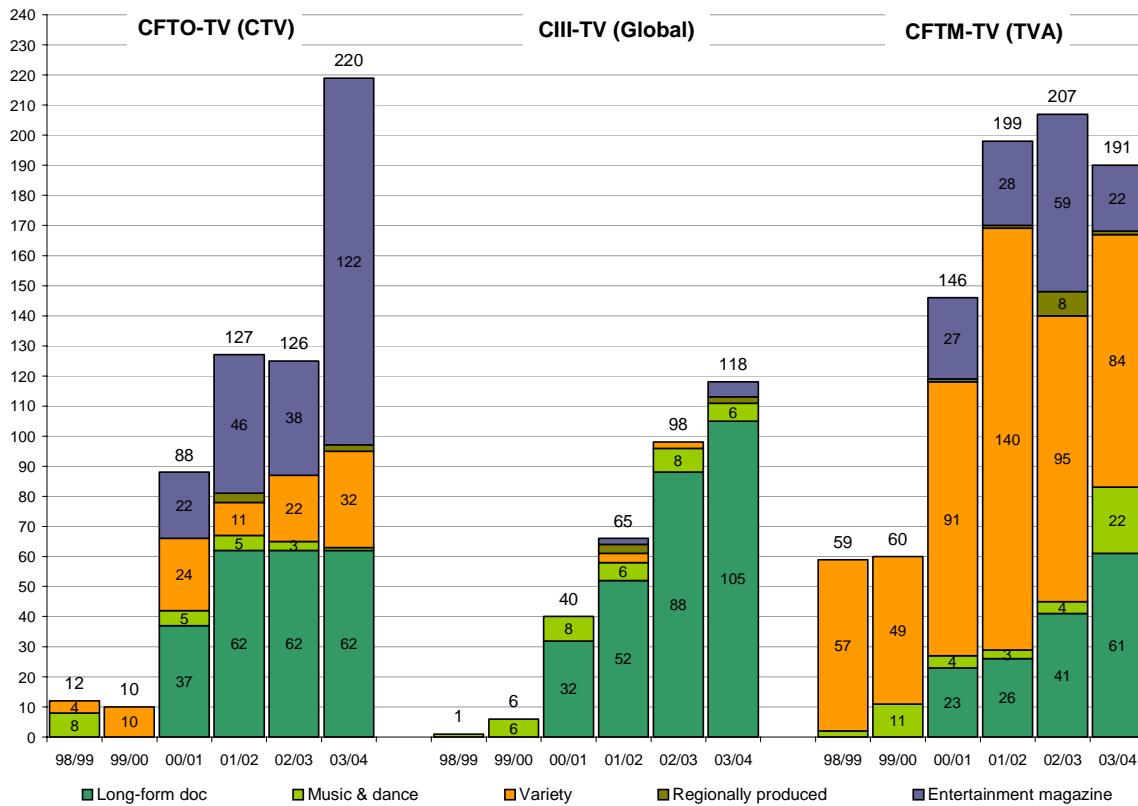
Chart 3.9: Number of hours of drama/comedy and other Canadian priority programming scheduled annually – 7 p.m. to 11 p.m.



Notes: Reflects hours broadcast. Results for the 00/01 to 03/04 broadcast years are based on the revised definitions of priority programming that came into effect on 1 September 2000.
Source: CRTC Logs (February 2005)

- The following chart sets out the total number of hours of Canadian priority programming, other than drama/comedy, scheduled in the 1998/99 to 2003/04 broadcast years for CFTO-TV (CTV) Toronto, CIII-TV (Global) Toronto and CFTM-TV (TVA) Montréal.

Chart 3.10: Number of hours of non-drama/comedy Canadian priority programming scheduled annually – 7 p.m. to 11 p.m.



Notes: Reflects hours broadcast. Results for the 00/01 to 03/04 broadcast years are based on the revised definitions of priority programming that came into effect on 1 September 2000.
Source: CRTC Logs (February 2005)

2. Incentives for original Canadian television drama¹¹

- In *Incentives for French-language Canadian television drama*, Broadcasting Public Notice CRTC 2005-8, 27 January 2005, the Commission set out a program of incentives that is designed to maintain a proper balance of original Canadian French-language drama, including a minimum number of high-cost programs or series, broadcast by French-language television licensees during the peak viewing period (7 p.m. to 11 p.m.).
- In *Incentives for English-language Canadian television drama*, Broadcasting Public Notice CRTC 2004-93, 29 November 2004 (Public Notice 2004-93), the Commission set out its program of incentives designed to increase the production and the broadcast of, the viewing to, and the expenditures on, high-quality, original Canadian English-language drama programming.
- Each licensee participating in the incentive program will file an annual report detailing the use of the incentives. The first reports detailing the 2004-05 broadcast year results will be filed with the Commission by 30 November 2005.

¹¹ Drama and comedy programming

a) Incentives to increase viewing to Canadian English-language drama

- In Public Notice 2004-93 the Commission set out incentives designed to increase the viewing to English-language Canadian drama. Additional advertising minutes will be awarded where, over a broadcast year, a multi-station ownership group attains an increase over the previous broadcast year, in the ratio of total viewing to all Canadian drama. This ratio is to be expressed as a percentage of the total viewing to drama programming on all conventional television stations and/or specialty services within the multi-station 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 ownership groups participating in the incentive program. The increases will be measured using metered data over the entire broadcast year.¹²
- The following tables provide viewing results for drama/comedy¹³ programming for the largest conventional groups in Canada.

**Table 3.5: Viewing to drama/comedy by ownership group in the Toronto, Vancouver and Calgary markets
Canadian English-language conventional stations
All persons 2+, 6 a. m. to 6 a. m.
1 September 2003 to 29 August 2004 (52 weeks)
Nielsen metered data**

Percentage of average weekly viewing hours (%)		
Ownership group* / Stations	Canadian	Non-Canadian
Toronto / Vancouver / Calgary Markets		
Global CIII-TV & CHCH-TV / CHAN-TV & CHEK-TV / CICT-TV	8.4	91.6
CBC CBLT-TV / CBUT-TV / CBRT-TV	39.6	60.4
CTV CFTO-TV / CIVT-TV & CFCN-TV	10.5	89.5
Toronto / Vancouver markets		
CHUM CITY-TV / CKVU-TV & CIVI-TV	9.1	90.9

Note: Excludes viewing to drama programs where the country of origin was not identified – less than 1% of total hours.
* Owned and operated conventional television stations

¹² 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 metered databases. These two additional data fields will be available for programs broadcast beginning 1 September 2003.

¹³ Category 7a to 7g, Drama and Comedy programming as defined in the *Television Broadcasting Regulations, 1987* and *Specialty Services Regulations, 1990*.

b) Incentives to increase expenditures on Canadian English-language drama

- The objective of this incentive is to increase, over a five-year period, the spending on English-language Canadian drama by the English-language conventional television industry to 6% of total revenues.
- In Public Notice 2004-93, the Commission noted that where the conventional television stations in a multi-station ownership group attain an aggregate increase over the broadcast year in expenditures on Canadian drama as a percentage of revenues, where the increase meets or exceeds the target set by the Commission, each licensee of a station in that ownership group will be permitted to broadcast an additional 25% of the total advertising permitted pursuant to the incentive program.
- Excluded from these calculations are expenditures on drama programs relating to commitments made at the time of licensing, ownership transfer benefits, or CTF “top-up” funding.
- The Commission indicated that it would review and make public the financial results for the 2003/04 broadcast year for each of the ownership groups participating in the drama incentive program before setting the incentive targets for each group for the broadcast years 2004/05 to 2009/10. The following table provides the Canadian drama expenditure results for the 2003/04 broadcast year for the private English-language conventional industry and the largest individual ownership groups.

Table 3.6: 2004 Expenditures on Canadian English-language drama by the private English-language conventional industry and largest conventional television ownership groups

(\$ 000)	Expenditures on Canadian Drama *	% of Total Revenue
Private English-language conventional television	53,204	3.3%
CTV	24,117	3.5%
Global	21,041	3.4%
CHUM **	6,245	3.3%

Notes: Excludes private, commercial ethnic stations.

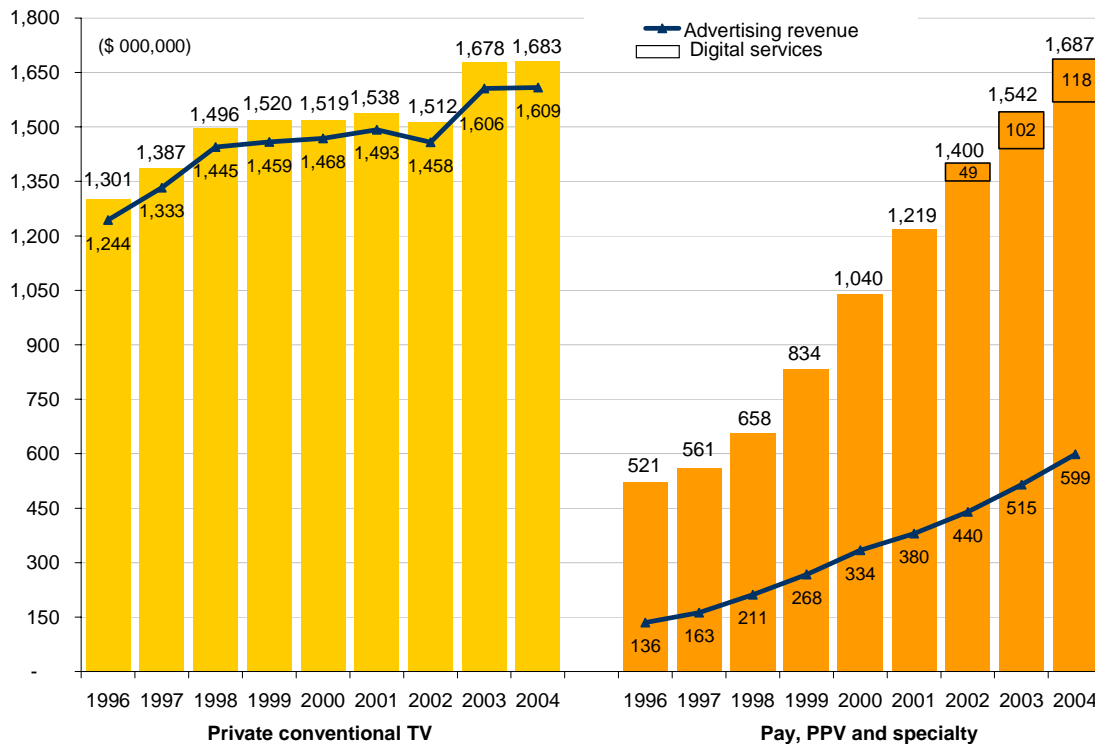
* Excludes expenditures on drama programs relating to commitments made at the time of licensing, ownership transfer benefits, or CTF “top-up” funding.

** Excludes stations acquired from Craig Media Inc. pursuant to Decision 2004-502.

C. Financial performance

1. English-language private services

Chart 3.11: Revenues of English-language private conventional television and pay, PPV & specialty services

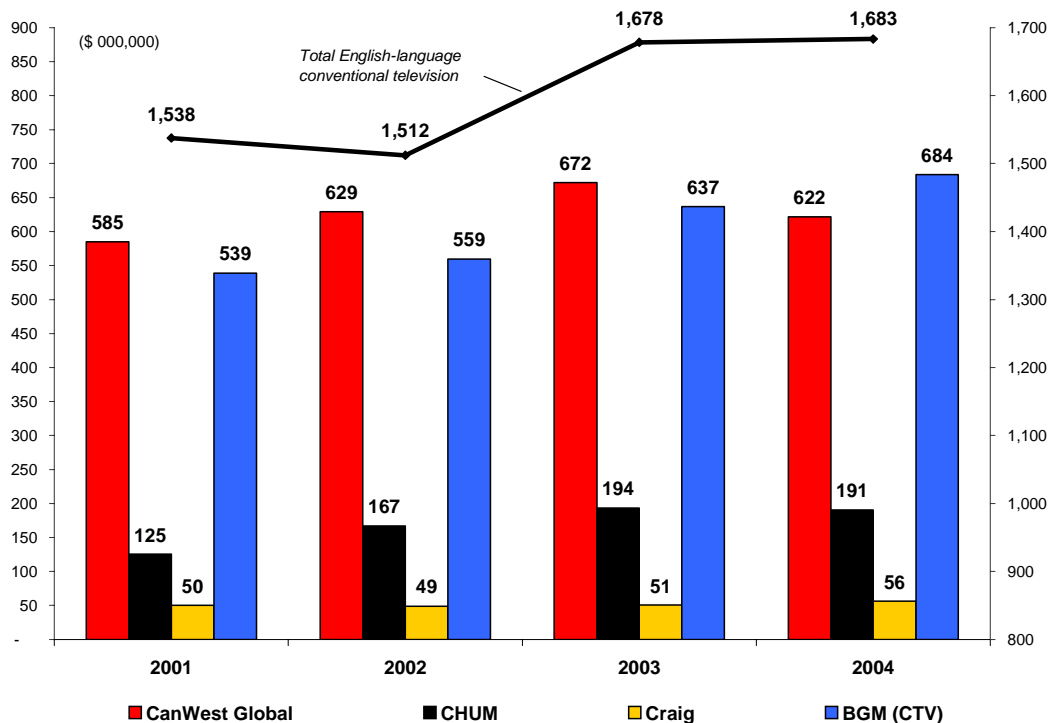


Note: Includes ethnic & bilingual services / 2003 Pay, PPV and specialty revenues have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database

- The 8% revenue increase in 1998 for private conventional television was due to five new stations.
- Pay, PPV and specialty revenues continue to increase steadily. The number of English-language services more than doubled from 1996 to 2002, increasing from 22 to 46 services. In 2002, an additional 49 English-language and third-language digital services reported first year results. The number of digital services reporting in 2003 was 49, increasing to 52 in 2004.
- Specialty television services have a revenue stream from both advertising and subscription. In 2004, 47% of their revenues were derived from advertising revenues. Pay and PPV services, on the other hand, rely entirely on subscription revenues.

Chart 3.12: 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 2001 shown here for Global exclude CFCF-TV and CKVU-TV.
 - CHUM acquired the CKVU-TV Vancouver¹⁴ station and launched CIVI-TV Victoria¹⁵ in 2001. Revenues for these stations are included in 2002.
 - BCE Inc. holds a 68.5% voting interest in Bell Globemedia Inc. (BGM). CTV revenues for 2001 and 2002 include the CTV network plus CTV stations, less the network payments to CTV affiliates. Revenues for the CFCF-TV Montréal station are included in 2002.
 - The Commission approved the transfer of effective control of Craig's Alberta and Manitoba conventional television stations to CHUM¹⁶ and its Toronto conventional television station to Quebecor Media¹⁷ in November 2004.
- In 2004, these four ownership groups accounted for 92% of the total revenues reported by private English-language conventional television stations.
 - CTV Television owns and operates twenty-five 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

¹⁴ *Transfer of control of CKVU-TV Vancouver*, Decision CRTC 2001-647, 15 October 2001

¹⁵ *New television station on Vancouver Island*, Decision CRTC 2000-219, 6 July 2000

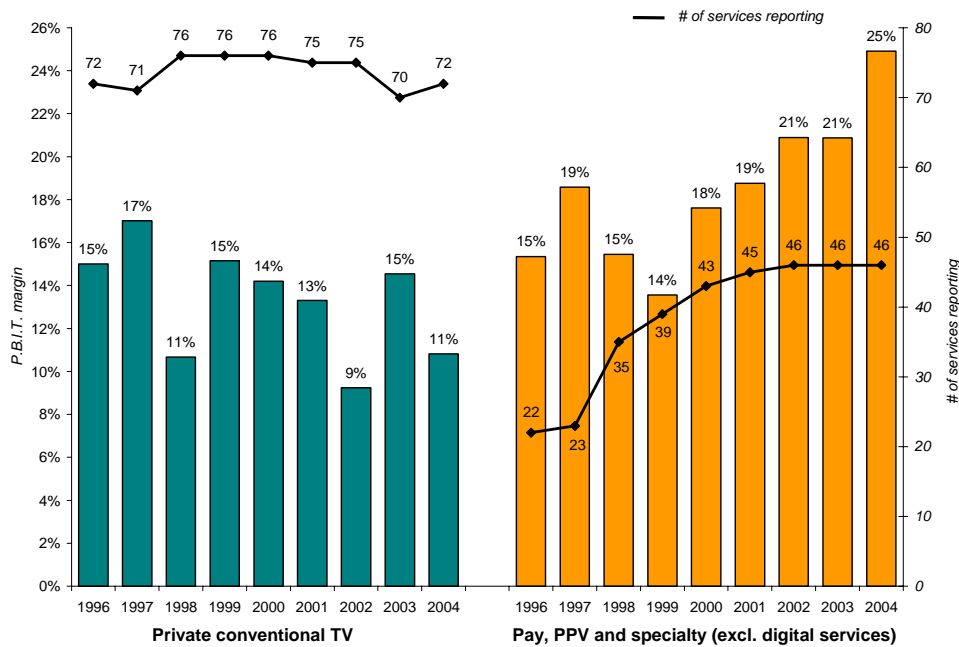
¹⁶ Decision CRTC 2004-502

¹⁷ Decision CRTC 2004-503

reaches approximately 99%¹⁸ of English-speaking Canadians. CTV also holds a 40% voting interest in TQS Inc.

- CanWest Global owns and operates nineteen English-language conventional television stations as well as an independent conventional ethnic station located in Montréal. Its network operation reaches approximately 94%¹⁹ 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 Craig²⁰, 2 in Alberta and 2 in Manitoba. With these acquisitions, CHUM has become an English-language national multi-station group reaching approximately 85%²¹ of English-speaking Canadians.
- 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 Media²².

Chart 3.13: Aggregate PBIT²³ margins of English-language private conventional television & pay, PPV and analog specialty services



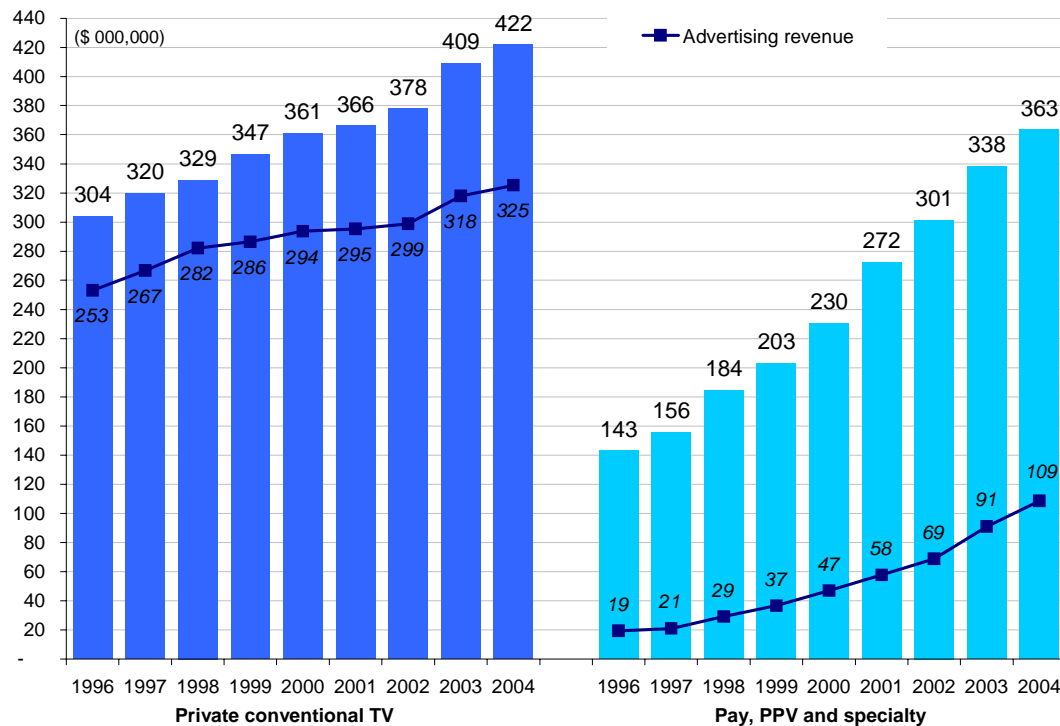
Notes: Includes ethnic & bilingual services. In 2003, CTV sold six of its conventional television stations to the CBC (CKNC-TV, CFCL-TV, CJIC-TV, CHNB-TV, CKBI-TV and CKOS-TV). Two new conventional television stations (OMNI-2 Toronto and Channel M, CHNM-TV Vancouver) began reporting in 2003. CKXT-TV Toronto began reporting in 2004.
Source: CRTC financial database

¹⁸ Bell Globemedia website 9 February 2005: www.bellglobemedia.com
¹⁹ CanWest Global Communications website 9 February 2005: <http://www.canwestglobal.com>
²⁰ Decision CRTC 2004-502
²¹ Decision CRTC 2004-502
²² Decision CRTC 2004-503
²³ Profit before interest & taxes (PBIT)

- 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 2004 pay, PPV & specialty results reflect \$391 million in profits from the analog services with a PBIT margin of 25%. The digital services reported PBIT losses of \$50 million in 2004, which resulted in a combined PBIT margin of 20% for English-language and third-language analog and digital pay, PPV and specialty services.

2. French-language private services

Chart 3.14: Revenues of French-language private conventional television & pay, PPV and specialty services

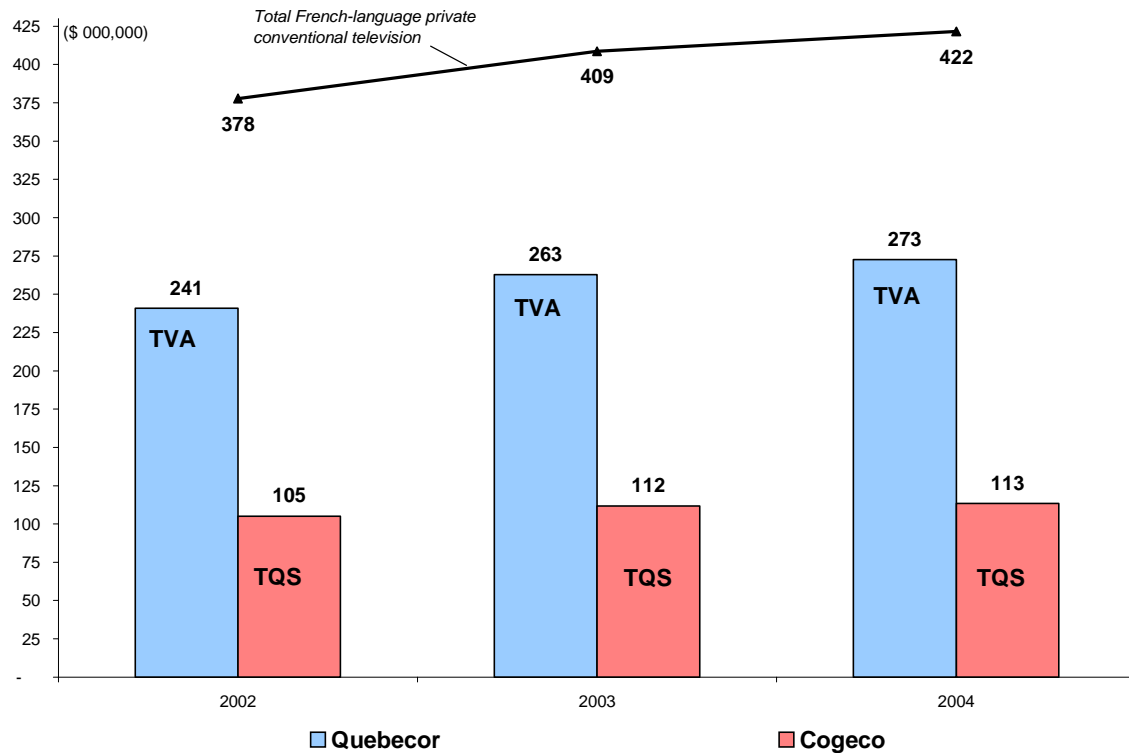


Excludes bilingual services
Source: CRTC financial database

- Revenue growth for French-language private conventional stations averaged 4% per year from 1996 to 2002. Revenues increased by 8% and 3% in 2003 and 2004, respectively. 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 in 2002.

- French-language specialty services rely heavily on subscription revenues. In 2004, 63% of their revenues were derived from subscription revenues.

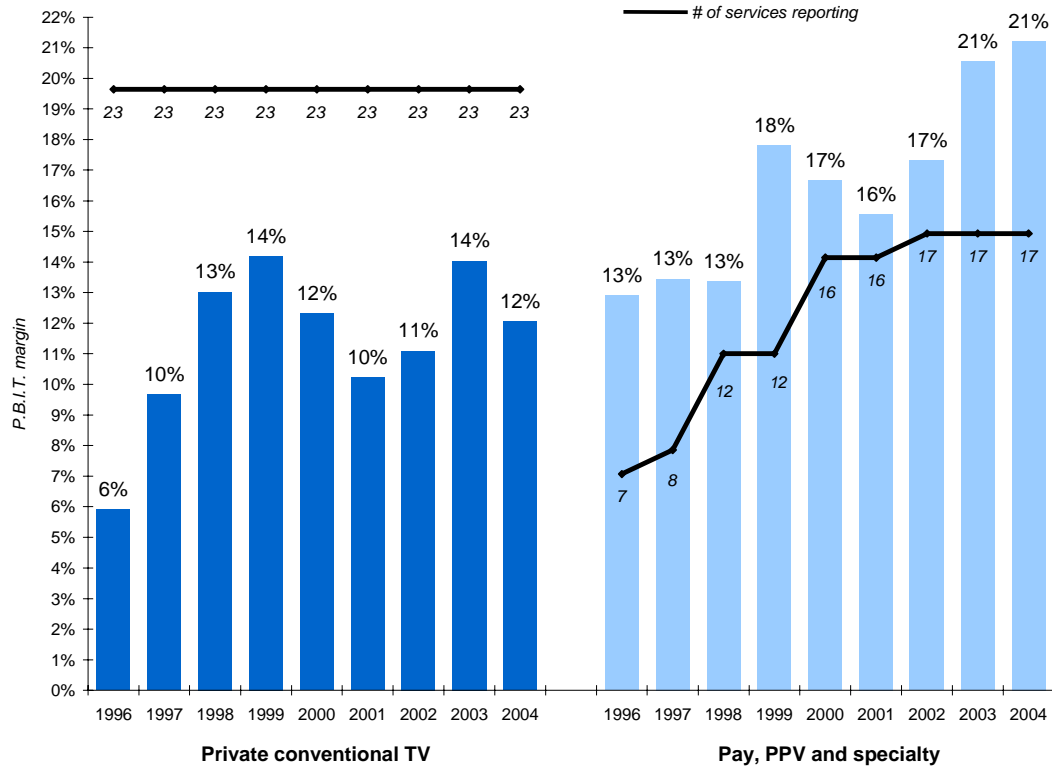
Chart 3.15: Revenues of French-language private conventional television services by ownership group



Note: Based on conventional stations owned or controlled by the ownership group on August 31st of each year.
Source: CRTC financial database

- Quebecor and Cogeco accounted for 92% of the total revenues reported by private French-language conventional television in 2004.
- 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 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.

Chart 3.16: Aggregate PBIT margins of private French-language conventional television & pay, PPV and specialty services

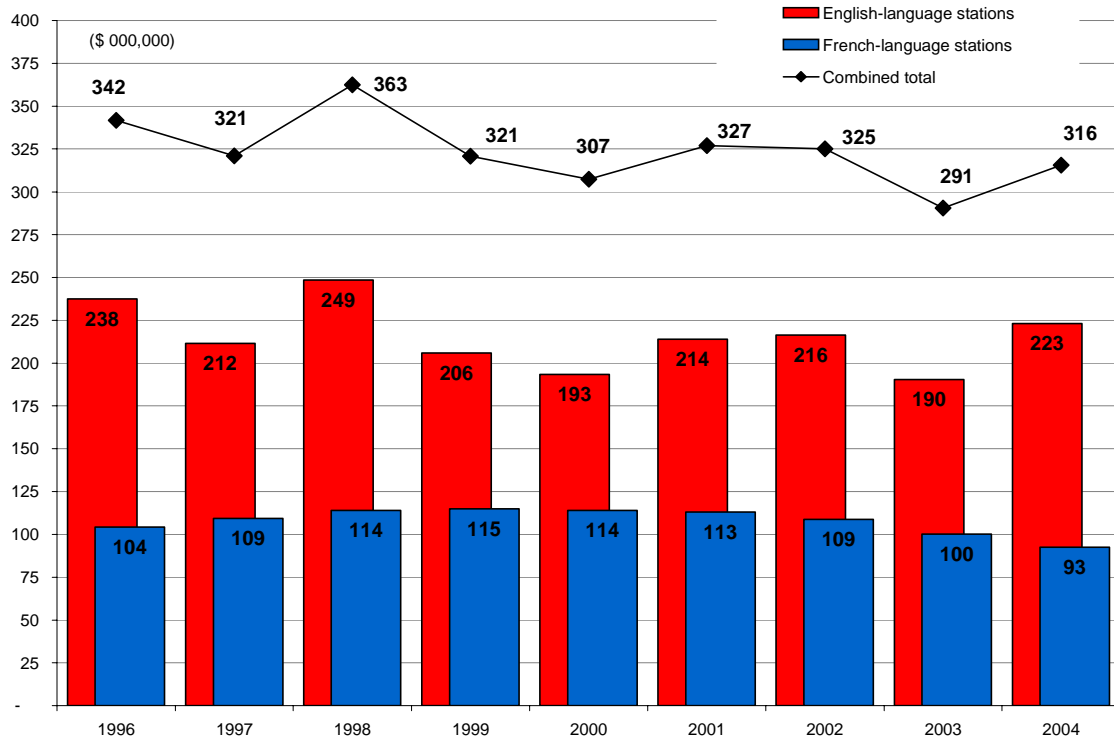


Source: CRTC financial database

- 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 3.17: Advertising revenues: CBC conventional television stations (owned & operated)



Source: Annual financial return filed with the CRTC

- The advertising revenues of CBC's English-language conventional television stations in 2004 represented 12% of the total advertising dollars reported by the CBC and private English-language and third-language conventional television stations. In 1996, the CBC's share was 16%.
- The advertising revenues of CBC's French-language conventional television stations represented 18% of the total advertising dollars achieved by the CBC and private French-language conventional television stations in 2004. In 1996, its share was 29%.

D. Eligible expenditures on Canadian programming (CPE)²⁴

1. English-language

Table 3.7: Private commercial conventional television

Genre (\$ 000)	2000	2001	2002	2003	2004	Annual growth %				
						00	01	02	03	04
News (cat. 1)	229,931	235,149	247,719	255,976	267,288	-3%	2%	5%	3%	4%
Other info. (cat. 2 to 5)	28,413	34,496	40,369	41,983	46,965	-5%	21%	17%	4%	12%
Sports (cat. 6)	26,727	24,942	19,088	17,477	8,336	-11%	-7%	-23%	-8%	-52%
Drama & comedy (cat. 7)	60,443	62,594	58,589	64,706	53,599	5%	4%	-6%	10%	-17%
Music/Variety (cat. 8 & 9)	5,368	4,163	4,583	2,251	8,628	-3%	-22%	10%	-51%	283%
Game show (cat. 10)	41	1,590	106	75	67	-81%	3738%	-93%	-29%	-11%
Human interest (cat. 11)	25,017	20,321	18,658	21,321	34,861	-12%	-19%	-8%	14%	64%
Other (cat. 12 to 15)	-	965	2,033	2,340	2,520			111%	15%	8%
Total (cat. 1 to 15)	375,940	384,221	391,143	406,129	422,265	-3%	2%	2%	4%	4%

Includes ethnic stations

Source: CRTC financial database

Table 3.8: CBC television

Genre (\$ 000)	2000	2001	2002	2003	2004	Annual growth %				
						00	01	02	03	04
News (cat. 1)	100,047	59,200	130,463	131,102	129,825	3%	-41%	120%	0%	-1%
Other info. (cat. 2 to 5)	40,086	37,143	99,929	64,447	73,716	-17%	-7%	169%	-36%	14%
Sports (cat. 6)	95,031	141,046	169,278	183,147	161,400	-26%	48%	20%	8%	-12%
Drama & comedy (cat. 7)	62,407	46,212	60,702	66,676	68,640	1%	-26%	31%	10%	3%
Music/Variety (cat. 8 & 9)	8,156	5,982	16,789	13,774	16,334	-33%	-27%	181%	-18%	19%
Game show (cat. 10)	-	-	6,049	-	3,245				-100%	-
Human interest (cat. 11)	18,568	9,962	19,061	25,680	19,634	298%	-46%	91%	35%	-24%
Other (cat. 12 to 15)	-	-	-	-	-					
Total (cat. 1 to 15)	324,295	299,545	502,271	484,826	472,794	-8%	-8%	68%	-3%	-2%

Source: CRTC financial database

²⁴ Excludes Canadian Television Fund (CTF) reported by stations and services.

Table 3.9: Pay, PPV and specialty services

(\$ 000)	2000	2001	2002	2003	2004	00	01	02	03	04
						Annual growth %				
Specialty services:										
Analog services *	335,784	390,263	441,682	473,368	503,862	16%	16%	13%	7%	6%
Digital services			34,297	36,539	38,720				7%	6%
Pay & PPV services	28,763	24,599	34,357	43,427	53,136	82%	-14%	40%	26%	22%
Total	364,547	414,862	510,336	553,335	595,718	19%	14%	23%	8%	8%
						Increase / Decrease				
Number of services reporting:										
Analog specialty services	28	30	30	30	30	3	2	-	-	-
Digital specialty services			45	46	48			45	1	2
Pay & PPV services	10	10	11	11	11	1	-	1	-	-
Total	38	40	86	87	89	4	2	46	1	2

Includes bilingual services

* 2000 to 2003 includes estimated CPE for ROBTV service

Source: CRTC financial database

2. French-language

Table 3.10: Private commercial conventional television and SRC

Genre (\$000)	2000	2001	2002	2003	2004	00	01	02	03	04
						Annual growth %				
News (cat. 1)	111,698	88,947	91,087	96,731	97,725	15%	-20%	2%	6%	1%
Other info. (cat. 2 to 5)	53,669	40,980	44,613	52,101	47,080	8%	-24%	9%	17%	-10%
Sports (cat. 6)	20,674	24,884	23,642	11,626	18,221	-8%	20%	-5%	-51%	57%
Drama & comedy (cat. 7)	59,800	59,502	64,591	84,874	79,155	3%	0%	9%	31%	-7%
Music/Variety (cat. 8 & 9)	37,792	24,155	32,668	26,269	26,645	-1%	-36%	35%	-20%	1%
Game show (cat. 10)	2,241	5,350	6,686	4,183	5,967	-28%	139%	25%	-37%	43%
Human interest (cat. 11)	44,012	52,584	42,179	51,675	70,207	22%	19%	-20%	23%	36%
Other (cat. 12 to 15)	-	-	233	4	227				-98%	6107%
Total (cat. 1 to 15)	329,887	296,403	305,701	327,463	345,226	9%	-10%	3%	7%	5%

Source: CRTC financial database

Table 3.11: Pay, PPV and specialty services

	2000	2001	2002	2003	2004	00	01	02	03	04
						Annual growth %				
Pay, PPV and specialty services (\$000)	86,113	102,260	115,750	136,580	149,722	9%	19%	13%	18%	10%
						Increase / Decrease				
Number of services reporting:										
Analog specialty services	12	12	13	13	13	3	-	1	-	-
Pay & PPV services	3	3	3	3	3	-	-	-	-	-
Total	15	15	16	16	16	3	-	1	-	-

2000 to 2003 exclude CPE estimates for the LCN service which were reported in previous reports.

Source: CRTC financial database

3. Ethnic specialty services

Table 3.12: Specialty services

	2000	2001	2002	2003	2004	Annual growth %				
						00	01	02	03	04
Specialty services (\$000)	8,336	9,052	9,681	11,220	11,368	6%	9%	7%	16%	1%
						Increase / Decrease				
<i>Number of services reporting:</i>										
<i>Analog specialty services</i>	4	4	4	4	4	-	-	-	-	-
<i>Digital specialty services</i>			1	1	1			1	-	-
<i>Total</i>	4	4	5	5	5	-	-	1	-	-

Source: CRTC financial database

E. 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 31 March 2005.

Table 3.13: Value of television transactions and corresponding transfer benefits for the period 11 June 1999 to 31 March 2005

(\$000,000)	English-language services			French-language services			Total benefits
	# of trans.	Value of the trans-action*	Benefits	# of trans.	Value of the trans-actions*	Benefits	
11 Jun 99 to 31 Aug. 01	12	3,645	380.5	3	556	55.7	436.2
1 Sep. 01 to 31 Aug. 02	8	686	71.9	1	74	7.4	79.3
1 Sep. 02 to 31 Aug. 03	2	1	0.4	1	1	0.0	0.4
1 Sep. 03 to 31 Aug. 04	3	1	0.1	-	-	-	0.1
1 Sep. 04 to 31 Mar. 05	3	271	27.1	-	-	-	27.1
Total	28	4,604	480.0	5	631	63.0	543.1

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

F. Canadian digital television services

- Digital television (DTV) is a technology based on the Advanced Television Systems Committee transmission standard (A/53). The 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.
- The Commission considers that any distribution capacity constraints experienced by distributors over the transitional period, will be eased in the longer term, when distributors are no longer required to carry both the analog and digital versions of the same signal.
- While the Commission envisages a largely voluntary and market-driven transition to digital television, it recognizes the need to provide regulatory certainty and encouragement during the transition period. It has instituted regulatory frameworks for the licensing and distribution of digital over-the-air services and is currently engaged in a policy process to establish the regulatory framework relating to the licensing and carriage of high definition pay and specialty services.

1. Over-the-air digital television services

- 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 a policy framework for the licensing of over-the-air digital television (DTV) 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.

- Transitional DTV licensees are allowed to broadcast a maximum of 14 hours per week of high definition 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 and all of the unduplicated programming must be in high definition television (HDTV) format.
- Additionally, the Commission encourages transitional DTV licensees to ensure that two-thirds of their schedules are available in a HDTV format by 31 December 2007.²⁵
- In *The regulatory framework for the distribution of digital television signals*, Broadcasting Public Notice CRTC 2003-61, 11 November 2003 (Public Notice 2003-61), the Commission sets out, among other things, the regulatory framework that governs the distribution of over-the-air digital broadcasting services. In general, a broadcast distribution undertaking's regulatory obligations and authorities to distribute digital signals will match those that currently apply to the distribution of the analog version of these services. The Commission will require distribution undertakings to carry the primary signal of Canadian over-the-air digital television signals identified in sections 17, 32 and 37 of the Regulations, except as otherwise provided under a condition of licence.
- In Public Notice 2003-61, the Commission also determined that a cable BDU may apply to be relieved of the obligation to distribute analog signals, once 85% of its subscribers have the ability to receive digital services by means of digital television receivers or set-top boxes.
- The following table lists the sixteen stations that currently hold transitional digital television licences.

Table 3.14: Over-the-air transitional digital television⁽¹⁾

Market	Language	Source station	
Montréal	F	CFJP	TQS
	F	CBFT	SRC
	E	CBMT	CBC
Toronto	F	CBLFT	SRC
	E	CBLT	CBC
	E	CFTO	CTV
	E	CIII	Global
	E	CITS	Crossroads (<i>devoted to religious programming</i>)
	E	CITY	CHUM
	E	CKXT	Quebecor (<i>also a rebroadcaster in the Hamilton market</i>)
	O/E	OMNI 1	Rogers (<i>ethnic station</i>)
	O/E	OMNI 2	Rogers (<i>ethnic station</i>)
Hamilton	E	CHCH	Global
Vancouver	E	CBUT	CBC
	E	CHAN	Global
	E	CIVT	CTV

(1) Number of stations approved but not necessarily in operation.
 E: English; F: French; O/E: Multi/English
 Source: CRTC APP 1205 (24 April 2005)

²⁵ 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.

2. Digital pay and specialty services

- In *Licensing framework policy for new digital pay and specialty services*, Public Notice CRTC 2000-6, 13 January 2000, and in *Revised procedures for processing applications for new digital Category 2 pay and specialty television services*, Broadcasting Public Notice CRTC 2004-24, 8 April 2004, the Commission set out a framework for licensing digital Canadian pay and specialty programming services. This framework established two categories of digital services that are designed to enhance diversity and choice for Canadian viewers:
 - Category 1 services: These services have digital carriage privileges and genre protection to support them during the uncertain early digital rollout period. Only a limited number of specialty services were licensed as category 1 services.
 - Category 2 services: These services are not assured digital carriage and are competitive with one another. Applicants that meet the basic licensing criteria and are not directly competitive with any existing pay or specialty, or category 1 services are licensed.

In order to expand the diversity and choice of Canadian third-language ethnic television services, the Commission also proposed to establish a more open-entry framework for third-language ethnic category 2 pay and specialty services. In *Call for comments on a proposed new approach to the consideration of applications for Canadian third-language ethnic Category 2 pay and specialty services*, Broadcasting Public Notice CRTC 2005-17, 25 February 2005, the Commission proposed to remove the competitive assessment criteria for third-language ethnic category 2 pay and specialty services.

3. Digital regulatory framework proceedings

- The Commission is currently engaged in two concurrent proceedings relating to the digital regulatory framework.
 - a) Licensing and distribution framework for Canadian pay and specialty services in the high definition (HD) format**
- In Public Notice 2003-61, the Commission stated that it would authorize the licensee of a Canadian pay or specialty service to make available an upgraded version of the service, by means of an amendment to the licence of the corresponding analog service. This authority would be in effect for a term of three years, pending the development of a licensing and distribution framework for Canadian pay and specialty services in HD format. This process was initiated in *Call for comments on a proposed framework for the licensing and distribution of high definition pay and specialty services*, Broadcasting Public Notice CRTC 2004-58, 6 August 2004 (Public Notice 2004-58). The closing date for comments was 21 April 2005.
- As of 13 May 2005, the Commission has approved, by way of licence amendment, three analog specialty services and two category 2 specialty services for distribution in the HD format.

b) Migration of pay and specialty services from analog to digital distribution

- In *Determinations with respect to the establishment of rules to govern the distribution of specialty services on the basic service of fully digital cable undertakings; and call for proposals for a framework to guide the migration of pay and specialty services from analog to a digital distribution environment*, Broadcasting Public Notice CRTC 2005-1, 7 January 2005 (Public Notice 2005-1), the Commission stated that it will expand the scope of its deliberations to include a proposed framework that will govern the migration of pay and specialty services from analog to digital distribution. The Commission stated that many of the issues raised in this proposed framework are related and may influence its determinations in the proceeding initiated in Public Notice 2004-58.

G. Specialty, pay, PPV and VOD services

Specialty services (Specialty Services Regulations, 1990)

- There are 49 Canadian analog specialty services: 28 English-language, 14 French-language, two bilingual (English & French) and five third-language.²⁶
- There are also 18 category one digital specialty services: 15 English-language²⁷ services were launched in Fall 2001 and three French-language²⁸ services were launched in Fall 2004. These services were approved following a competitive hearing and were licensed on a one-per-genre basis in 2000.
- Category 2 digital specialty services are licensed on a more competitive, open-entry basis. The Commission continues to approve additional category 2 services. As of 22 February 2005, licences have been issued to over 129 category 2 specialty services, including 68 English-language, two French-language, 53 ethnic or third-language and six bilingual. Approximately 58 of these services, 40 English-language, 17 third-language and one French-language, have been launched.

Pay services (Pay Television Regulations, 1990)

- Five English-language and one French-language pay television services were licensed prior to 1995.
- In January 2005, the Commission issued a call for applications for a broadcasting licence to carry on a competitive national general interest pay television undertaking.

²⁶ Languages other than English and French or those of Aboriginal Canadians.

²⁷ 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.

²⁸ 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.

In the call²⁹, the Commission indicated that it had not reached any conclusion with respect to the licensing of, or access privileges of, any such service at this time.

- The Commission has also licensed six digital category 2 pay services.

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

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

Video-on-demand (VOD) services (Pay Television Regulations, 1990)

- As of 22 February 2005, there were 13 licensed video-on-demand programming undertakings.

1. Financial results for pay, PPV and specialty analog & digital services

- In *Call for comments on a proposal to accord confidentiality to the detailed financial information provided to the Commission in the annual returns of pay and specialty programming services*, Broadcasting Public Notice CRTC 2005-42, 29 April 2005, the Commission invited comments with respect to a proposal that the financial and operating data of pay and specialty services be accorded confidentiality. Pending disposition of this matter, the 2004 financial results of individual services are being kept confidential. Only aggregate financial data have been made available to the public.
- The following table provides 2004 aggregate financial results³⁰ for the pay, PPV and specialty analog and digital services by language.

²⁹ *Call for applications for a broadcasting licence to carry on a national general interest pay television undertaking*, Broadcasting Public Notice CRTC 2005-6, 14 January 2005.

³⁰ Based on services reporting to the CRTC.

Table 3.15: Financial results for pay, PPV and specialty analog & digital services

Services	Number of services reporting	31 August 2004		
		Revenues	PBIT	
		\$ 000	\$ 000	Margin
English-language analog specialty	30	1,202,589	304,045	25.3%
English-language category 1 digital specialty ⁽¹⁾	16	47,657	-17,023	-35.7%
English-language category 2 digital specialty	33	68,579	-32,859	-47.9%
Total English-language specialty	79	1,318,825	254,163	19.3%
Total French-language (analog) specialty	14	309,928	63,840	20.6%
Third-language specialty	5	48,246	12,506	25.9%
Third-language category 2 digital specialty	3	1,518	-144	-9.5%
Total third-language specialty	8	49,764	12,362	24.8%
Total Specialty Services	101	1,678,516	330,365	19.7%
Pay & PPV services (English & French-language)	14	371,988	87,735	23.6%
Total specialty, pay & PPV services	115	2,050,504	418,100	20.4%

(1) As of 30 September 2003, WTSN was no longer broadcasting, partial year results included above.
Source: CRTC Financial database

2. Companies with significant ownership interests in specialty, pay, PPV and VOD analog and digital services

Table 3.16: Companies with significant ownership interest in specialty, pay, PPV and VOD services as of 31 January 2005

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	100%
• Discovery Health Network	e	80%
• One: 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%
• Ztélé (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%
• Super Écran	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:		
• CTV 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%
• 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*	f	15.98%

*Comprised of 8% held through TQS inc. and 7.98% held through Viewer's Choice Canada.

CanWest	Language	Direct/Indirect Voting Interest
Analog specialty service:		
• Prime TV	e	100%
Category 1 digital specialty services:		
• MenTV	e	49%
• Mystery	e	50%
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)	b	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	100%
• Canadian Learning Television (CLT)	e	60%
• MusiquePlus	f	50%
• Musimax	f	50%
Category 1 digital specialty services:		
• FashionTelevision: The Channel	e	100%
• MTV 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%
• MTV2	e	100%
• TV Land	e	80.1%
• Court TV Canada	e	60%

Cogeco	Language	Direct/Indirect Voting Interest
PPV (Terrestrial & DTH) & VOD services:		
• Canal Indigo* – PPV service	e	32%
• Cogeco Câble – regional VOD service	b	100%

*Comprised of 20% held by Cogeco and 12% held through TQS Inc.

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:		
• 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 service	e	100%
• Encore Avenue (MovieMax!) – pay service	e	100%
• MaxTrax (Pay audio service)	b	100%
• National VOD service	b	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.

Quebecor Media	Language	Direct/Indirect Voting Interest
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Quebecor inc. holds 54.72% voting interest in Quebecor Media Inc.

Archambault Group Inc.

Quebecor Media Inc. holds 94.5% voting interest in Archambault Group Inc.

VOD service:

- Illico sur demande – regional VOD b 100%

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 e 51%
- Mystery e 50%
- Argent (LCN Affaires) f 100%
- Mystère (13ième rue) f 100%

PPV (terrestrial & DTH) service:

- Canal Indigo f 20%

Rogers Media	Language	Direct/Indirect Voting Interest
Analog specialty service:		
• Rogers Sportsnet	e	100%
• Outdoor Life Network (OLN)	e	33.3%
Category 1 digital specialty services:		
• Biography Channel, The	e	40%
• TechTV	e	33.33%
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 service	f	9.98%
• Rogers Cable – regional VOD service	b	100%

Shaw ⁽¹⁾	Language	Direct/Indirect Voting Interest
Category 1 digital specialty services:		
• Biography Channel, The	e	40%
• TechTV	e	33.33%
PPV & VOD services (terrestrial & DTH):		
• Shaw Pay-per-View – PPV service	e	100%
• Videon CableSystems Inc. – regional VOD service	b	100%

Notes to table 3.16:

- 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 at 31 December 2004.
- (1) Shaw Communications Inc. is affiliated with Corus Entertainment Inc. as J.R. Shaw has voting control of both companies.

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

H. Ethnic programming services

- Section 3 (1)(d) (iii) of the Act provides, 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 multiracial nature of Canadian society and within the framework of the Ethnic Policy, the Commission has licensed four ethnic conventional television stations serving the following markets:

a) 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.³¹

b) Toronto

There are currently two ethnic 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 transmitters in Ottawa and London making it available to approximately 70% of all Ontario residents.³² This station was approved in December 1978.

OMNI 1 provides ethnic programs dedicated to people of European, Latin American and Caribbean communities. It is required to broadcast programs targeted to not less than 18 distinct ethnic groups in a minimum of 15 different languages on a monthly basis.

- 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 transmitters³³ in Ottawa and London.

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

³¹ Currently before the Commission is a proposal by CJNT-TV to eliminate its annual requirements relating to the minimum number of ethnic groups that it must serve and the minimum number of languages in which it must provide programming.

³² Licence renewal for ethnic television station CFMT-TV, Decision CRTC 2000-772, 21 December 2000.

³³ CJMT-TV (OMNI 2) Toronto – New transmitters in Ottawa and London, Broadcasting Decision CRTC 2003-602, 17 December 2003.

c) **Vancouver**

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

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.
- Teletatino 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 1993.³⁴
- 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 22 April 2005, the Commission has approved over 80 Canadian ethnic category 2 digital pay and specialty services. Of these, nineteen (17 specialty & 2 pay) have been launched.

³⁴ Fairchild Broadcasting Ltd. acquired the assets of Cathay – which was originally licensed in 1982.

- ABU Dhabi TV (Arabic TV) is a national ethnic specialty service targeting the Arabic speaking community. 90% of all programming broadcast is in Arabic.
- 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 Caribbean and African Network is a national ethnic pay television service targeting Caribbean and African communities.
- 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.
- 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.
- Centre TV (Russian TV Two) is a national ethnic specialty service providing a programming service with a focus on Russian culture and issues, targeting the Russian-speaking community. Not less than 90% of all programming broadcast during the broadcast week is in the Russian language.
- 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 is a national specialty service targeting the Tamil-speaking community. 90% of the programming is in Tamil.
- Mabuhay Channel, The (formerly ECG Filipino) is a national ethnic specialty service directed to the Filipino-speaking community. 90% of the programming broadcast is in Filipino.
- Odyssey 2 is a national specialty service directed to Greek-speaking audiences. 100% of the programming is in Greek.
- Persian 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 than 50% of all programming is in the Punjabi language and no more than 38%, 7% and 5% Hindi, Urdu and English languages respectively.
- Tamil Vision (Tamil Channel) is a national specialty service directed to the Tamil-speaking community. 90% of the programming is in Tamil.
- 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.

3. 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 20 third-language programming services authorized for distribution.³⁵

I. Native television services

Section 3(1)(o) of the Act provides 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:

³⁵ See table 3.18 Non-Canadian satellite services authorized in Canada

- 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.

J. Religious television stations

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

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
- CHNU-TV, Fraser Valley, British Columbia
- On 8 August 2002 the Commission approved an application by Trinity Television Inc. (CIIT-TV) for a religious television station to serve the Winnipeg area.³⁶

In *CHNU-TV Fraser Valley, CIIT-TV Winnipeg – Acquisition of assets, new transmitter in Victoria, and new licences*, Broadcasting Decision CRTC 2005-207, 20 May 2005, the Commission approved the applications by Roger Broadcasting Limited for authority to acquire the assets of CHNU-TV and granted licences to operate CHNU-TV and CIIT-TV. The Commission also authorised the addition of a transmitter in Victoria to broadcast the programming of CHNU-TV to Victoria and its surrounding areas.

³⁶ 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.

2. Specialty religious services

- Vision TV is a national English-language specialty television service devoted to interfaith religious programming that is related to spirituality and moral or ethical issues.
- Inner Peace Television Network (IPTN) is a national ethnic category 2 digital specialty television service devoted to providing Roman Catholic religious programming.
- S.S.TV is a national ethnic category 2 digital specialty service dedicated to programming that focuses on Punjabi religious teachings; music, dance and video based on Punjabi culture; and news and information that reflects concerns in East Indian countries and Punjabi communities in Canada.

3. Foreign religious services

- The only foreign religious service being carried by Canadian distributors is the Eternal Word Television Network (EWTN), a Catholic religious service.

K. The national public broadcaster

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

1. Over-the-air conventional television stations

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

2. Specialty services

The CBC/SRC owns and operates the following specialty services:

- CBC Newsworld, a national English-language news and information specialty service;
- Le Réseau de l'information (RDI), a national French-language news and information specialty service; and
- Country Canada, a national English-language category 1 digital specialty service that provides information and entertainment from a rural perspective.

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

- ARTV, a national French-language specialty service dedicated to the arts (37%); and
- The Canadian Documentary Channel, a national English-language category 1 digital specialty service that broadcasts documentary programming on a 24-hour basis (29%).

L. 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 Policy³⁷ establishing a new licensing framework for community programming services. Public Notice 2002-61 also established a new class of broadcasting licences for the provision of community programming known as “community-based television programming undertakings.”³⁸
- 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 11 such services licensed in Canada: nine English-language, one bilingual (English & French) and one French-language.

M. Non-Canadian satellite services authorized in Canada

- *Revised lists of eligible satellite services*, Broadcasting Public Notice CRTC 2005-51, 13 May 2005 (the Lists), sets out the eligible satellite services authorized for distribution in Canada. The Lists are amended from time to time, as required.

³⁷ 1991 *Community Channel Policy*, Public Notice CRTC 1991-59, 5 June 1991 (1991 Community channel policy).

³⁸ 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 Commission’s policy precludes the addition of English- or French-language 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 policy serves to ensure that Canadian licensed services are in a position to fulfil their commitments and obligations regarding the airing of Canadian programming, a responsibility that non-Canadian services do not have.
- In *Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis*, Broadcasting Public Notice CRTC 2004-96, 16 December 2004, the Commission adopted a more open-entry approach to non-Canadian third-language general interest television services in order to expand the diversity and choice in television services available to underserved third-language communities in Canada.
- The Commission has approved the addition of one³⁹ non-Canadian service to the digital Lists since the issuance of the last Broadcasting Policy Monitoring Report in December 2004.
- There are currently 108 non-Canadian services, broadcasting in 23 languages from approximately 22 countries, authorized for distribution in Canada by digital distributors. Of these services, 75 are also authorized for distribution by broadcasting distribution undertakings on an analog basis.
- The following table lists the non-Canadian satellite services currently authorized for distribution in Canada⁴⁰.

³⁹ RAI International 2 is an Italian-language general interest programming service.

⁴⁰ Carriage of non-Canadian eligible satellite services is at the discretion of the BDU. In some cases, distribution is authorized under specific terms or conditions.

Table 3.17: Non-Canadian satellite services authorized in Canada

Country of origin/Non-Canadian service name	Language	Authorized for	
		Analog & digital	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		✓
Germany, Deutsche Welle	German	✓	
Germany, 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		✓
Italy, RAI International 2	Italian		✓
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 America⁴¹			
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		✓

⁴¹ From a variety of Latin American countries including Mexico, Argentina, Columbia, Chile, Venezuela and Peru

Country of origin/Non-Canadian service name	Language	Authorized for	
		Analog & 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		✓
Filipino Channel, The	Tagalog (Filipino)	✓	
Fox News	English		✓
Game Show Network	English	✓	
Golf Channel, The	English	✓	
Learning Channel, The	English	✓	
Lifetime Television	English	✓	
MSNBC	English		✓
NFL Network	English		✓
Oxygen Network	English		✓
Playboy TV	English	✓	
Scandinavian Channel, The**	Multilingual – language of originating countries ⁴²		✓
Silent Network, The	English	✓	
Speed Channel	English	✓	
Spike TV	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 2005-51, 13 May 2005 for listing of each station.

** In Broadcasting Public Notice 2005-37 dated 22 April 2005, the Commission called for comments on its proposal to remove the Scandinavian Channel from the Lists, stating that, to the best of its knowledge, the service is no longer in operation.

⁴² Denmark, Finland, Iceland, Norway and Sweden

IV. Broadcasting distribution

A. Promoting effective competition

- The Commission's policy to promote competition among broadcasting distribution undertakings (BDUs) was first set out in *New regulatory framework for broadcasting distribution undertakings*, Public Notice CRTC 1997-25, 11 March 1997 (Public Notice 1997-25). The *Broadcasting Distribution Regulations*¹ (the BDU Regulations) serving to implement this policy came into effect 1 January 1998. The BDU industry has been experiencing a fundamental shift towards increased competition since the adoption of the regulatory framework in 1997 and the Commission has made a number of changes to its regulatory framework in response to this new environment.
- The Commission had exempted small BDUs under certain conditions to allow them to operate with increased efficiency and reduced expenses in order to compete more effectively in *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)*, Broadcasting Public Notice CRTC 2002-45, 12 August 2002 (Public Notice 2002-45), *Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers*, Broadcasting Public Notice CRTC 2003-23, 30 April 2003, and *Exemption order respecting cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers; and Amendment to the Broadcasting Distribution Regulations*, Broadcasting Public Notice CRTC 2004-39, 14 June 2004 (Public Notice 2004-39).
- In Public Notice 2001-121, the Commission identified 1,583 cable distribution undertakings having fewer than 2,000 subscribers. To date, 1,417 Class 3 cable 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 cable systems as of September 2003.
- Of the 103 cable distributors serving between 2,000 and 6,000 subscribers that might be eligible for exemption from licensing and regulation identified in Public Notice 2004-39, all but 27 had been granted exemption status as of 30 April, 2005. In addition, five Class 1 cable distribution undertakings having fewer than 6,000 subscribers had also been granted exemption status as of the same date.
- 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.

¹ *Proposed Broadcasting Distribution Regulations*, Public Notice CRTC 1997-84, 2 July 1997, and *Broadcasting Distribution Regulations*, Public Notice CRTC 1997-150, 22 December 1997.

- In August 2004, the Commission concluded a review of its winback rules that prohibit the targeted marketing by incumbent cable companies of customers who have cancelled basic cable service. In *Changes to the winback rules for broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2004-62, 13 August 2004, the Commission determined that the winback rules would be more effective if they were focused on areas where a truly competitive broadcasting distribution market has yet to emerge. Accordingly, the Commission eliminated the winback rules for single-unit dwellings and for cable systems that have fewer than 6,000 subscribers. The Commission also introduced additional winback rules to govern the conduct of incumbent BDUs with 6,000 or more subscribers in their dealings with residents of multiple-unit dwellings.
- In *Auditing of distributor subscriber information by programming services*, Broadcasting Public Notice CRTC 2005-34, 18 April 2005, the Commission issued a set of guidelines to ensure that programming services are able to obtain reasonable access to information held by BDUs regarding subscribers to their services.

1. Subscriber levels of incumbent and alternative BDU delivery systems

Table 4.1: Number of basic subscribers (000)

	Cable, class 1*		DTH		MDS & STV		Total	
2000	6,951	87.8%	880	11.1%	86	1.1%	7,917	100.0%
2001	6,857	81.0%	1,520	18.0%	88	1.0%	8,465	100.0%
2002	6,702	76.8%	1,960	22.5%	59	0.7%	8,721	100.0%
2003	6,581	74.9%	2,152	24.5%	50	0.6%	8,783	100.0%
2004	6,625	74.1%	2,277	25.5%	39	0.4%	8,939	100.0%

Note: 2000 to 2003 figures have been updated to reflect current aggregate August 31 results.

* In this instance and throughout the document references to class 1 BDUs and class 1 cable BDUs include Digital Subscriber Line (DSL) results.

Source: CRTC financial database

- Class 1 cable licensees continue to maintain the bulk of subscriber market share. Competition from direct-to-home (DTH) has reduced the overall share of Class 1 cable licensees from 88% in 2000 to 74% in 2004.
- DTH subscribership increased by 125,000 in 2004. This represents an increase of 5.8% in 2004 for a total market share of 25.5%. The rate of growth of DTH is slowing, from 29% in 2002 to 6% in 2004.
- 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), Bell Canada (Bell), MTS Communications Inc. (MTS), Saskatchewan Telecommunications (SaskTel) and Telus Communications Inc. (TCI) are licensed as Class 1 BDUs to provide service using DSL technology.

B. Ensuring contributions to Canadian programming and local expression

- The BDU Regulations require that all Class 1 and Class 2 cable licensees², as well as all DTH and MDS distribution undertakings, contribute a minimum of 5% of their gross annual revenues derived from broadcasting activities to support Canadian programming. Contributions to Canadian programming are made through the Canadian Television Fund (CTF)³ and other independent production funds, as well as through contributions to local expression.
- The BDU Regulations require that a minimum of 80% of the required contribution be directed to the CTF, with up to 20% directed 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, as well as two subsequent public notices⁴, set out the criteria to be met by such independently administered funds.

1. Contributions to programming funds

Table 4.2: Contributions to programming funds

Contributions to programming funds (\$ 000,000)															
Class & subscriber level	CTF					Independent Funds					Total CTF & Other Funds				
	00	01	02	03	04	00	01	02	03	04	00	01	02	03	04
Class 1 > 20,000	66	70	70	64	67	8	7	7	16	17	74	77	78	80	84
Class 1 < 20,000	5	5	4	3	1	1	1	1	1	0	5	5	5	4	1
DTH, MDS & SRDU*	15	27	31	47	54	3	6	7	11	13	19	33	37	58	67
Total	86	102	105	114	122	12	14	15	28	30	98	116	120	142	152

Note: Based on August 31 of each year.

* SRDU: Satellite Relay Distribution Undertaking

Source: CRTC financial database

- As Class 2 cable systems have largely been granted exemption status, they are not required to file annual returns, including their contributions to programming funds, with the Commission.
- Several Class 1 cable systems passed the 20,000 subscriber mark in 2004 and some Class 1 cable systems serving fewer than 6,000 subscribers were exempted and ceased to file annual returns in 2004, accounting for the difference in CTF contributions reported between 2003 and 2004.

² Includes Digital Subscriber Line (DSL)

³ The CTF is the successor to the *Canadian Television and Cable Production Fund*.

⁴ *Contributions to Canadian programming by broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2003-38, 16 July 2003, and *Contributions to Canadian programming by broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2004-21, 31 March 2004.

2. Total community channel expenses

Table 4.3: Community channel expenses for class 1 cable systems

Total community channel expenses (\$ 000)					
	2000	2001	2002	2003	2004
Class 1 > 20,000	58,540	53,870	53,299	53,530	58,417
Class 1 < 20,000	13,169	12,826	18,236	15,697	15,975
Total	71,709	66,696	71,535	69,227	74,392

Note: Based on August 31 of each year.
Source: CRTC financial database

- 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.
- The BDU Regulations permit Class 1 licensees with fewer than 20,000 subscribers to allocate all of their Canadian programming 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.
- The following table outlines the number of Class 1 licensees that have reported community channel expenses between 2000 and 2004. 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 4.4: Cable undertaking contributing to community channels

	2000	2001	2002	2003	2004
Class 1 > 20,000	72	72	70	66	65
Class 1 < 20,000	74	73	74	80	67

Note: Based on August 31 of each year.
Source: CRTC financial database

C. Affordability of basic service rates

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

Table 4.5: Average cable basic service monthly rates (\$)

Distribution type	2000	2001	2002	2003	2004
Class 1	19.50	20.16	20.05	21.51	22.26

Note: 2000 to 2003 figures have been updated to reflect current August 31st 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 average monthly rates are weighted to account for subscriber numbers.

**Table 4.6: Average basic service monthly rates by province
Cable – class 1 undertakings (\$)**

Province	2000	2001	2002	2003	2004
N.L.	19.82	19.94	20.16	21.99	23.99
P.E.I.	20.72	20.72	20.72	20.72	20.72
N.S.	16.54	16.55	16.53	16.61	16.49
N.B.	19.10	19.19	20.28	22.94	23.99
Quebec	21.64	21.61	21.74	21.56	21.66
Ontario	19.48	20.98	20.58	21.66	22.75
Manitoba	14.92	15.33	15.34	20.99	21.38
Saskatchewan	18.39	18.89	18.88	20.31	21.05
Alberta	18.54	18.72	18.73	21.86	22.34
B.C.	18.39	18.49	18.57	21.84	22.82

Note: 2000 to 2003 figures have been updated to reflect current August 31st aggregate results.
Source: CRTC financial database

- With the introduction of the BDU Regulations in 1997, the Commission established a process allowing for the deregulation of the basic rates of incumbent Class 1 undertakings. New entrants are no longer rate regulated, nor are Class 2 and Class 3 undertakings.
- Incumbent Class 1 undertakings 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% or more of households in the incumbent's service area (this condition is currently deemed to be met due to the availability of DTH services); and
 - if the cable incumbent can demonstrate that it lost 5% or more of its basic subscribers since competition entered its licensed area.
- By the end of August 2004, rate deregulated Class 1 undertakings accounted for approximately 93% of all Class 1 basic cable subscribers.

D. Ensuring a financially strong sector

1. Revenues

Table 4.7: BDU revenues (\$ 000,000)

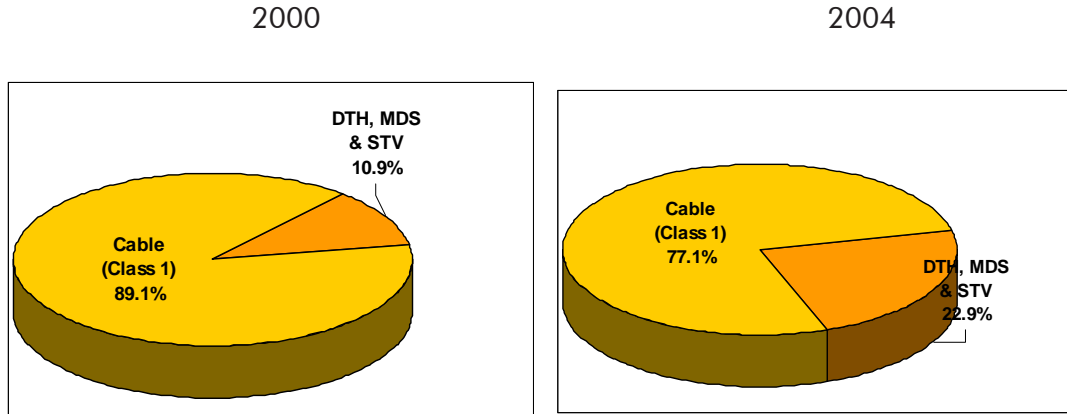
	2000	2001	2002	2003	2004
Basic programming revenue					
Revenue obtained from the basic programming service packages provided by distributors.					
Cable (Class 1)	1,710	1,693	1,664	1,709	1,806
DTH, MDS, STV	53	91	280	356	458
Total	1,763	1,784	1,944	2,065	2,264
Non-Basic programming revenue					
Revenue derived from discretionary programming service packages provided by distributors (programming services not on the basic service).					
Cable (Class 1)	1,255	1,295	1,360	1,394	1,472
DTH, MDS, STV	325	575	650	811	871
Total	1,580	1,869	2,009	2,205	2,343
Non-programming revenue					
Revenue derived from exempt services and non-programming services such as the Internet.					
Cable (Class 1)	189	440	685	1,053	1,268
DTH, MDS, STV	9	13	16	36	28
Total	198	453	702	1,089	1,296
Total revenue					
Includes revenue derived from programming and non-programming services.					
Cable (Class 1)	3,154	3,427	3,709	4,156	4,546
DTH, MDS, STV	388	679	946	1,204	1,357
Total	3,542	4,106	4,656	5,360	5,903

Note: 2000 to 2003 figures have been updated to reflect current aggregate August 31 results.
Source: CRTC financial database

- The BDU industry as a whole has continued to grow. In 2004 total revenues increased by over \$500 million.
- Class 1 cable licensees realized a revenue increase of about \$400 million in 2004, a 9.4% increase over 2003. The growth in revenues since 2000 is due primarily to the growth in non-basic programming revenues (16%) as well as non-programming revenue (78%). In fact, non-programming revenues contributed to 28% of total Class 1 cable licensee revenues in 2004 compared to 6% in 2000.
- DTH, MDS and STV providers reported increased revenues of 12.8% in 2004.

- The charts below illustrate the changes in the share of total BDU revenues from 2000 to 2004.

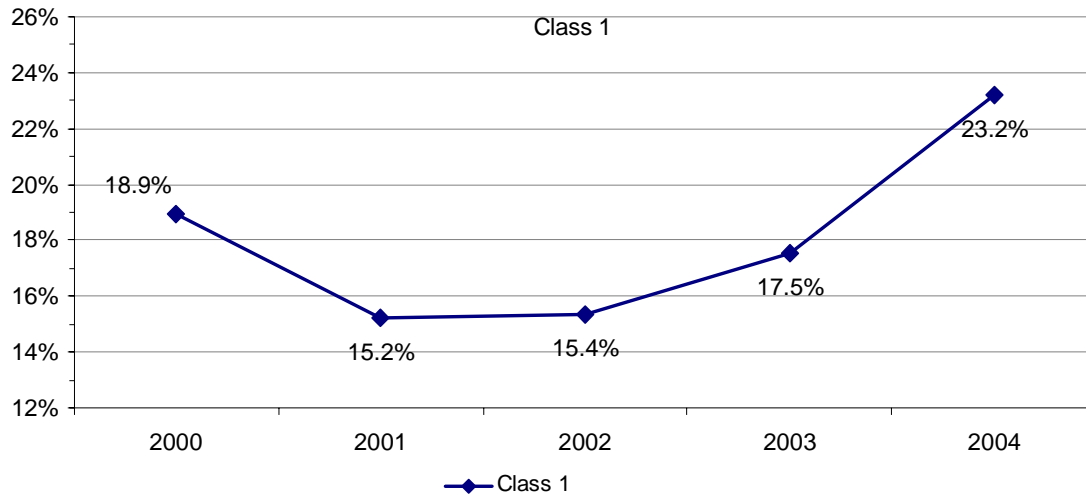
Chart 4.1: Distribution of total revenues



Note: 2000 percentages have been updated to reflect current aggregate results.
Source: CRTC financial database

2. Profit before interest and taxes (PBIT) margins, Class 1 undertakings

Chart 4.2: PBIT margins

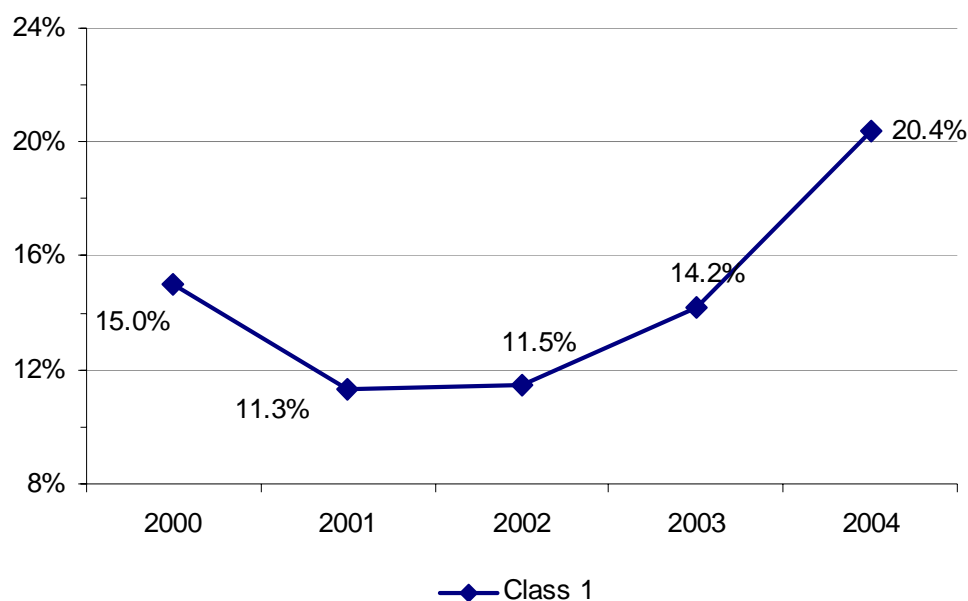


Note: 2000 to 2003 figures have been updated to reflect current August 31st aggregate results.
Source: CRTC financial database

- The chart above shows the PBIT margins for Class 1 undertakings based on the reported results from all programming and non-programming services.
- The PBIT margin for Class 1 undertakings increased to 23.2% in 2004. The increase was the result of continued revenue growth, a reduced rate of growth in operating expenses and a decrease in depreciation expenses.

3. Return on investment - Class 1 undertakings

Chart 4.3: Return on average net fixed assets (RANFA)



Note: 2000 to 2003 figures have been updated to reflect current August 31st aggregate results.
Source: CRTC Financial Database

E. Top Canadian distributors

Table 4.8: Top Canadian distributors and number of basic subscribers⁽¹⁾

Corporations	Number of subscribers (000)			% of total – All Canada		
	2002	2003	2001	2002	2003	2004
Rogers Cable Inc.	2,252	2,235	2,202	25%	25%	24%
Shaw Communications Inc.	1,997	2,012	2,020	22%	22%	22%
Bell ExpressVu LLP. ⁽²⁾	1,200	1,343	1,449	13%	15%	16%
Vidéotron Ltée. ⁽³⁾	1,442	1,288	1,291	16%	14%	14%
Star Choice Television Network Inc. ⁽⁴⁾	760	809	828	8%	9%	9%
Cogeco Cable Inc.	818	816	723	9%	9%	8%
Total – Top Canadian distributors	8,469	8,503	8,519	93%	93%	94%
Total – All Canada	9,075	9,096	9,054	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.

(2) Bell ExpressVu LLP. is controlled by BCE Inc.

(3) Quebecor Media Inc. acquired control of Vidéotron Ltée in 2002.

(4) Star Choice Television Network Inc. is controlled by Shaw Communications Inc.

F. Promoting digital technology

Table 4.9: Number of subscribers receiving digital services

Number of digital subscribers (000)							
Distribution type	Total			English		French	
	Number	% of Total	Growth	Number	Growth	Number	Growth
Sept. 2004	<i>June 03 to Sept. 04</i>			<i>June 03 to Sept. 04</i>		<i>June 03 to Sept. 04</i>	
Digital cable	2,054.0	46%	6%	1,663.9	7%	390.1	4%
DTH *	2,301.4	52%	2%	n/a*	n/a*		
MDS	47.0	1%	-3%	31.7	-1%	15.3	-7%
DSL	48.2	1%	18%	48.2	18%	-	
Total	4,450.6	100%	4%				
June 2004	<i>03 to 04</i>			<i>03 to 04</i>		<i>03 to 04</i>	
Digital cable	1,937.8	45%	25%	1,561.7	21%	376.1	48%
DTH *	2,257.4	53%	14%	n/a *	n/a *		
MDS	48.4	1%	-14%	32.0	-10%	16.4	-23%
DSL	40.9	1%	n/a	40.9		-	
Total	4,284.5	100%	19%				
June 2003	<i>02 to 03</i>			<i>02 to 03</i>		<i>02 to 03</i>	
Digital cable	1,550.4	43%	34%	1,295.6	31%	254.9	53%
DTH	1,987.5	55%	9%	1,458.6		528.9	
MDS	56.7	2%	-19%	35.5	-16%	21.2	-23%
Total	3,594.6	100%	18%				
June 2002							
Digital cable	1,155.6	38%		989.3		166.3	
DTH	1,825.0	60%		1,339.4		485.6	
MDS	69.9	2%		42.4		27.5	
Total	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, signal theft reduces the contributions made to the CTF, which are tied to the levels of revenues achieved by licensees. CTF provides key financing for distinctively Canadian productions.

The Coalition Against Satellite Signal Theft (CASST) has brought together the entire Canadian broadcasting industry as well as DIRECTV to co-ordinate actions to combat signal theft. Public awareness campaigns, private investigations, civil actions and media activity have helped reduce the growth of this serious problem, but stronger measures are required to eradicate or reduce it significantly.

While amendments to the *Radiocommunication Act* have twice been introduced in Parliament to improve enforcement tools, these have not yet been adopted. CASST is now working with the federal government to develop a new bill to increase penalties under the *Radiocommunication Act*, stop the entry of illegal equipment into Canada, create new offences related to trafficking in illegal software and unauthorized codes, and provide for statutory damages in civil lawsuits.

In the spring of 2004, DIRECTV completed the implementation of a new conditional access system and the swap-out of all access cards for all legitimate subscribers. While grey market users continue to fraudulently obtain DIRECTV services through the use of false U.S. addresses, the black market has been significantly reduced. Both The Dish Network and Bell ExpressVu are also in the process of introducing new conditional access systems. These measures should have a major impact on the level of signal theft in Canada.

Ongoing investigations by law enforcement agencies across Canada have resulted in many dealers in illegal equipment and services being charged, and repeat offenders have been cited for contempt of court. While the number of storefront operations has been greatly reduced as a result, Internet-based operations continue to thrive. Tips from the public and from organizations such as Crime Stoppers have been very helpful in uncovering these less visible operations.

V. Social issues

The Commission's key 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) states, 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
- issuing an action plan and year-end report on achievements and results 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, the Commission, with the exception of the smallest analog cable distributors, has required all cable distribution undertakings, to distribute CPAC and the proceedings of the House of Commons as

part of their basic service and in both official languages throughout Canada since 1 September 2002.¹

- In most instances, cable companies distribute the video channel with the majority official language audio channel, and provide the minority official language service on the same video channel using a technology known as secondary audio programming (SAP). The use of SAP has been criticized and the Governor General in Council, on the recommendation of the Minister of Canadian Heritage, pursuant to paragraph 26(1)(b) of the *Broadcasting Act* has issued a direction in which the Commission is directed to require all cable distribution undertakings, that have 2,000 or more subscribers, to reserve two video channels for the distribution of CPAC and the proceedings of the House of Commons in both official languages.
- DTH distribution undertakings are required to distribute the English- and French-language versions of CPAC and the proceedings of the House of Commons as part of their basic service.
- 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 official 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

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.

every ten (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 ten (Canadian or non-Canadian) programming services distributed in the official language of the majority. Furthermore, a Class 3 system that 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.

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
September 2004				
Nominal bandwidth of 750 MHz or higher	24	2,305,157	4	686,997
Nominal bandwidth of less than 750 MHz	32	2,186,995	5	244,426
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 systems were combined into two systems.

Source: March 31st or September 30th CRTC Cable Capacity Reports

3. 2005-2006 Action plan: Implementation of section 41 of the *Official Languages Act*²

- Consistent with the Commission's designation under section 41 of the *Official Languages Act* on 22 August 2003, the Commission submitted its report on achievements and results for the year ending 31 March 2005 and its action plan on official languages for fiscal year 2005-2006.

² Copies of the CRTC's 2004-2005 and 2005-2006 Reports are available on the CRTC's website <http://www.crtc.gc.ca/eng/publications/reports.htm>.

- Based on the comments received during the 2004-2005 fiscal year, the Commission put forward specific measures and objectives in order to:
 - continue implementing the recommendations from 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 2005-2006 action plan.

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 ethnocultural 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:³
 - The broadcasting system should be a mirror in which all Canadians can see themselves.

³ *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999.

- 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 ethnocultural 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 licensing services that target specific communities and through expectations with regard to private television broadcasters, private radio broadcasters and the Canadian Broadcasting Corporation (CBC):

1. Services targeted to specific communities

- The Commission continues to license 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)
- In Public Notice 2005-17, issued 25 February 2005, the Commission called for comments on establishing a more open-entry approach to licensing applications for Canadian third-language ethnic category 2 services. The Commission is currently reviewing comments received in response to the notice.
- The Commission also authorizes non-Canadian third-language services for distribution in Canada, subject to certain criteria. In December 2004, the Commission issued Public Notice 2004-96⁴, which sets out a revised approach to the assessment of requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis. The revised policy, which sets out a more open-entry approach to the authorization of non-Canadian third-language general interest services, puts a greater emphasis on expanding the diversity and choice in television services available to underserved third-language ethnic communities in Canada.

⁴ *Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis*, Broadcasting Public Notice CRTC 2004-96, 16 December 2004.

2. Private television broadcasters

- The Commission requires broadcasters to describe their plans and activities with respect to the equitable employment⁵ and on-air representation of the four designated groups: visible minorities, Aboriginal persons, women and persons with disabilities.
- Since 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.⁶ As of 31 March 2005, sixteen plans have been received from:
 - Alliance Atlantis Broadcasting Inc.
 - Astral Broadcasting Group Inc.⁷
 - Cable Public Affairs Channel Inc. (CPAC)
 - CHUM Limited
 - Consortium de télévision Québec Canada inc. (TV5)
 - Corus Entertainment Inc.
 - Craig Media Inc.⁸
 - CTV Television Inc.
 - Global Communications Limited
 - Groupe TVA inc.
 - Learning & Skills Television of Alberta Limited (ACCESS)
 - MusiquePlus inc.
 - Pelmorex Communications Inc.
 - Rogers Broadcasting Limited
 - The Score Television Network Limited
 - TQS Inc.
 - Vision TV
- As a key tool for monitoring progress in this respect, the Commission requires licensees to file annual reports outlining progress made to achieve the stated goals and any new initiatives undertaken. To date, the Commission has received annual reports from fourteen broadcasters. These reports are available on the Commission's website.⁹
- In August 2001, the Commission called for a joint industry/community task force to sponsor research, identify best practices, and help define the issues and present

⁵ Licensees with 100+ employees report on employment equity directly to HRSDC.

⁶ Broadcasters' corporate plans for cultural diversity are available on the Commission's diversity public file.

⁷ Note that Teletoon/Télétoon adheres to the plan filed by Astral Broadcasting Group Inc.

⁸ In November 2004, the Commission approved the transfer of effective control of Craig's Alberta and Manitoba conventional television stations to CHUM and its Toronto conventional television station to Quebecor Media (*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 and *Transfer of effective control of Toronto One to TVA Group Inc. and Sun Media Corporation*, Broadcasting Decision CRTC 2004-503, 19 November 2004).

⁹ http://www.crtc.gc.ca/eng/BCASTING/ann_rep/annualrp.htm

practical solutions to ensure that the entire Canadian broadcasting system reflects all Canadians¹⁰. The Task Force for Cultural Diversity on Television (the Task Force) was formed by the Canadian Association of Broadcasters (CAB).

- The Task Force published its report on 15 July 2004. The report includes the results of a landmark quantitative and qualitative study of the state of representation on private Canadian television as well as a recommended set of best practices and industry initiatives.¹¹
- The Commission issued its response to the report in Public Notice CRTC 2005-24, 21 March 2005.¹² The Commission expects the CAB to report annually on its progress in implementing the industry initiatives recommended by the Task Force. In addition, the Commission expects the CAB to review its broadcasting industry codes to determine whether they address concerns identified in the research findings regarding reflection and portrayal and to report on its findings no later than 21 July 2005.
- In Public Notice 2004-2,¹³ 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 broadcasters' 2004 reports.
- In that notice, 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 reviewed the CAB plan and issued its response in a letter dated 15 November 2004. The Commission expects to receive a report from the CAB in July 2005 on its research and consultation processes, as proposed. The Commission also expects that the CAB will provide an implementation plan at that time, setting out the initiatives that will be undertaken.

3. The CBC

- The Commission requires that the CBC include in its annual reports, a description of how it is fulfilling its commitment as noted in Public Notice CRTC 2000-1,¹⁴ 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

¹⁰ *Representation of cultural diversity on television – Creation of an industry/community task force*, Public Notice CRTC 2001-88, 2 August 2001

¹¹ The Task Force report, *Reflecting Canadians: Best Practices for Cultural Diversity in Private Television*, is available on the CAB website.

¹² *Commission's response to the report of the Task Force for Cultural Diversity on Television*, Broadcasting Public Notice CRTC 2005-24, 21 March 2005.

¹³ *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.

¹⁴ *A distinctive voice for all Canadians: Renewal of the Canadian Broadcasting Corporation's licences*, Public Notice CRTC 2000-1, 6 January 2000.

participation in Canadian society, and that will help to counteract negative stereotypes.

4. Private radio broadcasters

- In the *Commercial Radio Policy*, the Commission encouraged radio broadcasters to reflect the cultural diversity of Canada in their programming and employment practices, especially with respect to news, music and promotion of Canadian artists.
- The Commission continues to initiate discussions with applicants about cultural diversity in radio broadcasting at competitive licensing hearings and at licence renewals.

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, the Television Policy 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.

- Following the renewal of 21 French-language television stations in 2004, the Commission required that SRC, TVA and TQS report annually to the Commission on the progress made toward improving the quality and quantity of closed captioning. The Commission also required TVA and TQS to provide the Commission their internal standards on caption quality, and to work with the CAB to develop standards and procedures respecting closed captioning for French-language television broadcasters.

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 secondary audio programming (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.
 - 6¹⁵ 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 3 hours per week (beginning 1 September 2008).

¹⁵ History Television, Space: The Imagination Station, The Comedy Network, Teletoon/Télétoon, Treehouse TV, Prime TV. See Public Notice 2004-2 *Introduction to Broadcasting Decisions 2004-6 to 2004-27 renewing the licences of 22 specialty services*, 21 January 2004.

- Distributors
 - In Public Notice 2005-18, 25 February 2005, the Commission reminded Class 1 cable operators and DTH providers of their obligation to pass through all described video programming being provided to them by programming services.¹⁶ In that notice, the Commission also called for comments on the requirements for the pass-through of described video programming on smaller BDUs, specifically Class 2 and Class 3 systems and MDS undertakings.

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.¹⁷ 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 2004,¹⁸ 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.

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

¹⁶ Public Notice CRTC 2005-18 *Commission requirements for the pass-through of video description – Call for comments on the obligations of smaller broadcasting distribution undertakings.*

¹⁷ *Broadcasting Distribution Order*, Decision CRTC 2000-380, 11 September 2000 and *Broadcasting Distribution Order – Erratum: Distribution Order 2000-1*, Decision CRTC 2000-380-1, 21 September 2000.

¹⁸ *VoicePrint – Licence renewal*, Broadcasting Decision CRTC 2004-28, 21 January 2004.

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,¹⁹ 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):
 - Advertising Standards Canada (ASC) Canadian Code of Advertising Standards
 - Broadcast Code for Advertising to Children
 - Cable Television Community Channel Standards
 - Cable Television Customer Service Standards
 - CAB Code of Ethics
 - CAB Sex-Role Portrayal Code for Television and Radio Programming
 - CAB Voluntary Code Regarding Violence in Television Programming
 - CBC Guidelines on Sex-Role Portrayal
 - Code for Broadcast Advertising of Alcoholic Beverages
 - Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-On-Demand Services
 - Pay Television and Pay-Per-View Programming Code Regarding Violence
 - Radio-Television News Directors Association of Canada (RTNDA Canada) Code of Ethics
- As stated in Public Notice 2005-24, the Commission expects the CAB to report on its findings with respect to its review of industry codes to ensure that the self-regulatory system is in tune with, and effective in responding to, the concerns of Canada’s diverse communities regarding their portrayal on Canadian television, as expressed in the Task Force’s report.
- The Commission expects any discretionary services broadcasting adult programming to adhere to the adult programming provisions contained within *Industry Code of*

¹⁹ Links to these codes are available on the Commission’s website www.crtc.gc.ca under Industries at a Glance.

*Programming Standards and Practices Governing Pay, Pay-Per-View and Video-on-Demand Services.*²⁰ 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 the broadcast of adult programming 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 on an annual basis from 1 September 2001 to 31 August 2004, and during the 6-month period of 1 September 2004 to 31 March 2005.

Table 5.2: Number of contacts by public

	1 September to 31 August			1 Sep to 31 Mar.
	2001-02	2002-03	2003-04	2004-05
Overall contacts by public ²¹	58,487	53,382	55,386	38,007
Broadcasting matters only	26,881	24,770	18,273	14,587
Broadcasting complaints only	12,425	11,581	10,575	5,805

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.

²⁰ *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.

²¹ The tracking system counts multiple contacts from the same client on the same complaint as separate units, therefore the actual number of complaints received should be slightly lower.

Table 5.3: Broadcasting complaints by sector, by issue

	1 September to 31 August						1 Sep. to 31 Mar.	
	2001-02		2002-03		2003-04		2004-05	
	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC
Radio								
Abusive comment ²²	85	29	148	57	81	39	42	21
Adult content	66	21	46	23	32	16	21	11
Alcohol advertising	2	-	-	-	1	-	0	0
Gender portrayal	5	2	39	27	1	1	2	1
Offensive comment ²³	241	56	408	255	291	165	211	87
Offensive language ²⁴	71	29	74	24	27	8	33	16
Conventional television								
Abusive comment	39	8	87	31	195	34	194	56
Adult content	360	101	303	145	441	286	180	81
Alcohol advertising	23	0	19	3	17	1	9	0
Gender portrayal	17	3	51	32	14	-	13	2
Offensive comment	214	55	203	62	660	158	206	65
Offensive language	103	41	91	59	48	21	33	11
Television violence	83	22	84	27	99	34	68	25
Specialty channels								
Abusive comment	4	1	25	18	10	2	122	3
Adult content	145	65	110	59	102	62	98	58
Alcohol advertising	-	-	4	-	1	-	0	0
Gender portrayal	3	-	6	4	-	-	0	0
Offensive comment	38	28	35	19	38	21	36	19
Offensive language	19	11	15	7	8	1	28	4
Television violence	13	8	12	9	11	11	13	10
Pay television and pay-per-view services²⁵								
Abusive comment	5	-	-	-	-	-	0	0
Adult content	8	-	11	-	14	-	6	0
Alcohol advertising	-	-	-	-	-	-	0	0
Gender portrayal	-	-	-	-	-	-	0	0
Offensive comment	87	-	-	-	-	-	0	0
Offensive language	2	-	-	-	-	-	0	0
Television violence	1	-	1	-	5	-	0	0

Source: CRTC Correspondence Tracking System

²² 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.

²³ Where a complaint alleges offensive humour or other comments that do not fall under the "abusive comment" provision.

²⁴ Where a complaint alleges offensive language in song lyrics or in spoken word.

²⁵ Note that none of the Pay and Pay-Per-View services are CBSC members so there are no referrals to the CBSC.

2. Canadian Broadcast Standards Council (CBSC)

- The CBSC²⁶ administers specific codes of broadcast conduct and provides a means of recourse for members of the public regarding the application of the standards set out in the codes.
 - CAB Code of Ethics
 - CAB Voluntary Code Regarding Violence in Television Programming
 - CAB Sex-Role Portrayal Code for Television and Radio Programming
 - RTNDA Canada Code of Ethics

- 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

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

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)

- ASC²⁷ 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.

²⁶ www.cbsc.ca

²⁷ www.adstandards.com

Table 5.5: Complaints handled by ASC

	1997	1998	1999	2000	2001	2002	2003	2004
Complaints received by ASC	598	828	1,075	1,143	1,164	1,828	1,133	1,540
Complaints about television ads	185 (31%)	371 (45%)	554 (51%)	595 (52%)	549 (47%)	591 (32%)	588 (52%)	939 (61%)
Complaints about radio ads	30 (5%)	28 (3%)	51 (5%)	48 (4%)	57 (5%)	50 (2.7%)	51 (5%)	90 (6%)

Source: Ad complaints reports

4. Cable Television Standards Council (CTSC)

- The CTSC²⁸ 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.

²⁸ www.ctsc.ca

VI. Internet

A. Computer ownership by Canadian households

Table 6.1: Personal computer ownership rates of Canadian households

			March				December
1998	1999	2000	2001	2002	2003	2004	2004
49%	53%	55%	63%	64%	64%	68%	71%

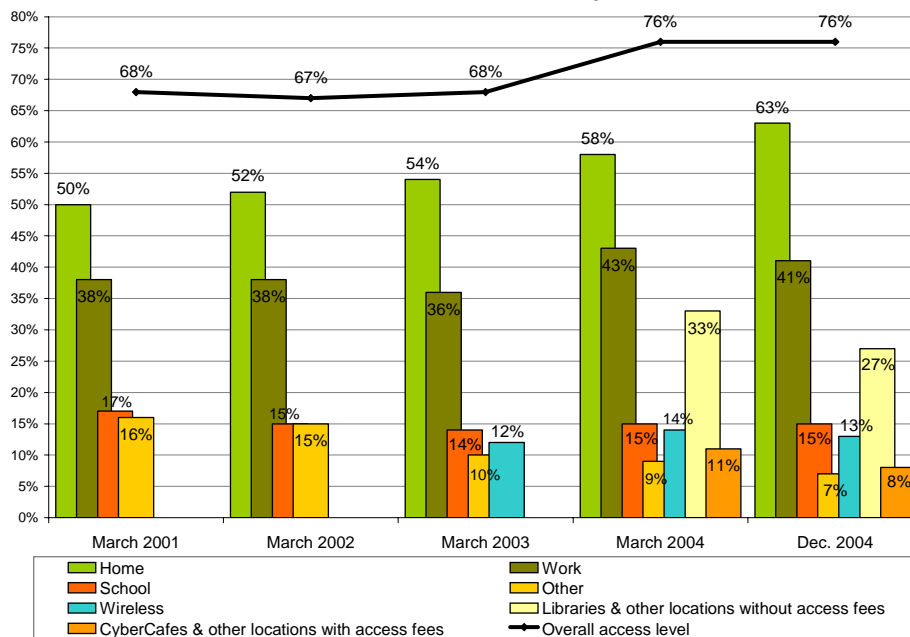
Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 1998 to 2004 spring editions

- Overall personal computer ownership rates continue to grow, increasing by 3% from March 2004 to December 2004. According to CyberTRENDS, significant ownership increases were noted among women (4%), individuals between 55 and 64 years of age (9%), and in households with an income under \$20,000 (7%).
- Income continues to be a determining factor in computer ownership. In December 2004, 93% of households with an income over \$80,000 owned computers while 47% of households with an income under \$20,000 owned computers.

B. Internet access by Canadians¹

1. Internet access by location

Chart 6.1: Internet access by location



Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2001 to 2004 spring editions

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

- Overall Internet access level remained constant from March 2004 to December 2004.
- The percentage of Canadians accessing the Internet from home increased to 63% in December 2004.

Table 6.2: Internet access by household income (%)

Income (\$ 000)	Home			Work			School			Overall		
		March	Dec.		March	Dec.		March	Dec.		March	Dec.
	2003	2004	2004	2003	2004	2004	2003	2004	2004	2003	2004	2004
< 20	25	31	34	11	12	12	14	20	11	36	54	55
20-40	42	45	51	24	23	26	13	16	13	56	65	67
40-60	62	62	69	38	50	43	13	13	13	77	84	85
60-80	72	75	78	55	65	58	15	13	19	88	93	90
80 <	82	78	88	67	74	74	17	14	19	93	91	97
All	54	58	63	36	43	42	14	15	15	68	76	76

Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2003 to 2004 spring editions

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

Table 6.3: Internet access by education (%)

Education	Home			Work			School			Overall		
		March	Dec.		March	Dec.		March	Dec.		March	Dec.
	2003	2004	2004	2003	2004	2004	2003	2004	2004	2003	2004	2004
< High school	23	28	27	6	13	9	6	8	6	30	41	37
High school	45	50	54	22	29	25	8	11	10	59	71	70
Some college/ University	64	66	74	40	45	49	23	23	22	80	85	88
Post secondary	71	68	78	57	61	61	12	14	19	87	88	92
Post graduate	75	83	84	67	70	72	25	21	16	87	93	95
All	54	58	63	36	43	41	14	15	15	68	76	76

Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2003 to 2004 spring editions

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

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 as well as December 31, 2004. The CRTC's December 31, 2004 data was not available at the time this report was prepared.

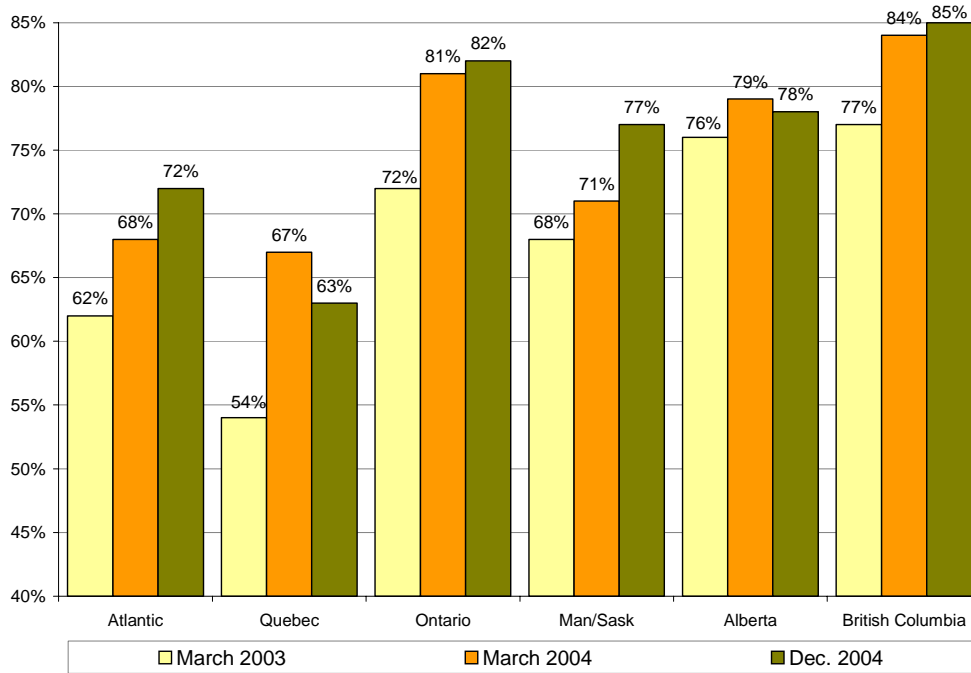
Table 6.4: Internet access by age (%)

Age	Home			Work			School			Overall		
	2003	March 2004	Dec. 2004	2003	March 2004	Dec. 2004	2003	March 2004	Dec. 2004	2003	March 2004	Dec. 2004
	18-34	68	69	73	47	50	53	35	33	28	89	92
35-44	66	70	72	52	57	54	13	14	19	84	88	86
45-54	67	62	68	44	58	52	8	11	13	76	82	82
55-64	45	51	63	28	33	32	6	8	5	58	66	73
65+	22	32	27	5	6	3	1	0	1	26	40	34
All	54	58	63	36	43	42	14	15	15	68	76	76

Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2003 to 2004 spring editions

- As a new medium, the Internet has been more readily adopted by younger households.

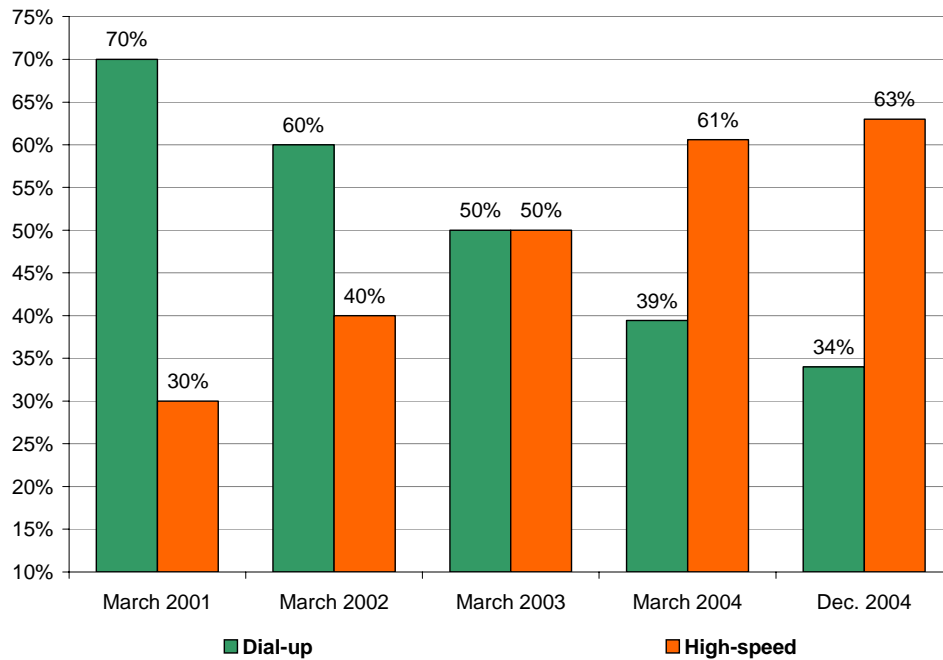
Chart 6.2: Penetration rates by region



Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2003 and 2004 spring editions

2. Type of Internet access used at home

Chart 6.3: Dial-up and high-speed Internet access at home

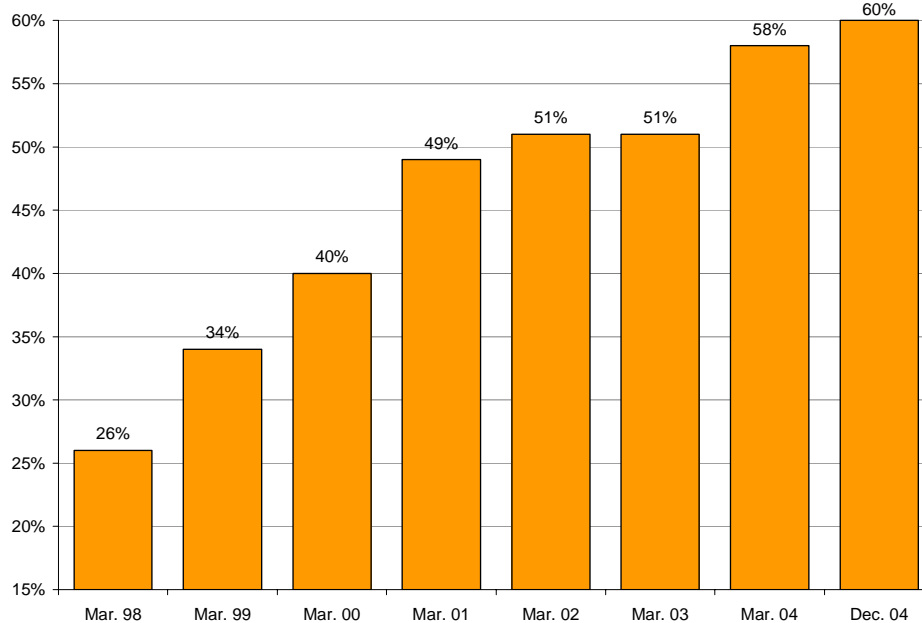


Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2001 to 2004 spring editions.

- High-speed Internet access at home has risen from 30% in March 2001 to 63% in December 2004.

3. Frequency and duration of Internet use

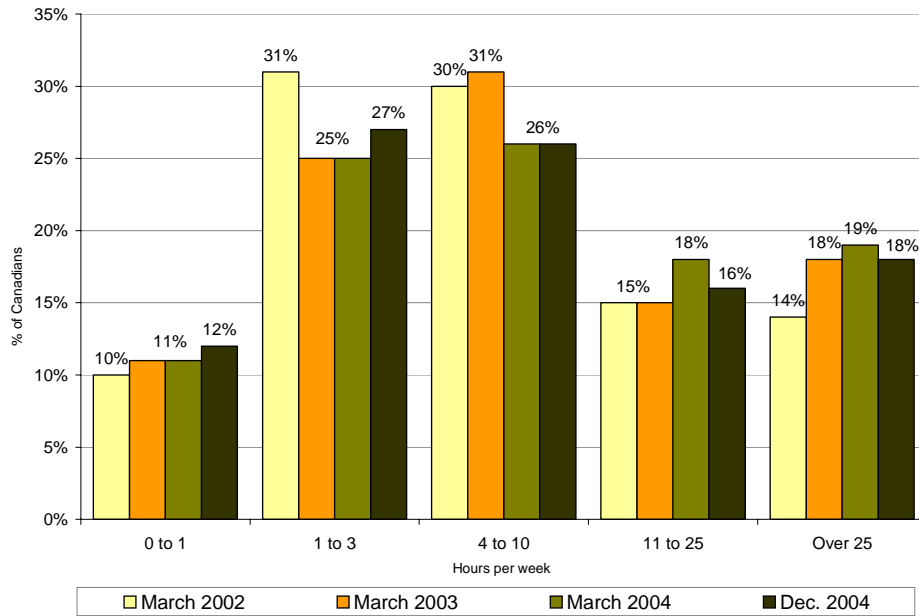
Chart 6.4: Percentage of Canadian adults using the Internet in a given week



Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 1998 to 2004 spring editions

- The number of Canadians who reported using the Internet, at least once a week, increased from 58% in March 2004 to 60% in December 2004.

Chart 6.5: Time spent by Canadian adults on the Internet in a given week

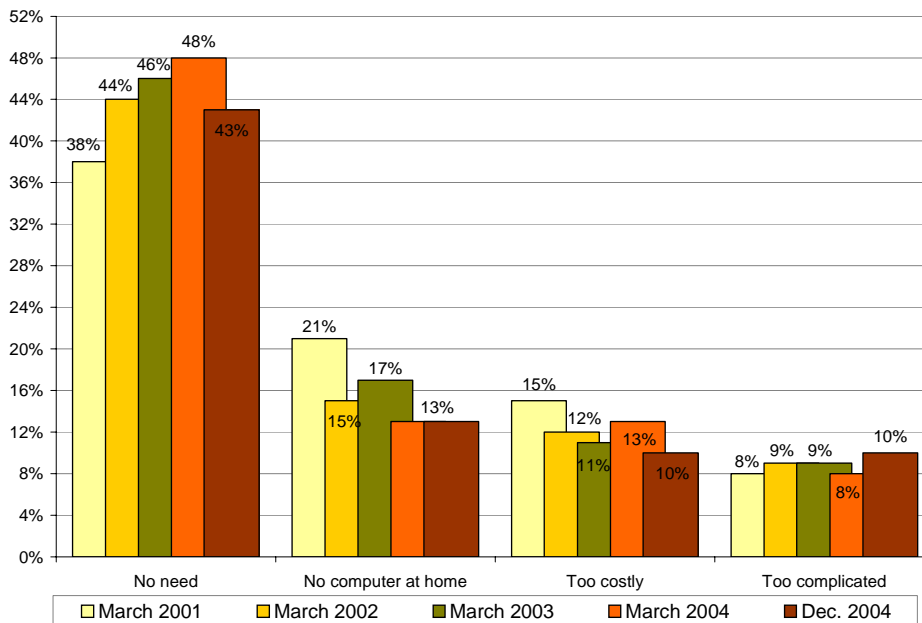


Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2002 to 2004 spring editions

- According to CyberTRENDS, in December 2004, the average Canadian with Internet access connected for an average of 15 hours of Internet use per week.

4. Profile of Canadians without Internet access

Chart 6.6: Major reasons for not having access to the Internet



Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2001 to 2004 spring editions

- The number of Canadians who indicated cost as a reason for not using the Internet decreased from 13% in March 2004 to 10% in December 2004.

5. Internet activities

Table 6.5: On-line activities of Canadians

% of Canadian adults who connected to the Internet
at least once a month

Activity	Most of the time					Some of the time				
	March				Dec. 2004	March				Dec. 2004
	'01	'02	'03	'04		'01	'02	'03	'04	
E-mail	67	69	71	71	70	22	21	17	18	21
Specific sites of interest	62	58	61	57	50	27	32	29	30	35
Search for specific information	58	52	55	54	48	31	39	37	38	41
Research information on services/products	-	25	29	30	27	-	51	47	47	49
Surf or browse	19	21	28	25	25	37	41	38	38	37
Download/Listen to music	13	13	16	9	10	22	19	24	17	23
Download files or software	12	12	15	9	8	30	34	31	28	31
Chat	5	5	8	5	5	12	9	11	12	10
On-line gaming	5	3	6	7	4	8	8	7	9	11
Watch video	2	1	4	3	2	17	14	18	16	19
Listen to radio	4	3	4	4	5	12	11	12	14	19
Shop on-line	-	2	2	2	4	-	14	17	21	24
Download movies	-	-	-	-	1	-	-	-	-	4
Download TV programs	-	-	-	-	1	-	-	-	-	3

Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2001 to 2004 spring editions

**Table 6.6: On-Line activities of high-speed users
vs. dial-up users**

Use most or some of the time

Activity	High-speed			Dial-up		
	March		Dec. 2004	March		Dec. 2004
	2003	2004		2003	2004	
Download / Listen to music	53%	32%	41%	32%	21%	25%
Downloading files or software	54%	41%	46%	46%	37%	35%
Chat	26%	20%	17%	16%	15%	11%
Watch video	29%	27%	27%	17%	11%	13%
Listen to radio	20%	23%	30%	12%	13%	16%
Shop on-line	25%	28%	32%	16%	21%	26%
Download movies	-	-	7%	-	-	3%
Download TV programs	-	-	5%	-	-	2%

Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2003 and 2004 spring editions

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

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 published quarterly financial reports are listed below.

Table 6.7: Canadian residential subscribers of the largest ISPs

	Dial-up subscribers (000)			High-speed subscribers (000)			Total subscribers (000)		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Bell ¹	1,031	911	743	909	1,287	1,808	1,940	2,198	2,551
Telus ²	432	352	282	326	469	690	758	821	972
Shaw ³	-	-	-	758	881	1,069	758	881	1,069
Rogers ⁴	-	-	-	541	755	937	541	755	937
Quebecor (Vidéotron) ⁵	-	-	-	265	379	476	265	379	476
Look ⁶	96	83	51	3	3	10	99	86	61
Sprint ⁷	85	66	60	-	-	-	85	66	60
Cogeco ⁸	-	-	-	154	196	262	154	196	262

Notes:

- Bell: June 30, 2002; June 30, 2003; December 31, 2004
- Telus: June 30, 2002; June 30, 2003; December 31, 2004
- Shaw: May 31, 2002; May 31, 2003; November 30, 2004
- Rogers: June 30, 2002; September 30, 2003; December 31, 2004
- Quebecor (Vidéotron): June 30, 2002; September 30, 2003; September 30, 2004
- Look: June 30, 2002; December 31, 2002; June 30, 2004
- Sprint: June 30, 2002; June 30, 2003; June 30, 2004
- Cogeco: May 31, 2002; May 31, 2003; November 30, 2004

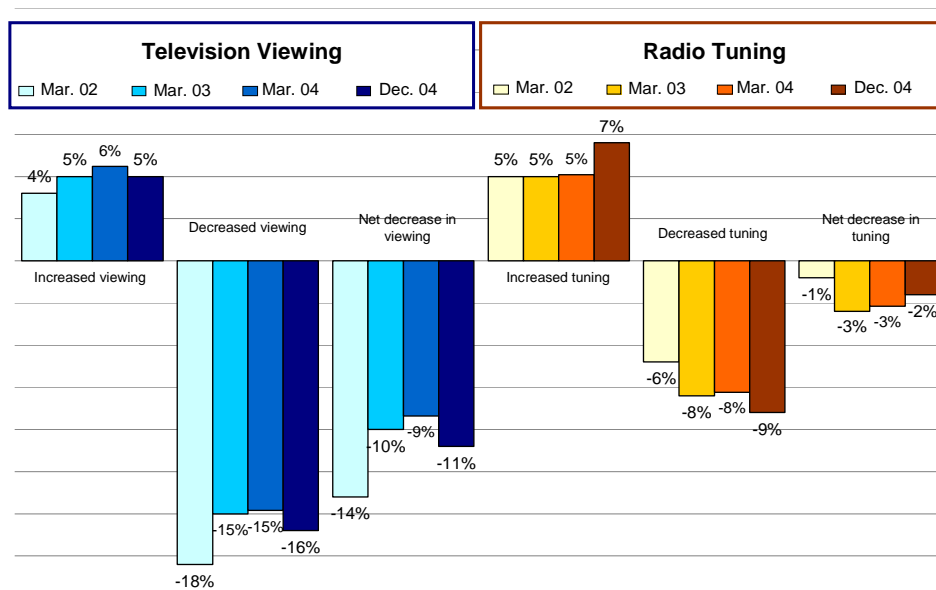
Source: Quarterly financial reports

- In 2004, Bell dominated the Canadian ISP market, with 743,000 dial-up subscribers and just over 1.8 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 their use of broadcast media



Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2002 to 2004 spring editions

- Thirty-seven percent of Canadian households with Internet access have a TV in the same room as the computer.
- Of the above households, 57% watch TV while using the Internet either sometimes (31%) or often (26%).

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
2004	1,285	0.2

Source: MicroBBM, Fall 1997 to Fall 2004, 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.

Glossary

ASC	Advertising Standards Canada (website: www.adstandards.com)
BBM	BBM Canada (website: www.bbm.ca)
BDU	Broadcasting distribution undertaking
CAB	Canadian Association of Broadcasters (website: www.cab-acr.ca)
Cancon	Canadian content
CASST	Coalition Against Satellite Signal Theft (website: www.casst-ccvss.ca)
CBC	Canadian Broadcasting Corporation (Société Radio Canada) (website: www.cbc.ca)
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)
CTD	Canadian Talent Development
CTF	Canadian Television Fund (website: www.canadiantelevisionfund.ca)
CTSC	Cable Television Standards Council (website: www.ctsc.ca)
DSL	Digital Subscriber Line
DTH	Direct-to-home
DTV	Digital television
HDTV	High definition television
ISP	Internet service provider
MDS	Multipoint distribution systems
NTSC	National Television Standards Committee
Pay	Pay television service
PBIT	Profit before interest and taxes
PPV	Pay-per-view service
PVR	Personal video recorder
RANFA	Return on average net fixed assets
RDU	Radiocommunication distribution undertaking
SAP	Secondary audio programming
SRC	Société Radio-Canada (Canadian Broadcasting Corporation) (website: www.src.ca)
SRDU	Satellite relay distribution undertaking
STV	Subscription Television systems
VOD	Video on demand

