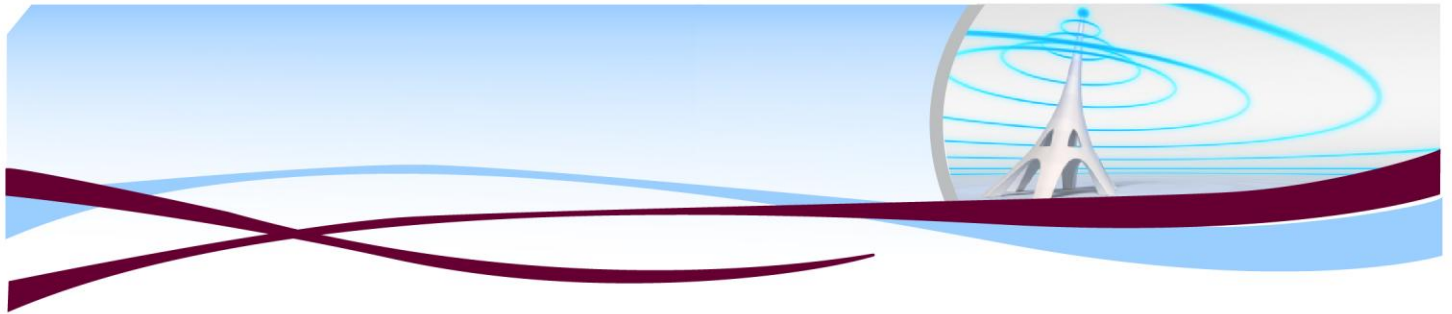




Canadian Radio-television and  
Telecommunications Commission

Conseil de la radiodiffusion et des  
télécommunications canadiennes



# Communications Monitoring Report

September 2013



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Canada 



# **CRTC Communications Monitoring Report**

September 2013

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Interested parties are welcome to provide comments for improvements or additions to future editions of the report. You can send your comments to the attention of the Secretary General, CRTC, Ottawa, K1A 0N2.



## **Chairman's message**

I am pleased to present the 2013 *Communications Monitoring Report*. This edition provides the most comprehensive view to date of the Canadian communication sector and how it compares with other countries.

The average Canadian household spends more than \$185 each month on communications services, including wireline, wireless, television and Internet services. By supervising and monitoring the broadcasting and telecommunications sectors, the CRTC seeks to ensure that these services meet the needs of Canadians as citizens, creators and consumers.

As illustrated throughout the *Communications Monitoring Report*, Canadians are generally well-served by their communications system. They have access to a wide array of programming and services that enable them to participate in Canada's democratic life, create high-quality Canadian content that can be shared with audiences on multiple platforms, and choose from different service providers, both large and small.

This report also suggests that certain segments of the communications market require regulatory attention to achieve Parliament of Canada's social, cultural and economic objectives. We will therefore be targeting many of these areas, such as the telecommunications services available in Canada's North, through the activities listed in the CRTC Three-Year Plan 2013-2016.

The *Communications Monitoring Report* continues to evolve as we work to ensure that Canadians remain at the centre of a world-class communications system. This edition has been reorganized to present information on the CRTC's three pillars: create, connect, and protect. In addition, certain sections have been expanded to provide additional details. All participants in the Canadian communication system are invited to use this information to contribute to our public proceedings.

Jean-Pierre Blais  
Chairman and CEO



## *Executive summary*

The *Communications Monitoring Report* provides a window to the broadcasting and telecommunications sectors and is intended to foster an open and informed public discussion of broadcasting and telecommunications regulatory policies and issues. The CRTC invites Canadians to use this report to enrich their participation in the regulatory process.

### **Canadians at the heart of their communications system**

Communications plays an important part in the daily lives of Canadians. The communications system provides a means for Canadians – as consumers, citizens, or creators – to participate in the economic, cultural and social aspects of their country. In 2012, the amount that Canadian households allocated to communications services increased by 2.5% from \$181 to \$185 per month.

That year, telecommunications services accounted for 72% of communications expenditures. In particular, Canadians spent 3.6% more on telecommunications services, which include wireline (local and long-distance), Internet, and wireless services. On the other hand, expenditures on television distribution services decreased by 0.8%.

Approximately 44% of all connections were made by wireless services, followed by television distribution and local telephone services at 19% each, and Internet services at 18%.

Guided by its legislative mandate, the CRTC seeks to ensure that Canadians have access to a world-class communications system. This overarching objective is supported by the Commission's three pillars: create, connect, and protect. This report is structured around activities relating to these pillars.

### ***Create***

In 2011-2012, the Canadian broadcasting sector invested \$3.4 billion on Canadian content.

Commercial radio broadcasters contributed over \$55 million to the development of Canadian content, an increase of 2% from the previous broadcast year. This represents 3.4 cents out of every dollar that these broadcasters earned in revenue.

Television broadcasters spent \$2.9 billion on Canadian programming, representing 68% of all programming expenditures and an increase of 9.6% from the previous year. As a broadcaster's largest expense, the production and acquisition of programming accounted for 64 cents out of every dollar earned in revenue.

In 2011-2012, cable and satellite companies directed 6% of the revenues collected from subscribers toward the creation and production of Canadian programming. Of this percentage, 41% was directed to the CMF; 24%, to cable community channels and other sources of local expression; 22%, to the LPIF and 13% to independent funds.

Canadians in English-language markets have been spending less time watching Canadian television services, which has resulted in a decline in viewing shares from 87.9% in 2009-2010 to 86.7% in 2010-2011, to 86.0% in 2011-2012. The opposite trend has been occurring in French-language markets, where viewing of Canadian television services increased from 98.4% in 2009-2010 to 98.5% in 2010-2011, to 98.6% in 2011-2012.

Average weekly viewing hours of Canadian programs for English-language services, excluding the Quebec francophone market, increased from 43% in 2009-2010 to 43.8% in 2011-2012, while viewing of French-language services in the Quebec francophone market declined from 64.5% to 63.2% over those years.

### ***Connect***

Canadians have been using a number of means to access content and to connect with each other in Canada and around the world. In 2012, 86% of Canadian households subscribed to a cable or satellite television service and 78% subscribed to high-speed Internet service. In that year, 81% of Canadians subscribed to a wireless service, of which 52% used smartphones, tablets and/or other advanced handheld devices to communicate. In 2012, over 55% of Canadians read online news and over 20% watched Internet TV on their landline or mobile devices. On average, there were 4.5 connections per household in 2012, a statistic relatively unchanged from the previous year. In 2012, Canadians continued to adapt to wireless services, albeit at a slower pace than in previous years, as the number of subscribers increased by 1.8%, compared to increases above 6% in previous years.

In 2011, the amount of Canadian households subscribing to wireline and/or wireless telephone services remained unchanged at 99.3%. However, households have been gradually increasing their reliance on wireless services, as evidenced by the fact that households subscribing to local wireline services declined by 2.9% from 89.1% in 2010 to 86.5% in 2011, while those subscribing to wireless service increased over those years by 1.5% from 78.2% to 79.4%. This increased reliance on wireless services was more pronounced for households with annual incomes below \$28,000.

The percentage of these households subscribing to wireline services decreased by 7.5% from 82.2% in 2010 to 76% in 2011, while the percentage subscribing to wireless service increased over those years by 4.4% from 54.9% to 57.3%.

#### **Household subscription data**

Household subscription data is based on the Survey of Household Spending performed annually by Statistics Canada. 2011 data was the most recent data available at the time that this report was prepared.

The average monthly price of basic residential local telephone service in the major centres that the Commission has forborne from price regulation increased from \$22.90 in 2005 to \$28.25 in 2012, resulting in an average annual price increase of 2.9%. Over this period, inflation, as measured by the change in the CPI, averaged 1.9%. Companies using VoIP technology generally offered local telephone services at 2005 prices or lower. In 2012, approximately 700,000 households subscribed to this type of service.

In 2012, there were approximately 10 million subscriptions with bundled services that provided discounts to the service package. On average, these bundles reduced the price of basic residential local telephone service. A number of incumbent telephone companies only bundled basic local service if the service was “upgraded” to include additional features such as call display or call forwarding. This essentially matched the service offerings of their competitors as most of them did not offer basic local telephone service on its own. They generally included additional calling features.

A decreasing number of payphones are available to Canadians. Payphone service revenues and connections declined by 17% and 4%, respectively. The number of payphones per 1,000 households declined by 5.6% from 5.4 in 2011 to 5.1 in 2012.

Almost all Canadians have access to basic (i.e., 1.5 Mbps) broadband Internet service. In 2011, the Commission set a download speed target of at least 5 Mbps. It expects all ISPs to offer this speed by 2015. Since that time, availability of 5 Mbps broadband service has increased from 87% to 94%. In general, Canadians living in large population centres have access to broadband speeds in the 50 Mbps to 99 Mbps range, whereas only 12% of Canadians in rural areas can access these speeds.

### ***Protect***

The CRTC uses consumer contacts and complaints to assess the effectiveness of its regulatory frameworks and to determine whether the industry is serving the needs of Canadians. In the 12-month period ending 31 March 2013, the Commission received 31,300 enquiries and complaints. Of these, 55% concerned broadcasting issues and 45% pertained to telecommunications issues. Broadcasting complaints generally focused on offensive comments.

On the other hand, telecommunications complaints, including the 12,000 complaints received by the Commissioner for Complaints for Telecommunications Services, related to wireless (39%), telemarketing (20%), Internet services (13%). The underlying issues in these complaints consisted of billing errors (42%), contract disputes/terms of service (16%), and service delivery/provision of service (12%).

### **Communications revenues on the rise**

In 2012, revenues for the communication sector reached \$60.7 billion, 2.3% higher than in 2011. The sector was dominated by five large companies that collectively generated 82% of the communications revenues. The next five companies generated 10% of these revenues, with the remaining companies accounting for 8%. Only three companies offered every service in every sector of the communications market. These three companies generated 61% of the communications revenues.

### ***Broadcasting***

In 2011-2012, broadcasting revenues totaled \$16.8 billion, a 1.4% increase from the previous year. In that sector, the radio market sector was the smallest, accounting for 10% of broadcasting revenues. Radio revenues increased by 0.4% from \$1.61 billion to \$1.62 billion. The television market was the second largest, accounting for 39% of the revenues. Television revenues increased by 1.9% from \$6.39 billion to \$6.51 billion. In that market, private conventional television broadcasters experienced a 5% decline in revenues. However, this decline was offset by a 5.9% increase in pay, pay-per-view, video-on-demand, and specialty service revenues. The cable and satellite market was the largest sector, capturing 52% of the broadcasting revenues. That market's revenues increased by 1.1% from \$8.60 billion to \$8.70 billion. Three companies operating in each of these broadcasting markets captured 66% of the broadcasting revenues.

Canadians had access to 1,141 OTA radio stations in 2011-2012. Approximately 50% of these consisted of private commercial FM stations, while around 12% were AM stations. The national public broadcaster, the Canadian Broadcasting Corporation, operated 8% of the OTA stations. The

remaining 30% generally consisted of community (10%), campus (4%), and aboriginal (5%) stations. The Commission also authorized 28 new FM stations for broadcast.

In 2011-2012, Canadians had access to 228 discretionary television services. Their revenues amounted to approximately \$4 billion and represented 61% of the television sector revenues. The top 10 discretionary services, based on revenues, consisted of three sports services, two movie services, two youth-oriented services, two educational services, and one news service. These services averaged \$148 million in revenues and captured 37% of the discretionary service revenues. The remaining discretionary services averaged \$12 million in revenues.

### *Telecommunications*

In 2012, telecommunications revenues rose to \$43.9 billion, an increase of 2.7% from the previous year. The five largest companies captured 85% of these revenues, followed by the next five at 9%. Companies operating in all of the markets accounted for 87% of the revenues.

The wireless market was the largest and fastest growing sector, capturing 46% of the telecommunications revenues and sustaining an annual growth revenue of 6.5%. Although revenues increased from \$19.1 billion in 2011 to \$20.4 billion in 2012, the number of subscribers increased by only 1.8% from 27.4 million to 27.9 million. Wireless data and roaming services were the key drivers in wireless revenue growth, increasing by 22% from \$6.4 billion to \$7.8 billion.

Almost all retail telecommunications revenues (93%) were earned by forborne services, compared to 76% for wholesale services.

Wholesale services generated \$3.7 billion in revenues, 0.5% more than in 2011. Local telephone and access services represented 33% of wholesale service revenues, followed by private line and Ethernet service revenues at 27%, respectively.

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## 1.0 Introduction

The CRTC has been issuing annual monitoring reports on the broadcasting and telecommunications industries since the late 1990's. Over time, these reports have followed market developments, technological changes and consumer needs.

This report provides a window on the broadcasting and telecommunications sectors, and is intended to foster an open and better-informed public discussion of broadcasting and telecommunications regulatory policies and issues. The Commission invites parties to use this report to enrich their participation in the regulatory process.

The report contains disaggregated data on the Canadian broadcasting and telecommunications industries and their markets, as well as international comparisons. It supports evidence-based decision making. The report provides a means to assess the impacts of market and technological developments on, among other things, the cultural, social, and economic policy objectives of the *Broadcasting Act* and the *Telecommunications Act* (collectively, the Acts), and to review the effectiveness of the CRTC's regulatory frameworks and determinations in achieving those objectives.

Specific elements of the monitoring exercise change over time to take into account regulatory or market developments such as new technologies, changes in market structure or in domestic or international regulations and agreements, or the introduction of new or evolving services. These changes help ensure that the CRTC *Communications Monitoring Report* continues to be a useful tool for Canadians and other stakeholders, including regulators, and industry players.

### *What's new in this report*

A number of changes have been introduced this year in the report to enhance Canadians' informed involvement in the Commission's work by providing them with financial, pricing and other key indicators and trends. Consumption statistics, such as pricing, service penetration and complaints are presented for matters that have a direct impact on Canadians.

The contribution and spending regimes section has been expanded to contain additional details on Canadian programming expenditures related to programs of national interest. This will assist in assessing the extent to which expenditures on programs of national interest are effective in achieving the objectives set out in the *Broadcasting Act*.

To keep abreast of the impact of market forces on consumers and on TSPs that depend on facilities-based TSPs, companies were required to provide local telephone pricing details, as well as more granular wholesale details. These results are contained in sections 2 and 5, respectively.



## **1.1 Methodology / Data collection**

This report is based on (1) the responses from the broadcasting and telecommunications undertakings to the CRTC's annual broadcasting returns and telecommunications data collection forms, issued jointly by Statistics Canada and the CRTC (referred to collectively as "CRTC data collection"); (2) data collected from other sources, including Statistics Canada, Industry Canada, company-specific financial reports, BBM Canada, and BBM Analytics' MTM reports; and (3) information previously filed with the CRTC in the context of regulatory proceedings. Unless otherwise noted, all broadcasting data in this report are for the 12-month period ending 31 August for the years quoted, whereas all telecommunications data, including Internet service data, are for the 12-month period ending 31 December for the years quoted.

With respect to residential broadband availability data, the Commission co-ordinates with Industry Canada to collect data on the availability of broadband Internet access services to Canadians. The Commission has collaborated with the provincial and territorial governments, as well as other federal government agencies and departments, to identify communities that do not have access to broadband services. The resulting data will assist the federal, provincial and territorial governments in the analysis of the broadband availability performance between urban and rural communities. By combining these data collection initiatives, the reporting burden on the industry is reduced, uniform definitions and methodologies are employed, and the quality of the data presented in this report is enhanced.

The international comparisons and analyses in this report are based on data obtained from reports published by international organizations such as the OECD, and reports or data published by national communications regulators in other countries.

Certain figures published in previous years' monitoring reports have been restated in this report to better reflect the developments in the markets or industry and allow for a more meaningful comparison. Other figures may have changed as a result of service providers resubmitting previous years' data. All revised numbers are identified using a number sign (#).



## **1.2 The CRTC**

The CRTC is an administrative tribunal that regulates and supervises the Canadian broadcasting and telecommunications systems. Its mandate is to ensure that both of these systems serve the Canadian public. The CRTC's powers and jurisdiction are set out in the Acts. It reports to Parliament through the Minister of Canadian Heritage. The Governor in Council may issue directions of general application to the Commission on matters related to the telecommunications, broadcasting, or regulatory policy objectives set out in the Acts.

Guided by its legislative mandate, the CRTC's strategic objective is that Canadians have access to a world-class communication system. This overarching objective is supported by three pillars:

### **Create**

This pillar encompasses those activities that ensure Canadians have access to compelling creative content, from diverse sources, on a variety of platforms. In particular, the CRTC encourages the creation of programming that reflects Canada's diversity and enables Canadians to participate in their country's democratic and cultural life.

### **Connect**

The activities under this pillar ensure that Canadians can connect to quality and innovative communication services at affordable prices and have access to creative content. This includes services that facilitate access to the communication system by Canadians with disabilities. By fostering competition, the CRTC strives to provide Canadians with choice that should lead to improved rates and services.

### **Protect**

This pillar addresses the safety and interests of Canadians by promoting compliance with and enforcement of CRTC regulations, including those relating to unsolicited communications. The CRTC also works to ensure that Canadians have access to emergency communication services, such as 911 services and public alerting systems. Increasing the awareness and knowledge of Canadians navigating an increasingly complex communications market helps them to make wise choices in such an environment.



## 2.0 Canadians at the centre of the communications system

The CRTC places Canadians at the centre of the communications system. It strives to ensure that Canadians have access to a world-class communication system as consumers, creators and citizens. This section presents data with respect to the three pillars: connect, protect and create.

### What are the characteristics of the average Canadian household?

Based on the Statistics Canada 2012 Survey of Household Spending, in 2011, the average household income before tax in Canada was \$77,300. It ranged from \$63,100 to \$66,900 for households east of Ontario and from \$70,100 to \$93,600 for households in and west of Ontario. Households in Alberta had the highest average household income before tax at 93,600, followed by households in Ontario at \$83,100.

From an income quintile perspective, the bottom 20% of households, or the first quintile, had an average annual income of \$17,300. This quintile had an average of 1.47 members per household and was the most mobile, with 25.6% of members having recently moved between 2010 and 2011. The highest income in this quintile was \$27,900. The middle quintile had an average annual income of \$60,600. It had an average of 2.57 members, 19.3% of which recently moved. The highest income in this quintile was \$74,000. The top 20% of households had annual incomes in excess of \$111,600. The average annual income was \$179,700. This quintile had an average of 3.34 members per household and was the least mobile, with only 9.7% having recently moved.



## 2.1 Create

The Commission uses a number of approaches to achieve the cultural, social, and economic objectives set out in the *Broadcasting Act*. One such instrument has been the establishment of various contribution and expenditure regimes.

In 2012, the broadcasting industry contributed \$3.4 billion toward the achievement of these objectives.

This section presents contributions and expenditures made by broadcasters and BDUs to various regimes, as well as tangible benefits resulting from transactions. It also presents CPE made by television service providers.

*Funding and expenditure regimes at a glance*  
(\$ millions)

		2011	2012	Growth
Funding / contribution regimes	CCD reported by commercial radio and audio services	54	55	2.0%
	BDU (creation and production of Canadian programming)	388 #	394	1.6%
	LPIF	107	112	5.1%
Expenditures	Television CPE	2,610	2,861	9.6%

Source: CRTC Data Collection

### What are tangible benefits?

Tangible benefits are the significant and unequivocal financial contributions made to the broadcasting system by the purchaser of a radio or television service. These benefits yield measurable improvements to the broadcasting system generally as well as to the communities served by the service in question. They are incremental to the normal costs of doing business and, as with the transaction as a whole, are in the public interest.

**a)      *Radio – Canadian content development (CCD)***

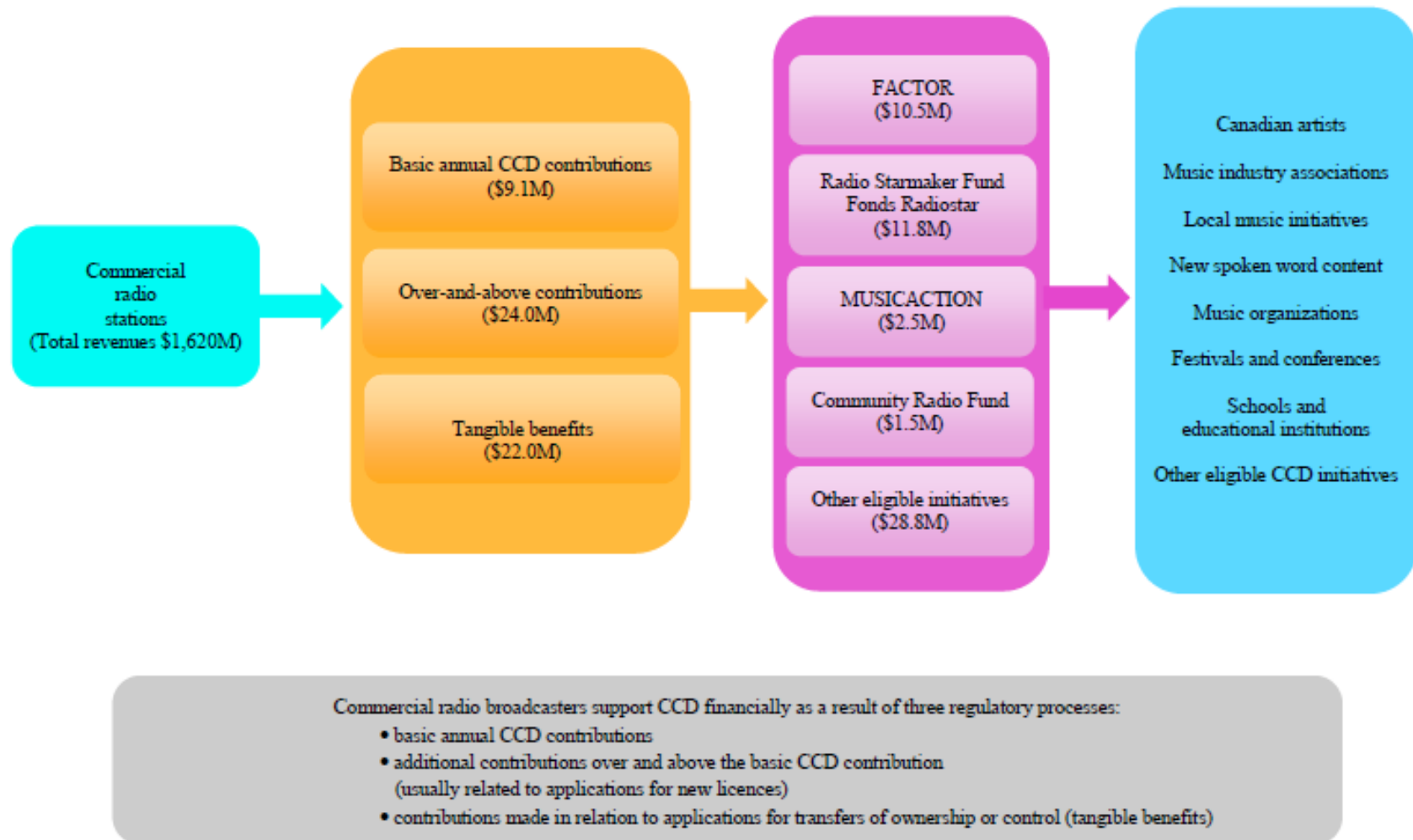
Radio broadcasters make financial contributions to CCD in support of a number of initiatives that aid in the development and promotion of Canadian musical and spoken word content for broadcast. Most applicants make specific CCD commitments as part of applications for new licences and as tangible benefits at the time of the transfer of ownership and control of radio stations. Commercial and ethnic stations are subject to regulations requiring annual CCD payments.

These financial contributions serve to foster the development and promotion of Canadian talent, help advance the careers of emerging Canadian artists, and increase the supply of quality Canadian music in a variety of genres.

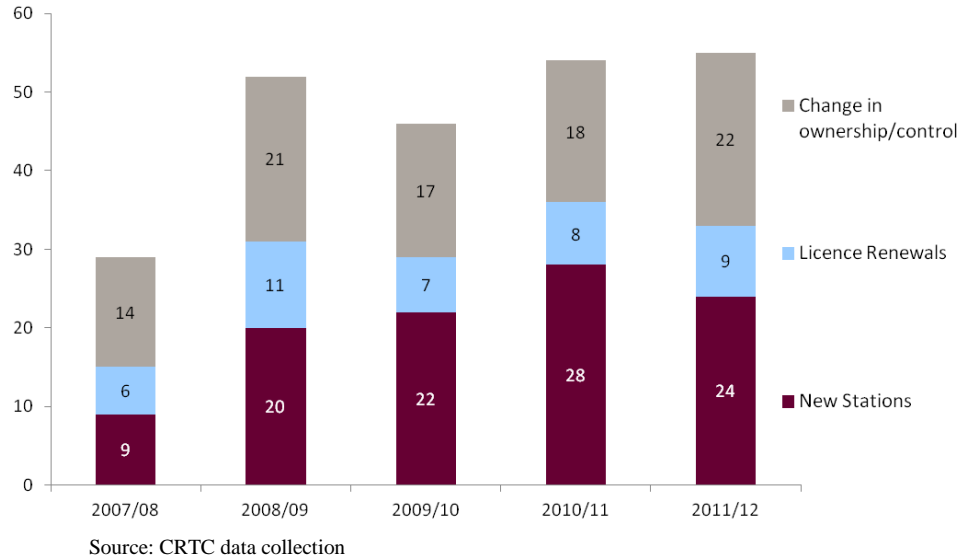
In the 2011-2012 broadcast year, commercial radio operators contributed \$0.034 per revenue dollar to support CCD. In aggregate, they contributed over \$55 million to the development of Canadian content, an increase of 2% over the previous period. Approximately 84% of the funds were a direct result of the conditions of licence issued to new radio stations and the change in ownership or control of existing ones.

The following chart illustrates the extent to which commercial radio stations supported the development of Canadian content.

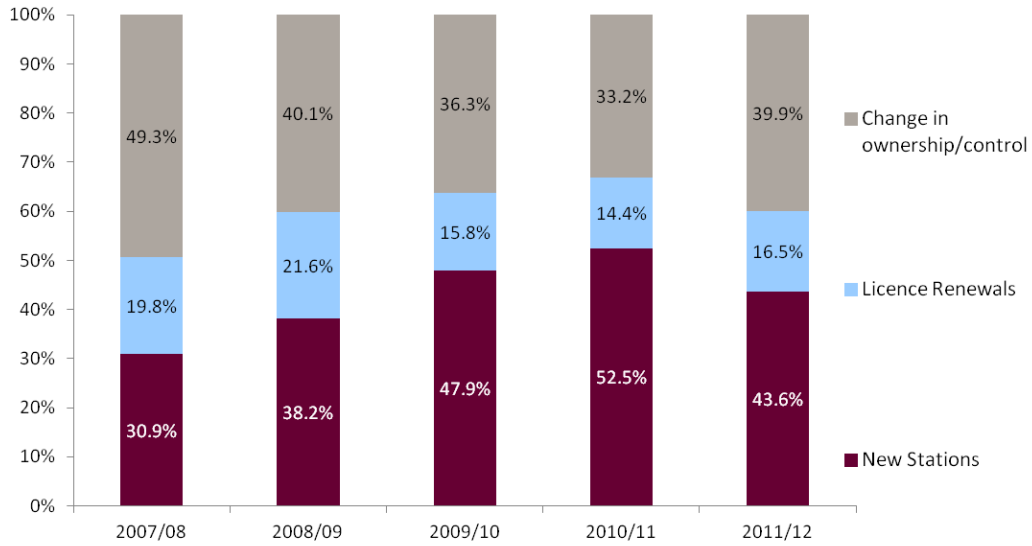
**Chart 2.1.1 CCD contributions by commercial radio stations (2011-2012 broadcast year)**



**Figure 2.1.1 CCD contributions by type of radio licence**



**Figure 2.1.2 CCD contributions by type of radio licence (percentage)**



**Table 2.1.1 Summary of annual CCD contributions reported by radio licensees (\$ thousands)**

RADIO - CCD	2007-08	2008-09	2009-10	2010-11	2011-12	% annual increase / decrease			
						09/08	10/09	11/10	12/11
i) CCD contributions by new stations during the first licence term									
FACTOR	983	1,582	2,014	2,719	2,615	61%	27%	35%	-4%
MUSICACTION	306	697	552	791	563	128%	-21%	43%	-29%
CRFC <sup>1</sup>	-	-	-	-	165	-	-	-	-
Music industry associations <sup>1</sup>	-	-	2,150	2,493	2,221	-	-	16%	-11%
Local music initiatives <sup>1</sup>	-	-	7,120	7,485	9,106	-	-	5%	22%
New spoken word content <sup>1</sup>	-	-	420	1,139	545	-	-	171%	-52%
Music organizations <sup>1</sup>	2,886	5,187	N/A	N/A	N/A	80%	N/A.	N/A	N/A
Performing arts groups <sup>1</sup>	3,126	8,957	N/A	N/A	N/A	186%	N/A	N/A	N/A
Schools and educational institutions <sup>1</sup>	614	899	1,179	2,020	1,553	46%	31%	71%	-23%
Radio Sarmaker Fund/Fonds Radiostar	0	220	1,077	1,982	1,038		389%	84%	-48%
Other eligible CCD initiatives	696	1,994	7,550	9,714	6,195	186%	279%	29%	-36%
Total	8,611	19,537	22,061	28,342	24,002	127%	13%	28%	-15%
ii) CCD contributions reported by radio licensees in the context of licence renewals									
FACTOR	1,243	2,999	2,003	2,629	1,971	141%	-33%	31%	-25%
MUSICACTION	302	1,390	1,324	808	727	360%	-5%	-39%	-10%
CRFC <sup>1</sup>	-	-	-	-	617	-	-	-	-
Music industry associations <sup>1</sup>	-	-	647	823	966	-	-	27%	17%
Local music initiatives <sup>1</sup>	-	-	1,809	1,947	2,381	-	-	8%	22%
New spoken word content <sup>1</sup>	-	-	188	201	398	-	-	7%	98%
Music organizations <sup>1</sup>	2,023	3,081	N/A	N/A	N/A	52%	N/A	N/A	N/A
Performing arts groups <sup>1</sup>	1,264	1,850	N/A	N/A	N/A	46%	N/A	N/A	N/A
Schools and educational institutions <sup>1</sup>	357	618	422	473	614	73%	-32%	12%	30%
Radio Sarmaker Fund/Fonds Radiostar	0	0	0	0	246	-	-	-	-
Other eligible CCD initiatives	349	1,107	876	873	1,194	217%	-21%	0%	37%
Total	5,538	11,045	7,269	7,754	9,115	99%	-34%	7%	18%
iii) CCD contributions relating to changes in ownership and/or control									
FACTOR	4,023	5,711	5,179	5,407	5,959	42%	-9%	4%	10%
MUSICACTION	1,033	992	344	331	1,248	-4%	-65%	-4%	277%
CRFC <sup>1</sup>	-	-	-	346	727	-	-	-	110%
Music industry associations <sup>1</sup>	-	-	440	1,044	567	-	-	137%	-46%
Local music initiatives <sup>1</sup>	-	-	1,705	1,401	2,290	-	-	-18%	63%
New spoken word content <sup>1</sup>	-	-	0	0	0	-	-	-	-
Audio content initiatives <sup>1</sup>	-	-	-	135	135	-	-	-	0%
Music organizations <sup>1</sup>	2	65	N/A	N/A	N/A	3,382%	N/A	N/A	N/A
Performing arts groups <sup>1</sup>	490	2,466	N/A	N/A	N/A	404%	N/A	N/A	N/A
Schools and educational institutions <sup>1</sup>	114	379	274	207	216	233%	-28%	-24%	4%
Radio Sarmaker Fund/Fonds Radiostar	8,093	10,508	8,167	8,801	10,499	30%	-22%	8%	19%
Other eligible CCD initiatives	0	394	613	228	324		55%	-63%	42%
Total	13,755	20,515	16,722	17,900	21,965	49%	-18%	7%	23%
Total annual CCD contributions	27,904	51,097	46,053	53,996	55,083	83%	-10%	17%	2%

- Contributions are based on annual disbursements reported by licensees for the period 1 September to 31 August
  - Contributions made under both the CTD and CCD regimes are included in these results.
  - Minor variances are due to rounding.
  - 2009-2012 figures include contributions by satellite radio.
1. The CCD categories collected were amended for the 2010-2011 annual return to more accurately reflect Broadcasting Public Notice 2006-158. Two new categories (Audio Content Initiatives & the Community Radio Fund of Canada) have been added to the table to more accurately reflect the initiatives being supported with Canadian Content Development funds.

Source: CRTC data collection

**b) Radio – Tangible benefits**

**Table 2.1.2 Value of radio transactions and corresponding tangible benefits**

<b>RADIO Tangible benefits (\$ millions)</b>	English-language services			French-language services			Total benefits
	# of Trans.	Value of the transactions <sup>1</sup>	Benefits	# of Trans.	Value of the transactions <sup>1</sup>	Benefits	
1 Jan. 08 to 31 Dec. 08	10	59.5	3.5	3	1.5	0.1	3.6
1 Jan. 09 to 31 Dec. 09	10	27.5	1.6	1	-	-	1.6
1 Jan. 10 to 31 Dec. 10 <sup>2</sup>	7	67.2	4.0	2	97.7	8.8	12.8
1 Jan. 11 to 31 Dec. 11 <sup>3</sup>	9	316.2	19.0	3	-	-	19.0
1 Jan. 12 to 31 Dec. 12	5	80.4	4.8	2	1.5	0.1	4.9
<b>Total</b>	<b>41</b>	<b>550.8</b>	<b>32.9</b>	<b>11</b>	<b>100.7</b>	<b>9.0</b>	<b>41.9</b>

• Minor variances are due to rounding.

1. Value determined by the Commission for the purpose of calculating tangible benefits.

2. Total tangible benefits relating to the Corus/Cogeco (Broadcasting Decision 2010-942) radio ownership transactions totalled \$8.8 million.

3. The BCE/CTVglobemedia ownership transaction (Broadcasting Decision 2011-163) resulted in \$17.5 million of radio-related tangible benefits.

Sources: CRTC Decisions and Administrative Approvals

**c) *Television – Programming expenditures***

The Commission supervises and regulates the broadcasting system in order to fulfil the policy objectives of *the Broadcasting Act*. These include encouraging the development of Canadian expression and ensuring that each element of the Canadian broadcasting system contributes in an appropriate manner to the creation and presentation of Canadian programming.

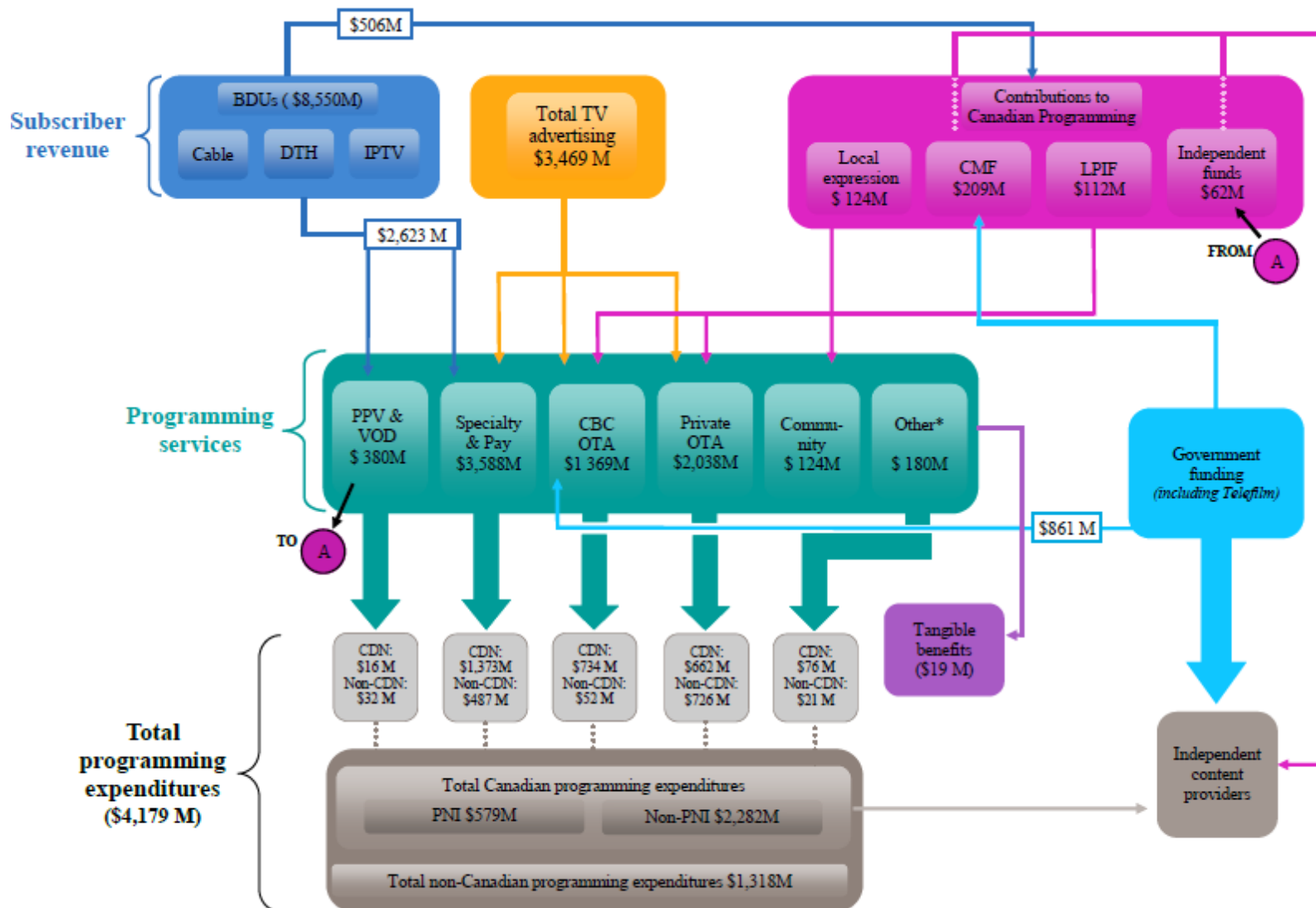
As such, television service providers contributed \$0.34 per revenue dollar in support of Canadian programming during the 2011-2012 broadcast year. CPE totalled \$2.9 billion, 20% of which were spent on PNI.

The following chart illustrates the flow of moneys used to fund Canadian programming. A percentage of BDU subscriber revenues are used to fund discretionary (PPV, VOD, Pay and specialty) Canadian programming services, as well as local expression (community television), CMF, LPIF and various independent funds. Commercial television programming services (specialty, pay, and private OTA) and the CBC rely on funds generated by advertising. Government funding is also provided to the CMF, the CBC (via parliamentary appropriations) and various independent content providers.

**What is PNI?**

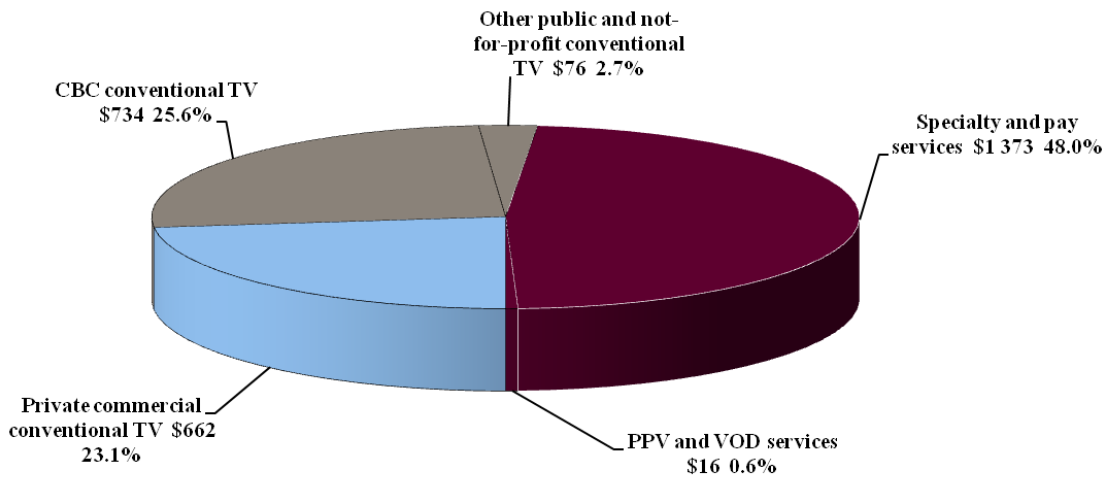
The CRTC has defined programs of national interest (PNI) as including drama and comedy, long-form documentary, and specific Canadian award shows that celebrate Canadian creative talent. For French-language broadcasters, PNI also includes music video and variety programs. For the purpose of this report, the concept of PNI includes the broadcast of any programming that qualifies as PNI, including by those broadcasting undertakings that do not, at the time of this report, have a condition of licence requiring PNI expenditures or exhibition.

Chart 2.1.2 Funding and spending by broadcasting entities to Canadian programming (2011 – 2012 broadcast year)



\*Other: Includes low-power, non-profit community-based television programming undertakings and educational television programming undertakings.

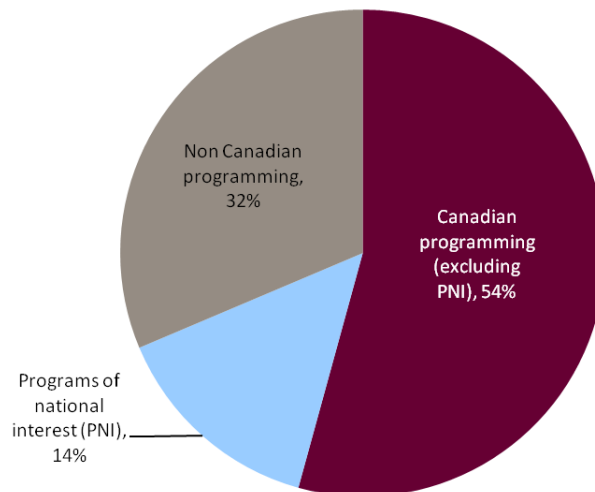
**Figure 2.1.3 Television CPE, by type of service, 2012, \$2.9 billion**



- Minor variances are due to rounding.
- CPE: includes spending on Canadian programs telecast, write-down of Canadian inventory, script and concepts and loss on equity Canadian programs.
- Includes expenditures relating to ownership transfer benefits and to commitments made at the time of licensing. Excludes CMF “top-up” reported by private conventional, specialty, Pay, PPV and VOD television services.
- CBC conventional television excludes indirect and facility cost allocations. Certain programming related expenses are included as programming costs beginning in 2008 consistent with CRTC guidelines.

Source: CRTC data collection

**Figure 2.1.4 Television programming expenditures, PNI v. Canadian v. non Canadian, 2012**



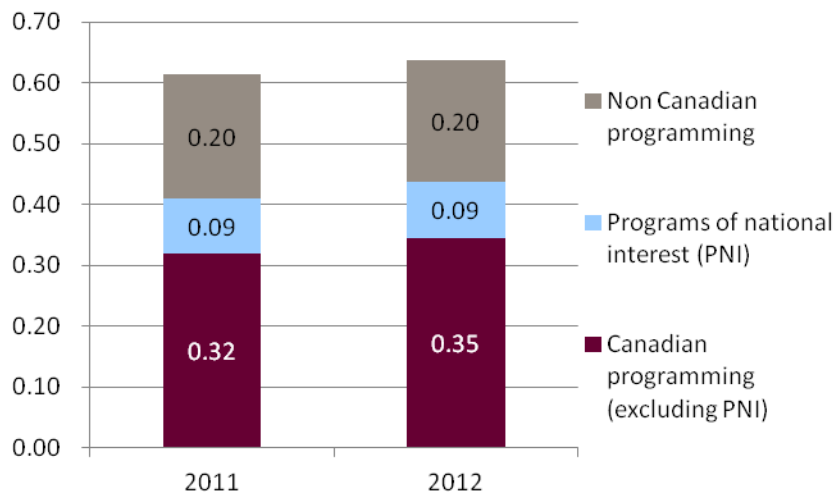
- This analysis excludes VOD/PPV services as well as other public and not-for-profit conventional television services.

Source: CRTC data collection

**Table 2.1.3 Programs of national interest expenditures (\$ millions)**

Programming category		2011	2012	Growth
Private television	Long-form documentary	15.5	16.5	6.5%
	Drama	58.3	58.9	1.2%
	Award shows	4.0	1.5	-62.5%
	Total private television PNI	77.9	76.9	-1.3%
	% of total	13.7%	13.3%	
CBC	Long-form documentary	39.2	36.0	-8.2%
	Drama	141.0	158.4	12.3%
	Award shows	5.9	8.3	40.7%
	Total CBC PNI	186.2	202.7	8.9%
	% of total	32.7%	35.0%	
Specialty and pay services	Long-form documentary	121.9	102.1	-16.2%
	Drama	182.5	193.9	6.2%
	Award shows	1.2	3.5	191.7%
	Total specialty and pay PNI	305.6	299.5	-2.0%
	% of total	53.7%	51.7%	
Total	Long-form documentary	176.6	154.6	-12.5%
	Drama	381.8	411.2	7.7%
	Award shows	11.1	13.3	19.8%
	Total PNI	569.5	579.1	1.7%
	% of total	100%	100%	

Source: CRTC data collection

**Figure 2.1.5 Programming expenditures per revenue dollar**


• This analysis excludes VOD/PPV services as well as other public and not-for-profit conventional television.  
Source: CRTC data collection

**d) Television – Tangible benefits**

**Table 2.1.4 Value of television transactions and corresponding tangible benefits for the period 1 Jan 2008 to 31 December 2012**

(\$ millions)	English-language services			French-language services			Total benefits
	# of Trans.	Value of the transactions <sup>1</sup>	Benefits	# of Trans.	Value of the transactions <sup>1</sup>	Benefits	
1 Jan. 08 to 31 Dec. 08	7	180.1	17.4	4	31.9 <sup>2</sup>	0.2	17.6
1 Jan. 09 to 31 Dec. 09	7	54.8	5.8	0	-	-	5.8
1 Jan. 10 to 31 Dec. 10 <sup>3</sup>	3	2,086.4	183.4	0	-	-	183.4
1 Jan. 11 to 31 Dec. 11 <sup>4</sup>	5	2,254.0	224.2	0	-	-	224.2
1 Jan. 12 to 31 Dec. 12	4	106.0	18.6	0	-	-	18.6
Total	26	4,681.3	449.4	4	31.9	0.2	449.6

• Minor variances are due to rounding.

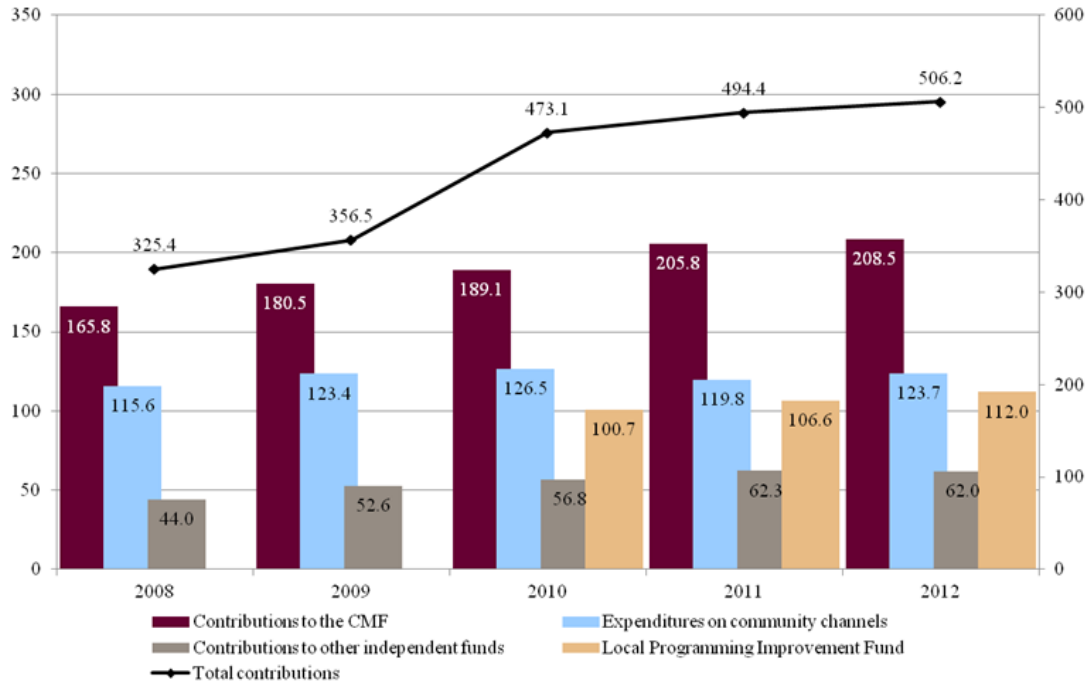
- Value determined by the Commission for the purpose of calculating tangible benefits. This table includes only transactions subject to the Commission's tangible benefits policy. Transactions not affecting effective control of a licensed broadcasting undertaking, including corporate reorganisations, are not counted.
- Applicant was prepared to commit \$1 M in tangible benefits; however, the Commission exempted the applicant from paying the tangible benefits due to unprofitable operations (Broadcasting Decision 2008-129).
- The Canwest/Shaw ownership transaction (Broadcasting Decision 2010-782) resulted in \$180.2 million in tangible benefits.
- The BCE/CTVglobemedia ownership transaction (Broadcasting Decision 2011-163) resulted in \$221.8 million of television-related tangible benefits. For the purpose of this analysis, the entire value of the television assets and associated benefits were included in the English-language services category.

Sources: CRTC Decisions and Administrative Approvals

*e) BDU – Contribution and expenditure regimes*

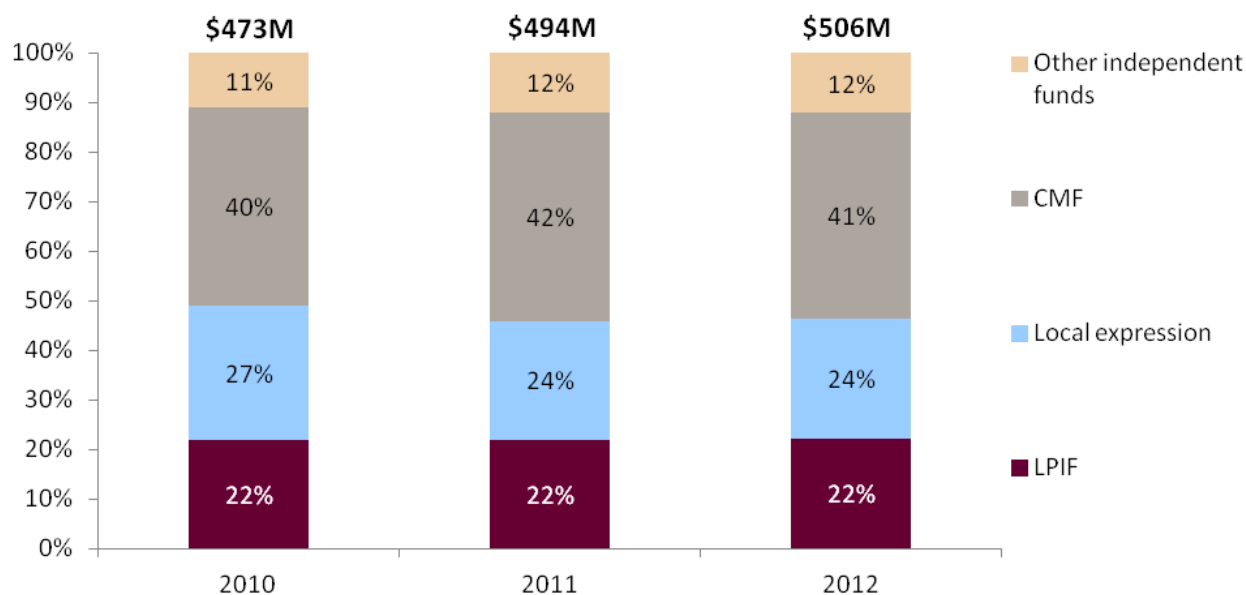
During the 2011-2012 broadcast year, approximately 6% of the BDU revenues were directed to various funds such as CMF, or to local expression.

**Figure 2.1.6 Contributions to the CMF, LPIF, other independent funds, and expenditures on local expression (community channels) reported by BDUs (\$ millions)**



- Based on the 12-month period ending 31 August.
  - Minor variances are due to rounding.
  - BDU contributions include contributions reported by cable, DTH, MDS, and SRDU.
- Source: CRTC data collection

**Figure 2.1.7 Contributions to the creation and production of Canadian programming by BDUs**



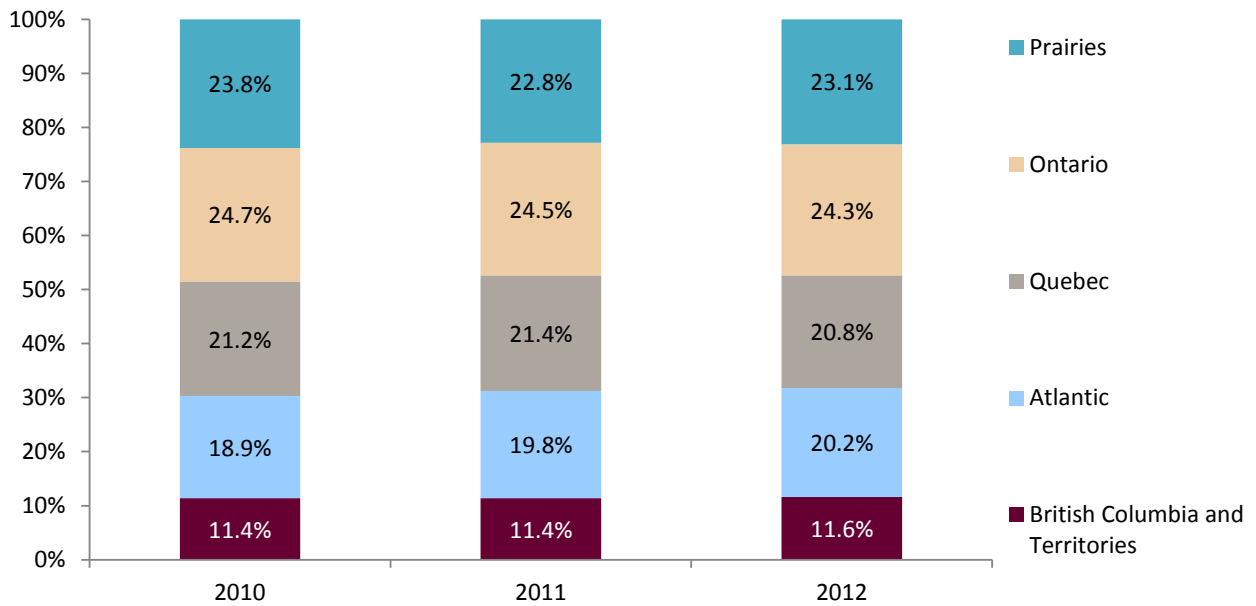
• Minor variances are due to rounding.  
Source: CRTC data collection

**Table 2.1.5 LPIF – Contributions and number of recipients**

Year	Contributions (\$ millions)	Number of recipients		LPIF funding as a percentage of total recipients' revenues (excluding the CBC/SRC)
		Licensees	Stations	
2009-2010	100.7	16	79	10.8%
2010-2011	106.7	16	80	10.8%
2011-2012	112.1	16	80	11.1%

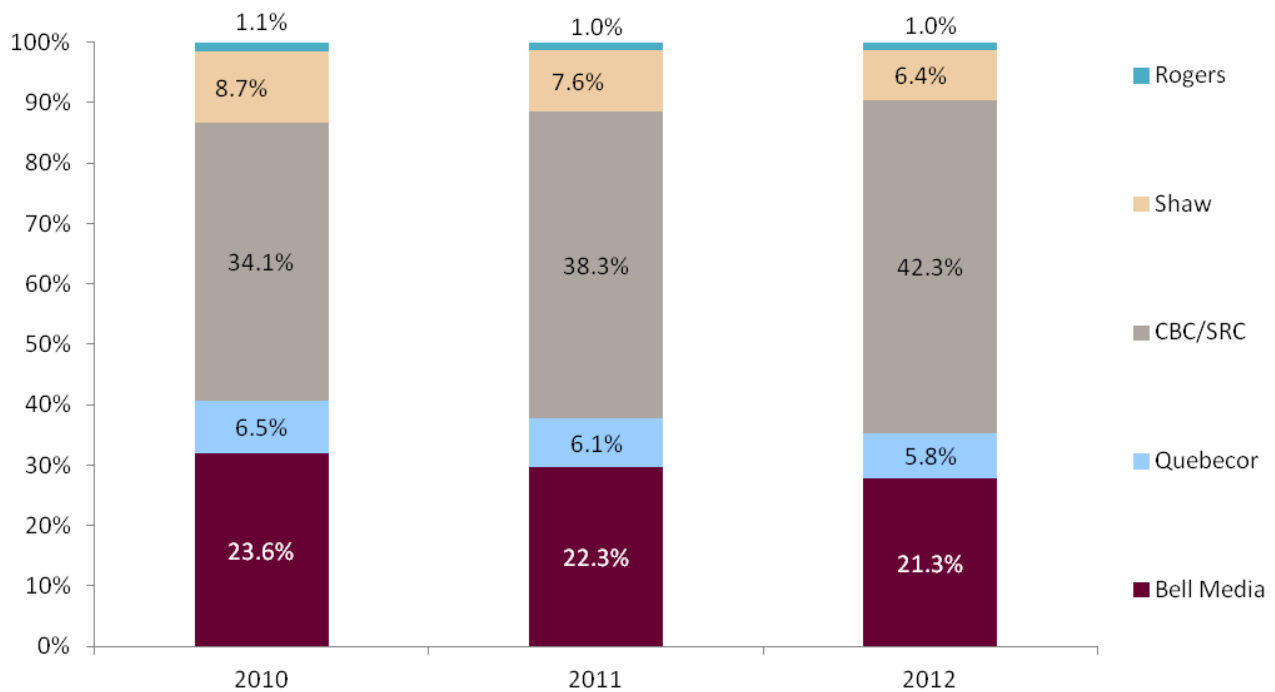
• Based on the 1 September 2009 to 31 August 2012 broadcast years  
Source: CRTC data collection

**Figure 2.1.8 LPIF distribution by region**



Source: CRTC data collection

**Figure 2.1.9 LPIF distribution by ownership group**



Source: CRTC data collection

## 2.2 Connect

### a) Connections

The average number of communications connections per household increased from 4.2 in 2008 to 4.5 in 2012, resulting in an annual growth rate of 2.0%. This was driven by growth in:

- 1) Wireless or cellular connections per household which increased by 4.4% annually, from 1.7 in 2008 to 2.0 in 2012;
- 2) Internet connections per household which increased by 1% annually, from 0.7 to 0.8; and
- 3) BDU connections per household which increased by 0.7% annually, from 0.8 to 0.9.

The growth in connections per household was partially offset by a 2.5% decline in local telephone connections per household, from 1.0 in 2008 to 0.89 in 2012.

#### What are connections?

“Connection” refers to a subscription to one or more of the following four basic services: Local telephone service, Internet access service, wireless service, and broadcast distribution services such as cable, DTH, or IPTV.

Pay telephone service is excluded from this analysis. However, the 68 000 pay telephones operated by the large incumbent telephone companies represent approximately 5.4 pay telephones per 1,000 households. Of these, approximately 10% have TTY capability.

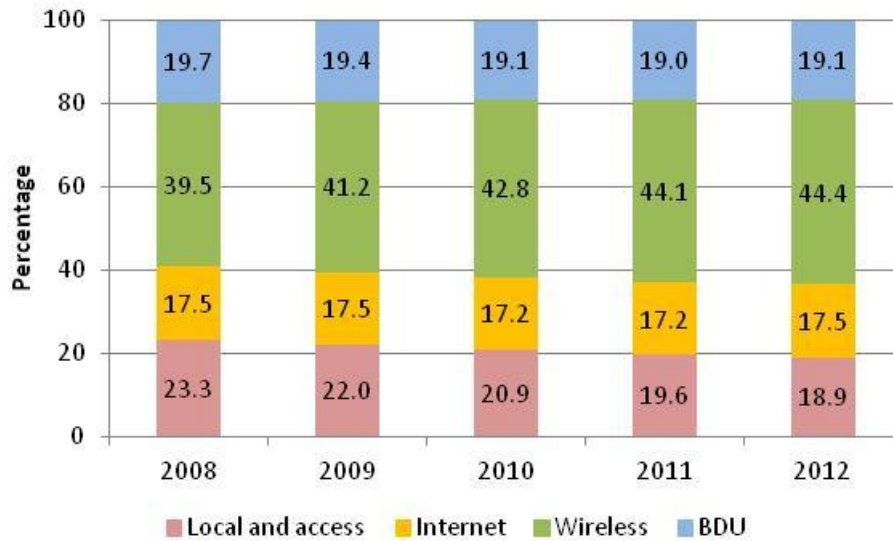
**Table 2.2.1 Number of household connections (millions)**

	2008	2009	2010	2011	2012	CAGR 2008-2012
Local and access	13.0	12.7	12.6	12.2	11.9	-2.2%
<i>Percentage growth</i>	0.5	-2.3	-0.9	-2.7	-2.7	
Internet	9.8	10.1	10.4	10.7	11.0	2.9%
<i>Percentage growth</i>	5.6	2.6	3.1	2.9	3.0	
Wireless <sup>1</sup>	22.1	23.8	25.8	27.4	27.9	6.0%
<i>Percentage growth</i>	9.0	7.8	8.5	6.0	1.8	
BDU	11.0	11.2	11.5	11.9	12.0	2.2%
<i>Percentage growth</i>	2.0	2.3	2.7	2.9	1.0	
Total connections	55.9	57.8	60.3	62.1	62.8	3.0%
<i>Percentage growth</i>	4.9	3.4	4.4	2.9	1.1	
Average connections per household	4.2	4.3	4.4	4.5	4.5	2.0%
<i>Percentage growth</i>	n/a	3.2	2.3	1.1	2.0	

1. Includes residential and business connections

Source: CRTC data collection

**Figure 2.2.1 Residential connections, by type of connection**



• Wireless connections include residential and business connections  
Source: CRTC data collection

**b) Telephone penetration rates**

Since 2009, telephone penetration rates, which measure the extent to which households subscribe to telephone service (which includes both wireline and wireless telephone services), have remained constant at 99.3 subscribers per 100 households. However, during that period, the number of households with wireline telephone service has declined from 89.3 to 86.6 subscribers per 100 households, whereas households with wireless service have increased from 77.2 to 79.4.

Wireless penetration was highest in Alberta at 88.5 subscribers per 100 households, followed by British Columbia at 83.6. In both cases, this exceeded their respective wireline penetration rates.

The 20% of Canadian households with the lowest household income had a telephone penetration rate of 97.3, the lowest among all the quintiles. They had the highest telephone penetration rate among those that had only wireline service (40.0) and among those that had only wireless telephone service (21.3). As household income increased, the number of wireless-only and wireline-only households decreased because they tended to have both wireline and wireless services.

**Table 2.2.2 Provincial telephone penetration rates – Wireline and wireless subscribers per 100 households, 2011**

Province	Wireline	Wireless	Wireline and/or wireless	Wireline only	Wireless only
British Columbia	82.1	83.6	98.8	15.2	16.7
Alberta	82.0	88.5	99.9	11.4	17.9
Saskatchewan	85.7	82.4	99.9	17.5	14.2
Manitoba	85.4	79.2	99.7	20.5	14.3
Ontario	87.6	81.3	99.4	18.1	11.8
Quebec	88.5	70.4	99.3	28.9	10.8
New Brunswick	87.9	75.3	98.6	23.3	10.7
Nova Scotia	89.4	77.7	99.3	21.6	9.9
Prince Edward Island	86.5	77.8	99.7	21.9	13.2
Newfoundland and Labrador	93.1	79.5	99.4	19.9	6.3
Canada	86.5	79.4	99.3	19.9	12.8

- 2012 results not available

Source: Statistics Canada - Survey of household spending

**Table 2.2.3 Canadian telephone penetration rates – Wireline and wireless subscribers per 100 households**

Year	Wireline	Wireless	Wireline and/or wireless	Wireline only	Wireless only
2002	97.0	51.6	98.7	47.1	1.7
2003	96.3	53.9	98.8	44.9	2.5
2004	96.2	58.9	98.9	40.0	2.7
2005	94.0	n/a	98.8	n/a	4.8
2006	93.6	66.8	98.6	31.8	5.0
2007	92.5	71.9	98.8	26.9	6.3
2008	91.1	74.3	99.1	24.8	8.0
2009	89.3	77.2	99.3	22.1	10.0
2010	89.1	78.2	99.3	21.1	10.2
2011	86.5	79.4	99.3	19.9	12.8

- 2012 results not available

Sources: Statistics Canada Affordability Study (2002 - 2007), Survey of Household Spending (2008 - 2011)

**Table 2.2.4 Canadian telephone penetration rates by income quintile – Wireline and wireless subscribers per 100 households**

Income quintile/year		Wireline	Wireless	Wireline and/or wireless	Wireline only	Wireless only
First	2010	82.2	54.9	97.3	42.4	15.1
	2011	76.0	57.3	97.3	40.0	21.3
	Percentage change	-7.5	4.4	0.0	-5.7	41.1
Second	2010	85.7	71.1	99.7	28.6	14.0
	2011	86.0	72.3	99.8	27.5	13.8
	Percentage change	0.4	1.7	0.1	-3.8	-1.4
Third	2010	89.3	82.0	99.8	17.8	10.5
	2011	85.1	85.3	99.7	14.4	14.6
	Percentage change	-4.7	4.0	-0.1	-19.1	39.0
Fourth	2010	93.1	89.7	99.9	10.2	6.8
	2011	91.3	89.8	99.9	10.1	8.6
	Percentage change	-1.9	0.1	0.0	-1.0	26.5
Fifth	2010	95.3	93.5	100.0	6.5	4.7
	2011	94.1	92.0	100.0	8.0	5.9
	Percentage change	-1.3	-1.6	0.0	23.1	25.5
All households	2010	89.1	78.2	99.3	21.1	10.2
	2011	86.5	79.4	99.3	19.1	12.8
	Percentage change	-2.9	1.5	0.0	-5.7	25.5

- The upper bounds for the first to fourth quintiles are
  - 2010: \$27K, \$47K, \$71K, and \$110K.
  - 2011: \$28K, \$48K, \$74K, and \$112K.
- 2012 results not available

Source: Statistics Canada - Survey of household spending

### c) *Residential communications service prices*

The price of communications services generally increased in 2012. The price of baskets of telephone service, cable, satellite and IPTV distribution services, and Internet access services exceeded the rate of inflation, as measured by the change in the CPI. In 2012, inflation increased 1.5% whereas the price of a basket of telephone services increased 2.0%, a basket of cable, satellite, and IPTV distribution services increased 5% and a basket of Internet service prices increased 4.3%.

#### What's in a basket?

##### Telephone basket

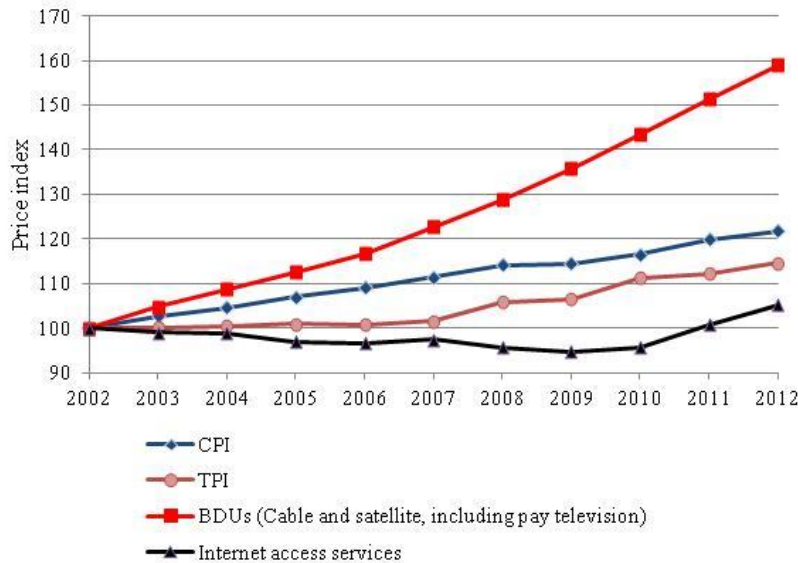
The TPI reflects the price changes experienced by a household for a basket of telephone services. The basket of telephone services reflects a weighted average of consumer expenditures on basic local service, other local services (such as options and features), and long distance, installation, and repair services. However, the TPI does not include Internet service expenditures.

##### Cable, satellite, and IPTV basket

The BDU price index reflects the price changes experienced by a household for a basket of cable television services. The basket includes both 'Basic' and 'Extended' cable services. Basic cable service is the minimum service to which all customers must subscribe. Extended cable service is the most popular package of additional channels. The index does not account for bundling discounts.

Since 2005, however, the average annual increase in the price of telephone and Internet services was below that of inflation. Over this period, the average annual price increases for telephone and Internet services were 1.8% and 1.2% respectively compared to the 1.8% increase in inflation. The average annual price increase for traditional video distribution services was 5.1%.

**Figure 2.2.2 Price indices [TPI, BDU (cable and satellite, including pay television), Internet access services, and CPI]**



Source: StatsCanada

**d) Basic local residential landline telephone service prices**

In 2005, the average monthly price of basic local telephone service, which consists of dial-tone, touch tone, 911, and message relay service and access to long distance, in the major centres in Canada, was \$22.90. The price varied from a low of \$19.71 in Regina to a high of \$25.90 in Vancouver.

By 2012, the average monthly price of basic local service, in the major centres in Canada was \$28.25. The price varied from a low of \$24.34 in Regina to a high of \$32.04 in Victoria. Since 2005, the average annual increase in the price of basic local telephone service was 2.9%. When the service was bundled with Internet, BDU, or wireless services, consumers were able to realize, on average, an additional \$4 discount. However, in a number of cases, consumers had to enhance their basic local service to include additional features such as voice mail, call display, etc. to qualify the service for bundling. The additional cost of these features increased the price of the service by approximately \$3 to \$10. Only a small number

**The major centres**

The major centres are Vancouver, Victoria, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Toronto, Ottawa-Gatineau, London, Kitchener-Waterloo, St. Catharines-Niagara, Windsor, Oshawa, Montréal, Québec, Fredericton, Halifax, Charlottetown and St. John's

These centres represent 59% of Canada's residential local lines.

of competitors offered basic local service. They generally included features, such as call display or voice mail, with their local service offering. In 2012, there were approximately 10 million residential subscriptions containing bundled services.

**Table 2.2.5 Local residential telephone service prices in major centres (\$/month)**

Province	Major centre	Basic local service (2005)	Basic local service (2012)	Annual change (2005-2012)
British Columbia	Vancouver	25.90	31.22	2.7%
	Victoria	24.10	32.04	4.2%
Alberta	Calgary	24.00	31.51	4.0%
	Edmonton	24.00	31.16	3.8%
Saskatchewan	Saskatoon	19.71	25.69	3.9%
	Regina	19.71	24.34	3.1%
Manitoba	Winnipeg	25.43	31.18	3.0%
Ontario	Toronto	22.97	28.67	3.2%
	Ottawa – Gatineau	22.97	27.62	2.7%
	Hamilton	22.17	29.03	3.9%
	London	22.17	28.81	3.8%
	Kitchener – Waterloo	22.17	28.70	3.8%
	St. Catharines – Niagara	22.17	29.15	4.0%
	Windsor	22.17	28.95	3.9%
	Oshawa	22.17	28.97	3.9%
Quebec	Montréal	22.97	24.99	1.2%
	Québec	22.17	24.63	1.5%
New Brunswick	Fredericton	22.30	26.28	2.4%
Nova Scotia	Halifax	25.19	25.38	0.1%
Prince Edward Island	Charlottetown	24.75	25.71	0.5%
Newfoundland and Labrador	St. John's	21.65	26.06	2.7%
National	Major centres	22.90	28.25	2.9%

Sources: CRTC data collection and company tariffs

**Table 2.2.6 Number of subscriptions with bundled services (millions)**

	2008	2009	2010	2011	2012	CAGR 2008-2012
Number of subscriptions with bundles	5.8	7.5	8.8	9.4	10	16.9%
<i>Annual growth</i>	15.1%	30.4%	17.1%	6.4%	6.3%	

• Local service bundled with Internet, wireless, and video distribution.

Source: CRTC data collection

Consumers who shopped around for local telephone service were able to realize greater savings. Companies utilizing VoIP technology were generally offering local service at 2005 prices or lower.

**e) Wireless telephone service prices**

In 2012, the average price of wireless service in Vancouver, Toronto and Montreal generally decreased between 3% and 10%, according to a study by Wall Communications Inc that was commissioned by the CRTC and Industry Canada. New entrants had lower prices for the same basket of wireless services than the established carriers. However, the price difference between these two groups of carriers decreased. Established carriers generally decreased their prices in 2012 while the new entrants either increased their prices or did not match the reductions of the established carriers. The established wireless carriers, as a group, generally reduced their prices between 4% and 10% while the new entrants either reduced their prices by up to 10% or increased them by 7%, depending on the city served and the service offered.

**Table 2.2.7 Canadian wireless monthly service rates (\$) – incumbents v. new entrants**

Baskets	Vancouver			Toronto			Montréal			Average		
	2011	2012	Change	2011	2012	Change	2011	2012	Change	2011	2012	Change
Level 1 Basket (low-volume use, 150 minutes per month)												
Incumbents	34.53	33.38	-3.3%	34.38	32.05	-6.8%	34.80	30.65	-11.9%	34.57	31.03	-10.2%
New entrants	24.43	22.09	-9.6%	22.95	23.72	3.4%	28.08	29.58	5.3%	25.15	25.13	-0.1%
Percentage Differential	-29	-34		-33	-26		-19	-3		-27	-27	
Level 2 Basket (average use, 450 minutes, and 200 text per month (2011) and 300 text per month (2012))												
Incumbents	51.82	44.41	-14.3%	51.48	44.41	-13.7%	50.87	44.68	-12.2%	51.39	44.5	-13.4%
New entrants	35.55	38.10	7.2%	38.37	37.07	-3.4%	44.68	40.18	-10.1%	39.53	38.45	-2.7%
Percentage Differential	-31	-14		-25	-17		-12	-10		-23	-14	
Level 3 Basket (high-volume use, 1,200 minutes, 200 text (2011), 300 text (2012) and 1GB data per month)												
Incumbents	98.82	95.03	-3.8%	98.82	94.36	-4.5%	99.22	94.63	-4.6%	98.95	94.67	-4.3%
New entrants	55.20	53.30	-3.4%	56.80	50.53	-11.0%	75.45	69.95	-7.3%	62.48	57.93	-7.3%
Percentage Differential	-44	-44		-43	-46		-24	-26		-37	-39	

Source: Price comparison study conducted for the CRTC in 2012 and 2013 by Wall Communications Inc.; see Appendix 4 for a summary of the assumptions and methodologies used.

**f) Consumers' expenditures on communications services**

Canadians increased their expenditures on communications services from \$182 per month per household in 2011 to \$185 in 2012, resulting in a 2.5% increase. The increase was largely due to higher spending on wireless and Internet services which increased 10.7% and 3.4%, respectively. This was largely due to increased consumption of wireless data and increased demand for higher broadband Internet speeds.

However, Canadians reduced their spending on landline telephone service from \$37.66 per month

**What do communications services expenditures include?**

Communications services include local telephone (including custom calling features, and installation and repair), long distance, Internet, wireless, and BDU services.

Sales tax is excluded from the analysis of communications expenditures.

per household to \$34.86, resulting in a 7.1% reduction. Consumers are reducing their consumption of landline telephone service. Contributing factors include, but not limited to, adoption of wireless services and elimination of their second landline telephone service. In 2012, there were, on average, two wireless subscriptions per household.

In 2012, Canadian households tended to spend the least on Internet services, which represented 16.7% of their expenditures on communications services, compared to 36.4% on wireless services. Households in the lowest quintile tended to allocate most of their communications expenditures to cable and DTH services (\$35.54 per month per household) followed by wireless service (\$32.92); whereas those in the highest quintile favored cell phone services (\$107.08) followed by cable and DTH (\$70.00).

**Table 2.2.8 Household communications expenditures as a percentage of annual income, by quintile, 2011**

Characteristics	Lowest quintile (income less than \$27,875)	Second quintile \$27,875 to \$48,426)	Third quintile (\$48,426 to \$74,032)	Fourth quintile (\$74,032 to \$111,639)	Highest quintile (income over \$111,639)	Total
Average annual income	\$17,312	\$37,937	\$60,559	\$90,855	\$179,659	\$77,269
Members per household	1.47	2.10	2.57	2.90	3.34	2.48
Percentage recently changed address (2010-2011)	25.6%	20.4%	19.3%	14.5%	9.7%	17.9%
Communications expenditures as a percentage of income	8.4%	4.7%	3.6%	2.8%	1.7%	2.8%

Sources: Statistics Canada - Survey of household spending,

**Table 2.2.9 Monthly household communications expenditures, by service and by quintile (\$/month)**

Service (\$/month/household)		Lowest quintile	Second quintile	Third quintile	Fourth quintile	Highest quintile	All classes
Wireline telephone	2011	33.91	33.51	37.01	42.56	42.39	37.66
	2012	29.06	33.05	34.28	37.18	40.73	34.86
	<i>Percentage change</i>	<i>-14.3</i>	<i>-1.4</i>	<i>-7.4</i>	<i>-12.6</i>	<i>-3.9</i>	<i>-7.4</i>
Wireless	2011	31.58	43.33	58.25	73.00	98.50	60.92
	2012	32.92	48.58	67.92	80.42	107.08	67.42
	<i>Percentage change</i>	<i>4.2</i>	<i>12.1</i>	<i>16.6</i>	<i>10.2</i>	<i>8.7</i>	<i>10.7</i>
Internet	2011	18.45	25.47	31.80	34.65	39.28	29.95
	2012	21.42	26.49	33.03	35.64	40.32	30.95
	<i>Percentage change</i>	<i>16.1</i>	<i>4.0</i>	<i>3.9</i>	<i>2.9</i>	<i>2.6</i>	<i>3.3</i>
Cable and DTH	2011	37.99	45.76	52.09	59.35	67.11	52.42
	2012	35.55	46.93	51.79	55.95	70.00	52.02
	<i>Percentage change</i>	<i>-6.4</i>	<i>2.6</i>	<i>-0.6</i>	<i>-5.7</i>	<i>4.3</i>	<i>-0.8</i>
Total communications	2011	121.75	148.03	179.26	209.60	247.34	180.95
	2012	118.94	155.04	187.02	209.18	258.14	185.25
	<i>Percentage change</i>	<i>-2.3</i>	<i>4.7</i>	<i>4.3</i>	<i>-0.2</i>	<i>4.4</i>	<i>2.4</i>

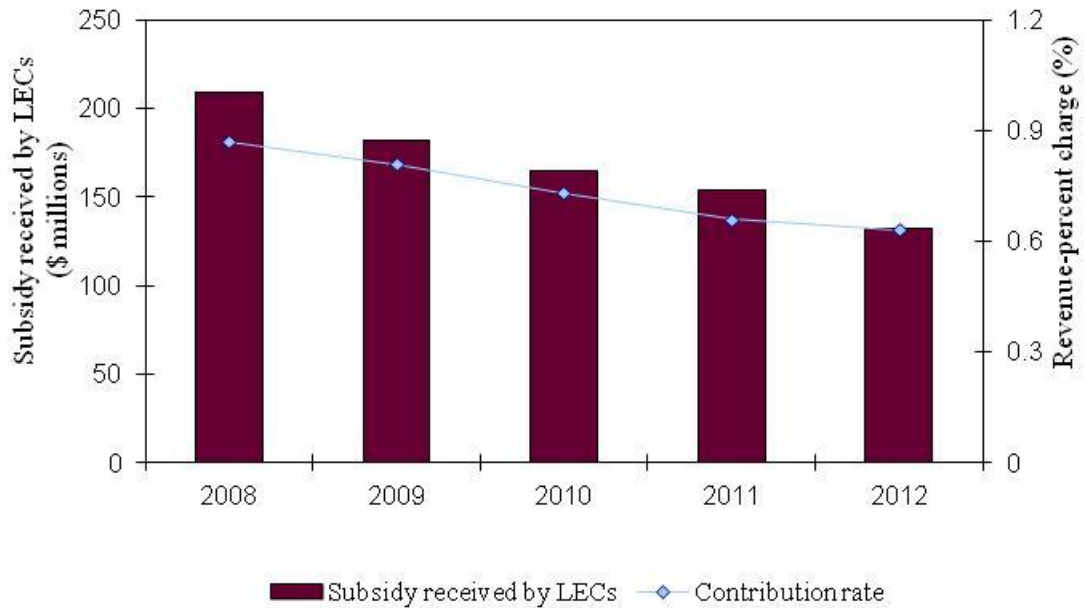
- Wireline telephone service excludes equipment sales and rental.
- The upper bounds for the first to fourth quintiles are
  - 2010: \$27K, \$47K, \$71K, and \$110K.
  - 2011: \$28K, \$48K, \$74K, and \$112K.

Sources: Statistics Canada - Survey of household spending , CRTC data collection and staff analysis

**g) Telecommunications contribution and subsidy regime**

In 2012, as part of the social and economic objectives of the *Telecommunications Act*, approximately 10% of residential telephone lines in high-cost serving areas were subsidized. TSPs contributed \$132 million towards the achievement of basic service objectives.

**Figure 2.2.3 Subsidy paid to LECs and the revenue-percent charge**



Sources: CRTC data collection and decisions

## 2.3 Protect

### Complaints

Consumer contact and complaints are one of the considerations used to assess the extent to which the regulatory frameworks are effective. The CRTC has established mechanisms to address a variety of complaints.

**Table 2.3.1 Number of contacts by public**

	2008-09	2009-10	2010-11	2011-12	2012-13
Broadcasting related enquiries <sup>1</sup>	7,131	5,747	6,261	5,829	6,358
Broadcasting complaints <sup>1</sup>	11,851	12,740	10,813	12,419	11,507
Telecommunications complaints <sup>2</sup>	N/A	N/A	N/A	N/A	13,433

1. For the 12-month period: 1 April to 31 March.

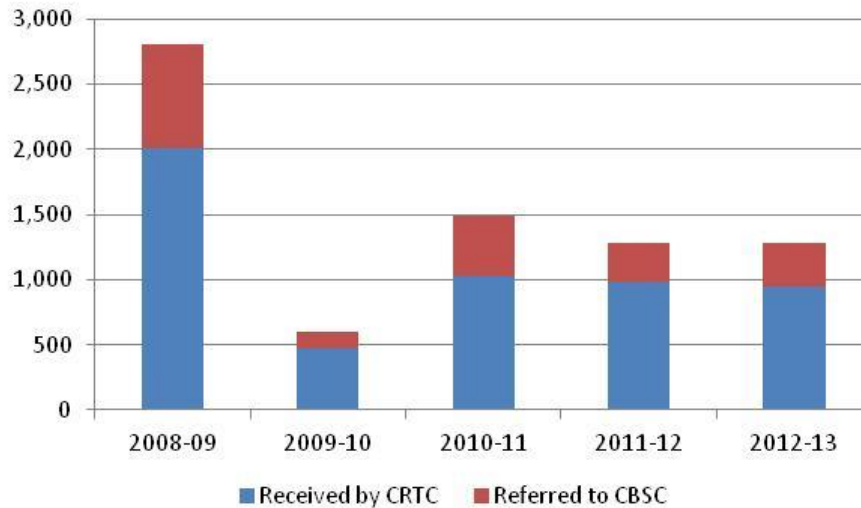
2. For the 12-month period: 1 January to 31 December

Source: CRTC Correspondence Tracking System (The Rapids 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.)

#### a) Programming of high standard

The Commission deals with programming complaints related to public and community broadcasters, as well as non-CBSC members, and with issues that are outside the parameters of the codes administered by the CBSC. Of the complaints received by the Commission, approximately 35% were referred to the CBSC.

**Figure 2.3.1 Number of broadcasting complaints received and referred to the CBSC**

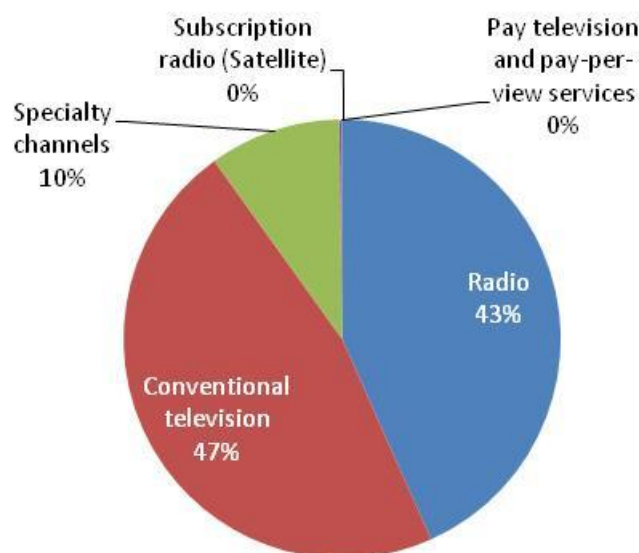


Source: CRTC Correspondence Tracking System. (The Rapids tracking system counts multiple contacts from the same client on the same complaint as separate units. The actual number of complaints received should therefore be slightly lower.)

**Table 2.3.2 Broadcasting complaints by sector, by issue**

Market Sector	Type of complaint	2008-09		2009-10		2010-11		2011-12		2012-13	
		Complaints received	Referrals to CBSC	Complaints received	Referrals to CBSC	Complaints received	Referrals to CBSC	Complaints received	Referrals to CBSC	Complaints received	Referrals to CBSC
Radio	Abusive comment	26	10	11	-	35	5	38	3	64	32
	Adult content	19	11	8	3	13	5	14	6	9	3
	Alcohol advertising	6	-	-	-	-	-	1	-	4	-
	Gender portrayal	1	1	-	-	-	-	5	4	1	-
	Offensive comment	397	308	89	30	220	100	258	95	283	135
	Offensive language	40	23	24	8	296	266	22	9	50	14
Conventional television	Abusive comment	39	5	5	1	26	-	30	2	30	6
	Adult content	111	47	84	34	52	8	56	11	71	12
	Alcohol advertising	17	1	4	-	4	-	8	-	18	3
	Gender portrayal	5	2	-	-	2	-	9	-	5	1
	Offensive comment	455	61	107	6	135	22	217	43	233	62
	Offensive language	51	20	34	14	41	19	29	3	32	8
	Television violence	85	24	40	9	84	14	76	14	54	8
Specialty channels	Abusive comment	10	-	2	-	-	-	1	-	5	2
	Adult content	82	39	32	14	31	10	23	12	16	9
	Alcohol advertising	1	-	1	-	-	-	-	-	2	1
	Gender portrayal	-	-	-	-	-	-	1	-	1	1
	Offensive comment	212	202	12	2	19	5	161	87	44	23
	Offensive language	32	23	7	2	13	6	7	5	11	7
	Television violence	20	14	14	5	21	5	18	10	13	3
Pay television and pay-per-view services	Abusive comment	-	-	-	-	-	-	-	-	-	-
	Adult content	402	1	4	-	32	-	3	-	2	1
	Alcohol advertising	-	-	-	-	-	-	-	-	-	-
	Gender portrayal	-	-	-	-	-	-	-	-	-	-
	Offensive comment	2	-	-	-	-	-	-	-	-	-
	Offensive language	-	-	-	-	-	-	-	-	-	-
	Television violence	-	-	-	-	-	-	-	-	-	-
Subscription radio (Satellite)	Abusive comment	-	-	-	-	-	-	-	-	-	-

- For the 12-month period: 1 April to 31 March.
  - Where a complaint alleges that hatred or contempt was incited on-air against one of the groups identified in the television, radio, or specialty regulations.
  - Where a complaint alleges offensive humour or other comments that do not fall under the "abusive comment" provision.
  - Where a complaint alleges offensive language in song lyrics or in spoken word.
- Source: CRTC Correspondence Tracking System. (The Rapids tracking system counts multiple contacts from the same client on the same complaint as separate units. The actual number of complaints received should therefore be slightly lower.)

**Figure 2.3.2 Percentage of broadcasting complaints by sector, 2012-2013**

Source: CRTC Correspondence Tracking System. (The Rapids tracking system counts multiple contacts from the same client on the same complaint as separate units. The actual number of complaints received should therefore be slightly lower.)

The CBSC 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 following codes:

- CAB Code of Ethics
- CAB Voluntary Code Regarding Violence in Television Programming
- CAB Equitable Portrayal Code
- RTNDA of Canada Code of Ethics.

#### What is the CBSC?

The CBSC is an independent, non-governmental organization created by the CAB to administer standards established by its members, Canada's private broadcasters. The Council's membership includes more than 760 private sector radio and television stations, specialty services and networks from across Canada, programming in English, French and third languages. More information about the CBSC can be found at: [www.cbsc.ca](http://www.cbsc.ca)

**Table 2.3.3 Complaints handled by the CBSC**

	2007-08	2008-09	2009-10	2010-11	2011-12
Files handled by the CBSC	1,498	1,781	2,035	8,870	2,462
Referred by the CRTC	979	1,045	761	496	452

Source: CBSC annual reports

The ASC responds to complaints by consumers and special interest groups regarding advertising with respect to all media subject to 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.

Viewers and listeners may request that the Commission consider their complaints at first instance, or where they are not satisfied with the results of the self-regulatory process.

Between April 2012 and 31 March 2013, the Commission received 6,358 broadcasting complaints. Most of the complaints (47%) were related to conventional television, followed by those related to radio (43%).

#### What is the ASC?

ASC is the national not-for-profit advertising self-regulatory body.

The Canadian Code of Advertising Standards is regularly updated to ensure it is current and contemporary – keeping pace with consumer and societal expectations. Additional information on the ASC can be found at: [www.adstandards.com/en/](http://www.adstandards.com/en/)

**Table 2.3.4 Complaints handled by the ASC**

	2008	2009	2010	2011	2012
Complaints received by ASC	1,119	1,228	1,200	1,809	1,310
Complaints about television ads	528	546	526	686	559
<i>Percent of total complaints received</i>	47%	44 %	44%	38%	43%
Complaints about radio ads	56	64	67	85	55
<i>Percent of total complaints received</i>	5%	5%	5%	5%	4%
Complaints about Internet ads	na	na	na	na	280
<i>Percent of total complaints received</i>					21%

Source: Ad complaints reports

#### **b) Loud television commercials**

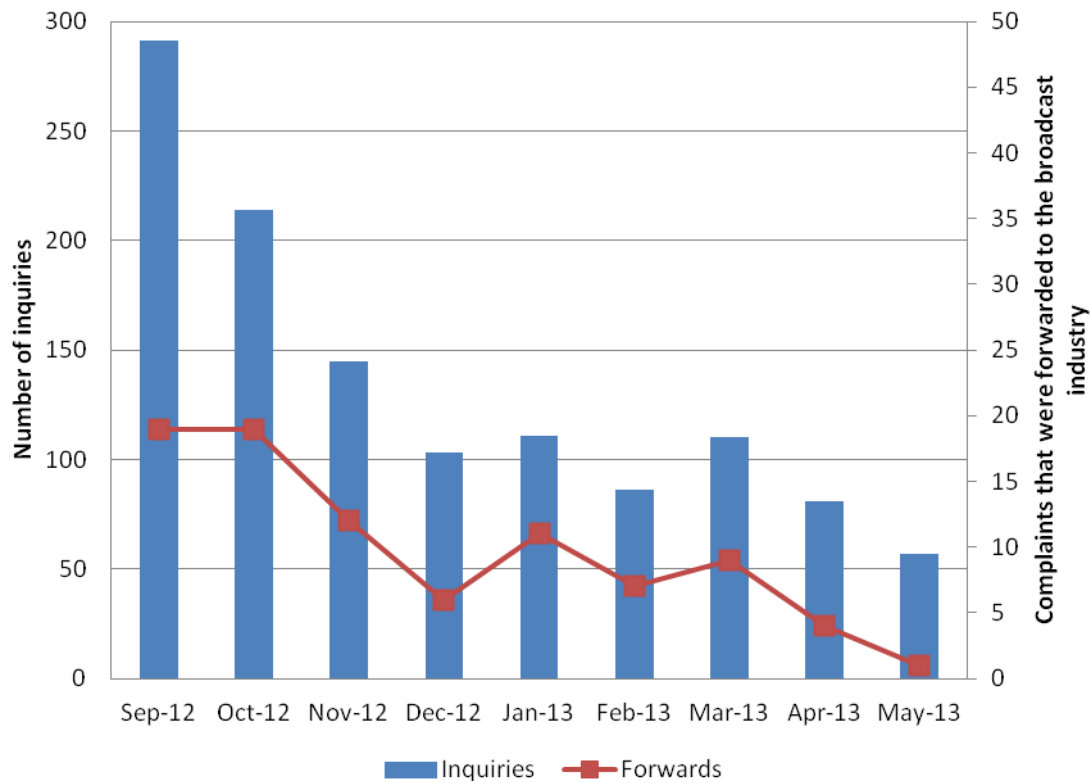
Prior to 2011, thousands of Canadians voiced their frustration with loud television commercials and urged the CRTC to compel the broadcasting industry to solve the problem. In response to these concerns, the CRTC required Canadian broadcasters and television distributors (e.g., cable, satellite, and IPTV providers) to follow a new technical standard to ensure that commercials are broadcast at a similar volume to regular programming. New regulations came into force on 1 September 2012.

Canadian broadcasters are now responsible for ensuring that the loudness of their programming is compliant with the new technical standards. For their part, distributors must not change the loudness of programming as it passes through their networks. Distributors are also responsible for the loudness of programming in all foreign services, including U.S. channels.

#### Where are the new technical standards related to loudness?

ATSC Recommended Practice A/85: *Techniques for Establishing and Maintaining Audio Loudness for Digital Television*. The ATSC is the international organization that establishes technical standards for digital television which are used by North American broadcasters. These can be found at:

(English) <http://atsc.org>

**Figure 2.3.3 Number of loudness inquiries received by the CRTC**

Source: CRTC

Since the introduction of the new regulations in September 2012, the volume of monthly complaints received by the Commission decreased from 291 complaints in September 2012 to 57 complaints in May 2013. Many of these inquiries were from Canadians who provided sufficient information for the Commission and the industry to investigate their complaint. The Commission directed the industry to investigate 88 cases of possible non-compliance. It deemed 28 of these cases to be instances of non-compliance. Although this process has identified some instances of non-compliance, the majority of these investigations concluded that commercials were, in fact, compliant with the regulations. This highlights the fact that the perception of loudness is based on many factors, including the nature of the programming, and that Canadians may perceive a commercial to be louder than regular programming even though the two are broadcast at a similar volume.

The Commission directed broadcasters and BDUs to submit a report confirming that they had taken the necessary steps to control the loudness of commercials as of 1 September 2012. The majority of broadcasters and BDUs have demonstrated, through the compliance reports submitted by the industry, that they have installed equipment to control and monitor the loudness of programming, changed internal procedures, and provided training to their staff. They have also implemented other contractual and quality control measures to ensure the compliance of their programming. Television distributors have also implemented procedural

changes and trained their staff to ensure the loudness of programming from Canadian broadcasters is not changed as it passes through their networks.

Compliance issues have been generally related to foreign programming, local availabilities, and early implementation issues. Non-compliant parties have responded by improving processes, installing equipment and securing compliant content. The Commission has and will continue to take action with non-compliant companies to ensure full industry compliance with the regulations and to ensure that the necessary steps have been taken to avoid future instances of non-compliance.

**c) Telecommunications complaints**

The Commission and the CCTS receive 25.4 thousand complaints about telecommunications services. Of these, 52% were processed by the Commission and 48% by the CCTS. Complaints about wireless services were the most common (39%), followed by telemarketing (20%) and Internet (13%).

The underlying issues in these complaints were billing errors (42%), contract disputes/terms of service (16%) and service delivery/provision of service (12%).

**What is the CCTS?**

The CCTS is an independent organization dedicated to working with consumers and the TSPs to resolve complaints relating to telecommunications services.

The CCTS is responsible for complaints related to services for which the Commission no longer approves rates.

**Table 2.3.5 Telecommunications complaints received by the CRTC, 2012-2013**

	CRTC	Billing	Quality of Service	Provision of service	Terms of service	Total	Complaints per 10,000 residential NAS or subscriber*
Telemarketing	4,944	-	-	-	-	4,944	4.2
Incumbent telephone companies	273	1,722	480	244	189	2,908	4.2
Wireless	334	1,813	197	145	273	2,762	1.0*
Internet	199	320	254	204	74	1,051	1.0*
Telecommunications	311	326	48	59	26	770	0.6
Competitive local exchange carriers	37	265	117	80	48	547	1.1
Alternative providers of long distance	13	168	18	15	24	238	0.2
VoIP	23	102	27	37	24	213	0.2
Total	6,134	4,716	1,141	784	658	13,433	n.a.

Source: CRTC

**Table 2.3.6 Summary of issues raised in telecommunications complaints handled by the CCTS, 2011-2012**

	Billing error	Contract dispute	Service delivery <sup>1</sup>	Credit management	Total
Wireless services	3,928	2,162	942	189	7,221
Local exchange and VOIP	873	523	606	43	2,045
Internet access	945	526	651	38	2,160
Long distance	342	81	126	10	559
Directory assistance	1	–	–	–	1
White page directories	–	–	–	–	–
Operator services	–	–	–	–	–
Total	6,089	3,292	2,325	280	11,986

1. Includes installation, repair and maintenance  
Source: CCTS annual reports

**d) DNCL - Telemarketing**

Since 2008, Canadians have been able to register their telephone numbers on the National DNCL at no cost to reduce the number of unwanted telemarketing calls and faxes they receive. The National DNCL is a key part of the CRTC's Unsolicited Telecommunications Rules. These rules include the Telemarketing Rules, National DNCL Rules, and Automatic Dialing and Announcing Device Rules (the Rules). Telemarketers and organizations enlisting their services have the responsibility to familiarize themselves with these rules and to follow them.

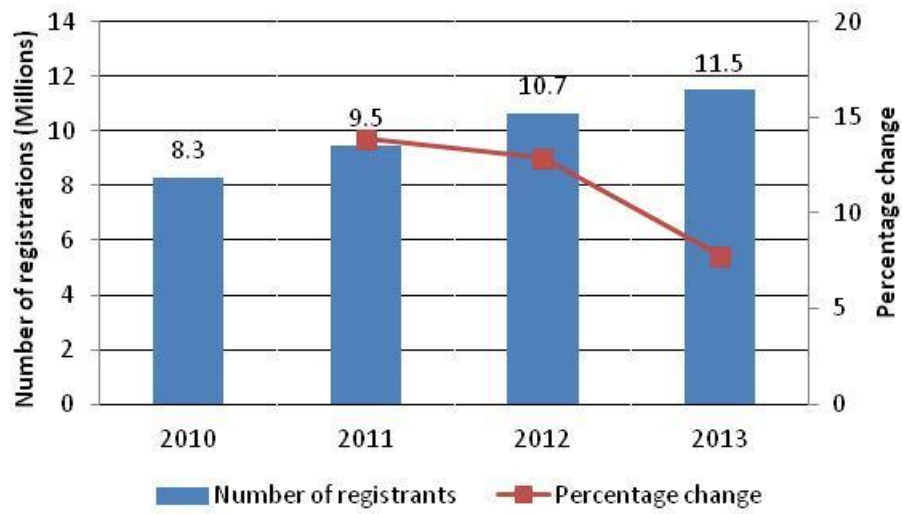
For the period 1 April 2012 to 31 March 2013 the CRTC imposed *monetary penalties or other payments* for violations of the Rules totalling \$0.4 million. To date, since its inception, administrative monetary penalties imposed and other payments total \$4.5 million.

**Table 2.3.7 National DNCL key statistics**

	2011	2012	2013
Number of registrants (millions)	9.5	10.7	11.5
<i>Percent change</i>	13.9	12.9%	7.7%
Telemarketer access	8,478	9,396	10,228
<i>Percent change</i>	na	10.8%	8.9%
Number of complaints (thousands)	na	133.7	148.8
<i>Percent change</i>		na	11.3%
Number of complaints (per 1000 registrants)	na	12.5	12.9
<i>Percent change</i>		na	3.3%

• For the 12 month period ending March 31  
Source: CRTC

**Figure 2.3.4 Number of registrations on the National DNCL**



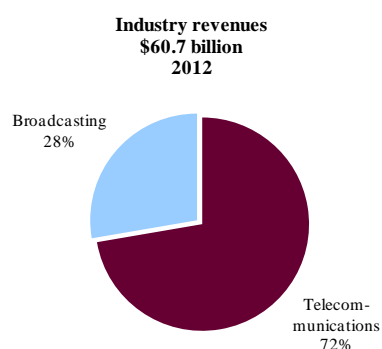
Source: CRTC

### 3.0 The Communications service industry

#### 3.1 Overview

This section provides an overview of the broadcasting and telecommunications service industries (the Canadian communications service industry).

It presents the financial performance of Canadian communications entities and a number of financial indicators, such as revenues over a five-year period. Some of the characteristics of the industry such as ownership and the extent to which industry participants offer communications services outside their traditional core services are examined. In 2005, revenues of incumbent TSPs and cable companies, as a percent of total communications revenues, were approximately 59% and 23%, respectively. At the end of 2012, their revenues represented 50% and 32% of total communications revenues. The financial performance of individual sectors within broadcasting and telecommunications is found in sections 4 and 5.



#### *Communications service industry at a glance*

(\$ billions)	2011	2012	% Growth
Communications revenues	59.4 #	60.7	2.3%
Broadcasting	16.6	16.8	1.3%
Radio	1.6	1.6	0.4%
TV	6.4	6.5	1.9%
BDU	8.6	8.7	1.1%
Telecommunications	42.8 #	43.9	2.7%
Communications revenues by type of provider			
Incumbent TSPs	29.8 #	30.3	1.7%
Cable companies	19.2	19.6	2.2%
Other	10.4	10.8	4.3%

Source: CRTC data collection

## Statistical information – Financial overview

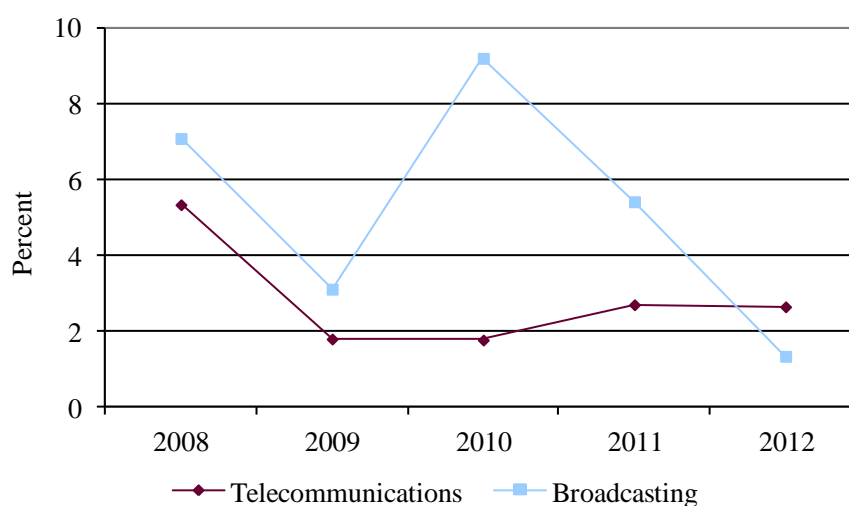
### a) Industry revenues

**Table 3.1.1 Communications revenues (\$ billions)**

	2008	2009	2010	2011	2012	CAGR 2008-2012
Telecommunications						
Wireline	24.2	24.0	23.7	23.7 #	23.5	-0.6%
Percentage growth	2.2	-0.5	-1.6	0.0	-0.5	
Wireless	16.0	16.9	18.0	19.1	20.4	6.2%
Percentage growth	10.4	5.3	6.6	6.2	6.5	
Subtotal	40.2	40.9	41.7	42.8	43.9	2.2%
Percentage growth	5.3	1.8	1.8	2.7	2.7	
Broadcasting						
Radio AM/FM	1.6	1.5	1.6	1.6	1.6	0.4%
Percentage growth	6.1	-5.4	2.9	3.9	0.4	
Television	5.5	5.5	6.1	6.4	6.5	4.4%
Percentage growth	4.3	0.1	10.6	5.4	1.9	
BDU	6.9	7.4	8.1	8.6	8.7	5.9%
Percentage growth	9.7	7.6	9.3	5.8	1.1	
Subtotal	14.0	14.4	15.8	16.6	16.8	4.7%
Percentage growth	7.1	3.2	9.1	5.4	1.4	
Total revenues	54.2	55.4	57.4	59.4	60.7	2.9%
Percentage growth	5.8	2.2	3.7	3.5	2.3	

Source: CRTC data collection

**Figure 3.1.1 Broadcasting and telecommunications annual revenue growth rates**



Source: CRTC data collection

**Table 3.1.2 Industry revenues by type of provider (\$ thousands)**

	2009	2010	2011	2012	CAGR 2009-2012
Incumbent TSPs					
Telecommunications	27.2	27.2	27.7 #	28.0	0.9%
<i>Percentage growth</i>	0.1	0.0	1.9	1.0	
BDUs	1.7	1.9	2.1	2.4	12.3%
<i>Percentage growth</i>	10.1	14.2	12.6	10.3	
Subtotal	28.8	29.1	29.8	30.3	1.7%
<i>Percentage growth</i>	0.6	0.8	2.6	1.7	
Utility telcos and other TSPs	0.7	0.7	0.8	1.1	16.7%
<i>Percentage growth</i>	23.5	-1.4	19.1	35.2	
Resellers	1.6	1.5	1.5	1.5	-1.1%
<i>Percentage growth</i>	-14.4	-3.8	-0.7	1.2	
Cable Companies					
Telecommunications	11.4	12.2	12.7	13.3	5.1%
<i>Percentage growth</i>	7.8	7.1	4.1	4.2	
BDUs	5.8 #	6.2 #	6.5 #	6.3	3.1%
<i>Percentage growth</i>	6.9	7.9	3.7	-1.9	
Subtotal	17.2	18.5	19.2	19.6	4.5%
<i>Percentage growth</i>	7.5	7.3	3.9	2.2	
Broadcasting - Other entities	7.0 #	7.6 #	8.0 #	8.1	5.2%
<i>Percentage growth</i>	-1.1	9.0	5.1	1.6	
Total	55.4	57.4	59.4	60.7	3.1%
<i>Percentage growth</i>	2.1	3.7	3.4	2.3	

Source: CRTC data collection

**b) Industry characteristics****Table 3.1.3 Industry convergence: Cable v. Telecommunications**

Year	Percentage of incumbent BDUs' revenues from telecom services <sup>1</sup>	Percentage of ILECs' revenues from BDU services
2012	67.7	7.8
2011	66.3	7.2
2010	66.2	6.5
2009	66.4	5.8
2008	66.1	5.3
2007	64.7	4.7

1. Telecom services include local and access, long distance, Internet, data and private line, and wireless.  
Source: CRTC data collection

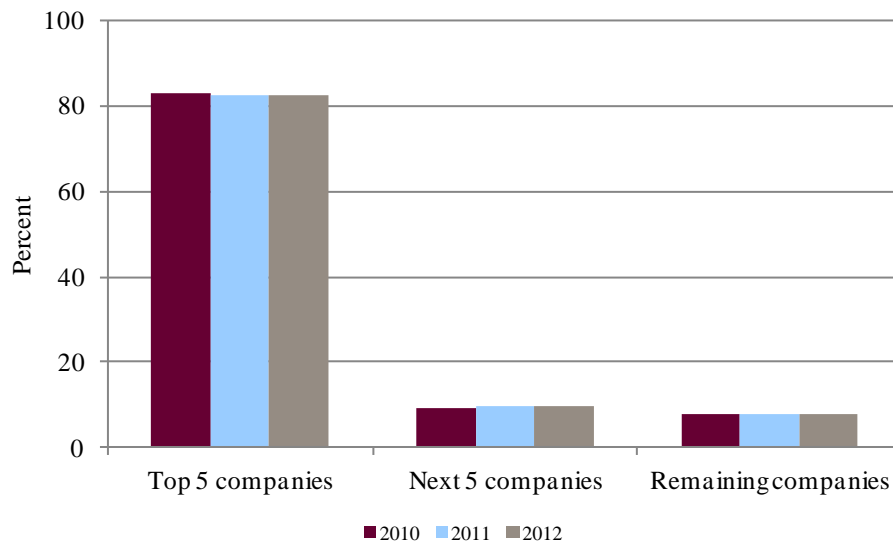
**Table 3.1.4 Percent of broadcasting and telecommunications revenues generated by companies operating in multiple sectors**

Number of sectors in which companies offer service	Number of reporting companies operating in these sectors			Percent of broadcasting and telecommunications revenues generated in these sectors		
	2010	2011	2012	2010	2011	2012
11	3	3	3	63	62	61
10	0	0	0	0	0	0
9	1	1	1	4	5	5
8	3	4	5	21	23	24
7	2	1	1	3	1	1
6	4	6	3	0	0	0
5	12	11	14	0	0	0
4	24	22	24	3	3	3
3	27	35	39	1	1	2
2	42	44	36	2	2	2
1	218	217	233	2	2	3

- Additional companies reported in 2012.
- Number of sectors includes 5 broadcasting sectors (radio, television, BDU, specialty and VOD, and pay and PPV) and 6 telecommunications sectors (local and access, long distance, Internet, data and private line, and wireless).
- 2010 data restated to reflect industry players as of Q1 2011.
- Affiliates are included with their parent company.

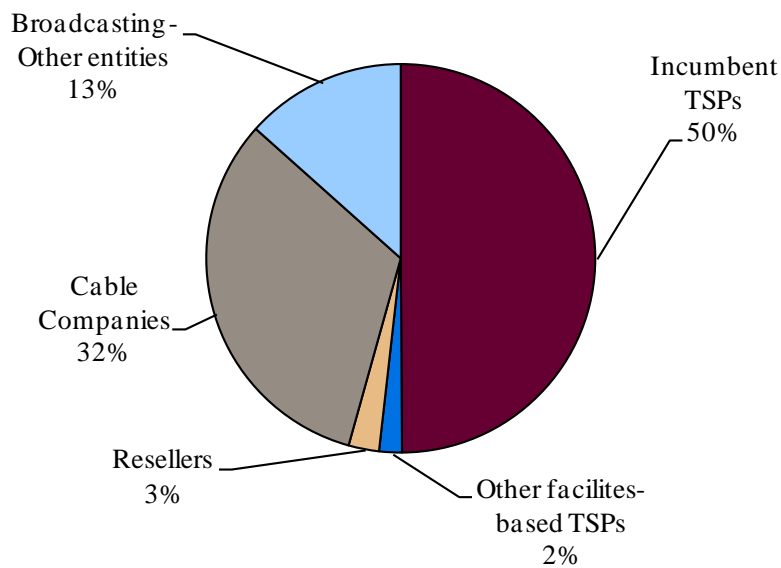
Source: CRTC data collection

**Figure 3.1.2 Broadcasting and telecommunications revenues for the top 5 company groups, the next 5 company groups, and the remaining company groups**



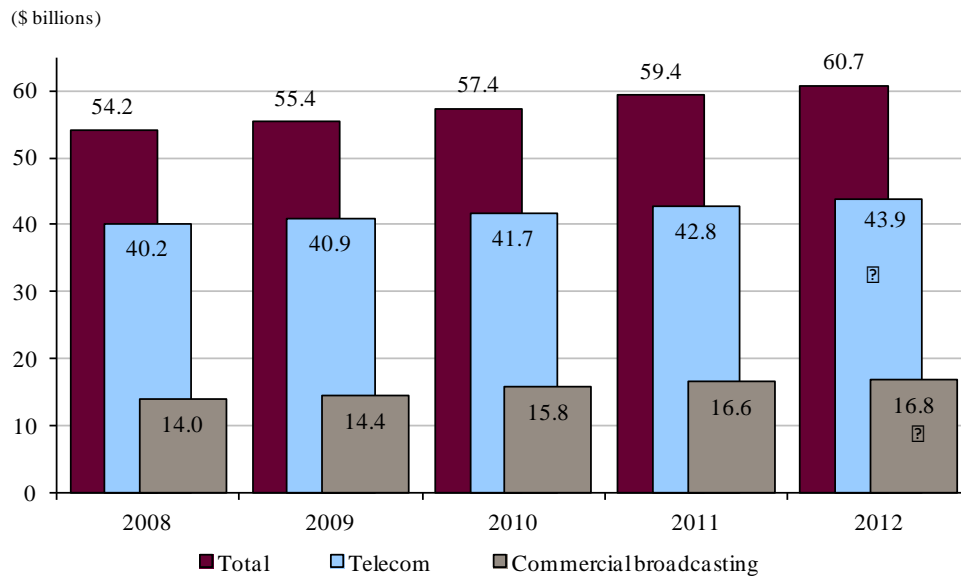
- Revenues for the top companies include the revenues of their affiliates.
  - Affiliates are included with their parent company
  - Top 5 are: Bell Canada, Quebecor, Rogers, TCC and Shaw.
  - Next 5 are: Astral, Bragg, Cogeco, MTS and SaskTel.
- Source: CRTC data collection

**Figure 3.1.3 Broadcasting and telecommunications revenues by type of provider, 2012**



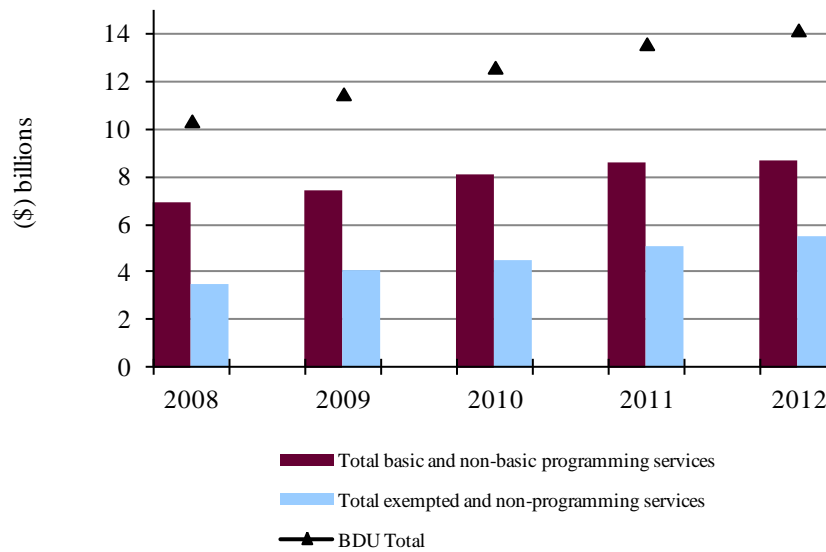
Source: CRTC data collection

**Figure 3.1.4 Commercial broadcasting and telecommunications revenues (excluding non-programming and exempt services)**



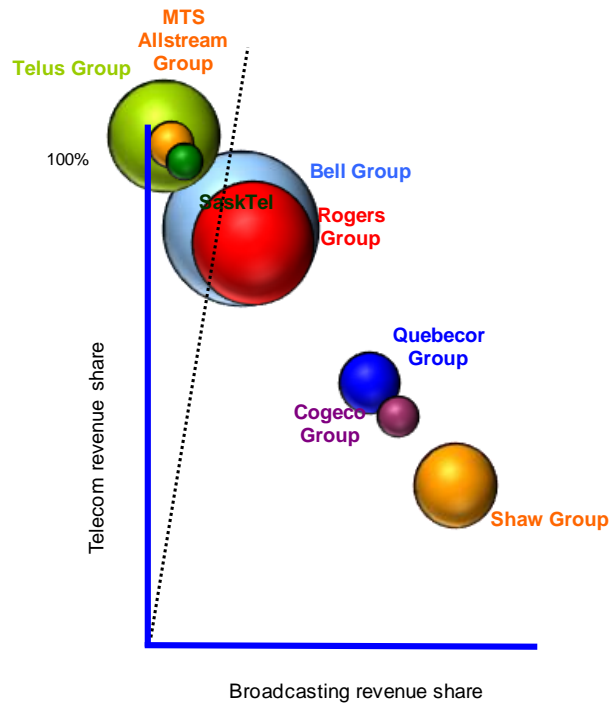
Source: CRTC data collection

**Figure 3.1.5 BDU revenues by service type**



Source: CRTC data collection

**Figure 3.1.6 Canadian broadcasting and telecommunications revenue composition for a select number of large companies**

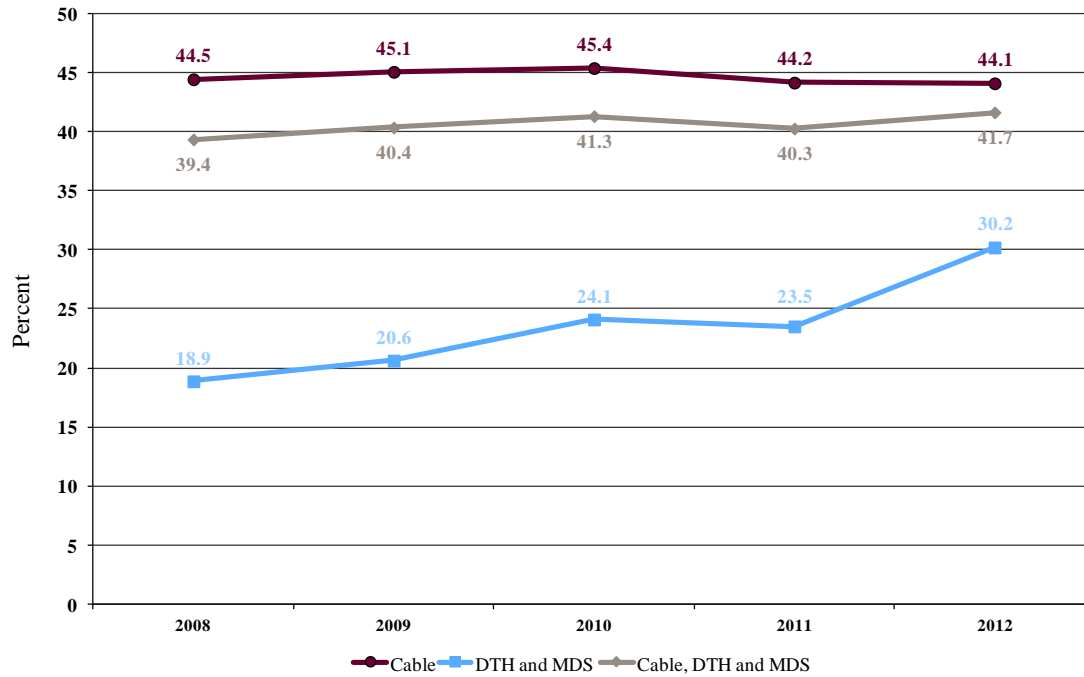


Source: CRTC data collection

This chart includes large companies that offer both broadcasting and telecommunications services. The size of the circles reflects their overall 2012 Canadian communications revenues. The proximity of the circles to the axes indicates the extent to which the companies' revenues are derived from broadcasting and telecommunications.

c) *Financial performance*

**Figure 3.1.7 BDU – EBITDA margins achieved from all services (programming, exempted, and non-programming)**



Source: CRTC data collection

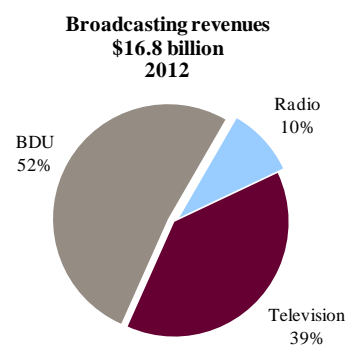
## 4.0 Broadcasting system

### 4.1 Financial review

#### Overview

In 2012, the Canadian broadcasting system was dominated by five large companies that, collectively, with their affiliates, accounted for over 81% of the total Canadian broadcasting revenues (\$16.8 billion). The remaining entities were smaller companies, which combined for annual revenues of less than \$3.2 billion.

In 2012, companies operating in all five sectors of the broadcasting system (i.e., radio, television, BDU, speciality and VOD, and pay and PPV) accounted for approximately 66% of Canadian broadcasting revenues. Companies operating in only one market accounted for 7% of revenues.



#### Who are the five large companies?

The five large companies are Astral, Bell, Quebecor, Rogers and Shaw

This section presents an overview of the financial performance of Canadian broadcasting entities and examines a number of financial indicators, such as revenues over a five-year period, from which market trends can be displayed. It also examines some of the characteristics of the industry as regards ownership.

#### Broadcasting at a glance

		2011	2012	% Growth
Revenues (\$ millions )	Broadcasting	16,605	16,829	1.4%
	Radio	1,613	1,620	0.4%
	Television	6,392 #	6,514	1.9%
	BDU <sup>1,2</sup>	8,600 #	8,696	1.1%
PBIT (\$ millions)	Radio	312	323	3.7%
	Television	1,086	939	-13.5%
EBITDA (\$ millions)	BDU <sup>1,2</sup>	1,927	2,005	4.1%

1. BDU revenues include non-reporting BDU revenues, but exclude exempt and non-programming services. The EBITDA of the BDUs represents only basic and non-basic services.

2. Internet and telephony services are excluded. These services are discussed in section 5 of this report.

Source: CRTC data collection

## Statistical information – Broadcasting industry

a) *Industry revenues*

Table 4.1.1 Broadcasting revenues (\$ millions)

		2008	2009	2010	2011	2012	CAGR 2008-2012
Radio	AM	331	306	307	311	306	-1.9 %
	<i>Percentage growth</i>	0.4	-7.4	0.4	1.2	-1.6	
	FM	1,260	1,201	1,244	1,302	1,314	1.0 %
	<i>Percentage growth</i>	7.5	-4.7	3.6	4.6	0.9	
	Radio total	1,591	1,508	1,552	1,613	1,620	0.4 %
Television	<i>Percentage growth</i>	5.9	-5.2	2.9	3.9	0.4	
	CBC conventional television <sup>1</sup>	412	392	450	500	508	5.4 %
	<i>Percentage growth</i>	15.7	-4.9	14.8	11.1	1.6	
	Private conventional television	2,138	1,971	2,142 #	2,144 #	2,038	-1.2 %
	<i>Percentage growth</i>	-1.5	-7.8	8.7	0.1	-5.0	
BDU	Pay, PPV, VOD, and specialty service	2,929	3,121 #	3,475 #	3,748 #	3,968	7.9 %
	<i>Percentage growth</i>	7.3	6.5	11.3	7.9	5.9	
	Television total	5,480	5,484	6,067	6,392	6,514	4.4 %
	<i>Percentage growth</i>	4.3	0.1	10.6	5.4	1.9	
	Cable and IPTV	4,762	5,123	5,610 #	5,923 #	6,058	6.2 %
BDU	<i>Percentage growth</i>	9.9	7.6	9.5	5.6	2.3	
	DTH/MDS undertakings	2,036	2,196	2,385	2,532	2,492	5.2 %
	<i>Percentage growth</i>	11.0	7.8	8.6	6.2	-1.6	
	Non-reporting BDUs	116	122 #	136 #	145 #	145	5.8 %
	<i>Percentage growth</i>	-13.9	5.4	12.0	6.4	0.0	
Broadcasting Total	BDU Total	6,914	7,440	8,132	8,600	8,696	5.9 %
	<i>Percentage growth</i>	9.7	7.6	9.3	5.8	1.1	
Broadcasting Total		13,987	14,432	15,751	16,605	16,829	4.7 %
<i>Percentage growth</i>		7.1	3.2	9.1	5.4	1.4	

1. CBC revenues include advertising and other commercial revenues. Parliamentary appropriations are excluded.

Source: CRTC data collection

**b) Industry characteristics**

**Table 4.1.2 Percentage of broadcasting revenues generated by companies operating in multiple sectors**

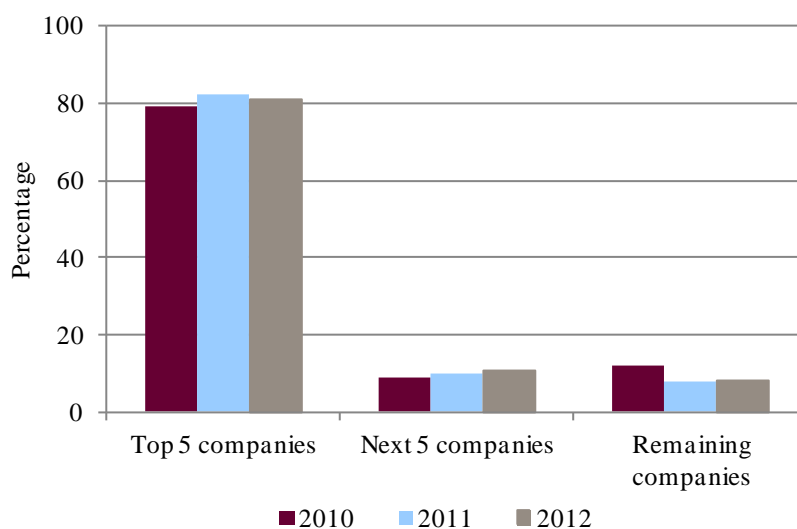
Number of sectors in which companies offer service	Number of reporting companies operating in these sectors			Percentage of broadcasting revenues generated in these sectors		
	2010	2011	2012	2010	2011	2012
5	3	3	3	69	68	66
4	2	2	2	15	15	15
3	1	3	2	0	5	5
2	17	15	16	10	7	8
1	166	170	171	6	6	7

1. Number of sectors includes radio, television, BDU, specialty and VOD, and pay and PPV.

2. Affiliates are included with their parent company.

Source: CRTC data collection

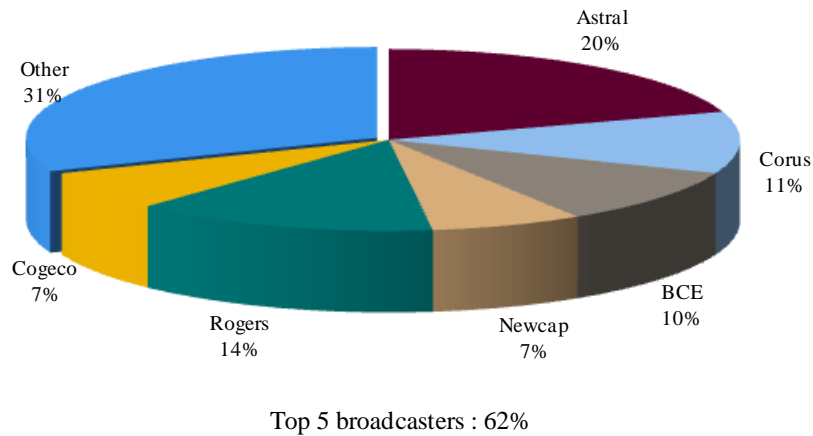
**Figure 4.1.1 Broadcasting revenues for the top 5 company groups, the next 5 company groups, and the remaining company groups**



- Revenues for the top companies include the revenues of their affiliates.
- Affiliates are included with their parent company.
- Top 5 are Astral, Bell, Quebecor, Rogers and Shaw.
- Next 5 are Bragg, CBC, Cogeco, Newcap and TCC

Source: CRTC data collection

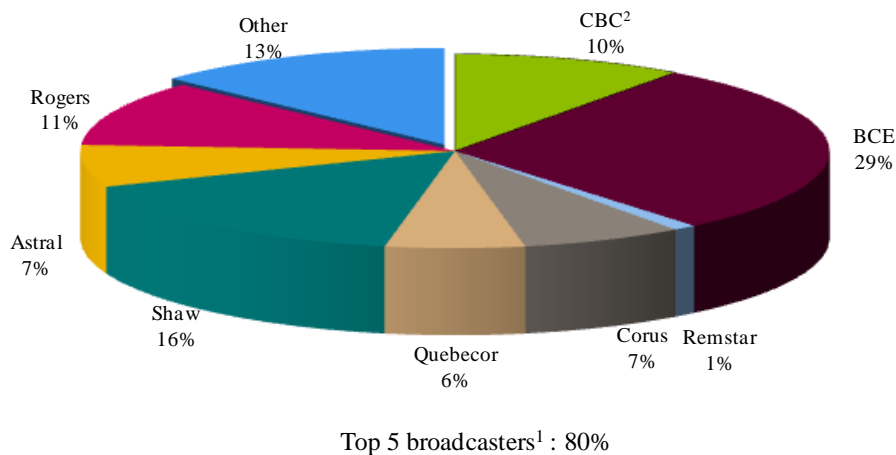
**Figure 4.1.2 Commercial radio revenues, by broadcaster, 2012**



- The percentage of total revenue calculation is based on total revenues reported for each service where the broadcaster had greater than 50% direct and indirect voting interest as of 31 August 2011.

Source: CRTC data collection

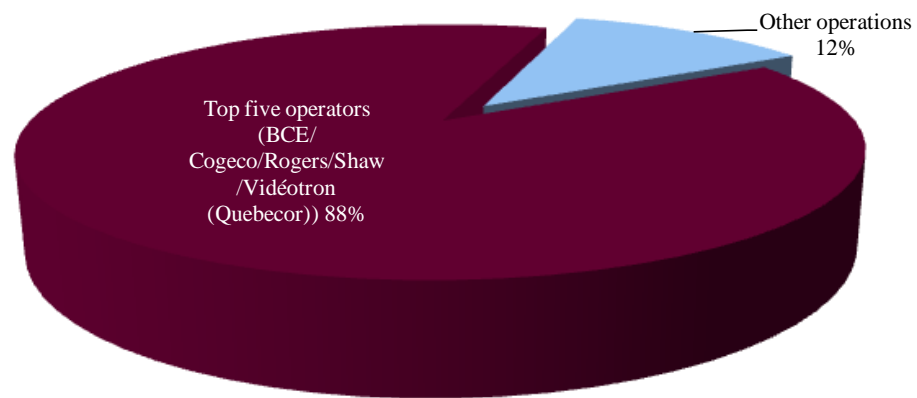
**Figure 4.1.3 Commercial television revenues, by broadcaster, 2012**



- Percentage of total revenue calculation is based on total revenues reported for each service where the broadcaster had greater than 50% and/or direct and indirect voting interest as at 31 August 2011.
  - Following a change in effective control, CTV's properties are now controlled by BCE (Broadcasting Decision 2011-163).
1. In the determination of the top 5, Shaw and Corus were combined.
  2. Based on advertising, subscriber and other commercial revenues only, and does not include parliamentary appropriations.

Source: CRTC data collection

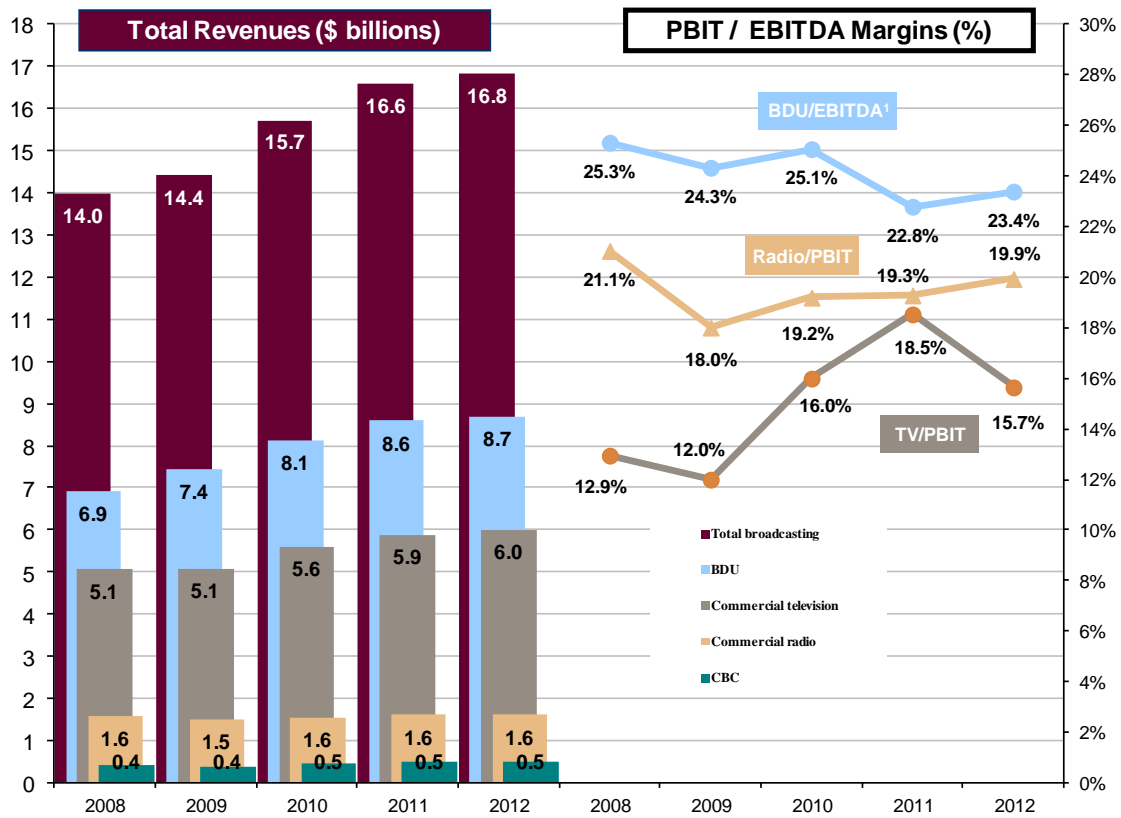
**Figure 4.1.4 BDU revenues by operator, 2012**



- Includes non-reporting BDU revenues  
Source: CRTC data collection

c) *Financial performance*

Figure 4.1.5 Total broadcasting revenues and PBIT/EBITDA margins



1. BDU revenues include non-reporting BDU revenues, but exclude exempt and non-programming services. BDU EBITDA represents only basic and non-basic services.

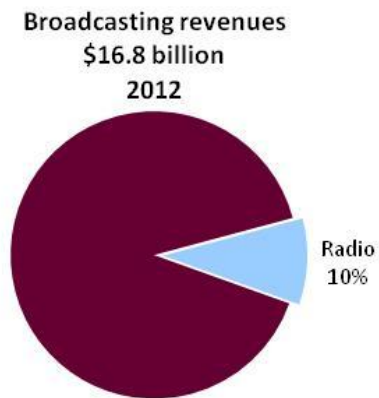
Source: CRTC data collection

## 4.2 Radio market sector

### Overview

Canadians have access to a wide variety of musical choices, news platforms and discussion forums with the availability of nearly 1,200 radio and audio services.

Approximately 99% of these services are available over the air, while the remaining 1% are subscription based. Canada's national broadcaster, the CBC, accounts for nearly 8% of all radio and audio services, while the private commercial broadcasters account for 61%. The remaining 30% consists of religious, community, campus, Aboriginal, and other radio and audio services.



This section presents radio market sector details, audience measurement and financial results by service type, language and ownership group.

### *Radio sector at a glance*

	2011	2012	% Growth
Number of radio and audio services in Canada	1,183	1,156	-2.3
English-language	896	878	-2.0
French-language	251	246	-2.0
Third-language	36	32	-11.1
Total number of private commercial radio and audio services in Canada	733	708	-3.4
English-language share	81%	82%	
French-language share	15%	15%	
Total commercial radio revenues (\$ millions)	1,614 #	1,620	0.4
English-language share	81%	81%	
French-language share	16%	16%	
Largest private commercial radio operators (% of total revenues)			
English-language market - top 5	69%	69%	
French-language market - top 2	42%	42%	
Private commercial broadcasters PBIT (\$ millions)	312 #	323	3.7
English-language broadcasters	270 #	278	2.8
French-language broadcasters	37	40	7.9

Source: CRTC data collection

## Statistical Information – Radio market sector

a) *Radio services available and/or authorized to broadcast***Table 4.2.1 Number and type of radio and audio services authorized to broadcast in Canada**

	English Language <sup>1</sup>		French Language <sup>2</sup>		Third Language		All Languages	
	2011	2012	2011	2012	2011	2012	2011	2012
<b>Over-the-air radio services<sup>3</sup></b>								
<b>National public broadcaster</b>								
CBC Radio One / Première chaîne <sup>4</sup>	36	37	20	20			56	57
CBC Radio 2 / Espace Musique	14	14	12	12			26	26
CBC Radio network licences	2	2	2	2			4	4
<b>Private Commercial</b>								
AM stations	115	112	9	9	12	12	136	133
FM stations <sup>4</sup>	456	466	94	93	13	15	563	574
AM and FM network licenses <sup>6</sup>			1	1			1	1
Digital radio (stand-alone and transitional) <sup>7</sup>	24		4		5		33	0
<b>Religious (music and spoken word)<sup>8</sup></b>	50	47	24	24			74	71
<b>Community</b>								
Type A stations <sup>9</sup>	12	15	35	35			47	50
Type B stations	34	35	33	32	1	1	68	68
Developmental	8	3					8	3
<b>Campus</b>								
Community-based	35	36	5	5			40	41
Instructional	9	8					9	8
Developmental							0	0
<b>Aboriginal stations<sup>9</sup></b>	41	47	10	10			51	57
<b>Other (tourist/traffic, Environment Canada, special event, other network licences, etc.)</b>	50	46	2	2			52	48
<b>Total number of over-the-air Canadian radio services</b>	886	868	251	245	31	28	1,168	1,141
<b>Multi-channel subscription radio services &amp; Audio services delivered by BDUs</b>								
Satellite subscription radio service	2	2					2	2
Specialty audio (commercial / non-profit, regional / national)	6	6		1	5	4	11	11
Pay audio (English and French national services)	2	2					2	2
<b>Total number of Canadian radio and audio services</b>	896	878	251	246	36	32	1,183	1,156

• Number of services approved, but not necessarily broadcasting. Unless a request for an extension of time is approved by the Commission, most undertakings must be operational within 24 months of the decision date. The data is as of 31 December 2011.

1. English-language includes bilingual (English and French) and English-native services.

2. Includes French-native services.

3. Over-the-air radio services exclude radiocommunication distribution undertakings (RDU), rebroadcasters and exempted radio services.

4. Approval of a new FM radio station, resulting from an AM to FM band conversion, will result in the station counted as both an AM and an FM station until the AM licence is surrendered by the licensee - roughly three months after AM and FM simulcast transition period.

5. The CBC requested the revocation of its broadcasting licences for its transitional digital radio undertakings.

6. Most commercial network licences previously noted here fall under Broadcasting Public Notice 2006-143 and have since been revoked as per the licensee's request.

7. The Commission did not renew terrestrial L-band digital radio licences beyond 31 August 2012.

8. Religious (music and spoken word) includes commercial and not-for-profit religious radio stations.

9. Community Type A stations and aboriginal Type B stations excludes network licences.

Source: CRTC internal database

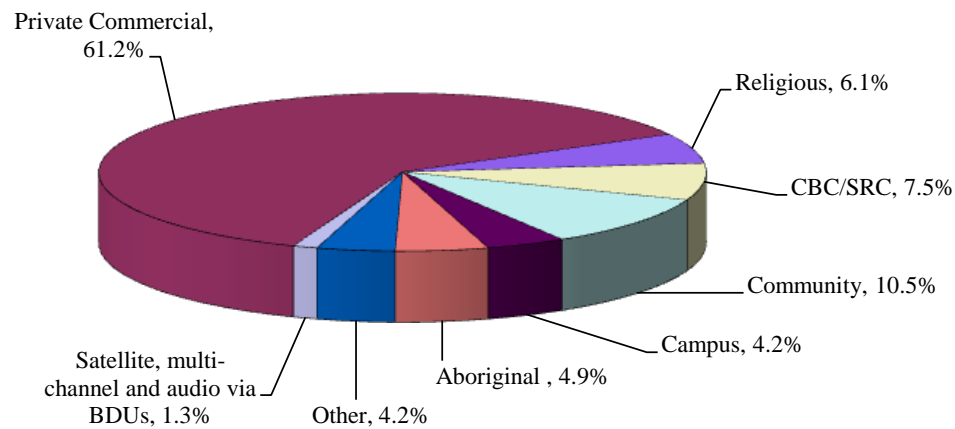
**Table 4.2.2 Number of new over-the-air radio stations approved**

		2008	2009	2010	2011	2012	Total
<i>Number of new over-the-air radio stations approved</i>		43	37	16	30	28	154
<i>Number of stations approved by</i>							
<i>Language</i>	English-language	40	32	16	27	26	141
	French-language	2	5	0	2	1	10
	Ethnic	1	0	0	1	1	3
<i>Licence category</i>	Commercial	34	21	11	11	18	95
	Community	6	11	2	9	5	33
	Campus	-	-	-	-	-	-
	Native	2	1	1	7	3	14
	Other	1	4	2	3	2	12
<i>Type</i>	Stand-alone digital	-	-	-	-	-	-
	Digital Radio	-	-	-	-	-	-
	AM Frequency	-	1	-	2	-	3
	FM Frequency	43	36	16	28	28	151
	<i>AM to FM Conversions (included in FM)</i>	7	8	4	1	2	22
<i>Process</i>	Competitive	23	8	1	1	7	40
	Non-Competitive	20	29	15	29	21	114

- RDU, rebroadcasters, pay audio, specialty audio services and multi-channel subscription radio services are excluded.
- “Other licence category” includes not-for-profit, CBC/SRC, tourist, Environment Canada, etc. radio stations.

Source: CRTC Decisions issued from 1 January 2008 to 31 December 2012.

**Figure 4.2.1 Type of radio and audio services authorized to broadcast in Canada, 2012**



Source: CRTC data collection

**b) Audience measurement**

**Table 4.2.3 Average weekly hours tuned per capita by age group for all Canada**

	2008	2009	2010	2011		2012	
Weekly hours per age group				Diary	PPM	Diary	PPM
All persons 12+	18.3	17.7	17.6	17.7	8.3	17.5	7.1
Annual Growth	0.0%	-3.2%	-0.6%	-	-	-1.1%	-14.5%
Teens 12 – 17	7.2	6.8	7.0	7.3	4.0	6.9	3.7
Annual Growth	0.0%	-6.2%	3.0%	-	-	-5.5%	-7.5%
Adult 18 – 24	13.1	12.0	11.9	12.5	5.8	12.5	5.0
Annual Growth	-1.5%	-8.0%	-1.0%	-	-	0.0%	-13.8%
25 – 34	17.3	16.6	15.8	16.8	6.5	16.6	5.8
Annual Growth	-0.6%	-4.1%	-4.6%	-	-	-1.2%	-10.8%
35 – 49	19.9	19.2	19.1	19.8	8.2	19.3	7.8
Annual Growth	-1.5%	-3.2%	-0.4%	-	-	-2.5%	-4.9%
50 – 54	21.5	20.6	21.0	21.3	9.5	20.9	8.8
Annual Growth	1.4%	-3.9%	1.6%	-	-	-1.9%	-7.4%
55 – 64	21.1	20.8	20.8	20.0	9.5	19.9	7.6
Annual Growth	0.0%	-1.4%	0.4%	-	-	-0.5%	-20.0%
65 +	21.6	21.0	20.7	19.4	12.0	19.1	9.1
Annual Growth	0.5%	-2.9%	-1.1%	-	-	-1.5%	-24.2%

- Average weekly hours per capita is determined by dividing the total number of hours tuned by the population.
- PPM data includes only PPM meter service stations reported by BBM Canada on an individual basis in designated PPM markets. All remaining stations, including diary spill stations, are included in the diary data.

**Sources:**

- 2012 BBM Canada, PPM weeks 1-13 (27 August to 25 November, inclusive), all Persons 12+, Monday to Sunday, 2 a.m. to 2 a.m. (Total Canada) and Fall 2012 Radio Diary Survey Data (3 September to 28 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m. (Total Diary Canada);
- 2011 BBM Canada, PPM weeks 1-13 (29 August to 27 November, inclusive), all Persons 12+, Monday to Sunday, 2 a.m. to 2 a.m. (Total Canada) and Fall 2011 Radio Diary Survey Data (5 September to 30 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m. (Total Diary Canada);
- Fall 2010 Radio Diary Survey Data (6 September to 31 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.;
- Fall 2009 Radio Diary Survey Data (7 September to 1 November, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.;
- Fall 2008 Radio Diary Survey Data (1 September to 26 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.

**Table 4.2.4 Radio tuning share in an average week and average weekly hours tuned by listener for English- and French-language AM and FM bands**

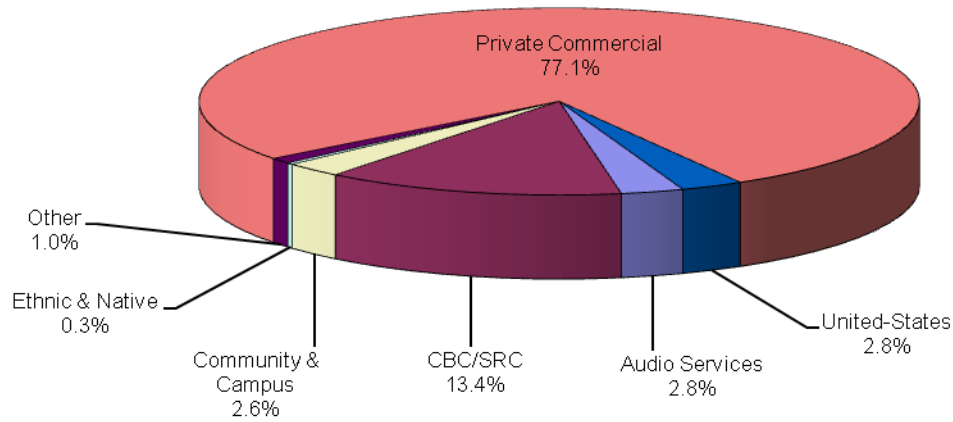
	2008	2009	2010	2011		2012	
<b>Percentage of Hours Tuned (%)</b>				Diary	PPM	Diary	PPM
English-language AM	18.7	17.7	17.4	15.7	21.8	14.7	21.2
English-language FM	54.0	54.9	55.3	57.0	55.0	57.5	54.3
<i>Subtotal</i>	72.7	72.6	72.6	72.7	76.8	72.2	75.5
<i>Annual Growth</i>	-1.6%	-0.1%	0.0%	-	-	-0.7%	-1.7%
French-language AM	0.9	1.1	0.8	0.2	0.2	0.1	0.1
French-language FM	19.9	19.6	20.0	20.3	22.8	21.3	24.1
<i>Subtotal</i>	20.8	20.7	20.8	20.5	22.9	21.4	24.2
<i>Annual Growth</i>	6.1%	-0.5%	0.5%	-	-	4.4%	5.7%
Other	6.5	6.7	6.6	6.9	0.2	6.4	0.3
<i>Annual Growth</i>	0.0%	3.1%	-1.5%	-	-	-7.2%	50.0%
<b>Average weekly hours per listener</b>	20.0	19.5	19.4	19.9	9.9	19.6	9.8
<i>Annual Growth</i>	-1.0%	-2.5%	-0.5%	-	-	-1.5%	-1.0%
<b>Total average national hours (millions)</b>	530.6	525.1	515.7	303.8	164.5	303.9	166.5
<i>Annual Growth</i>	1.8%	-1.0%	-1.8%	-	-	0.0%	1.2%

- Average weekly hours per listener are determined by dividing the total number of hours tuned by reach.
- “Other” is principally over-the-air tuning to U.S. border stations (diary). “Other” also includes tuning to Internet radio that is not attributed to Canadian over-the-air radio stations, multi-channel subscription (satellite radio) services, pay and specialty audio services, over-the-air and video services available on cable and unknown.
- PPM data includes only PPM meter service stations reported by BBM Canada on an individual basis in designated PPM markets. All remaining stations, including diary spill stations, are included in the diary data.

## Sources:

- 2012 BBM Canada, PPM weeks 1-13 (27 August to 25 November, inclusive), all Persons 12+, Monday to Sunday, 2 a.m. to 2 a.m. (Total Canada) and Fall 2012 Radio Diary Survey Data (3 September to 28 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m. (Total Diary Canada);
- 2011 BBM Canada, PPM weeks 1-13 (29 August to 27 November, inclusive), all Persons 12+, Monday to Sunday, 2 a.m. to 2 a.m. (Total Canada) and Fall 2011 Radio Diary Survey Data (5 September to 30 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m. (Total Diary Canada).;
- Fall 2010 Radio Diary Survey Data (6 September to 31 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.;
- Fall 2009 Radio Diary Survey Data (7 September to 1 November, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.;
- Fall 2008 Radio Diary Survey Data (1 September to 26 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.

**Figure 4.2.2 Radio tuning by station type in diary markets**



- Data excludes PPM meter service stations reported by BBM Canada on an individual basis in designated PPM markets.
- “Audio Services” includes tuning to multi-channel subscription (satellite radio) services, pay and specialty audio services, OTA radio stations, and video services broadcast on cable and the Internet.

Sources: BBM Canada – Fall 2012 Radio Diary Surveys for all persons 12+, Monday to Sunday, 5 a.m. to 1 a.m (Total Diary Canada); and CRTC data collection.

**Table 4.2.5 Fall tuning achieved by largest English- and French-language private commercial radio operators in Canada**

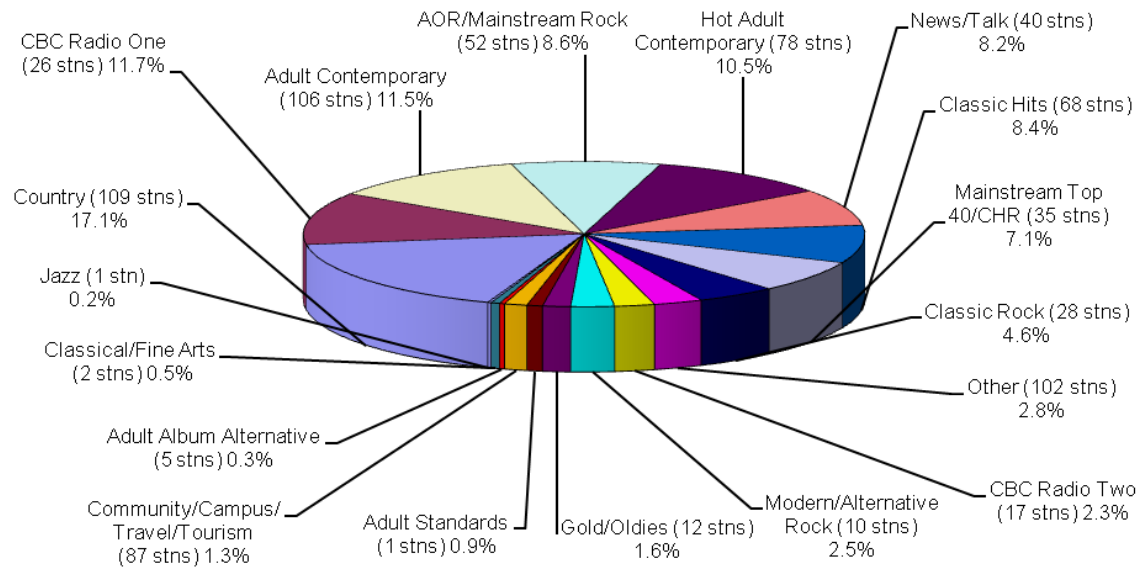
Listening hours (thousands) per Corporation	2010		2011		2012	
	PPM	Diary	PPM	Diary	PPM	Diary
<b>English-language radio operators</b>						
Astral	29,381	20,367	27,924	20,001	27,530	18,848
<i>Share</i>	31%	22%	30%	22%	32%	21%
BCE	13,250	16,815	13,287	14,455	12,355	14,177
<i>Share</i>	14%	18%	14%	16%	14%	16%
Cogeco	N/A	N/A	2,746	N/A	2,358	N/A
<i>Share</i>			3%		3%	
Corus	26,616	18,671	23,535	18,254	20,873	16,132
<i>Share</i>	28%	20%	25%	20%	24%	18%
Newcap	3,727	19,598	4,079	19,651	3,204	19,542
<i>Share</i>	4%	21%	4%	22%	4%	22%
Rogers	21,888	19,091	22,652	18,341	21,471	20,249
<i>Share</i>	23%	20%	24%	20%	25%	23%
Subtotal	94,862	94,541	94,223	90,701	85,433	88,948
	100%	100%	100%	100%	100%	100%
<b>French-language radio operators</b>						
Astral	9,373	17,353	9,819	17,688	8,813	17,259
<i>Share</i>	32%	63%	33%	65%	29%	69%
Cogeco	7,359	3,816	20,221	9,533#	21,413	7,689
<i>Share</i>	25%	14%	67%	35%	71%	31%
Corus	12,868	6,450	N/A	N/A	N/A	N/A
<i>Share</i>	43%	23%				
Subtotal	29,600	27,619	30,040	27,221#	30,225	24,948
	100%	100%	100%	100%	100%	100%
<b>Total</b>						
Astral	38,754	37,720	37,743	37,689	36,342	36,107
<i>Share</i>	31%	31%	30%	32%	31%	32%
BCE	13,250	16,815	13,287	14,455	12,355	14,177
<i>Share</i>	11%	14%	11%	12%	10%	12%
Cogeco	7,359	3,816	22,967	9,533#	23,771	7,689
<i>Share</i>	6%	3%	18%	8%	20%	7%
Corus	39,484	25,121	23,535	18,254	20,873	16,132
<i>Share</i>	32%	21%	19%	15%	18%	14%
Newcap	3,727	19,598	4,079	19,651	3,204	19,542
<i>Share</i>	3%	16%	3%	17%	3%	17%
Rogers	21,888	19,091	22,652	18,341	21,471	20,249
<i>Share</i>	18%	16%	18%	16%	18%	18%
<b>Total</b>	<b>124,462</b>	<b>122,160</b>	<b>124,263</b>	<b>117,923#</b>	<b>118,018</b>	<b>113,896</b>
	100%	100%	100%	100%	100%	100%

- Refer to “Notes to tables 4.2.5, 4.2.6 and 4.2.8” found under Table 4.2.8.
- In 2010, tuning data was captured using one of two methods, PPM meters or the traditional diary method. The results from these two methodologies cannot be combined due to the differences in the underlying methodologies in capturing the data.

Sources:

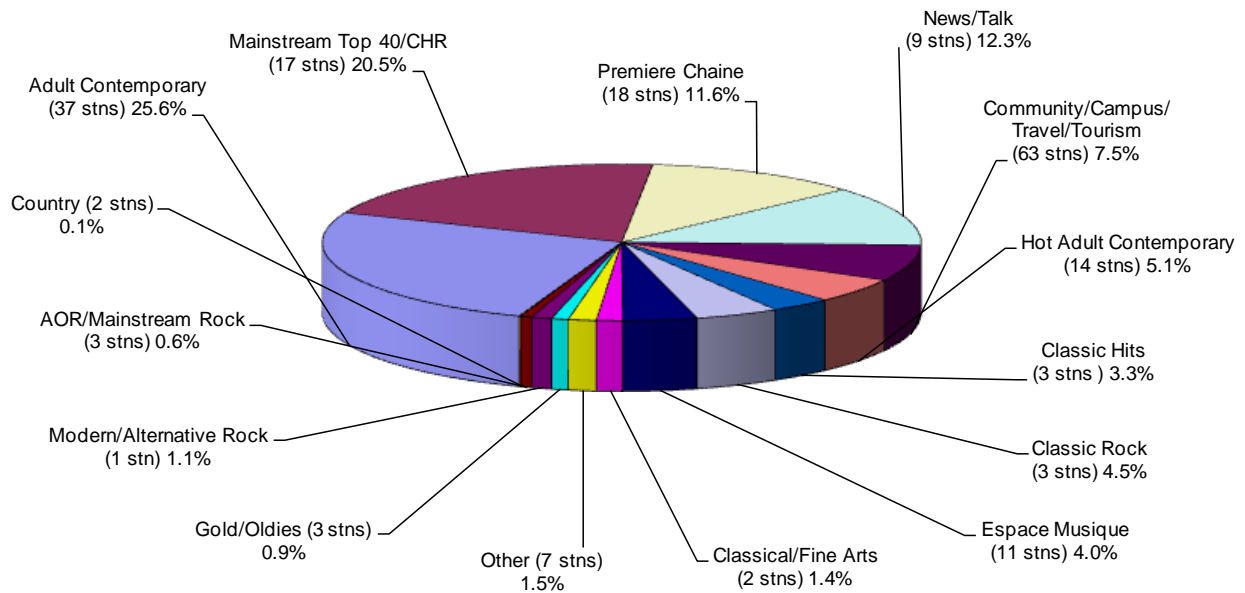
- 2012 BBM Canada, PPM weeks 1-13 (27 August to 25 November, inclusive), all Persons 12+, Monday to Sunday, 2 a.m. to 2 a.m. (Total Canada) and Fall 2012 Radio Diary Survey Data (3 September to 28 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1a.m. (Total Diary Canada);
- 2011 BBM Canada, PPM weeks 1-13 (29 August to 27 November, inclusive), all Persons 12+, Monday to Sunday, 2 a.m. to 2 a.m. (Total Canada) and Fall 2011 Radio Diary Survey Data (5 September to 30 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1a.m. (Total Diary Canada);
- 2010 BBM Canada, PPM weeks 1-13 (30 August to 28 November, inclusive), all Persons 12+, Monday to Sunday, 2 a.m. to 2 a.m. (Total Canada) and Fall 2010 Radio Diary Survey Data (6 September to 31 October, inclusive) all Persons 12+, Monday to Sunday, 5 a.m. to 1a.m. (Total Diary Canada).

**Figure 4.2.3 Radio tuning shares - English-language station formats in diary markets**



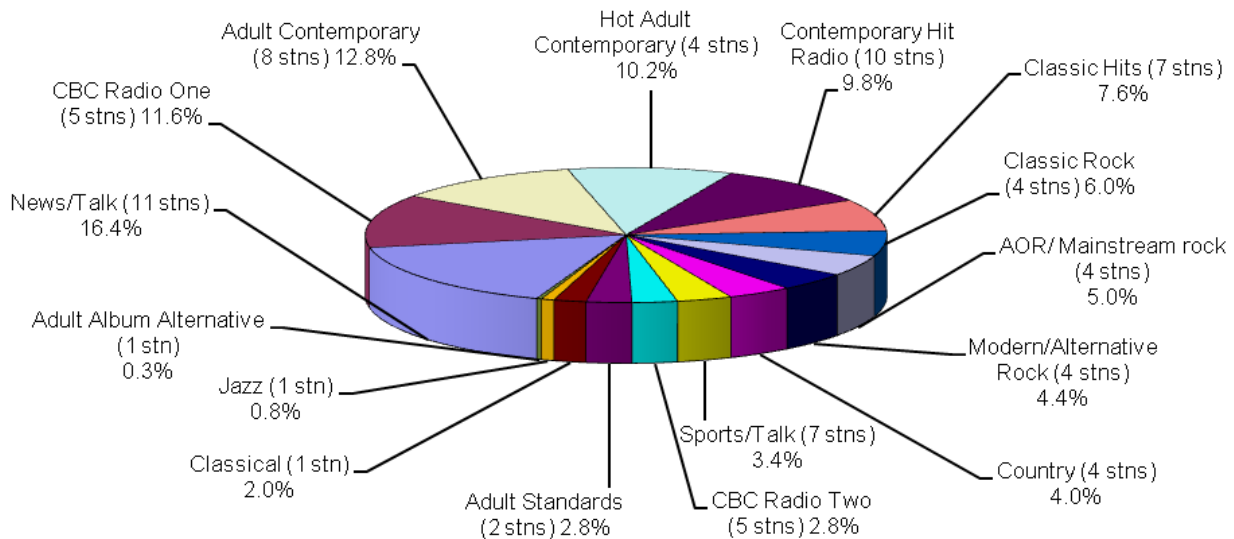
• Data excludes PPM meter service stations reported by BBM Canada on an individual basis in designated PPM markets.  
 Source: BBM Canada Fall 2012 Radio Diary Survey for all persons 12+, Monday to Sunday, 5 a.m. to 1 a.m. (Total Diary Canada) and CRTC data collection. This analysis includes only stations specifically licensed as English-language by the CRTC.

**Figure 4.2.4 Radio tuning shares - French-language station formats in diary markets**



• Data excludes PPM meter service stations reported by BBM Canada on an individual basis in designated PPM markets.  
 Source: BBM Canada Fall 2012 Radio Diary Survey for all persons 12+, Monday to Sunday, 5 a.m. to 1 a.m. (Total Diary Canada) and CRTC data collection. This analysis includes only stations specifically licensed as French-language by the CRTC.

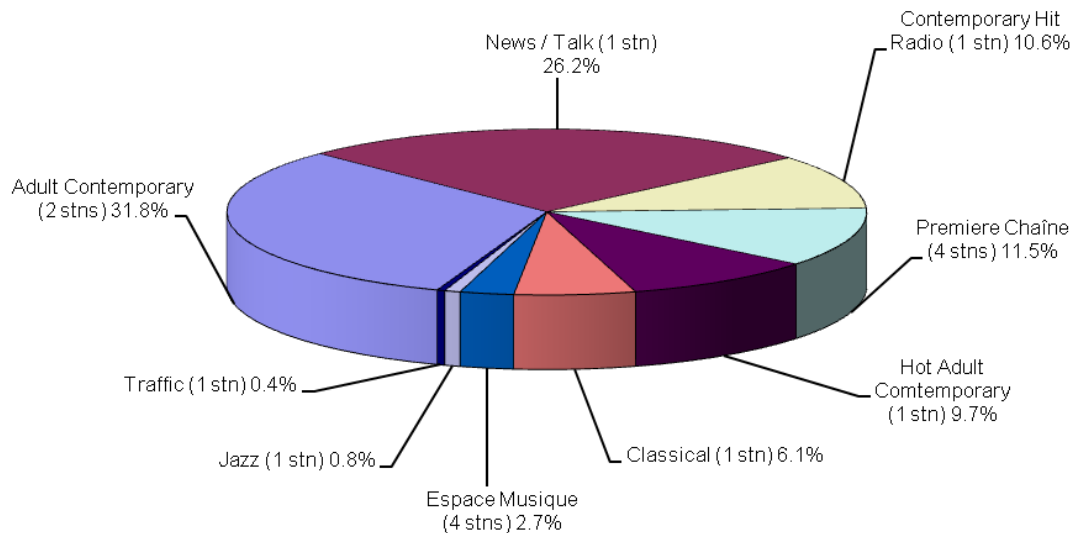
**Figure 4.2.5 Radio tuning shares - English-language station formats in PPM markets**



- PPM data includes only PPM meter service stations reported by BBM Canada on an individual basis in designated PPM markets. All remaining stations, including diary spill stations, are included in the diary data.

Source: 2012 BBM Canada, PPM weeks 1-13 (27 August to 25 November, inclusive), all Persons 12+, Monday to Sunday, 2 a.m. to 2 a.m.; (Total Canada) and CRTC data collection. This analysis includes only stations specifically licensed as English-language by the CRTC.

**Figure 4.2.6 Radio tuning shares - French-language station formats in PPM markets**



- PPM data includes only PPM meter service stations reported by BBM Canada on an individual basis in designated PPM markets. All remaining stations, including diary spill stations, are included in the diary data.

Source: 2012 BBM Canada, PPM weeks 1-13 (27 August to 25 November, inclusive), all Persons 12+, Monday to Sunday, 2 a.m. to 2 a.m. (Total Canada); and CRTC data collection. This analysis includes only stations specifically licensed as French-language by the CRTC.

c) *Financial performance***Table 4.2.6 Revenues and number of undertakings reporting financial results for private commercial radio stations – English- and French-language, and Ethnic**

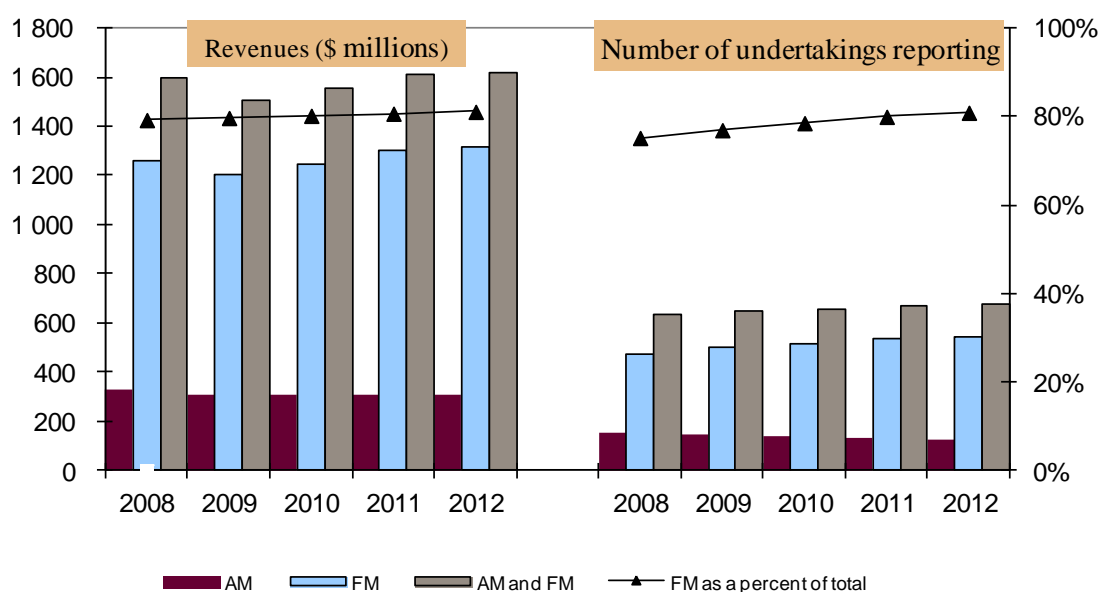
	2008	2009	2010	2011	2012	% growth 2011- 2012	CAGR 2008- 2012
<b>Revenues (\$ millions)</b>							
AM English-language	295.5	271.9	272.1	274.9	274.9	0.0	-1.8%
AM French-language	12.6	11.6	11.2	11.7	6.1	-47.6	-16.4%
AM Ethnic	22.6	22.7	24.0	24.4	25.2	3.1	2.8%
AM Total	330.7	306.2	307.3	311.1	306.2		-1.9%
Annual Growth	0.4%	-7.4%	0.4%	1.2%	-1.6%		
FM English-language	1,021.0	958.8	987.3	1,035.3	1,042.1	0.7	0.5%
FM French-language	225.3	226.8	239.9	246.7	251.8	1.7	2.8%
FM Ethnic	16.8	16.2	17.9	19.8	20.2	1.9	4.8%
FM Total	1,263.0	1,201.8	1,244.7	1,301.6	1,314.1		1.0%
Annual Growth	7.6%	-4.9%	3.6%	4.6%	0.9%		
<b>Total revenues</b>	<b>1,593.7</b>	<b>1,508.0</b>	<b>1,552.4</b>	<b>1,613.8</b>	<b>1,620.3</b>	<b>0.4</b>	<b>0.4%</b>
<b>Number of undertakings reporting financial results</b>							
AM English-language	136	129	120	115	111	-3.5	-5.0%
AM French-language	10	9	9	7	6	-14.3	-12.0%
AM Ethnic	11	12	12	12	12	0.0	2.2%
AM total	157	150	141	134	129		-4.8%
Annual Growth	-8.2%	-4.5%	-6.0%	-5.0%	-3.7%		
FM English-language	380	401	419	435	444	2.1	4.0%
FM French-language	87	90	87	89	90	1.1	0.9%
FM Ethnic	9	10	10	11	12	9.1	7.5%
FM total	476	501	516	535	546		3.5%
Annual Growth	6.7%	5.3%	3.2%	3.7%	2.1%		
<b>Total number of undertakings reporting</b>	<b>633</b>	<b>651</b>	<b>657</b>	<b>669</b>	<b>675</b>	<b>0.9</b>	<b>1.6%</b>

- Network results are included.
  - Pay and specialty audio programming services as well as multi-channel subscription radio services are excluded from the table above.
  - Minor variances are due to rounding.
- Source: CRTC data collection

**Table 4.2.7 Revenues – CBC radio**

Revenues (\$ thousands)	2010	2011	2012
Advertising revenues	0	0	0
<i>Annual growth</i>	-	-	-
Parliamentary appropriation	346,548	327,267	316,508
<i>Annual growth</i>	-	-5.6%	-3.3%
Sales/Syndication of programs	893	859	952
<i>Annual growth</i>	114.1%	-3.9%	10.9%
Miscellaneous	10,856	8,803	8,432
<i>Annual growth</i>	-	-18.9%	-4.2%
<b>Total revenues</b>	<b>358,298</b>	<b>336,928</b>	<b>325,892</b>
<i>Annual growth</i>	-13.7%	-6.0%	-3.3%
<b>Number of units</b>	<b>82</b>	<b>82</b>	<b>82</b>

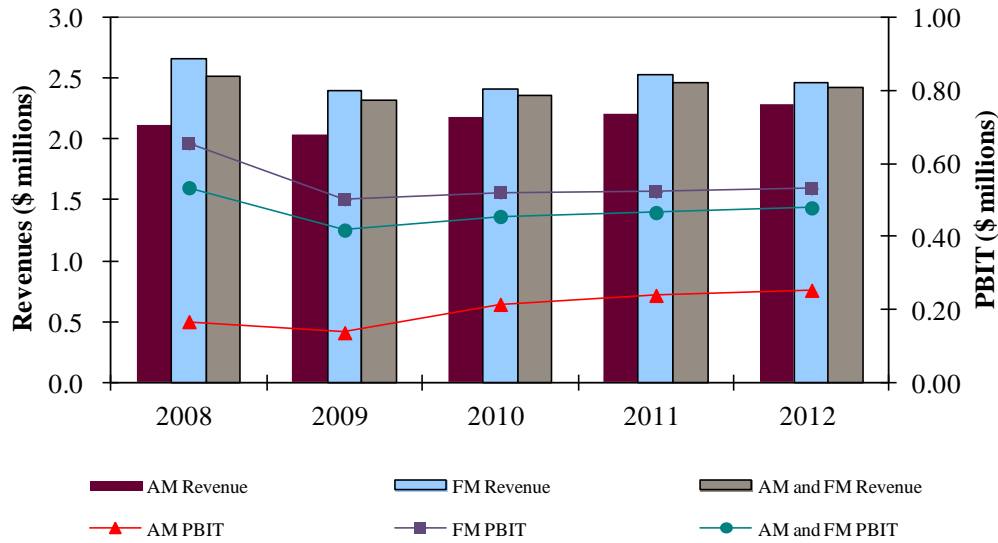
Source: CRTC data collection

**Figure 4.2.7 Revenues – Private commercial radio stations**


- Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.

Source: CRTC data collection

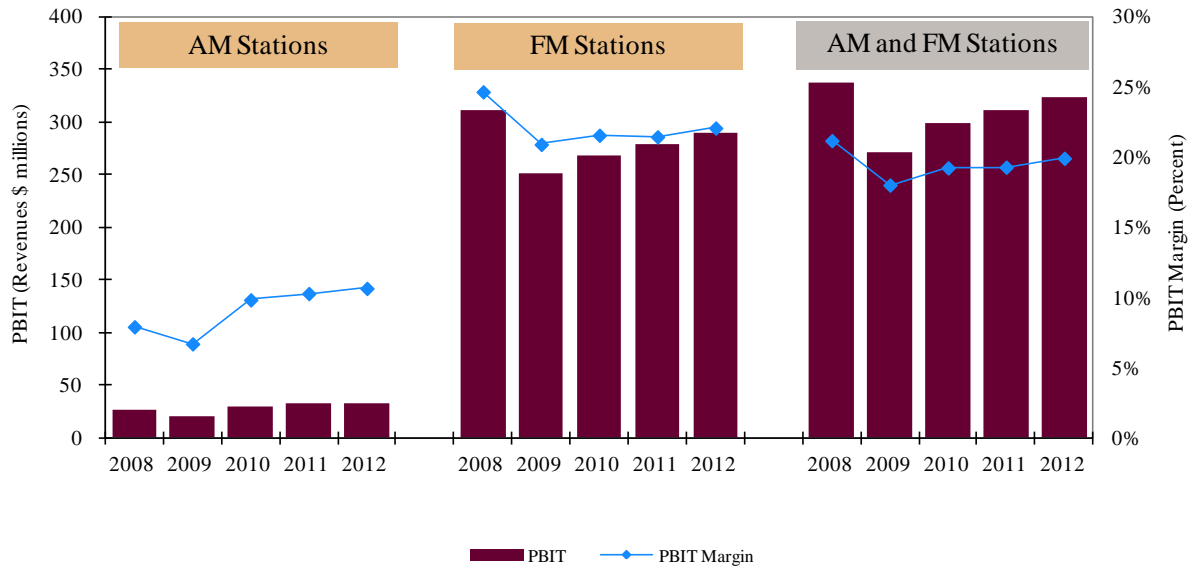
**Figure 4.2.8 Average annual revenues and PBIT per station – Private commercial radio stations**



- Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.

Source: CRTC data collection

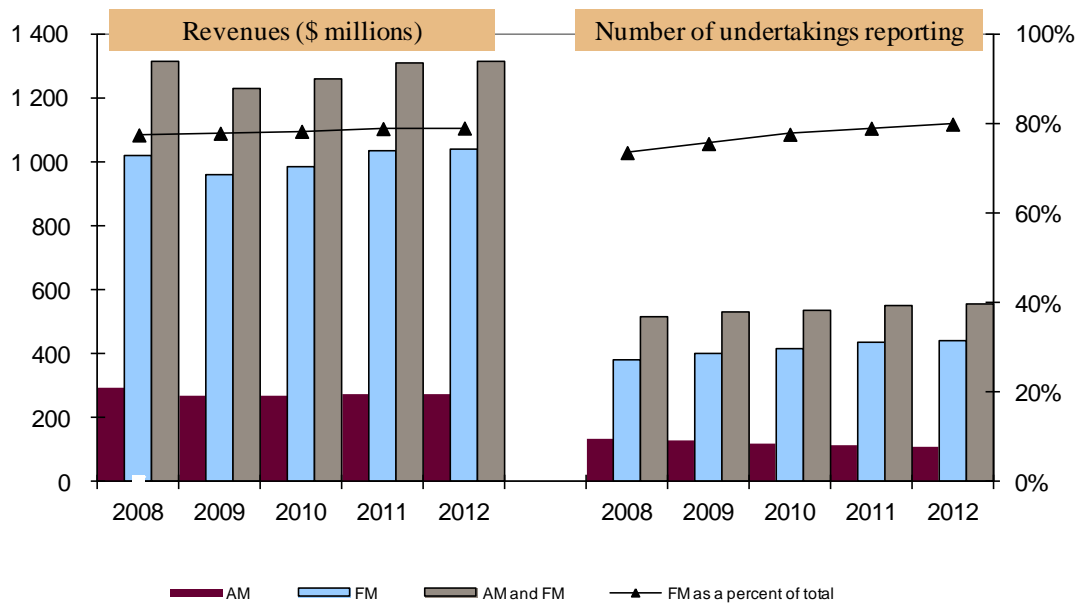
**Figure 4.2.9 PBIT and PBIT margin – Private commercial radio stations**



- Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.

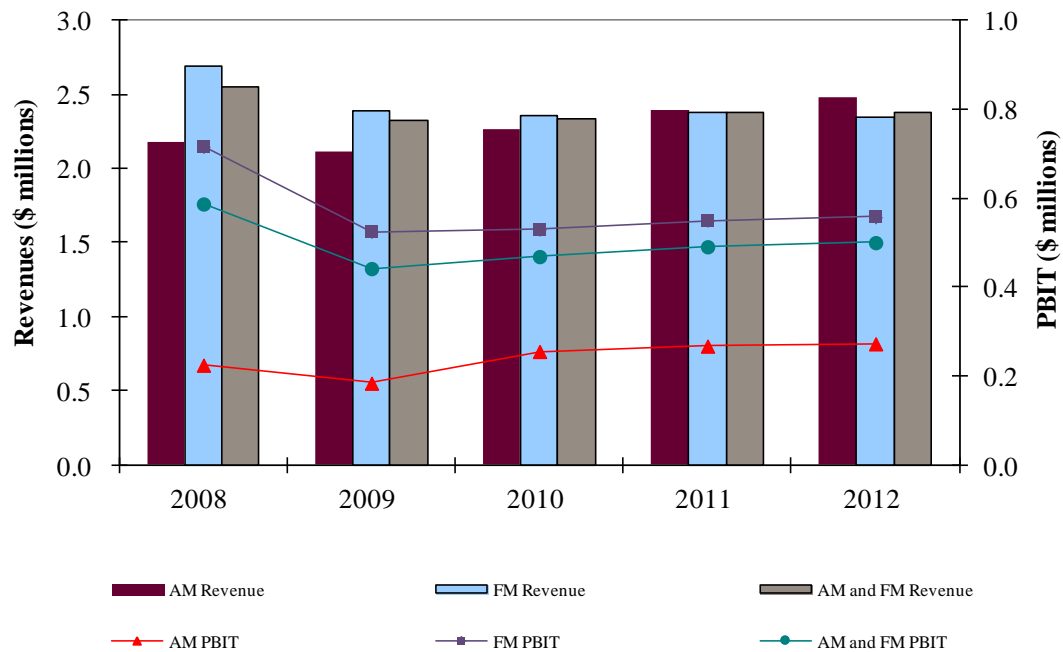
Source: CRTC data collection

**Figure 4.2.10 Revenues – English-language private commercial radio stations**



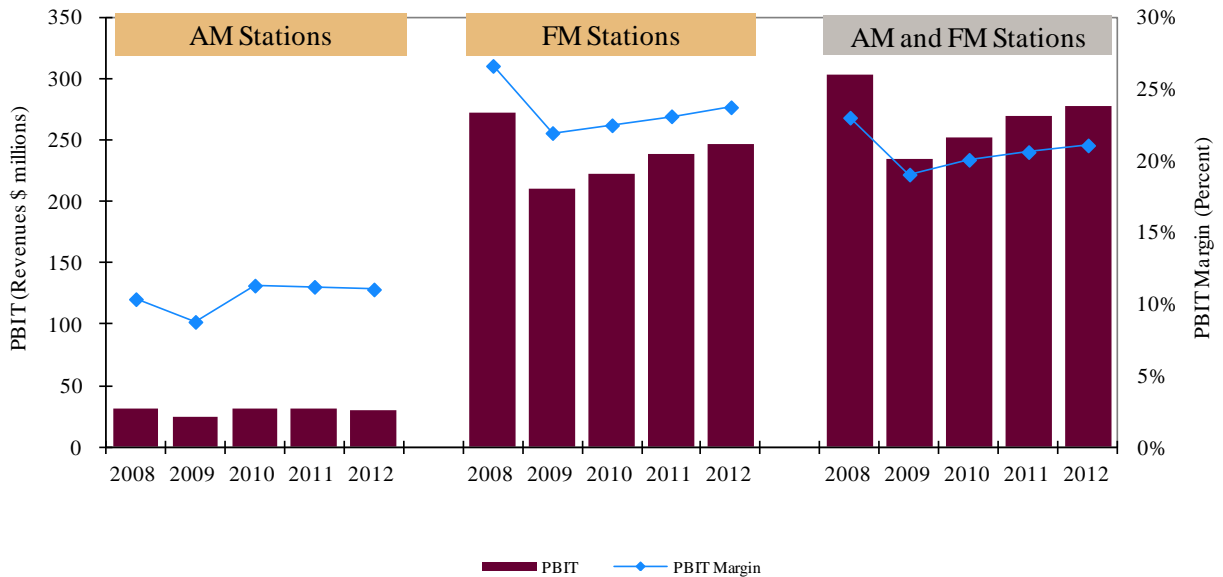
• Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.  
Source: CRTC data collection

**Figure 4.2.11 Average annual revenues and PBIT per station – English-language private commercial radio stations**



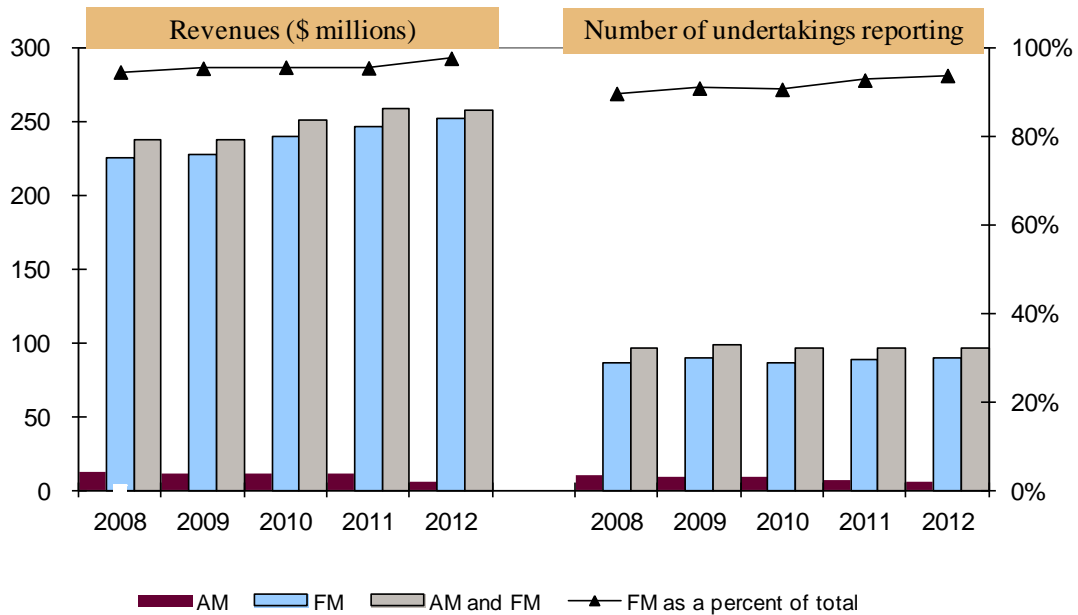
• Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.  
Source: CRTC data collection

**Figure 4.2.12 PBIT and PBIT margin – English-language private commercial radio stations**



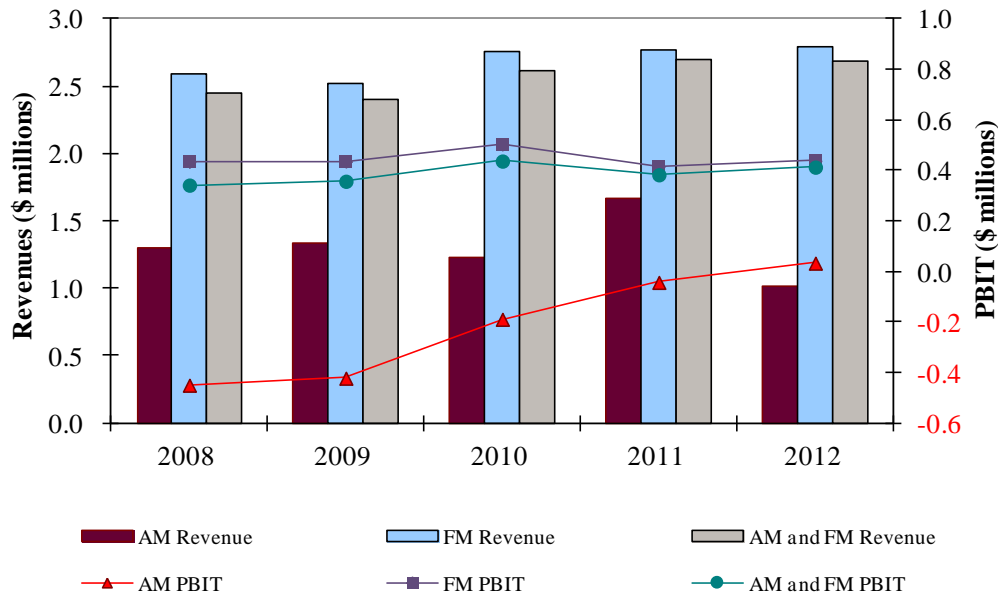
• Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.  
Source: CRTC data collection

**Figure 4.2.13 Revenues – French-language private commercial radio stations**



• Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.  
Source: CRTC data collection

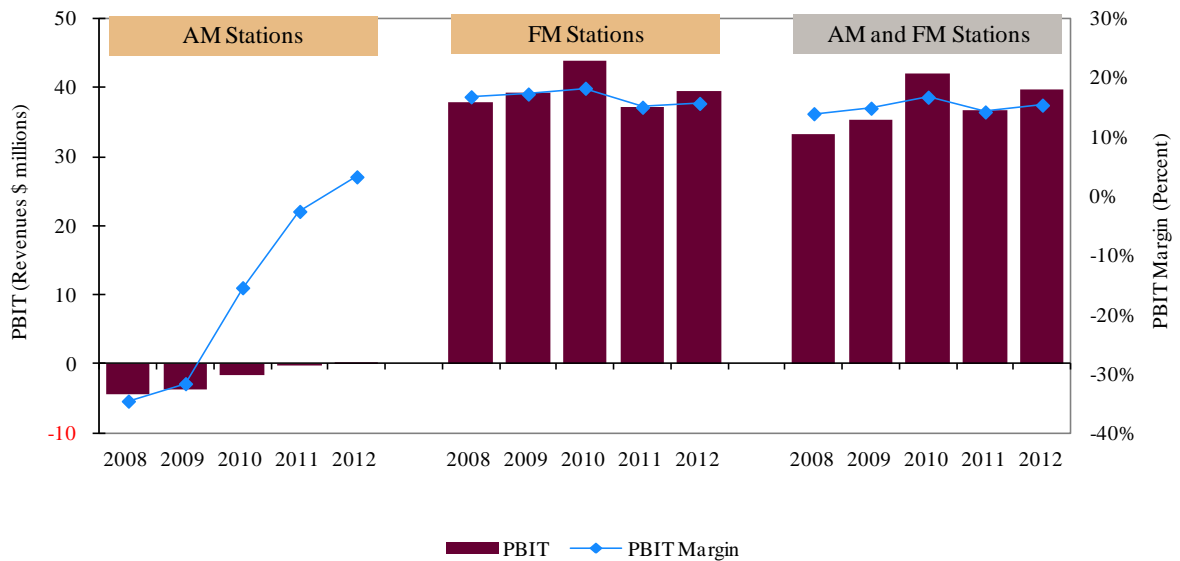
**Figure 4.2.14 Average annual revenues and PBIT per station – French-language private commercial radio stations**



- Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.

Source: CRTC data collection

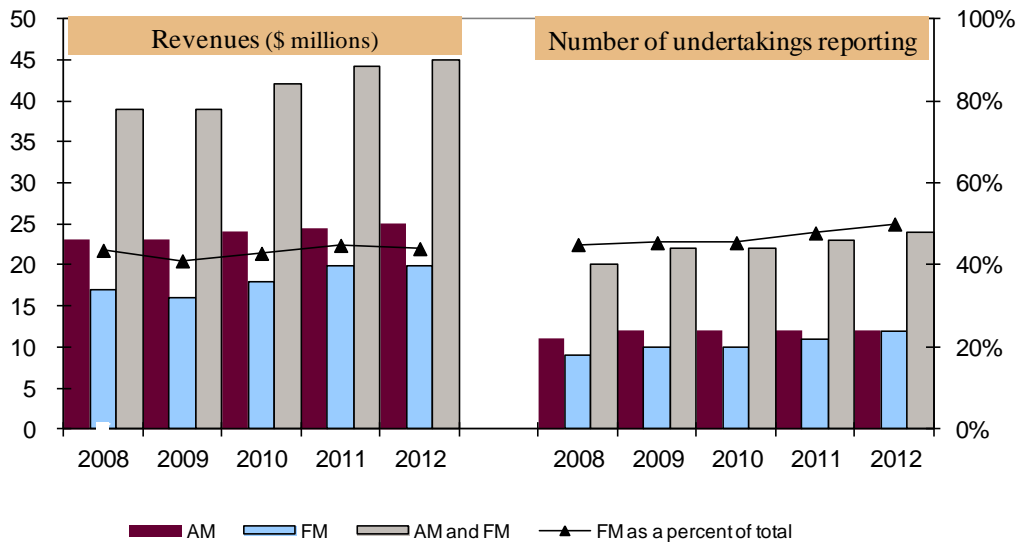
**Figure 4.2.15 PBIT and PBIT margin – French-language private commercial radio stations**



- Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.

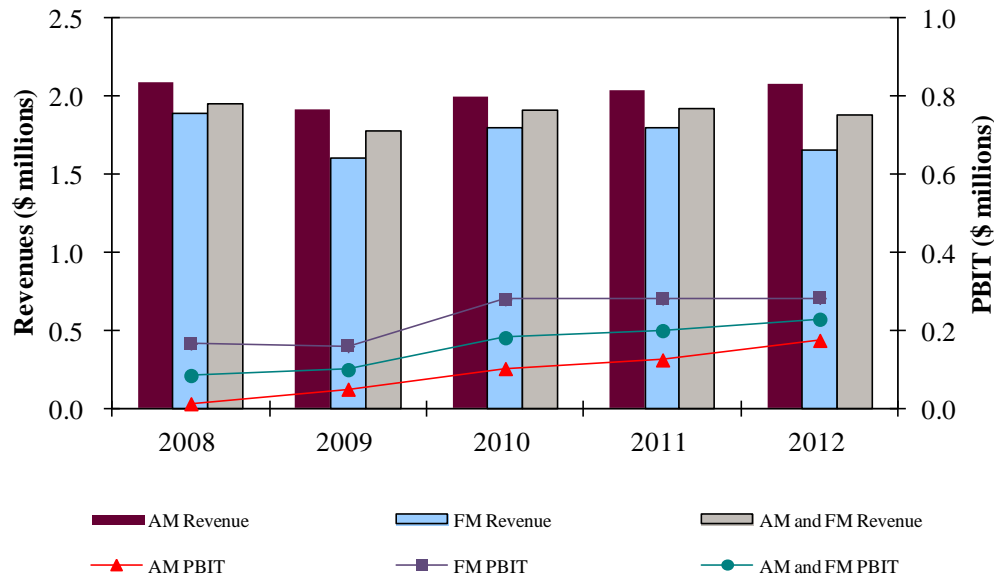
Source: CRTC data collection

**Figure 4.2.16 Revenues – Ethnic private commercial radio stations**



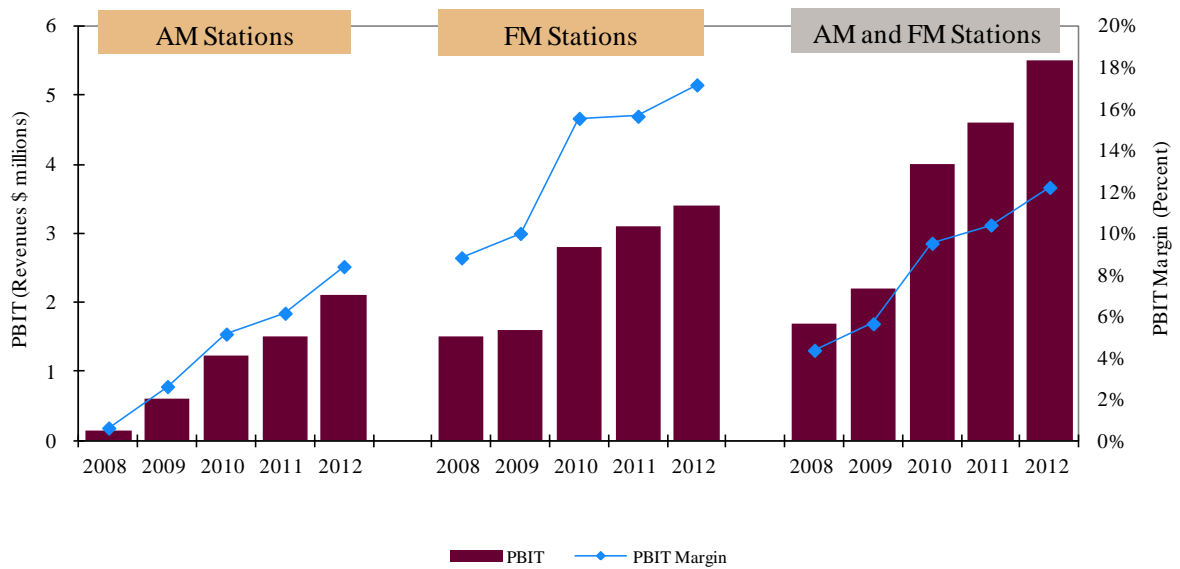
- Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.
- Source: CRTC data collection

**Figure 4.2.17 Average annual revenues and PBIT per station – Ethnic private commercial radio stations**



- Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.
- Source: CRTC data collection

**Figure 4.2.18 PBIT and PBIT margin – Ethnic private commercial radio stations**



- Includes network results. Excludes pay and specialty audio programming services as well as multi-channel subscription radio services.

Source: CRTC data collection

**Table 4.2.8 English-language and French-language radio revenues and number of undertakings reporting for the largest radio operators in Canada**

Corporation	Revenues (\$ thousands)			Number of radio undertakings reporting			Share of national revenue		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
<b>Largest private radio operators</b>									
Astral <sup>1</sup>	326,494	332,711	330,488	82	84	84	21%	21%	20%
Corus <sup>2</sup>	248,052	184,189	181,518	52	37	37	16%	11%	11%
Rogers	204,351	220,814	225,084	52	54	55	13%	14%	14%
BCE	161,157	160,464	157,219	34	33#	33	10%	10%	10%
Newcap <sup>3</sup>	105,476	113,646	116,689	59	60	60	7%	7%	7%
Cogeco <sup>4</sup>	N/A	113,585	106,533	N/A	16	13	N/A	7%	7%
Total largest private radio operators	1,045,530	1,125,409	1,117,531	279	286	284	67%	70%	69%
Total private radio operators	1,552,444#	1,613,825#	1,620,316	657	669	675	100%	100%	100%
<b>Largest English-language radio operators</b>									
Astral <sup>1</sup>	216,768	223,718	221,826	61	63	65	17%	17%	17%
Rogers	204,351	220,814	225,084	52	54	55	16%	17%	17%
Corus	192,575	184,189	181,518	40	37	37	15%	14%#	14%
BCE	161,157	160,464	157,219	34	33#	33	13%	12%	12%
Newcap <sup>3</sup>	105,476	113,646	116,689	59	60	60	8%	9%	9%
Total English-language largest private radio operators	880,327	902,831	902,336	246	249	250	70%	69%	69%
Total English-language private radio operators	1,259,423#	1,310,226#	1,316,992	539	550	555	100%	100%	100%
<b>Largest French-language radio corporations</b>									
Astral	109,726	108,993	108,662	21	21	21	44%	42%	42%
Corus <sup>2</sup>	55,478	N/A	N/A	12	N/A	N/A	22%	N/A	N/A
Cogeco <sup>4</sup>	41,780	N/A	N/A	5	N/A	N/A	17%	N/A	N/A
Total French-language largest private radio operators	206,984	108,993	108,662	38	21	21	82%	42%	42%
Total French-language private radio operators	251,139	259,366#	257,940	96	96	96	100%	100%	100%

- Total private radio operators includes private commercial networks and commercial ethnic radio stations.
- Total English- and French-language private radio operators include private commercial network radio revenues.
- The following notes apply to Tables 4.2.5, 4.2.6 and 4.2.8:
  - The ownership structure reflects transactions authorized by the Commission during the broadcast year, not the closing date of the transaction.
  - An undertaking's entire annual revenue is attributed to the corporation that was deemed to be its owner as of 31 August.
  - Excludes exempted undertakings.

1. Astral's 2010 results reflect the launch of CJOT-FM Ottawa and 2012 results reflect the purchase of CHHR-FM Vancouver.
2. Corus' 2011 results reflect the sale of its Quebec radio stations as approved in Broadcasting Decision 2010-942.
3. Newcap's 2010 results reflect the sale of CKTG-FM and CJUK-FM Thunder Bay to Northwoods Broadcasting Limited, as approved in Broadcasting Decision 2009-746. Newcap's 2012 results reflect the purchase of CIGV-FM Penticton and CKKO-FM Kelowna and the sale of CHNK-FM Winnipeg and CKJS Winnipeg.
4. Cogeco's 2011 results reflect the purchase of several of Corus' Quebec radio stations as approved in Broadcasting Decision 2010-942. Cogeco has been removed from the "Largest French-language radio corporations" category and included in the "Largest private radio operators" category due to residual disclosure issues. Cogeco's 2012 results reflect the sale of CFEL-FM and CJEC-FM Québec and the closure of CJTS-FM Sherbrooke.

Source: CRTC data collection

**Table 4.2.9 Revenues for Type B Native, community, and campus radio stations**

	2008	2009	2010	2011	2012
<b>Native Type B radio stations</b>					
Number of radio undertakings reporting	23	28	28	23	23
Revenues (\$ thousands)					
Advertising	4,170	4,989	5,445	3,704	3,738
Other <sup>1</sup>	6,817	11,137	11,396	11,377	7,069
Total revenues	10,987	16,125	16,841	15,080	10,806
Other as a percent of total revenues	62.0%	69.1%	67.7%	75.4%	65.4%
PBIT margin	9.1%	13.9%	10.8%	5.9%	-3.3%
<b>Community radio stations</b>					
Number of radio undertakings reporting	83	84	90	99	98
Revenues (\$ thousands)					
Advertising	11,791	12,217	13,784	15,196	15,125
Other <sup>2</sup>	12,263	12,005	13,297	14,903	14,595
Total revenues	24,055	24,222	27,081	30,099	29,720
Other as a percent of total revenues	51.0%	49.6%	49.1%	49.5%	49.1%
PBIT margin	7.8%	6.7%	8.1%	10.6%	4.9%
<b>Campus radio stations</b>					
Number of radio undertakings reporting	42	45	44	47	47
Revenues (\$ thousands)					
Advertising	1,240	1,059	1,196	1,082	1,004
Other <sup>3</sup>	6,922	7,289	6,907	7,398	7,756
Total revenues	8,162	8,348	8,103	8,480	8,759
Other as a percent of total revenues	84.8%	87.3%	85.2%	87.2%	88.5%
PBIT margin	5.0%	9.8%	10.6%	20.7%	10.9%

Note: 2008 to 2011 figures have been restated.

1. Native Type B 'other' revenues include government and band council grants and contributions from other sources

2. Community radio 'other' revenues include fundraising, grants and other sources

3. Campus radio 'other' revenues include fees, fundraising and grants

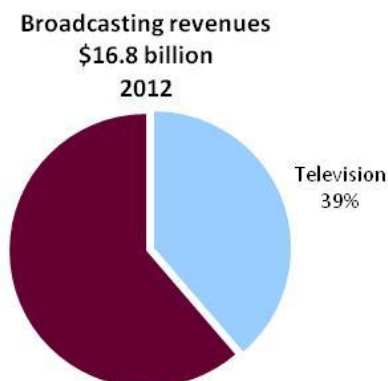
Source: CRTC data collection



### 4.3 Television market sector

#### Overview

The Canadian television system offers over 700 wide-ranging Canadian and non-Canadian services to Canadian households. The television industry includes a number of large ownership groups representing over 90% of television revenues from private conventional television stations and pay, PPV, VOD, and specialty services.



The English-language private conventional television sector includes three major ownership groups: BCE (CTV & CTV Two) with a revenue share of 48%, Shaw (Global) with 27%, and Rogers (Citytv & Omni) with 17%. French-language private conventional television has two major players: Quebecor (TVA) with a revenue share of 71% and Remstar (V) with 20%. The Canadian television system also includes a national public broadcaster (the CBC) operating in both the English- and French-language markets and a number of provincial public broadcasters, which are generally educational in nature.

This section presents television service details, audience measurement and financial results by service type, language and ownership group. In addition, the final portion of this section focuses on comprehensive programming expenditure information by all service types.

#### Television sector at a glance

	2011	2012	% Growth
Number of television services authorized to broadcast in Canada	701#	744	6.0
English-language	438#	468	6.8
French-language	101	141	39.6
Third-language	162	133	-17.9
Revenues (\$ millions)	6,392#	6,514	1.9
Private conventional television stations	2,144#	2,038	-4.9
Pay, PPV, VOD and specialty services	3,748#	3,968	5.9
CBC conventional	500	508	1.6
PBIT (\$ millions)			
Private conventional television stations	151.6#	22.9	-84.9
Pay, PPV, VOD and specialty services	934#	917	-1.9
Average weekly viewing hours for all Canadians, aged 2+	28.5	28.2	-1.1
Average weekly viewing percentage (%) of Canadian programs			
Canadian English-language services (excluding Quebec Francophone market)	42.0	43.8	4.3
Canadian French-language services (Quebec Francophone market)	64.0	63.2	-1.3
Canadian programming expenditures (\$ millions)	2,610	2,861	9.6
Canadian programming expenditures (% of total)			
CBC/SRC (conventional)	27.2%	25.6%	
Conventional private television	21.6%	23.1%	
Specialty, Pay, PPV and VOD	48.3%	48.6%	
Other public and not-for-profit conventional television	2.9%	2.7%	

## Statistical Information – Television sector

a) *Television services available and/or authorized to broadcast***Table 4.3.1 Number and type of television services authorized to broadcast in Canada**

	English Language		French Language		Third language		All Languages	
	2011	2012	2011	2012	2011	2012	2011	2012
<b>Canadian conventional OTA<sup>1</sup></b>								
National public broadcaster (CBC)								
Owned and operated	16	14	13	13			29	27
Private commercial <sup>2</sup>	64	65	20	20	6	6	90	91
Religious <sup>3</sup>	8	8					8	8
Educational	4	4	3	3			7	7
Aboriginal	4	4					4	4
<b>Canadian specialty, PPV and VOD</b>								
Specialty Category A services	N/A	41	N/A	14	N/A	5	N/A	60
Specialty Category C services	N/A	8	N/A	5	N/A	0	N/A	13
Specialty Category B services <sup>4,9</sup>	N/A	81	N/A	39	N/A	9	N/A	129
Pay television services <sup>5</sup>	9	9	3	2	7	0	19	11
PPV services (DTH and terrestrial)	10	15	1	1			11	16
VOD services <sup>6</sup>	24	22	1	1			25	23
<b>Other Canadian services</b>								
Community channels <sup>7</sup>	73	80	22	29			95	109
Community program services	10#	10	2	2			12#	12
House of Commons - CPAC	1	1	1	1			2	2
<b>Non-Canadian services<sup>8</sup></b>								
Non-Canadian satellite services authorized for distribution in Canada	103	108	9	11	110	113	222	232
<b>Total number of television services</b>	<b>438#</b>	<b>468</b>	<b>101</b>	<b>141</b>	<b>162</b>	<b>133</b>	<b>701#</b>	<b>744</b>

- Excludes RDUs, re-broadcasters, exempt television services and those specialty services where the authority has expired. Also, excludes some network licences. However, English-language includes bilingual (English and French) and Native services.

1. Includes satellite to cable services

2. Excludes private commercial religious stations

3. Includes 5 private commercial OTA television stations

4. Includes only services that have been launched and have filed annual returns with the Commission.

5. Includes only pay services that have been launched as of 31 December 2012

6. Number of services approved but not necessarily in operation. Number of services has decreased due to Broadcasting Order 2011-60.

7. Number of channels reported by BDU licensees as of 31 August 2012. Excludes class 2 and class 3 BDUs.

8. Carriage of authorized services is at the discretion of the BDU. Refer to Appendix 2 to Broadcasting Regulatory Policy 2013-18 for a complete listing of eligible services approved to the end of 31 December 2012. English-language services includes bilingual services.

9. Beginning this year, pay and specialty services are classified under the newly defined categories A, B and C. The definitions are set out in the *Broadcast Distribution Regulations*. Comparable data for 2011 is not available; refer to *Communications Monitoring Report 2012* for previous year's data.

Source: CRTC internal database

**b) Audience measurement****Table 4.3.2 National average weekly viewing hours, by age group**

	2009-10	2010-11	2011-12
All persons 2+	28.0	28.5	28.2
<i>Annual growth</i>	<i>n/a</i>	<i>1.8%</i>	<i>-1.1%</i>
Children 2-11	22.4	22.7	22.2
<i>Annual growth</i>	<i>n/a</i>	<i>1.3%</i>	<i>-2.2%</i>
Teens 12-17	23.0	22.4	22.7
<i>Annual growth</i>	<i>n/a</i>	<i>-2.6%</i>	<i>1.3%</i>
18+	29.2	29.8	29.5
<i>Annual growth</i>	<i>n/a</i>	<i>2.1%</i>	<i>-1.0%</i>
18-34	23.5	23.0	22.8
<i>Annual growth</i>	<i>n/a</i>	<i>-2.1%</i>	<i>-0.9%</i>
18-49	24.3	24.1	23.8
<i>Annual growth</i>	<i>n/a</i>	<i>-0.8%</i>	<i>-1.2%</i>
25-54	25.1	25.4	25.0
<i>Annual growth</i>	<i>n/a</i>	<i>1.2%</i>	<i>-1.6%</i>

- Television seasons:

- 31 August 2009 to 29 August 2010, all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m;
- 30 August 2010 to 28 August 2011, all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m; and
- 29 August 2011 to 26 August 2012, all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.

Source: BBM Canada – PPM data

**Table 4.3.3 Viewing share of Canadian and non-Canadian services, by language and type of service – All of Canada, excluding the Quebec Francophone market (Part 1 of 2)**

Viewing share (%)	2008-2009	2009-2010 <sup>1</sup>	2010-2011	2011-2012
<b>Canadian services</b>				
English-language				
CBC	4.9	6.3	6.4	5.5
Private conventional	22.2	26.6	25.0	25.6
Specialty	29.3	36.9	36.0	35.7
Pay	5.1	6.5	6.3	6.2
Digital pay and specialty	4.6	5.9	7.0	7.7
Other services <sup>2</sup>	2.4	2.3	2.3	2.2
Total English-language	68.6	84.5	83.0	82.8
<i>Percent growth</i>	-1.7%	N/A	-1.8%	-0.2%
French-language				
SRC	0.5	0.1	0.2	0.2
Private conventional	0.5	0.2	0.1	0.1
Télé-Québec	0.0	0.0	0.0	0.0
Other services <sup>3</sup>	0.0	0.0	0.0	0.0
Specialty	0.6	0.4	0.4	0.4
Pay	0.0	0.0	0.0	0.0
Digital pay and specialty	0.0	0.0	0.0	0.0
Total French-language	1.7	0.8	0.8	0.8
<i>Percent growth</i>	-15.0%	N/A	0%	0%
Other languages				
Private conventional	1.4	1.3	1.3	1.1
Specialty	0.4	1.0	1.2	1.0
Digital	0.1	0.0	0.0	0.0
APTN	0.1	0.2	0.2	0.1
Total other languages	1.9	2.4	2.6	2.3
<i>Percent Growth</i>	0%	N/A	8.3%	-11.5%
Community services	1.1	0.2	0.3	0.3
VOD/PPV	0.8	0.0	0.0	0.0
<b>Total Canadian services</b>	73.9	87.9	86.7	86.1
<i>Percent Growth</i>	-1.9%	N/A	-1.4%	-0.7%

**Table 4.3.3 Viewing share of Canadian and non-Canadian services, by language and type of service – All of Canada, excluding the Quebec Francophone market (Part 2 of 2)**

Viewing share (%)	2008-2009	2009-2010 <sup>1</sup>	2010-2011	2011-2012
<b>Non-Canadian services</b>				
U.S. conventional	10.9	4.7	5.3	5.4
U.S. specialty	9.7	7.3	8.0	8.5
International	0.3	0.0	0.0	0.0
<b>Total non-Canadian services</b>	<b>21.0</b>	<b>12.1</b>	<b>13.3</b>	<b>13.9</b>
<i>Percent growth</i>	<i>-1.9%</i>	<i>N/A</i>	<i>9.9%</i>	<i>4.5%</i>
Miscellaneous	5.1	0.0	0.0	0.0
<i>Percent growth</i>	<i>45.7%</i>	<i>N/A</i>	<i>0%</i>	<i>0%</i>
<b>Total viewing share</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total hours (millions)</b>	<b>650.1</b>	<b>709.3</b>	<b>713.2</b>	<b>720.0</b>
<i>Percent growth</i>	<i>0.9%</i>	<i>N/A</i>	<i>0.5%</i>	<i>1.0%</i>

- Television seasons:
    - 1 September 2008 to 30 August 2009, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
    - 31 August 2009 to 29 August 2010, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
    - 30 August 2010 to 28 August 2011, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.; and
    - 29 August 2011 to 26 August 2012, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.
  - Minor variances are due to rounding.
  - 1. Starting with broadcast year 2009-2010, the data is based on the national PPM panel as Anglo Canada switched to PPM technology on 31 August 2009. Previously the measurement technology for Anglo Canada was Mark II meters (set-top). Some fluctuations in the data may be attributed to this change in methodology.
  - 2. Canadian, English-language other services includes Access, Knowledge, SCN, TVO, CTS and CJIL
  - 3. Canadian, French-language other services includes TFO
- Source: BBM Nielsen (2008-09)  
BBM Canada – PPM data (2009-10, 2010-11, 2011-12)

**Table 4.3.4 Viewing share of Canadian and non-Canadian services, by language and type of service in the Quebec Francophone market**

Viewing share (%)	2008-2009	2009-2010	2010-2011	2011-2012
<b>Canadian services</b>				
French-language				
SRC	13.4	12.5	12.9	11.8
Private conventional	33.8	32.9	32.3	32.0
Télé-Québec	3.6	3.2	3.0	2.9
Other services <sup>1</sup>	0.1	0.0	0.1	0.1
Specialty	36.1	36.1	35.1	36.4
Pay	3.8	4.1	3.6	3.0
Digital pay and specialty	2.2	3.2	5.1	6.4
Total French-language	93.0	92.0	92.2	92.7
<i>Percent growth</i>	<i>-1.0%</i>	<i>-1.1%</i>	<i>0.2%</i>	<i>0.5%</i>
English-language				
CBC	0.6	0.6	0.5	0.6
Private conventional	1.8	1.9	1.9	1.7
Specialty	2.3	2.4	2.3	2.1
Pay	0.3	0.4	0.4	0.4
Digital pay and specialty	0.2	0.6	0.8	0.6
Total English-language	5.2	6.0	6.0	5.5
<i>Percent growth</i>	<i>23.8%</i>	<i>15.4%</i>	<i>0.0%</i>	<i>-8.3%</i>
Other – languages				
Private conventional	0.1	0.1	0.1	0.1
Specialty	0.0	0.0	0.0	0.0
Digital	0.0	0.0	0.0	0.0
APTN	0.1	0.1	0.0	0.0
Total other language	0.2	0.2	0.1	0.1
Community services	0.2	0.2	0.2	0.2
VOD/PPV	0.0	0.0	0.0	0.0
<b>Total Canadian services</b>	<b>98.5</b>	<b>98.4</b>	<b>98.5</b>	<b>98.6</b>
<i>Percent growth</i>	<i>0.0%</i>	<i>-0.1%</i>	<i>0.1%</i>	<i>0.1%</i>
<b>Non-Canadian services</b>				
US conventional	0.8	1.0	1.0	0.8
US specialty	0.6	0.6	0.5	0.6
International	0.0	0.0	0.0	0.1
<b>Total non-Canadian services</b>	<b>1.5</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>
<i>Percent growth</i>	<i>7.1%</i>	<i>6.7%</i>	<i>-6.3%</i>	<i>0%</i>
Miscellaneous	0.0	0.0	0.0	0.0
Total viewing share	100	100	100	100
Total hours (millions)	205.7	217.9	219.5	211.3
<i>Percent growth</i>	<i>1.5%</i>	<i>5.9%</i>	<i>0.7%</i>	<i>-3.7%</i>

- Television seasons:

- 1 September 2008 to 30 August 2009, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
- 31 August 2009 to 29 August 2010, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
- 30 August 2010 to 28 August 2011, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.; and
- 29 August 2011 to 26 August 2012, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.

- Minor variances are due to rounding.

1. Canadian French-language other services includes TFO

Source: BBM Canada

**Table 4.3.5 Average weekly viewing hours of Canadian programs distributed by Canadian English- and French-language television services, by program origin, genre and region**

Viewing hours (millions)	English-language services All of Canada excluding Quebec Francophone market				French-language services Quebec Francophone market			
	2008- 2009	2009- 2010 <sup>1</sup>	2010- 2011	2011- 2012	2008- 2009	2009- 2010	2010- 2011	2011- 2012
News and analysis and interpretation	65.4	80.9	92.7	90.1	68.7	49.9	51.8	47.9
% Canadian	95.0%	95.5%	95.8%	96.4%	99.5%	99.3%	99.2%	99.0%
% of total	17.2%	14.3%	16.3%	15.6%	32.8%	24.6%	25.3%	24.2%
Long-form documentary	21.3	30.0	34.9	22.5	10.9	12.4	12.4	11.4
% Canadian	51.1%	41.1%	40.8%	43.8%	48.8%	48.2%	50.5%	44.6%
% of total	5.6%	5.3%	6.2%	3.9%	5.2%	6.1%	6.1%	5.7%
Sports	38.6	81.6	61.1	84.5	12.6	16.7	12.7	13.4
% Canadian	67.8%	76.2%	70.7%	72.0%	77.4%	85.6%	81.8%	82.1%
% of total	10.2%	14.4%	10.9%	14.6%	6.0%	8.2%	6.2%	6.8%
Drama and comedy	163.4	245.1	241.9	236.5	74.7	79.9	78.3	75.3
% Canadian	21.3%	19.2%	19.2%	20.1%	31.9%	32.7%	30.2%	29.3%
% of total	43.1%	43.2%	42.6%	40.9%	35.7%	39.4%	38.2%	38.0%
Music and dance and variety	9.3	12.0	10.6	9.7	5.1	3.5	4.4	3.5
% Canadian	48.0%	46.4%	42.5%	27.4%	81.8%	74.5%	80.8%	80.8%
% of total	2.4%	2.1%	1.9%	1.7%	2.4%	1.7%	2.2%	1.8%
Other	81.3	117.5	125.5	135.2	37.5	40.5	45.3	46.7
% Canadian	37.7%	33.8%	32.4%	33.9%	78.8%	80.0%	79.3%	78.8%
% of total	21.4%	20.7%	22.1%	23.4%	17.9%	20%	22.1%	23.6%
Total	379.3	567.1	567.4	578.6	209.5	202.9	205.0	198.2
% Canadian	44.8%	43.0%	42.0%	43.8%	67.7%	64.5%	64.0%	63.2%

- Based on Canadian services with available program level data that incorporates country of origin and program genre.
  - Television seasons:
    - 1 September 2008 to 30 August 2009, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
    - 31 August 2009 to 29 August 2010, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
    - 30 August 2010 to 28 August 2011, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.; and
    - 29 August 2011 to 26 August 2012, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.
  - English-language services include viewing of ethnic stations.
  - 1. Starting with broadcast year 2009-2010, the data is based on the national PPM panel as Anglo Canada switched to PPM technology on 31 August 2009. Previously the measurement technology for Anglo Canada was Mark II meters (set-top). Some fluctuations in the data may be attributed to this change in methodology.
- Source: English-language services
- BBM Nielsen (2008-09)
  - BBM Canada - PPM Data (2009-10, 2010-11, 2011-12)
- French-language services:
- BBM Canada

**Table 4.3.6 Average weekly viewing hours of Canadian programs distributed by Canadian English- and French-language private conventional services, by program origin, genre and region**

Viewing hours (millions)	English-language services All of Canada excluding Quebec Francophone market				French-language services Quebec Francophone market			
	2008-2009	2009-2010 <sup>1</sup>	2010-2011	2011-2012	2008-2009	2009-2010	2010-2011	2011-2012
News and analysis and interpretation	23.9	37.5	40.5	41.4	24.6	24.1	23.5	20.8
% Canadian	96.6%	98.3%	96.5%	96.5%	99.9%	100.0%	100.0%	99.8%
% of total	23.7%	20.5%	23.7%	23.6%	35.8%	34.0%	33.4%	31.1%
Long-form documentary	1.7	1.7	2.4	1.0	0.6	1.1	0.9	0.3
% Canadian	66.6%	71.3%	57.8%	91.9%	87.7%	90.7%	95.2%	76.4%
% of total	1.7%	0.9%	1.4%	0.6%	0.9%	1.6%	1.2%	0.4%
Sports	1.8	17.2	3.8	11.6	1.0	2.4	0.2	1.3
% Canadian	3.2%	78.1%	4.6%	66.0%	96.5%	95.2%	100.0%	96.9%
% of total	1.8%	9.4%	2.2%	6.6%	1.4%	3.3%	0.2%	2.0%
Drama and comedy	39.6	70.5	70.1	67.1	23.9	25.0	25.2	23.7
% Canadian	13.7%	11.0%	10.8%	10.5%	27.5%	28.2%	24.3%	23.9%
% of total	39.3%	38.7%	41.4%	38.3%	34.7%	35.3%	35.8%	35.3%
Music and dance and variety	4.3	5.9	6.2	6.3	2.8	1.2	1.9	1.0
% Canadian	17.9%	9.2%	9.6%	3.4%	79.2%	56.6%	74.7%	67.5%
% of total	4.2%	3.2%	3.6%	3.6%	4.0%	1.7%	2.6%	1.5%
Other	29.6	49.6	47.6	47.7	15.9	17.1	18.8	20.0
% Canadian	24.2%	22.6%	21.5%	24.2%	79.5%	84.3%	84.5%	89.5%
% of total	29.3%	27.2%	27.8%	27.2%	23.1%	24.1%	26.7%	29.8%
Total	100.9	182.4	171.1	175.0	68.8	71.0	70.3	67.1
% Canadian	37.3%	38.9%	34.5%	38.5%	69.2%	69.9%	68.1%	69.3%

- Based on Canadian services with available program level data that incorporates country of origin and program genre.
  - Television seasons:
    - 1 September 2008 to 30 August 2009, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
    - 31 August 2009 to 29 August 2010, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
    - 30 August 2010 to 28 August 2011, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.; and
    - 29 August 2011 to 26 August 2012, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.
  - English-language services include viewing of ethnic stations.
1. Starting with broadcast year 2009-2010, the data is based on the national PPM panel as Anglo Canada switched to PPM technology on 31 August 2009. Previously the measurement technology for Anglo Canada was Mark II meters (set-top). Some fluctuations in the data may be attributed to this change in methodology.
- Source: English-language services
- BBM Nielsen (2008-09)
  - BBM Canada - PPM Data (2009-10, 2010-11, 2011-12)
- French-language services:
- BBM Canada

**Table 4.3.7 Average weekly viewing hours of Canadian programs distributed by Canadian English- and French-language CBC conventional services, by program origin, genre and region**

Viewing hours (millions)	English-language services All of Canada excluding Quebec Francophone market				French-language services Quebec Francophone market			
	2008- 2009	2009- 2010 <sup>1</sup>	2010- 2011	2011- 2012	2008- 2009	2009- 2010	2010- 2011	2011- 2012
News and analysis and Interpretation	6.4	6.5	7.6	7.3	7.5	6.8	7.1	6.2
% Canadian	99.8%	100.0%	100.0%	100.0%	99.9%	100.0%	100.0%	100.0%
% of total	21.0%	15.1	17.1%	18.7%	27.2%	25.0%	25.1%	25.2%
Long-form documentary	1.4	1.5	1.7	1.5	0.5	0.4	0.3	0.3
% Canadian	93.9%	97.2%	97.7%	96.1%	93.2%	92.1%	97.2%	98.8%
% of total	4.6%	3.5%	3.9%	3.8%	1.9%	1.4%	1.1%	1.2%
Sports	7.8	16.3	15.4	11.5	0.7	1.0	0.4	0.2
% Canadian	100.0%	100.0%	98.7%	100.0%	92.6%	100.0%	100.0%	100.0%
% of total	25.5%	37.6%	34.4%	29.6%	2.5%	3.8%	1.4%	1.0%
Drama and comedy	9.2	11.4	11.1	11.5	9.1	8.9	8.3	7.4
% Canadian	44.9%	45.5%	46.4%	42.6%	62.0%	66.5%	72.8%	73.1%
% of total	30.1%	26.2%	24.9%	29.6%	33.1%	32.9%	29.1%	29.7%
Music and dance and variety	0.2	0.1	0.1	0.2	0.5	0.5	0.8	1.1
% Canadian	92.4%	84.1%	78.8%	36.2%	100.0%	100.0%	99.5%	99.4%
% of total	0.6%	0.2%	0.2%	0.5%	1.7%	1.8%	3.0%	4.4%
Other	5.6	7.5	8.8	6.9	9.2	9.5	11.4	9.6
% Canadian	41.8%	45.1%	49.1%	63.0%	100.0%	100.0%	99.9%	100.0%
% of total	18.3%	17.3%	19.6%	17.8%	33.6%	35.0%	40.2%	38.7%
Total	30.5	43.3	44.7	38.8	27.4	27.1	28.3	24.8
% Canadian	72.4%	76.1%	76.1%	76.0%	87.1%	88.8%	92.0%	92.0%

- Based on Canadian services with available program level data that incorporates country of origin and program genre.
  - Television seasons:
    - 1 September 2008 to 30 August 2009, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
    - 31 August 2009 to 29 August 2010, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
    - 30 August 2010 to 28 August 2011, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.; and
    - 29 August 2011 to 26 August 2012, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.
  - Starting with broadcast year 2009-2010, the data is based on the national PPM panel as Anglo Canada switched to PPM technology on 31 August 2009. Previously the measurement technology for Anglo Canada was Mark II meters (set-top). Some fluctuations in the data may be attributed to this change in methodology.
- Source: English-language services
- BBM Nielsen (2008-09)
  - BBM Canada - PPM Data (2009-10, 2010-11, 2011-12)
- French-language services:
- BBM Canada

**Table 4.3.8 Average weekly viewing hours of Canadian programs distributed by Canadian English- and French-language pay and specialty services, by program origin, genre and region**

Viewing hours (millions)	English-language services All of Canada excluding Quebec Francophone market				French-language services Quebec Francophone market			
	2008- 2009	2009- 2010 <sup>1</sup>	2010- 2011	2011- 2012	2008- 2009	2009- 2010	2010- 2011	2011- 2012
News and analysis and Interpretation	11.5	36.4	43.2	41.5	32.1	18.8	21.0	20.6
% Canadian	83.2%	92.2%	94.6%	95.7%	98.9%	98.1%	98.0%	97.7%
% of total	5.6%	10.9%	12.8%	11.5%	31.6%	19.1%	21.1%	20.6%
Long-form documentary	15.2	25.2	28.4	17.6	9.1	10.4	10.6	10.3
% Canadian	47.0%	36.0%	36.4%	39.0%	44.4%	42.8%	45.8%	43.1%
% of total	7.4%	7.6%	8.4%	4.9%	9.0%	10.6%	10.6%	10.3%
Sports	29.0	48.0	42.6	61.5	10.9	13.3	12.2	11.9
% Canadian	63.3%	67.5%	66.4%	67.9%	74.7%	82.8%	81.2%	80.1%
% of total	14.2%	14.5%	12.6%	17.1%	10.7%	13.6%	12.2%	11.8%
Drama and comedy	104.2	157.7	153.1	154.9	37.3	41.6	40.8	40.5
% Canadian	22.1%	20.7%	20.8%	22.1%	24.9%	26.2%	23.5%	22.9%
% of total	51.0%	47.4%	45.2%	43.0%	36.7%	42.5%	40.9%	40.4%
Music and dance and variety	4.4	6.0	4.5	3.2	1.5	1.6	1.4	1.1
% Canadian	78.4%	82.0%	84.8%	74.1%	77.4%	77.1%	74.0%	69.6%
% of total	2.2%	1.8%	1.3%	0.9%	1.5%	1.6%	1.5%	1.1%
Other	39.9	59.0	66.7	81.4	10.6	12.4	13.7	15.8
% Canadian	46.7%	41.2%	36.1%	35.1%	59.2%	58.0%	54.0%	51.8%
% of total	19.5%	17.8%	19.7%	22.6%	10.5%	12.6%	13.7%	15.8%
Total	204.3	332.3	338.4	360.1	101.6	98.0	99.8	100.2
% Canadian	39.5%	41.2%	41.1%	42.6%	60.0%	54.2%	53.5%	52.2%

- Based on Canadian services with available program level data that incorporates country of origin and program genre.
  - Television seasons:
    - 1 September 2008 to 30 August 2009, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
    - 31 August 2009 to 29 August 2010, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.;
    - 30 August 2010 to 28 August 2011, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.; and
    - 29 August 2011 to 26 August 2012, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.
  - English-language services include viewing of ethnic stations.
1. Starting with broadcast year 2009-2010, the data is based on the national PPM panel as Anglo Canada switched to PPM technology on 31 August 2009. Previously the measurement technology for Anglo Canada was Mark II meters (set-top). Some fluctuations in the data may be attributed to this change in methodology.
- Source: English-language services
- BBM Nielsen (2008-09)
  - BBM Canada - PPM Data (2009-10, 2010-11, 2011-12)
- French-language services:
- BBM Canada

**Table 4.3.9 Viewing share of Canadian services by ownership group in the English- and French-language markets (Part 1 of 2)**

Viewing share (%)	2009-2010			2010-2011			2011-2012		
	Conventional	Discretionary	Total	Conventional	Discretionary	Total	Conventional	Discretionary	Total
Canadian English-language market									
All of Canada, excluding the Quebec francophone market									
BCE <sup>4,5</sup>	17.5	17.1#	34.6#	16.4	17.3	33.7	17.0	17.0	34.0
<i>English services</i>	17.5	16.9#		16.4	17.1		17.0	16.9	
<i>French services</i>	-	0.2		-	0.2		-	0.1	
Shaw <sup>3,5</sup>	8.6	12.5	21.1	8.7	13.2	21.9	8.9	14.5	23.4
<i>English services</i>	8.6	12.5		8.7	13.2		8.9	14.5	
<i>French services</i>	-	-		-	-		-	-	
Corus <sup>2,6</sup>	0.4	10.4	10.8	0.3	10.2	10.4	0.2	9.8	10.0
<i>English services</i>	0.4	10.4		0.3	10.2		0.2	9.8	
<i>French services</i>	-	-		-	-		-	-	
CBC <sup>1</sup>	7.1	1.4	8.5	7.6	1.9	9.4	6.4	1.8	8.2
<i>English services</i>	7.0	1.3		7.4	1.8		6.3	1.7	
<i>French services</i>	0.2	0.0		0.2	0.1		0.2	0.1	
Rogers <sup>5</sup>	4.9	4.0	8.9	4.9	3.8	8.7	4.8	4.2	9.0
<i>English services</i>	4.9	4.0		4.9	3.8		4.8	4.2	
<i>French services</i>	-	-		-	-		-	-	
Astral <sup>5,6</sup>	-	5.9	5.9	-	6.0	6.0	-	6.2	6.2
<i>English services</i>	-	5.8		-	5.9		-	6.1	
<i>French services</i>	-	0.1		-	0.1		-	0.1	
Total hours (millions)	254.2	353.6	<b>607.8</b>	242.9	356.1	<b>598.9</b>	240.2	361.0	<b>601.2</b>
Canadian French-language market									
Quebec francophone market									
Quebecor <sup>5</sup>	23.8	5.8	29.6	23.2	7.2	30.5	24.0	8.3	32.3
<i>French services</i>	23.8	5.8		23.2	7.2		24.0	8.3	
<i>English services</i>	0.0	0.0		0.0	0.0		0.0	0.0	
SRC <sup>1</sup>	13.4	4.1	17.5	13.7	4.7	18.3	12.6	5.1	17.7
<i>French services</i>	12.7	4.0		13.2	4.6		12.0	5.0	
<i>English services</i>	0.6	0.1		0.5	0.1		0.6	0.1	
Astral <sup>5,6</sup>	-	17.9	17.9	-	16.6	16.6	-	16.7	16.7
<i>French services</i>	-	17.6		-	16.2		-	16.3	
<i>English services</i>	-	0.3		-	0.4		-	0.4	
BCE <sup>4,5</sup>	1.2	7.7	8.9	1.2	7.1	8.3	1.0	6.7	7.7
<i>French services</i>	-	6.3		-	5.7		-	5.5	
<i>English services</i>	1.2	1.4		1.2	1.4		1.0	1.2	
Remstar	7.5	-	7.5	7.7	-	7.7	8.6	-	8.6
<i>French services</i>	7.5	-		7.7	-		8.6	-	
<i>English services</i>	-	-		-	-		-	-	
Total hours (millions)	111.5	102.4	<b>214.0</b>	111.6	104.0	<b>215.6</b>	103.8	103.6	<b>207.3</b>

Source: BBM Canada

**Table 4.3.9 Viewing share of Canadian services by ownership group in the English-language and French-language markets (Part 2 of 2)**

- Starting with broadcast year 2009-2010, the data is based on the national PPM panel as Anglo Canada switched to PPM technology on 31 August 2009.
  - Minor variances are due to rounding.
  - Television seasons: 2009-2010: 31 August 2009 to 29 August 2010; 2010-2011, 30 August 2010 to 28 August 2011; 2011-2012, 29 August 2011 to 26 August 2012.
  - Calculations are based on the total average viewing hours to Canadian services, for all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.
  - Total viewing is based on viewing to all Canadian conventional stations (including ethnic stations) and Canadian discretionary services (specialty and pay, excludes PPV and VOD services).
  - Canadian French-language market refers to the BBM Canada Québec francophone market. Canadian English-language market refers to the BBM Canada All Canada market minus the Québec francophone market.
  - Ownership is based on the date of the approval decision, not the official closing date of the transaction. Viewing for the entire television season is attributed to the ownership group holding direct and indirect voting interests greater than 50% on the last day of each television season.
- Stations owned and operated by the CBC/SRC.
  - Corus' totals do not include viewing to Telelatino. Corus' total for 2009-2010 *includes*: the Sundance Channel (formerly Drive-In Classics Channel) and W Movies (formerly SexTV: the Channel) following an acquisition of assets (Broadcasting Decision 2009-706, 19 November 2009).
  - Following a change in effective control, Canwest's properties are now controlled by Shaw Communications Inc. (Shaw) (Broadcasting Decision 2010-782, 22 October 2010). Shaw's viewing share for 2008-2009 *excludes*: CHCH-TV Hamilton following an acquisition of assets (Broadcasting Decision 2009-537, 28 August 2009) and CJNT-TV Montréal following an acquisition of assets (Broadcasting Decision 2009-536, 28 August 2009). Shaw's viewing share for 2009-2010 *excludes*: CHEK-TV following an acquisition of assets (Broadcasting Decision 2009-699, 19 November 2009). Shaw's viewing share for 2010-2011 *excludes*: BBC Kids following an acquisition of assets (Broadcasting Decision 2011-277, 29 April 2011).
  - Following a change in effective control, CTVglobemedia's (CTVgm) properties are now controlled by BCE Inc. (BCE) (Broadcasting Decision 2011-163, 7 March 2011). BCE's viewing share for 2010-2011 *excludes*: travel+escape following a change in effective control (Broadcasting Decision 2010-551, 26 October, 2010).
  - The following is a list of discretionary services that are held equally between Canadian partners:

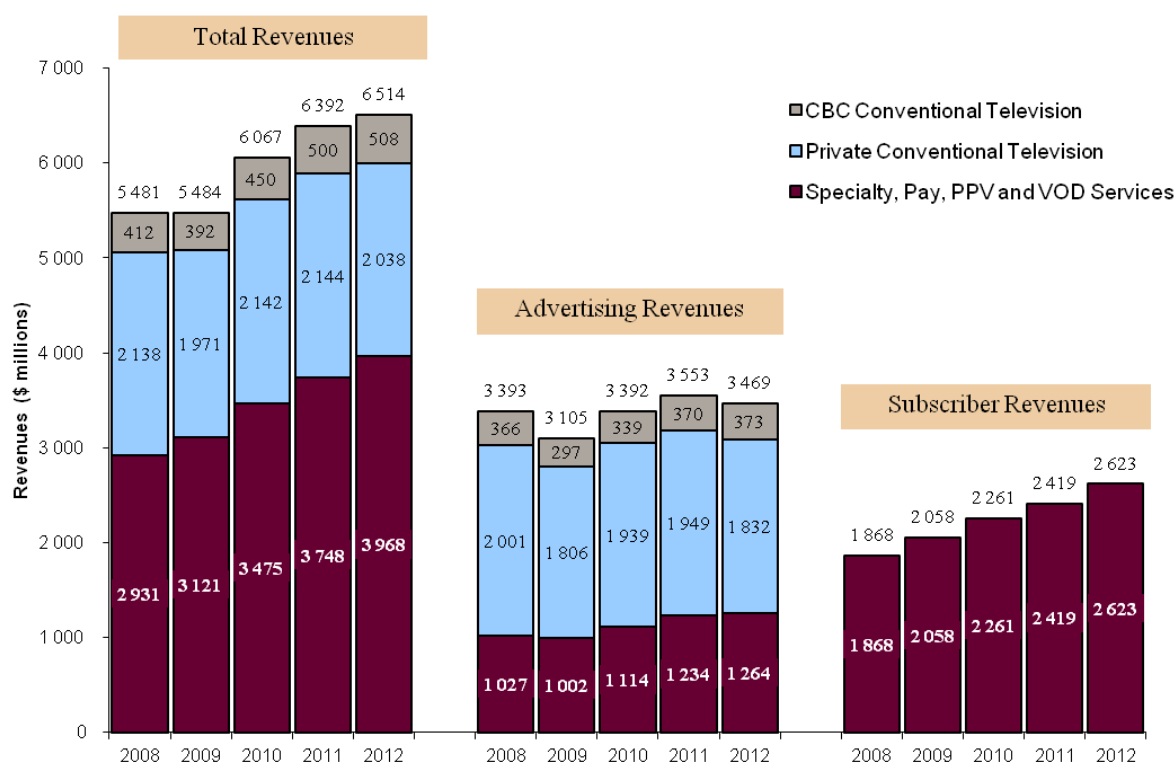
Viewing share (%)	Canadian English-language market			Canadian French-language market		
	All of Canada, excluding Quebec franco market			Quebec franco market		
	2009-2010	2010-2011	2011-2012	2009-2010	2010-2011	2011-2012
Astral 50% / Shaw 50%						
<i>Historia [Fr.]</i>	<i>nm</i>	<i>nm</i>	<i>0.00</i>	<i>1.80</i>	<i>1.63</i>	<i>1.64</i>
<i>Séries + [Fr.]</i>	<i>0.01</i>	<i>0.01</i>	<i>0.01</i>	<i>3.45</i>	<i>3.53</i>	<i>4.05</i>
Astral 50% / Corus 50%						
<i>Teletoon [Eng.]</i>	<i>2.32</i>	<i>2.11</i>	<i>2.00</i>	<i>0.06</i>	<i>0.09</i>	<i>0.06</i>
<i>Télétoon [Fr.]</i>	<i>0.02</i>	<i>0.02</i>	<i>0.01</i>	<i>2.86</i>	<i>2.54</i>	<i>2.61</i>
<i>Teletoon Rétro [Eng.]</i>	<i>0.48</i>	<i>0.55</i>	<i>0.48</i>	<i>0.04</i>	<i>0.02</i>	<i>0.01</i>
<i>Télétoon Retro [Fr.]</i>	<i>0.01</i>	<i>0.01</i>	<i>0.02</i>	<i>0.31</i>	<i>0.37</i>	<i>0.29</i>
Astral / Corus <sup>6</sup>						
<i>HBO Canada<sup>6</sup></i>	<i>0.35</i>	<i>0.36</i>	<i>0.35</i>	<i>0.02</i>	<i>0.02</i>	<i>0.02</i>
BCE / Rogers						
<i>GolTV</i>	<i>n/a</i>	<i>n/a</i>	<i>0.03</i>	<i>n/a</i>	<i>n/a</i>	<i>0.01</i>
<i>NBA TV</i>	<i>n/a</i>	<i>n/a</i>	<i>0.05</i>	<i>n/a</i>	<i>n/a</i>	<i>0.01</i>
<i>LeafsTV</i>	<i>n/a</i>	<i>n/a</i>	<i>0.07</i>	<i>n/a</i>	<i>n/a</i>	<i>0.00</i>

nm = not meaningful n/o= not in operation n/a= not available or not applicable

- HBO Canada is delivered as part of two separate, wholly owned and independently operated regional English-language pay services. The Movie Network (TMN) pay service, which is distributed in Eastern Canada, is part of the Astral ownership group. The Movie Central pay service, which is part of the Corus ownership group, is distributed in Western Canada. Due to BBM software limitations, a separate viewing share to HBO Canada for the TMN and Movie Central feeds is not available.

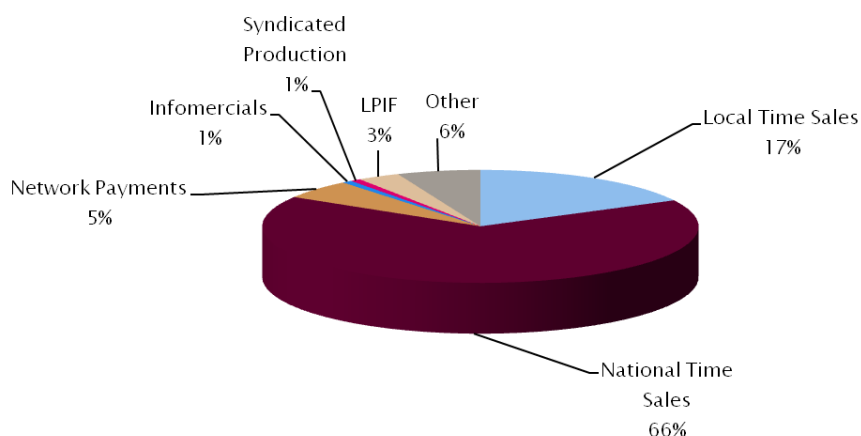
c) *Financial performance*

**Figure 4.3.1 Television revenues: CBC and private conventional television, pay, PPV, VOD, and specialty services**



- Advertising revenue includes infomercial sales. Includes CBC commercial revenues only – does not include parliamentary appropriations. Total revenue includes “other revenue” and funding from the LPIF (2010, 2011 and 2012).
  - Minor variances are due to rounding.
- Source: CRTC data collection

**Figure 4.3.2 Source of revenues for private conventional television, 2012**

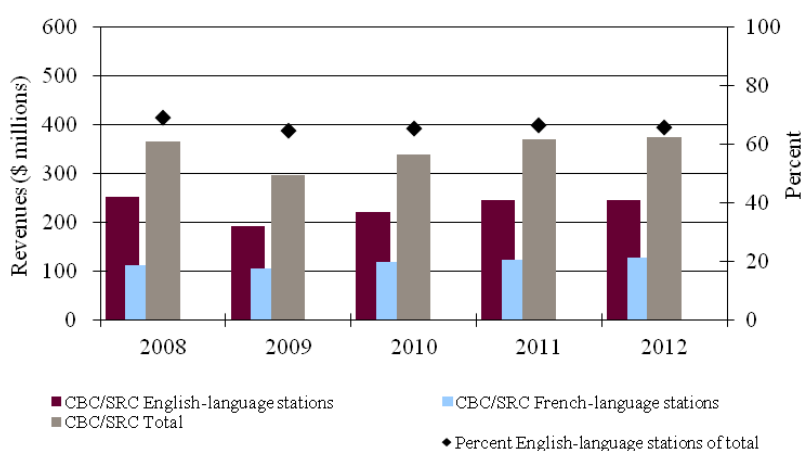


Source: CRTC data collection

**Table 4.3.10 Television revenues by type of service (\$ millions)**

	2011	2012	Growth
Conventional television			
Private	2,144 #	2,038	-5.0%
CBC	500	508	1.6%
Subtotal	2,644 #	2,546	-3.7%
Nonconventional television			
Pay, PPV and VOD	856	837	-2.1%
Speciality	2,892 #	3,130	8.2%
Subtotal	3,748 #	3,968	5.9%
Total	6,392 #	6,513	1.9%

Source: CRTC data collection

**Figure 4.3.3 Advertising revenues – CBC conventional television stations (owned & operated)**


Source: CRTC data collection

**Table 4.3.11 Advertising and other revenues: CBC conventional television stations (owned and operated)**

Revenues (\$ millions)	2008	2009	2010	2011	2012	CAGR 2008-2012
<b>CBC conventional television</b>						
Advertising revenues						
English-language stations	253	192	221	246	245	-0.8%
Annual growth	24.6%	-24.1%	15.1%	11.3%	-0.3%	
French-language stations	113	105	118	123	127	3.0%
Annual growth	4.6%	-7.1%	12.4%	4.2%	3.1%	
Advertising total	366	297	339	370	373	0.5%
Annual growth	18.1%	-18.9%	14.1%	9.1%	0.8%	
Other revenues	46	95	111	130	135	30.9%
Annual growth	2.2%	106.5%	16.8%	17.1%	3.9%	
<b>Total</b>	<b>412</b>	<b>392</b>	<b>450</b>	<b>500</b>	<b>508</b>	<b>5.4%</b>
Annual growth	15.7%	-4.9%	14.8%	11.1%	1.6%	
Parliamentary appropriation	n/a	n/a	794	839	861	
Annual growth			n/a	5.7%	2.7%	

- “Other revenues” includes:
  - a) for 2008 to 2012: other commercial revenues;
  - b) for 2009 to 2012: corporate revenues (if these revenues were included in 2008, the annual growth rate in 2009 would have been -20% instead of -5%); and
  - c) for 2010, 2011 and 2012: LPIF.
- Minor variances are due to rounding.

Source: CRTC data collection

**Table 4.3.12 Advertising and other revenues by English- and French-language market for private conventional television stations**

Revenues (\$ millions)						CAGR 2008-2012
	2008	2009	2010	2011	2012	
<b>English-language stations</b>						
Advertising	1,679	1,520	1,659#	1,659#	1,540	-2.1%
<i>Annual growth</i>	-2.2%	-9.5%	9.2%	0.0%	-7.2%	
<i>% of subtotal</i>	96%	94%	92%	93%	92%	
Other	75	101	135#	129#	131	15.0%
<i>Annual growth</i>	2.7%	34.7%	33.1%	-4.5%	2.0%	
<i>% of subtotal</i>	4%	6%	8%	7%	8%	
Subtotal	1,754	1,621	1,794	1,788	1,672	-1.2%
<i>Annual growth</i>	-2.0%	-7.6%	10.7%	-0.3%	-6.5%	
<b>French-language stations</b>						
Advertising	322	286	280#	290#	291	-2.5%
<i>Annual growth</i>	-0.3%	-11.2%	-1.9%	3.6%	0.3%	
<i>% of subtotal</i>	84%	82%	80%	81%	79%	
Other	62	64	68#	66#	75	4.9%
<i>Annual growth</i>	6.9%	3.2%	5.5%	-2.2 %	13.5%	
<i>% of subtotal</i>	16%	18%	20%	19%	21%	
Subtotal	384	350	348#	357#	367	-1.1%
<i>Annual growth</i>	0.8%	-8.9%	-0.5%	2.5%	2.8%	
<b>Total</b>						
Advertising	2,001	1,806	1,939	1,949	1,832	-2.2%
<i>Annual growth</i>	-1.9%	-9.7%	7.4%	0.5%	-6.0%	
<i>% of total</i>	94%	92%	91%	91%	90%	
Other	137	165	202 #	195#	206	10.7%
<i>Annual growth</i>	4.6%	20.4%	22.4%	-3.6 %	5.9%	
<i>% of total</i>	6%	8%	9%	9%	10%	
Total	2,138	1,971	2,142#	2,144#	2,038	-1.2%
<i>Annual Growth</i>	-1.5%	-7.8%	8.9%	0.1%	-5.0%	

- English-language stations include revenues from ethnic conventional stations, as a significant portion of their revenues is derived from English-language programming.
- For 2010, 2011 and 2012, “other revenues” include funding from the LPIF.
- Minor variances are due to rounding.

Source: CRTC data collection

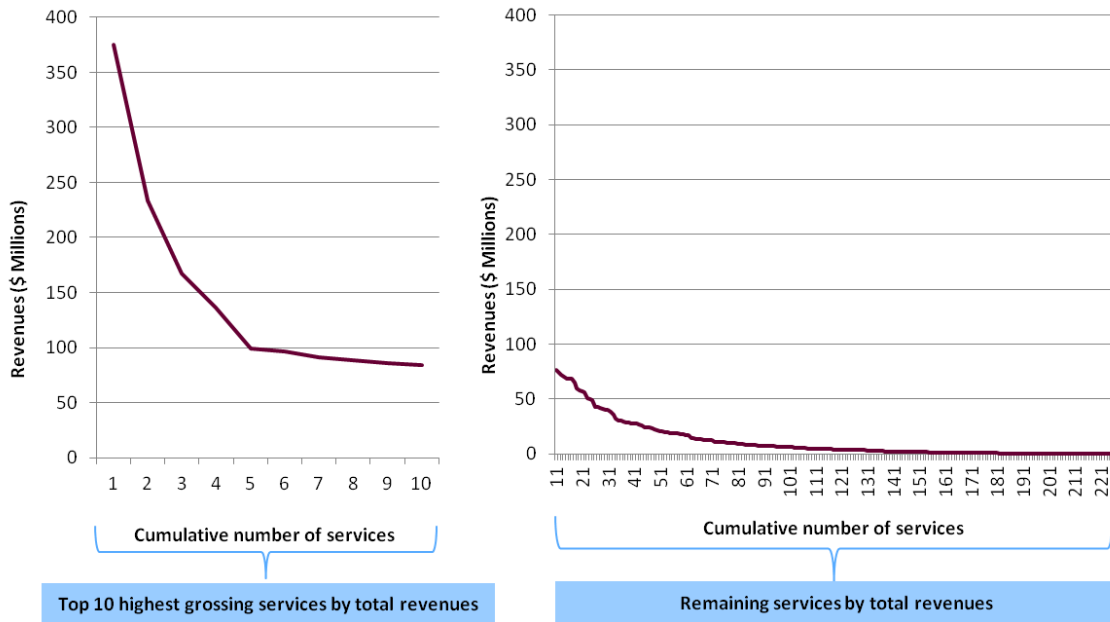
**Table 4.3.13 Revenues by English- and French-language, and Ethnic markets and by Specialty, Pay, PPV and VOD services**

Services	Revenues (\$ thousands)			PBIT (\$ thousands)			PBIT margin		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
<i>Specialty services</i>									
<i>English-language</i>									
Category A	1,274,463	1,341,680	1,347,720	420,495	451,225	490,798	33.0%	33.6%	36.4%
Category B	260,633	294,723	332,660	67,268	81,184	92,747	25.8%	27.5%	27.9%
Category C	593,915	666,289	794,906	123,257	117,032	119,106	20.8%	17.6%	15.0%
Subtotal	2,129,010	2,302,692	2,475,285	611,020	649,441	702,651	28.7%	28.2%	28.4%
<i>French-language</i>									
Category A	255,318	274,600	276,529	83,344	84,556	78,789	32.6%	30.8%	28.5%
Category B	11,754	19,841	29,027	-2,666	-5,241	-4,206	-22.7%	-26.4%	-14.5%
Category C	200,857	212,734	265,686	33,891	44,579	25,089	16.9%	21.0%	9.4%
Subtotal	467,928	507,175	571,243	114,570	123,894	99,672	24.5%	24.4%	17.4%
<i>Ethnic and third-language</i>									
Category A	67,942	68,241	67,856	19,234	18,919	18,080	28.3%	27.7%	26.6%
Category B	11,188	14,311	15,746	235	1,479	2,717	2.1%	10.3%	17.3%
Subtotal	79,130	82,552	83,601	19,469	20,398	20,797	24.6%	24.7%	24.9%
<i>Total specialty services</i>									
Category A	1,597,722	1,684,521	1,692,105	523,073	554,700	587,667	32.7%	32.9%	34.7%
Category B	283,575	328,875	377,433	64,837	77,422	91,258	22.9%	23.5%	24.2%
Category C	794,771	879,023	1,060,592	157,148	161,611	144,195	19.8%	18.4%	13.6%
Subtotal	2,676,068	2,892,419	3,130,129	745,059	793,733	823,120	27.8%	27.4%	26.3%
<i>Pay PPV and VOD services</i>									
Pay services	447,982	468,946	457,798	100,412	123,445	101,719	22.4%	26.3%	22.2%
PPV services-Terrestrial & DTH	145,139	129,243	115,739	20,235	13,095	8,358	13.9%	10.1%	7.2%
VOD	205,429	257,457	263,865	12,778	3,937	-16,780	6.2%	1.5%	-6.3%
Subtotal	798,551	855,646	837,401	133,426	140,477	91,492	16.7%	16.4%	11.2%
<b>Total</b>	<b>3,474,620</b>	<b>3,748,065</b>	<b>3,967,530</b>	<b>878,485</b>	<b>934,210</b>	<b>916,612</b>	<b>25.3%</b>	<b>24.9%</b>	<b>23.1%</b>

- All figures have been restated to correspond with the newly defined category A, B and C services.
- English-language includes bilingual services.
- Minor variances are due to rounding.

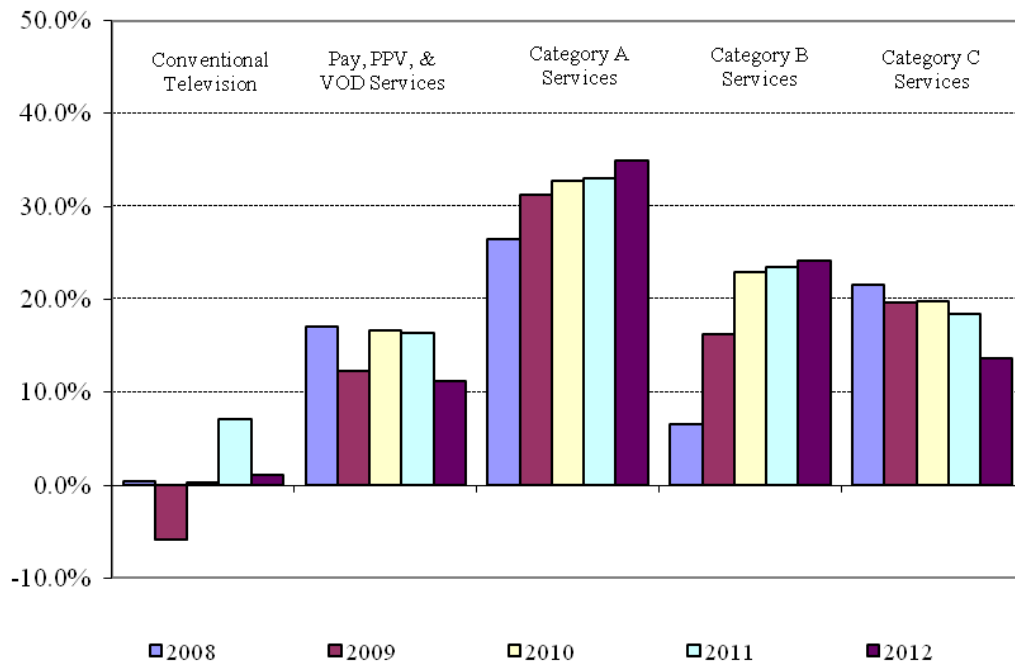
Source: CRTC data collection

**Figure 4.3.4 Ranking by revenue for individual Specialty, Pay, PPV and VOD services in descending order, 2012**



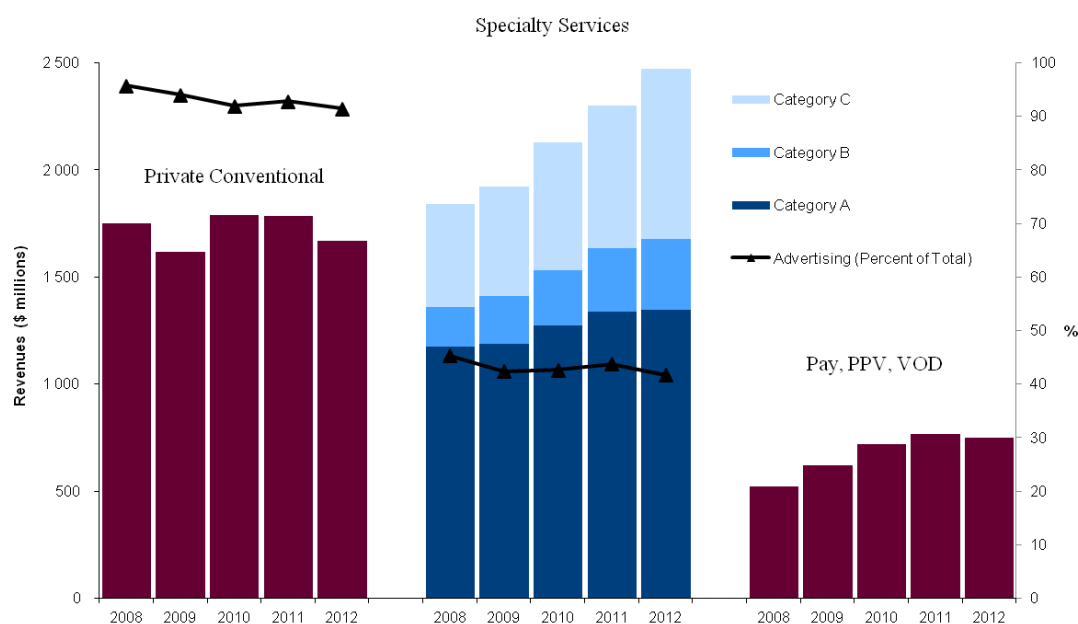
Source: CRTC data collection

**Figure 4.3.5 Aggregate PBIT margins for private conventional television, pay, PPV & VOD services and Category A, B and C specialty services**



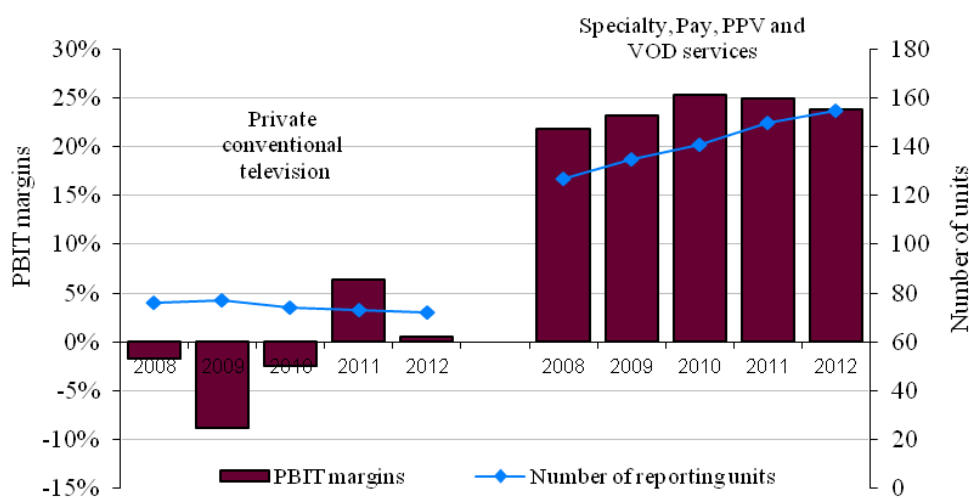
Source: CRTC data collection

**Figure 4.3.6 Revenues of English-language private conventional television, specialty, pay, PPV, and VOD services**



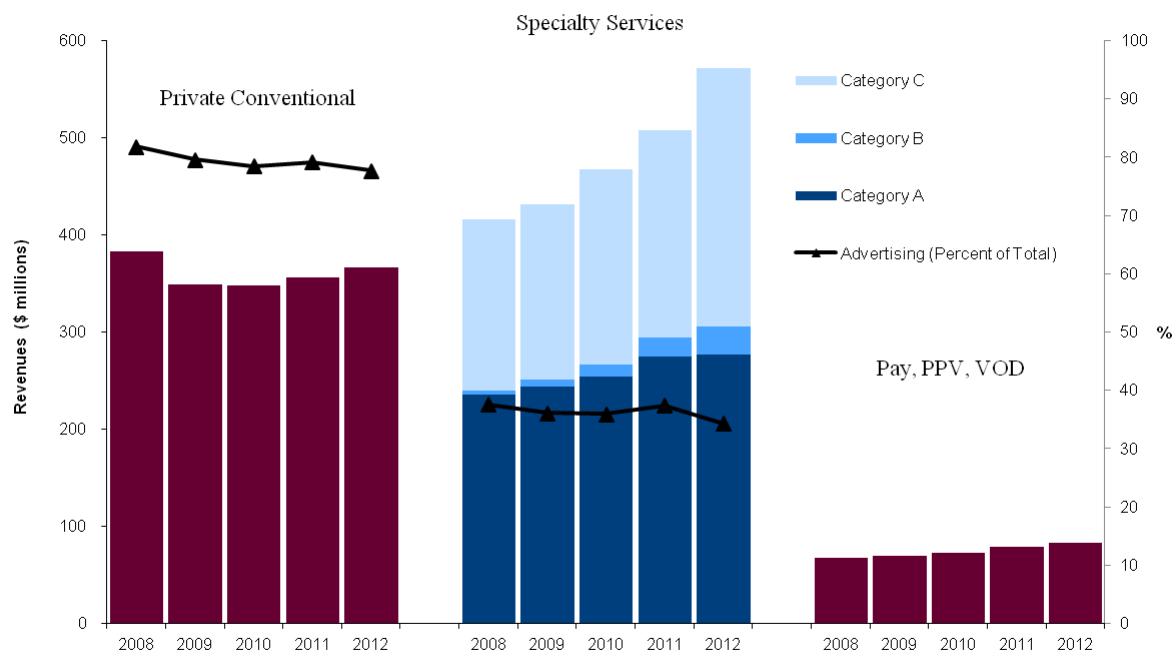
- English-language private conventional television includes ethnic conventional stations, as a significant portion of their revenues are derived from English-language programming.
  - English-language specialty, pay, PPV, and VOD services include bilingual services.
- Source: CRTC data collection

**Figure 4.3.7 Aggregate PBIT margins for English-language private conventional television, specialty, pay, PPV and VOD services**



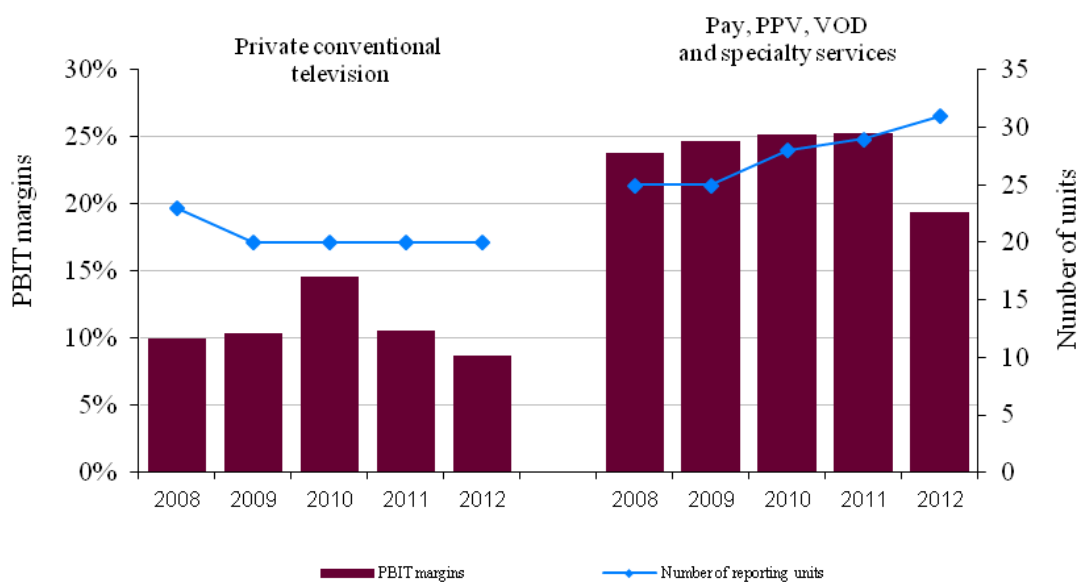
- English-language private conventional television includes ethnic conventional stations, as a significant portion of their revenues are derived from English-language programming.
  - English-language specialty, pay, PPV, and VOD services include bilingual services.
- Source: CRTC data collection

**Figure 4.3.8 Revenues of French-language private conventional television, specialty, pay, PPV, and VOD services**



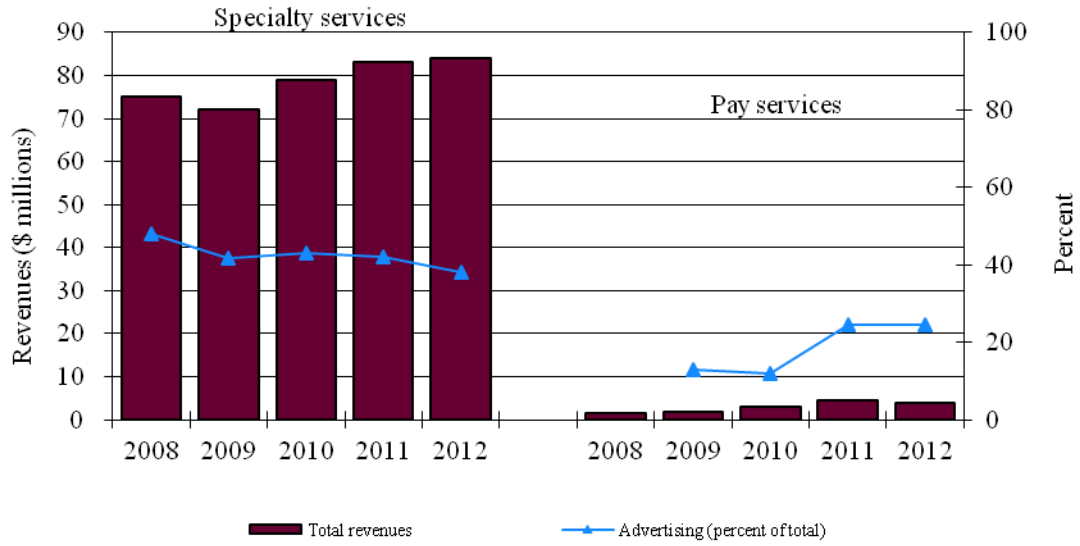
Source: CRTC data collection

**Figure 4.3.9 Aggregate PBIT of French-language private conventional television, pay, PPV, VOD, and specialty services**



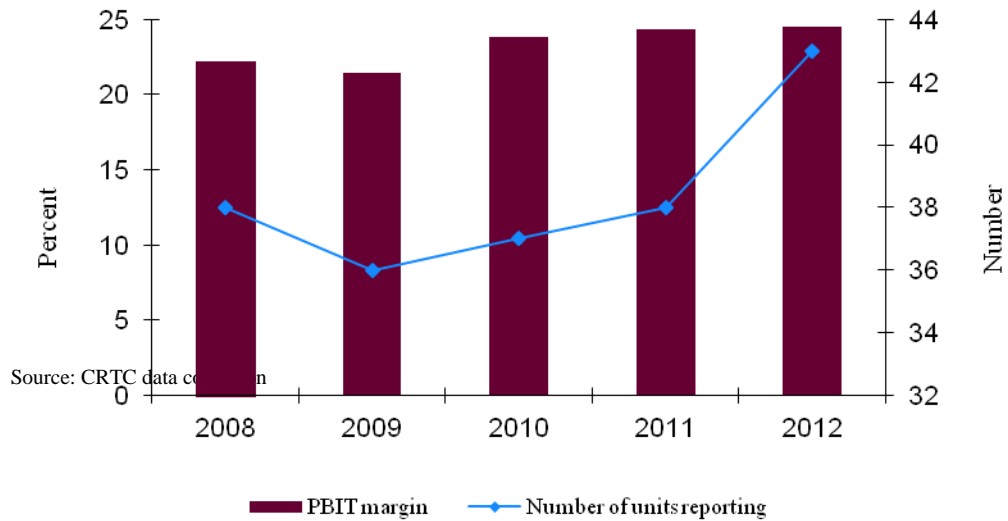
Source: CRTC data collection

**Figure 4.3.10 Revenues of ethnic and third-language specialty and pay services**



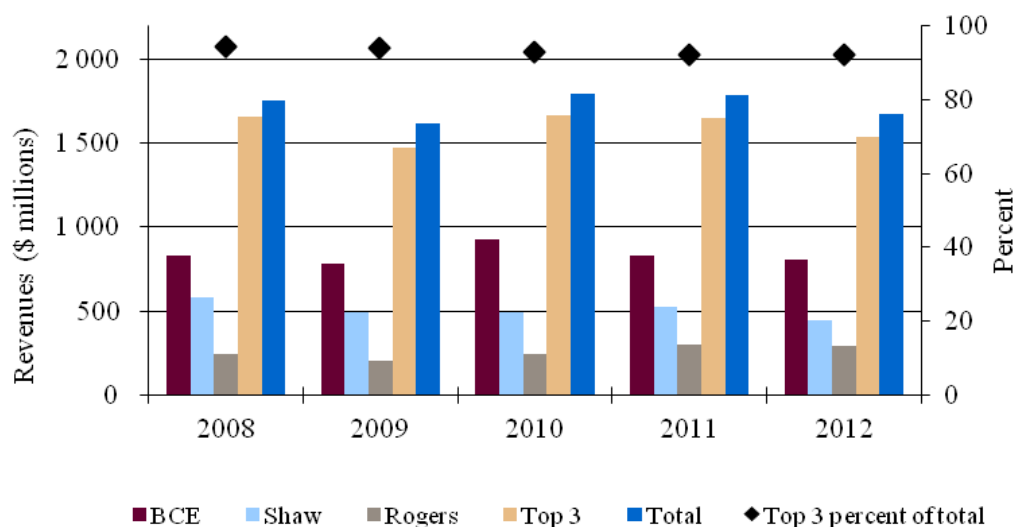
Source: CRTC Data Collection

**Figure 4.3.11 PBIT margins of ethnic and third-language specialty and pay services**



Source: CRTC data collection

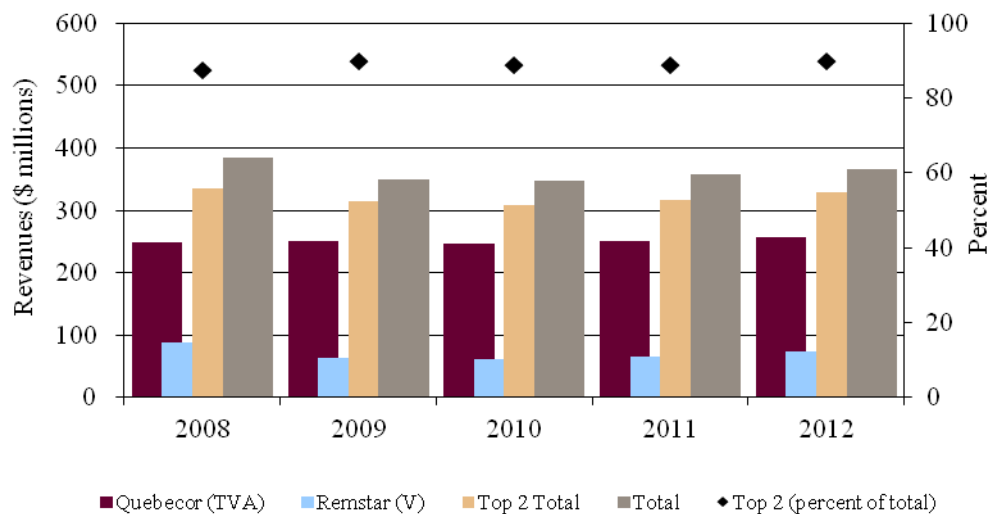
**Figure 4.3.12 Revenues of top three English-language private conventional television ownership groups**



- Based on conventional OTA stations owned or controlled by the ownership group on 31 August of each year. Ownership is based on the date of the approving decision, not the official closing date of the transaction. The station's entire annual revenue is attributed to the ownership group that was deemed to be its owner as of 31 August.
- English-language private conventional television includes ethnic private conventional stations, as a significant portion of their revenues are derived from English-language programming.
- Following a change in effective control, Canwest's properties are now controlled by Shaw (Broadcasting Decision 2010-782). Shaw's total revenues for 2008-2009 excludes: CHCH-TV Hamilton following an acquisition of assets (Broadcasting Decision 2009-537) and CJNT-TV Montréal following an acquisition of assets (Broadcasting Decision 2009-536). Shaw's total for 2009-2010 excludes: CHEK-TV following an acquisition of assets (Broadcasting Decision 2009-699).
- Following a change in effective control, CTV's properties are now controlled by BCE (Broadcasting Decision 2011-163). BCE and CHUM's results reflect Broadcasting Decision CRTC 2007-165.
- Total revenue includes funding from the LPIF (2010, 2011 and 2012).

Source: CRTC data collection

**Figure 4.3.13 Revenues of top two French-language private conventional television ownership groups**



- Based on conventional stations owned or controlled by the ownership group on 31 August of each year. Ownership is based on the date of the approval decision, not the official closing date of the transaction. The station's entire annual revenue is attributed to the ownership group that was deemed to be its owner as of 31 August.
- In Broadcasting Decision 2008-129, the Commission approved, subject to certain conditions, the acquisition by Remstar of TQS's network and television stations in Montréal, Québec, Trois-Rivières, Sherbrooke, and Saguenay. TQS was changed to V.
- In Broadcasting Decision 2008-130 the Commission approved the acquisition by CBC of the assets of the French-language television programming undertakings CKSH-TV Sherbrooke, CKTM-TV Trois-Rivières, and CKTV-TV Saguenay and its transmitter CKTV-TV-1 Saint-Fulgence, Quebec, from TQS.
- Total revenue includes funding from the LPIF (2010, 2011 and 2012).

Source: CRTC data collection

d) *Ownership groups***Table 4.3.14 Ownership groups with significant ownership interest in specialty, pay, PPV, and VOD services (Part 1 of 6)<sup>1</sup>**

HD		Type of service	Language	Direct / indirect voting interest	Number of subscribers	Revenues* (\$)	PBIT (\$)	PBIT Margin
	<b>Astral</b>							
YES	Canal D	Sp. A	French	100%	2,600	40,192	20,437	50.8%
YES	Canal Vie	Sp. A	French	100%	2,354	42,771	15,681	36.7%
YES	CINÉPOP	Pay B	French	100%	995	8,360	3,357	40.2%
YES	The Family Channel	Pay	English	100%	5,754	64,598	20,842	32.3%
YES	The Movie Network Encore <sup>a</sup>	Pay	English	100%	1,480	23,820	11,787	49.5%
YES	Super Écran	Pay	French	100%	644	68,149	21,590	31.7%
YES	The Movie Network	Pay	English	100%	1,188	136,707	27,571	20.2%
YES	VRAK.TV	Sp. A	French	100%	2,382	27,785	10,779	38.8%
YES	Ztélé	Sp. A	French	100%	2,040	23,609	6,233	26.4%
YES	Viewers Choice Canada	PPV**	English	50.1%	2,314	13,711	2,000	14.6%
YES	Historia	Sp. A	French	50%	2,072	19,742	9,135	46.3%
YES	Musimax	Sp. A	French	100%	1,949	9,499	-122	-1.3%
YES	MusiquePlus	Sp. A	French	100%	2,363	13,057	-577	-4.4%
YES	Séries+	Sp. A	French	50%	2,088	30,576	16,625	54.4%
YES	Teletoon/Télétoon	Sp. A	Bilingual	50%	7,462	83,956	34,875	41.5%
NO	Teletoon Retro English	Sp. B	English	50%	N/A	7,490	N/A	N/A
NO	Télétoon Rétro French	Sp. B	French	50%	N/A	1,546	N/A	N/A
YES	Disney XD	Sp. B	English	100%	N/A	1,692	N/A	N/A
NO	Disney Junior	Sp. B	English	100%	N/A	2,107	N/A	N/A
YES	Cartoon Network <sup>b</sup>	Sp. B	English	50%	N/A	117	N/A	N/A

a) Mpix was rebranded as The Movie Network Encore on 18 September 2012.

b) Cartoon Network was launched on 4 July 2012.

**Table 4.3.14 Ownership groups with significant ownership interest in specialty, pay, PPV, and VOD services (Part 2 of 6)<sup>1</sup>**

HD	BCE <sup>2</sup>	Type of service	Language	Direct / indirect voting interest	Number of subscribers	Revenues* (\$)	PBIT (\$)	PBIT Margin
YES	CTV News Channel	Sp. C	English	100%	8,694	25,858	5,908	22.8%
YES	MTV Canada	Sp. A	English	100%	6,501	24,155	-2,558	-10.6%
YES	Business News Network	Sp. A	English	100%	6,455	31,960	13,577	42.5%
YES	Comedy Network	Sp. A	English	100%	5,947	55,856	26,493	47.4%
NO	ESPN Classic Canada	Sp. B	English	80%	1,128	3,032	834	27.5%
YES	Réseau des Sports (RDS)	Sp. C	French	80%	3,514	167,437	25,118	15.0%
YES	RDS Info	Sp. A	French	80%	1,381	9,286	-2,310	-24.9%
YES	The Sports Network (TSN)	Sp. C	English	80%	9,191	374,834	61,796	16.5%
YES	Animal Planet	Sp. B	English	64%	2,147	7,381	2,534	34.3%
YES	Discovery Channel	Sp. A	English	64%	7,900	99,195	31,668	31.9%
YES	Discovery Science	Sp. B	English	64%	1,448	4,612	662	14.4%
YES	Discovery World HD	Sp. B	English	64%	1,493	27,140	16,033	59.1%
YES	Viewers Choice Canada	PPV**	English	19.96%	2,314	13,711	2,000	14.6%
NO	The NHL Network	Sp. B	English	17.14%	N/A	12,550	N/A	N/A
NO	Book Television	Sp. A	English	100%	946	4,536	3,007	66.3%
YES	Bravo!	Sp. A	English	100%	6,812	42,206	17,532	41.5%
YES	Investigation Discovery	Sp. B	English	100%	1,035	5,686	2,761	48.6%
NO	Fashion Television Channel	Sp. A	English	100%	769	4,820	2,333	48.4%
NO	MuchLoud	Sp. B	English	100%	149	355	112	31.5%
NO	MuchMoreMusic	Sp. A	English	100%	6,344	17,499	5,667	32.4%
NO	MuchMoreRetro	Sp. B	English	100%	274	824	580	70.4%
YES	MuchMusic	Sp. A	English	100%	9,309	40,220	1,779	4.4%
NO	MuchVibe	Sp. B	English	100%	482	770	500	64.9%
YES	CablePulse 24	Sp. A	English	100%	3,034	22,934	2,906	12.7%
NO	Juicebox	Sp. B	English	100%	283	593	350	59.0%
NO	MTV2 Canada	Sp. A	English	100%	869	4,684	1,858	39.7%
YES	SPACE	Sp. A	English	100%	6,678	50,146	23,431	46.7%
YES	E!	Sp. A	English	100%	6,880	28,590	9,211	32.2%
NO	Comedy Gold	Sp. B	English	100%	944	4,214	2,400	56.9%
YES	Leafs TV	Sp. B	English	28%	9,604	N/A	N/A	N/A
YES	NBA TV (Canada)	Sp. B	English	28%	8,471	N/A	N/A	N/A
YES	Go!TV	Sp. B	English	22.43%	3,509	N/A	N/A	N/A
YES	Bell TV On Demand and Vu!	PPV**	English	100%	N/A	48,441	1,859	3.8%
YES	Bell TV On Demand	PPV	English	100%	N/A	698	434	62.1%
YES	Bell TV On Demand	VOD	English	100%	N/A	4,688	-1,944	-41.5%
YES	Câblevision du Nord de Québec inc.	VOD	French	100%	N/A	686	141	20.6%

HD	Cogeco	Type of service	Language	Direct / indirect voting interest	Number of subscribers	Revenues* (\$)	PBIT (\$)	PBIT Margin
YES	Cogeco On Demand	VOD	Bilingual	100%	N/A	21,423	8,468	39.5%

**Table 4.3.14 Ownership groups with significant ownership interest in specialty, pay, PPV, and VOD services (Part 3 of 6)<sup>1</sup>**

HD		Type of service	Language	Direct / indirect voting interest	Number of subscribers	Revenues* (\$)	PBIT (\$)	PBIT Margin
YES	<b>CBC</b>							
YES	Bold <sup>a</sup>	Sp. A	English	100%	2,636	4,091	1,318	32.2%
YES	CBC News Network	Sp. A	English	100%	11,363	86,158	15,061	20.4%
YES	RDI	Sp. A	French	100%	11,679	57,010	11,622	20.4%
YES	ARTV	Sp. A	French	85%	2,073	17,235	324	1.9%
YES	Documentary	Sp. A	English	82%	2,669	6,018	886	14.7%
YES	EXPLORA <sup>b</sup>	Sp. B	French	100%	N/A	484	N/A	N/A

a) Acquisition of Bold by Blue Ant Media was approved on 16 November 2012.

b) Explora was launched on 28 March 2012.

HD		Type of service	Language	Direct / indirect voting interest	Number of subscribers	Revenues* (\$)	PBIT (\$)	PBIT Margin
YES	<b>Corus<sup>3</sup></b>							
YES	Encore Avenue	Pay	English	100%	2,305	19,844	9,704	48.9%
YES	MovieCentral	Pay	English	100%	976	96,057	8,365	8.7%
NO	TreeHouse TV	Sp. A	English	100%	8,673	14,255	4,006	28.1%
YES	W Network	Sp. A	English	100%	8,403	88,093	35,733	40.6%
YES	YTV	Sp. A	English	100%	11,316	90,844	32,324	35.6%
NO	CMT Canada	Sp. A	English	90%	10,655	29,274	7,733	26.4%
YES	Dusk <sup>a</sup>	Sp. B	English	51%	N/A	4,520	N/A	N/A
YES	ABC Spark	Sp. B	English	51%				
NO	Sky TG24 Canada	Sp. B	Other	50.50%	N/A	299	N/A	N/A
YES	TLN - Telelatino	Sp. A	Other	50.50%	4,924	18,942	8,330	44.0%
NO	Teleniños	Sp. B	Other	50.50%	N/A	25	N/A	N/A
YES	Teletoon/Télétoon <sup>b</sup>	Sp. A	Bilingual	50%	7,462	83,956	34,875	41.5%
NO	Teletoon Retro English <sup>b</sup>	Sp. D2	English	50%	N/A	7,490	N/A	N/A
NO	Télétoon Rétro French <sup>b</sup>	Sp. D2	French	50%	N/A	1,546	N/A	N/A
YES	Food Network Canada	Sp. A	English	22.58%	7,369	59,753	29,515	49.4%
NO	EuroWorld Sport	Sp. D2	English	50.50%	N/A	56	N/A	N/A
NO	Mediaset Italia	Sp. D2	Other	50.50%	N/A	329	N/A	N/A
NO	TLN en español	Sp. D2	Other	50.50%	N/A	1,380	N/A	N/A
YES	Nickelodeon	Sp. B	English	100%	N/A	7,005	N/A	N/A
YES	OWN	Sp. A	English	100%	6,219	28,196	7,475	26.5%
NO	Cosmopolitan TV	Sp. B	English	67%	N/A	12,410	N/A	N/A
NO	Sundance Channel	Sp. B	English	100%	N/A	5,071	N/A	N/A
YES	W Movies	Sp. B	English	100%	N/A	6,458	N/A	N/A
YES	Cartoon Network <sup>b, c</sup>	Sp. B	English	50%	N/A	117	N/A	N/A

a) Dusk ceased operation on 23 March 2012.

b) 20% of the 50% voting interest is held by Nelvana Limited, a company that produces and distributes children and family productions. Corus Entertainment Inc. holds 100% voting interest in Nelvana Limited.

c) Cartoon Network was launched on 4 July 2012.

**Table 4.3.14 Ownership groups with significant ownership interest in specialty, pay, PPV, and VOD services (Part 4 of 6)<sup>1</sup>**

HD		Type of service	Language	Direct / indirect voting interest	Number of subscribers	Revenues* (\$)	PBIT (\$)	PBIT Margin
HD	<b>Quebecor</b>							
YES	Illico sur demande	VOD	Bilingual	100%	N/A	57,350	-942	-1.6%
NO	Argent	Sp. A	French	100%	656	3,184	-119	-3.7%
YES	Le Canal Nouvelles (LCN)	Sp. C	French	100%	2,433	30,384	8,813	29.0%
YES	addikTV	Sp. A	French	100%	997	8,647	1,877	21.7%
YES	MOI&cie (formerly Mlle) <sup>a</sup>	Sp. B	French	100%	400	2,662	-2,528	-95.0%
YES	Prise 2	Sp. B	French	100%	889	6,112	1,386	22.7%
YES	Sun News Network	Sp. C	English	100%	4,856	5,657	-18,506	-327.2%
YES	CASA	Sp. B	French	100%	811	7,054	-295	-4.2%
YES	Canal Indigo	PPV**	French	100%	1,496	6,960	2,358	33.9%
YES	Yoopla	Sp. B	French	100%	763	3,407	-228	-6.7%
YES	Évasion	Sp. A	French	8.31%	2,051	12,655	837	6.6%
YES	TVA Sports	Sp. C	French	100%	1,639	10,856	-20,464	-188.5%

a) Mlle was rebranded as MOI&amp;cie on 1 February 2013.

b) TVA Sports was launched on 12 September 2011.

HD		Type of service	Language	Direct / indirect voting interest	Number of subscribers	Revenues* (\$)	PBIT (\$)	PBIT Margin
HD	<b>Rogers</b>							
YES	The Biography Channel	Sp. A	English	100%	2,247	8,146	2,825	34.7%
YES	Rogers On Demand	VOD	Bilingual	100%	N/A	68,673	-6,350	-9.2%
YES	Sportsnet	Sp. C	English	100%	8,785	233,966	23,836	10.2%
YES	Sportsnet One	Sp. C	English	100%	6,096	68,433	28,492	41.6%
YES	Sportsnet PPV	PPV**	English	100%	34	12,009	1,187	9.9%
NO	G4TechTV	Sp. A	English	100%	2,452	10,210	3,401	33.3%
YES	Viewers Choice Canada	PPV**	English	24.95%	2,314	13,711	2,000	14.6%
YES	OLN (Outdoor Life Network)	Sp. A	English	100%	5,452	20,137	7,190	35.7%
NO	TVtropolis	Sp. A	English	33.33%	6,015	37,955	14,358	37.8%
YES	FX Canada <sup>a</sup>	Sp. B	English	66.64%	1,460	3,773	-3,232	-85.7%
YES	CityNews Channel	Sp. B	English	100%	1,525	1,399	-3,927	-280.8%
YES	Leafs TV	Sp. B	English	37.5%	9,604	N/A	N/A	N/A
YES	NBA TV (Canada)	Sp. B	English	37.5%	8,471	N/A	N/A	N/A
YES	GolTV	Sp. B	English	30.04%	3,509	N/A	N/A	N/A
YES	Sportsnet World	Sp. B	English	100%	91	9,891	2,416	24.4%

a) FX Canada was launched on 31 October 2011.

**Table 4.3.14 Ownership groups with significant ownership interest in specialty, pay, PPV, and VOD services (Part 5 of 6)<sup>1</sup>**

HD		Type of service	Language	Direct / indirect voting interest	Number of subscribers	Revenues* (\$)	PBIT (\$)	PBIT Margin
	<b>Shaw<sup>4</sup></b>							
NO	DejaView	Sp. B	English	100%	1,633	8,200	4,288	52.3%
NO	Fox Sports World Canada	Sp. B	English	100%	N/A	2,120	-1,554	-73.3%
YES	MovieTime	Sp. B	English	100%	5,106	13,783	9,017	65.4%
NO	TVtropolis	Sp. A	English	66.67%	6,015	37,955	14,358	37.8%
NO	Mystery TV	Sp. A	English	100%	1,966	14,541	5,992	41.2%
NO	H2 <sup>a</sup>	Sp. A	English	100%	969	4,928	-1,487	-30.2%
YES	History Television	Sp. A	English	100%	7,568	76,213	46,043	60.4%
NO	IFC	Sp. A	English	100%	2,813	10,464	5,459	52.2%
YES	Showcase	Sp. A	English	100%	8,845	74,157	46,979	63.4%
NO	Action	Sp. B	English	100%	4,564	19,053	12,719	66.8%
NO	Lifetime <sup>b</sup>	Sp. B	English	100%	4,342	17,493	10,682	61.1%
NO	Slice	Sp. A	English	100%	6,079	41,134	8,594	20.9%
YES	HGTV Canada	Sp. A	English	80.24%	8,698	72,325	34,231	47.3%
NO	BBC Canada	Sp. B	English	80%	2,726	10,443	6,235	59.7%
NO	Twist TV	Sp. A	English	100%	2,158	6,980	2,777	39.8%
YES	National Geographic Channel Canada	Sp. B	English	64%	6,480	22,616	14,147	62.5%
YES	NatGeo Wild	Sp. B	English	64%	274	508	-952	-187.3%
YES	Food Network Canada	Sp. A	English	57.58%	7,369	59,753	29,515	49.4%
YES	Historia	Sp. A	French	50%	2,072	19,742	9,135	46.3%
YES	Séries+	Sp. A	French	50%	2,088	30,576	16,625	54.4%
YES	Dusk <sup>c</sup>	Sp. B	English	49%	N/A	4,520	N/A	N/A
NO	Global Reality Channel <sup>d</sup>	Sp. D2	English	100%	1,129	1,848	-760	-41.1%
NO	D.I.Y. Network	Sp. D2	English	80.24%	2,484	10,743	7,428	69.2%
YES	Shaw Pay-Per-View	PPV**	English	100%	N/A	6,866	-13	-0.2%
YES	Shaw Pay-Per-View	PPV	English	100%	N/A	20,728	622	3.0%
NO	Shaw on Demand	VOD	Bilingual	100%	N/A	70,077	2,629	3.8%

a) The Cave was rebranded as H2 on 27 August 2012.

b) Showcase Diva was rebranded as Lifetime on 27 August 2012.

c) Dusk ceased operation on 23 March 2012.

d) Global Reality ceased operations on 1 November 2012.

**Table 4.3.14 Ownership groups with significant ownership interest in specialty, pay, PPV, and VOD services (Part 6 of 6)<sup>1</sup>**

\*Financial results are based on 31 August 2012 data (in thousands)

Notes to table 4.3.14:

1. In Broadcasting Regulatory Policy 2011-601, the Commission determined it will publish complete financial information for specialty Category A (Analog and Category 1) services and specialty Category B (Category 2) services owned or controlled by a vertically integrated entity. The Commission also determined it will publish partial financial information for all independent individual specialty Category B (Category 2) services including total revenues, total programming expenses and total Canadian programming expenses. Complete financial information for all independent specialty Category B (Category 2) services on an aggregate basis is also included in this publication.
  2. Following a change in effective control, CTVglobemedia's properties are now controlled by BCE (Broadcasting Decision 2011-163).
  3. Shaw is affiliated with Corus as J.R. Shaw has voting control of both companies.
  4. Following a change in effective control, Canwest's properties are now controlled by Shaw (Broadcasting Decision 2010-782).
- Ownership in Table 4.3.14 is based on the percentage of direct and indirect voting interest held on 31 December 2012. Where a change in ownership has occurred, the information is based on the date of the approval decision, not the closing date of the transaction.
  - Table 4.3.14 presents the ownership percentages and the financial results for individual specialty, Pay, PPV and VOD services. The percent ownership is not reflected in these results. For this reason, no totals per ownership group are provided.
  - Includes only services that have been launched as of 31 December 2012.

Legend:

- Type of service:
  - Sp. A = Specialty analog service
  - Sp. D2 = Specialty digital category 2 service
  - Pay = Pay analogue service
  - DTH = Direct-to-home
  - PPV = Pay-per-view
  - PPV\*\* = Holds both a terrestrial and DTH PPV licence
  - VOD = Video-on-demand
- N/A = Not applicable or not available

Sources: CRTC Ownership records and CRTC data collection

e) *Programming expenditures***Table 4.3.15 Canadian Programming Expenditure (CPE) - CBC English- and French-language conventional television**

Genre ( \$ thousands )	2008	2009	2010	2011	2012	Annual growth %			
						2009	2010	2011	2012
News									
(category 1)	132,457	165,717	203,223	191,924	196,688	25.1%	22.6%	-5.6%	2.5%
Other information									
(categories 2 to 5)	94,782	106,500	75,754	98,534	103,488	12.4%	-28.9%	30.1%	5.0%
Sports									
(category 6)	189,427	151,315	159,463	157,190	158,698	-20.1%	5.4%	-1.4%	1.0%
Drama and comedy									
(category 7)	137,363	129,403	139,042	141,049	158,420	-5.8%	7.4%	1.4%	12.3%
Music and variety									
(categories 8 & 9)	27,059	21,432	13,700	12,912	26,120	-20.8%	-36.1%	-5.8%	102.3%
Game show									
(category 10)	13,373	13,785	12,068	11,900	16,217	3.1%	-12.5%	-1.4%	36.3%
Human interest and award									
shows (category 11)	74,584	62,352	80,167	94,059	73,063	-16.4%	28.6%	17.3%	-22.3%
Other									
(categories 12 to 15)	-	-41	-	2,203	941	-	-	-	-57.3%
Total (categories 1 to 15)	669,045	650,464	683,417	709,769	733,635	-2.8%	5.1%	3.9%	3.4%

- Expenditures exclude indirect and facility cost allocations. Certain programming-related expenses are included as programming costs beginning in 2008 consistent with CRTC guidelines.
- Minor variances are due to rounding.

Source: CRTC data collection

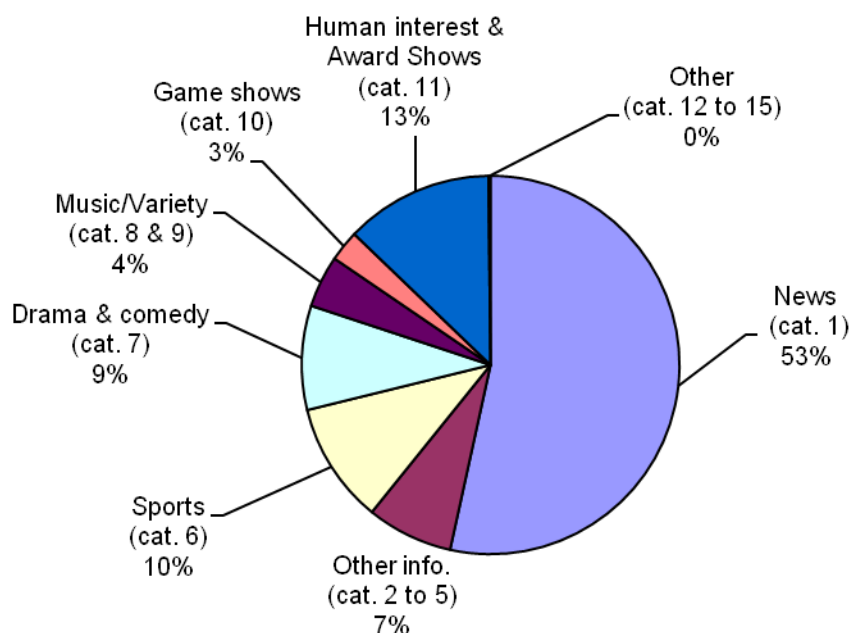
**Table 4.3.16 Canadian Programming Expenditure (CPE) - Private conventional television**

Genre ( \$ thousands )	2008	2009	2010	2011	2012	Annual growth %			
						2009	2010	2011	2012
News									
(category 1)	322,997	312,106	304,358	316,922	353,646	-3.4%	-2.5%	4.1%	11.6%
Other information									
(categories 2 to 5)	67,190	72,840	50,474	55,033	48,821	8.4%	-30.7%	9.0%	-11.3%
Sports									
(category 6)	7,510	3,803	141,011	8,482	68,485	-49.4%	3607.9%	-94.0%	707.4%
Drama and comedy									
(category 7)	88,334	77,372	71,365	58,322	58,918	-12.4%	-7.8%	-18.3%	1.0%
Music and variety									
(categories 8 & 9)	24,706	38,182	21,678	33,006	29,429	54.5%	-43.2%	52.3%	-10.8%
Game show									
(category 10)	16,559	12,510	22,933	22,033	17,546	-24.5%	83.3%	-3.9%	-20.4%
Human interest and award									
shows (category 11)	90,443	82,293	68,256	75,577	83,842	-9.0%	-17.1%	10.7%	10.9%
Other									
(categories 12 to 15)	1,905	276	1,173	1,173	1,071	-85.5%	325.0%	0%	-8.7%
Total									
(categories 1 to 15)	619,643	599,383	681,248	562,914	661,759	-3.3%	13.7%	-17.4%	17.6%
% of total revenue	28.98%	30.42%	31.73%	26.15%	32.5%				

- Amounts include expenditures on Canadian programs telecast, writedowns of Canadian inventory, script and concept and loss on equity Canadian programs.
- Excludes CTF “top-up” funding reported by OTA stations. Includes expenditures relating to ownership transfer benefits and to commitments made at the time of licensing.
- Minor variances are due to rounding.

Source: CRTC data collection

**Figure 4.3.14 Canadian programming expenditures (CPE) - distribution by genre for private conventional television, 2012**



Source: CRTC data collection

**Table 4.3.17 Expenditures on non-Canadian programming - Private conventional television**

Genre ( \$ thousands)	2008	2009	2010	2011	2012	Annual growth %			
						2009	2010	2011	2012
News (category 1)	5	20	145	90	57	300.0%	625.0%	-38.0%	-36.7%
Other information (categories 2 to 5)	11,973	12,405	5,270	16,522	15,332	3.6%	-57.5%	213.5%	-7.2%
Sports (category 6)	11,261	13,746	14,823	17,916	17,877	22.1%	7.8%	20.9%	-0.2%
Drama and comedy (category 7)	524,235	602,865	553,796	480,114	488,652	15.0%	-8.1%	-13.3%	1.8%
Music and variety (categories 8 & 9)	28,825	31,710	32,968	31,878	47,333	10.0%	4.0%	-3.0%	48.5%
Game show (category 10)	47,892	13,016	6,078	11,460	5,278	-72.8%	-53.3%	88.5%	-53.9%
Human interest and award shows (category 11)	151,667	172,007	164,091	169,059	151,234	13.4%	-4.6%	3.0%	-10.5%
Other (categories 12 to 15)	-619	517	6	1,994	51	183.5%	-98.8%	33,133%	-43.7%
Total (categories 1 to 15)	775,240	846,286	777,176	729,034	725,813	9.2%	-8.2%	-6.2%	-0.4%
% of total revenues	36.3%	42.9%	36.2%	33.9%	35.6%				

- Amounts include expenditures on non-Canadian programs telecast and writedowns of non-Canadian programming.
- Minor variances are due to rounding.

Source: CRTC data collection

**Table 4.3.18 Expenditures on Canadian and non-Canadian programming by genre reported by specialty and pay services (Part 1 of 2)**

Genre (\$ thousands)	Eligible Expenditures on Canadian Programming (CPE) <sup>1</sup>			Expenditures on non-Canadian programming		
	2011	2012	Growth	2011	2012	Growth
<i>Number of services reporting</i>	<i>116</i>	<i>132</i>		<i>116</i>	<i>132</i>	
<b>English-language services<sup>2</sup></b>						
News (category 1)	131,514	148,312	12.8%	148	52	-64.9%
Other information (categories 2 to 5)	208,937	182,241	-12.8%	44,099	44,121	0.0%
Sports (category 6)	334,154	399,041	19.4%	55,843	66,667	19.4%
Drama and comedy (category 7)	146,451	156,113	6.6%	251,870	258,864	2.8%
Music and variety (categories 8 & 9)	25,445	22,834	-10.3%	951	1,482	55.8%
Game show (category 10)	13,435	8,060	-40.0%	1,337	1,701	27.2%
Human interest and award shows (category 11)	76,510	93,287	21.9%	32,047	37,372	16.6%
Other (categories 12 to 15)	31,196	36,384	16.6%	627	565	-9.9%
<b>Total (categories 1 to 15)</b>	<b>967,643</b>	<b>1,046,272</b>	<b>8.1%</b>	<b>386,921</b>	<b>410,824</b>	<b>6.2%</b>
<i>Number of services reporting</i>	<i>28</i>	<i>29</i>		<i>28</i>	<i>29</i>	
<b>French-language services</b>						
News (category 1)	51,530	69,267	34.4%	462	281	-39.2%
Other information (categories 2 to 5)	73,107	74,817	2.3%	8,827	8,898	0.8%
Sports (category 6)	61,573	85,251	38.5%	5,838	7,310	25.2%
Drama & comedy (category 7)	33,712	35,456	5.2%	39,966	42,257	5.7%
Music and variety (category 8 & 9)	6,873	9,053	31.7%	1,099	1,585	44.2%
Game show (category 10)	655	1,071	63.5%	1	0	-100.0%
Human interest and award shows (category 11)	18,698	17,892	-4.3%	2,939	2,969	1.0%
Other (category 12 to 15)	7,331	9,721	32.6%	87	363	317.2%
<b>Total (categories 1 to 15)</b>	<b>253,478</b>	<b>302,528</b>	<b>19.4%</b>	<b>59,219</b>	<b>63,664</b>	<b>7.5%</b>
<i>Number of services reporting</i>	<i>37</i>	<i>43</i>		<i>37</i>	<i>43</i>	
<b>Ethnic or third-language services</b>						
News (category 1)	3,981	3,995	0.4%	1,397	1,412	1.1%
Other information (categories 2 to 5)	3,264	2,614	-19.9%	382	530	38.7%
Sports (category 6)	1,959	2,166	10.6%	1,349	1,410	4.5%
Drama and comedy (category 7)	2,351	2,373	0.9%	4,697	4,748	1.1%
Music and variety (categories 8 & 9)	6,282	6,228	-0.9%	829	780	-5.9%
Game show (category 10)	398	463	16.3%	517	478	-7.5%
Human interest and award shows (category 11)	3,157	3,159	0.1%	2,505	2,374	-5.2%
Other (categories 12 to 15)	3,013	2,822	-6.3%	672	619	-7.9%
<b>Total (categories 1 to 15)</b>	<b>24,406</b>	<b>23,820</b>	<b>-2.4%</b>	<b>12,349</b>	<b>12,350</b>	<b>0.0%</b>

**Table 4.3.18 Expenditures on Canadian and non-Canadian programming by genre reported by specialty and pay services (part 2 of 2)**

Genre (\$ thousands)	Eligible Expenditures on Canadian Programming (CPE) <sup>1</sup>			Expenditures on non-Canadian programming		
	2011	2012	Growth	2011	2012	Growth
<i>Number of services reporting</i>	<i>181</i>	<i>204</i>		<i>181</i>	<i>204</i>	
<b>Total specialty services</b>						
News (category 1)	187,025	221,575	18.5%	2,007	1,746	-13.0%
Other information (categories 2 to 5)	285,308	259,671	-9.0%	53,308	53,549	0.5%
Sports (category 6)	397,686	486,458	22.3%	63,029	75,387	19.6%
Drama and comedy (category 7)	182,514	193,942	6.3%	296,533	305,868	3.1%
Music and variety (categories 8 & 9)	38,600	38,114	-1.3%	2,879	3,846	33.6%
Game show (category 10)	14,488	9,593	-33.8%	1,856	2,179	17.4%
Human interest and award shows (category 11)	98,365	114,338	16.2%	37,491	42,715	13.9%
Other (categories 12 to 15)	41,540	48,928	17.8%	1,386	1,547	11.6%
<b>Total (categories 1 to 15)</b>	<b>1,245,528</b>	<b>1,372,620</b>	<b>10.2%</b>	<b>458,489</b>	<b>486,838</b>	<b>6.2%</b>

1. Includes bilingual services. Excludes CTF “top-up” funding reported by pay and specialty services. Includes expenditures relating to tangible benefits and to commitments made at the time of licensing.

2. Includes bilingual services.

Source: CRTC data collection

**Table 4.3.19 Canadian programming expenditures (CPE) reported by PPV and VOD services**

(\$ thousands)	Eligible Expenditures on Canadian Programming (CPE)		
	2011	2012	Growth
<i>Number of services reporting</i>	<i>23</i>	<i>25</i>	
<b>Total PPV and VOD services</b>	<b>16,838</b>	<b>16,280</b>	<b>-3.3%</b>

- Programming expenditures by genre for PPV and VOD services are not available.

- Excludes CTF “top-up” funding reported by PPV and VOD services. Includes expenditures relating to ownership transfer benefits and to commitments made at the time of licensing.

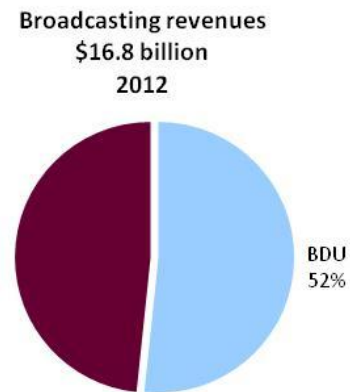
Source: CRTC data collection



#### 4.4 Broadcasting distribution market sector

##### Overview

BDUs distribute programming services from conventional television and radio stations, as well as pay audio, pay, PPV, VOD, and specialty television services. In 2012, Canadians were served by four types of service providers: cable BDUs, IPTV providers, national DTH distributors, and MDS operators. The sector is dominated by five large companies utilizing either cable or satellite facilities, capturing 88% of programming distribution revenues. Other services provided by the BDUs, such as Internet and telephony, are discussed in sections 3.1, 5.3 and 6.1 of this report.



This section presents BDU revenue and subscriber details for a five-year period. It displays the growth, performance, technology, and financial indicators of the market sector, as well as the disbursements made under affiliate agreement with Canadian and non-Canadian pay, PPV, VOD, and specialty service providers.

##### *Broadcasting distribution sector at a glance*

	2011	2012	% growth
Revenues (\$ billions)	8.6	8.7	1.1
Subscribers (millions)	11.9 #	12.0	1.0
Revenues per subscriber per month	61.84 #	61.90	0.1
Percent of households subscribing	86.1%	86.0%	
Market share (subscriber)			
Top four major cable operators	60%	59%	
DTH operators	24%	24%	
Number of service providers <sup>1</sup>			
Cable BDU	212	211	
IPTV	19	24	
MDS	5	4	
DTH	2	2	
Affiliation payments per subscription dollar	\$0.354	\$0.356	
EBITDA margin	22.8%	23.4%	
Cable and IPTV	22.6%	20.7%	
DTH and MDS	23.3%	30.1%	

1. Source: September 2012 Mediastats.

## Statistical information – Broadcasting distribution undertakings

### a) Industry revenues

**Table 4.4.1 Broadcasting distribution – Basic and non-basic revenues**

	2008	2009	2010	2011	2012	CAGR 2008-2012
<b>Revenues (\$ millions)</b>						
Cable	4,653.5	4,971.3	5,402.2 #	5,600.9 #	5,472.9	4.1%
<i>Percentage of total</i>	67.3	66.9	66.4	65.1	62.9	
<i>Percentage growth</i>	9.3	6.8	8.7	3.7	-2.3	
IPTV	108.4	151.4	207.8	322.3	585.3	52.5%
<i>Percentage of total</i>	1.6	2.0	2.6	3.7	6.7	
<i>Percentage growth</i>	43.3	39.8	37.2	55.1	81.6	
DTH and MDS	2,036.2	2,195.6	2,385.3	2,532.1 #	2,492.4	5.2%
<i>Percentage total</i>	29.5	29.6	29.3	29.4	28.7	
<i>Percentage growth</i>	11.0	7.8	8.6	6.2	-1.6	
Reporting BDUs subtotal	6,798.0	7,318.3	7,995.4 #	8,455.3 #	8,550.7	5.9%
<i>Percentage of total</i>	98.3	98.5	98.3	98.3	98.3	
<i>Percentage growth</i>	10.2	7.7	9.3	5.8	1.1	
Non-reporting BDUs	115.6	121.8 #	136.4 #	145.0 #	145.0	5.8%
<i>Percentage of total</i>	1.7	1.6	1.7	1.7	1.7	
<i>Percentage growth</i>	-13.9	5.4	12.0	6.4	0.0	
Total revenues	6,913.6	7,440.1 #	8,131.7 #	8,600.3 #	8,695.7	5.9%
<i>Percentage growth</i>	9.7	7.6	9.3	5.8	1.1	

- Revenue data is based on the 12-month period ending 31 August each year.
- Non-reporting BDU data based on estimates.
- Minor variances are due to rounding.

Source: CRTC data collection

**b) Subscriber data**

**Table 4.4.2 Broadcasting distribution – Basic and non-basic subscribers**

	2008	2009	2010	2011	2012	CAGR 2008-2012
<b>Subscribers (thousands)</b>						
Cable	7,691.7	7,782.7	7,877.0 #	7,858.5 #	7,682.6	0.0%
<i>Percentage of total</i>	70.1	69.4	68.3	66.3	64.2	
<i>Percentage growth</i>	2.2	1.2	1.2	-0.2	-2.2	
IPTV	225.0	311.4	416.9	657.3	1,002.4	45.3%
<i>Percentage of total</i>	2.1	2.8	3.6	5.5	8.4	
<i>Percentage growth</i>	35.4	38.4	33.9	57.6	52.5	
DTH and MDS	2,699.5	2,760.9	2,862.1	2,877.4	2,825.7	1.1%
<i>Percentage of total</i>	24.6	24.6	24.8	24.3	23.6	
<i>Percentage growth</i>	2.6	2.3	3.7	0.5	-1.8	
Reporting BDUs subtotal	10,616.3	10,854.9	11,156.0 #	11,393.2 #	11,510.7	2.0%
<i>Percentage of total</i>	96.8	96.8	96.8	96.1	96.1	
<i>Percentage growth</i>	2.8	2.2	2.8	2.1	1.0	
Non-reporting BDUs	350.2	365.2 #	371.4 #	463.1 #	463.1	7.2%
<i>Percentage of total</i>	3.2	3.3	3.2	3.9	3.9	
<i>Percentage growth</i>	-18.4	4.3	1.7	24.7	0.0	
Total subscribers	10,966.4	11,220.1 #	11,527.4 #	11,856.3 #	11,973.8	2.2%
<i>Percentage growth</i>	2.0	2.3	2.7	2.9	1.0	

- Number of subscribers is as of 31 August each year.
  - Non-reporting BDU data based on estimates.
  - Minor variances are due to rounding.
- Source: CRTC data collection

**Table 4.4.3 Top Canadian distributors and number of subscribers (thousands)**

Corporations						CAGR
	2009	2010	2011	2012	2013	2009-2013
RCI <sup>1</sup>	2,312	2,296	2,303	2,276	2,189	-1.4%
Percentage growth	0.7	-0.7	0.3	-1.2	-3.8	
Shaw <sup>2</sup>	2,274	2,329	2,313	2,257	2,137	-1.5%
Percentage growth	1.4	2.4	-0.7	-2.4	-5.3	
Videotron <sup>1</sup>	1,729	1,786	1,809	1,854	1,849	1.7%
Percentage growth	4.7	3.3	1.3	2.5	-0.3	
Cogeco <sup>2</sup>	868	874	881	873	853	-0.4%
Percentage growth	1.0	0.7	0.8	-0.8	-2.4	
Subtotal – Cable	7,183	7,284	7,305	7,260	7,028	-0.5%
Percentage growth	1.9	1.4	0.3	-0.6	-3.2	
Star Choice <sup>2,3</sup>	897	903	906	911	907	0.3%
Percentage growth	1.2	0.7	0.4	0.5	-0.4	
BCE <sup>1,4</sup>	1,864	1,969	2,043	2,112	2,170	3.9%
Percentage growth	2.2	5.6	3.8	3.3	2.8	
Subtotal – DTH and IPTV	2,761	2,872	2,950	3,022	3,077	2.8%
Percentage growth	1.9	4.0	2.7	2.5	1.8	
Total – Top Canadian distributors	9,944	10,156	10,255	10,283	10,105	0.4%
Percentage growth	1.9	2.1	1.0	0.3	-1.7	
% of all subscribers	89.6 #	89.3 #	87.7 #	86.3	n.a.	

1. As of fiscal year ending 31 March each year.

2. As of fiscal year ending 28 February each year.

3. Star Choice Television Network Inc. is controlled by Shaw Communications Inc.

4. BCE includes Bell ExpressVu LLP, DTH and Bell Canada VDSL-based IPTV. Includes Northwestel as of 2011.

Source: Corporate quarterly reports

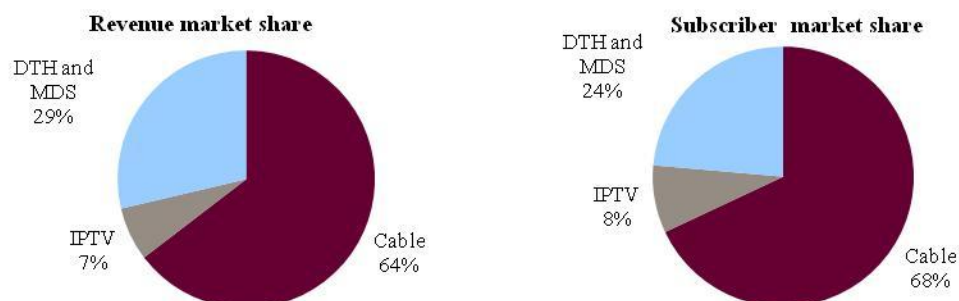
c) *Performance and technology indicators*

**Table 4.4.4 Broadcasting distribution – Percentage of households subscribing to BDUs**

Monthly revenues/subscriber	2008	2009	2010	2011	2012	CAGR 2008-2012
Cable	50.42	53.23	57.15	59.39 #	59.36	4.2%
Percentage growth	6.9	5.6	7.4	3.9	0.0	
IPTV	40.13	40.52	41.53	40.86	48.66	4.9%
Percentage growth	5.8	1.0	2.5	-1.6	19.1	
DTH and MDS	62.86	66.27	69.45	73.33 #	73.51	4.0%
Percentage growth	8.2	5.4	4.8	5.6	0.2	
Reporting BDUs subtotal	53.36	56.18	59.72	61.84 #	61.90	3.8%
Percentage growth	7.2	5.3	6.3	3.6	0.1	
Household subscription rate (%)	83.2	83.1	84.5	86.1	86.0	

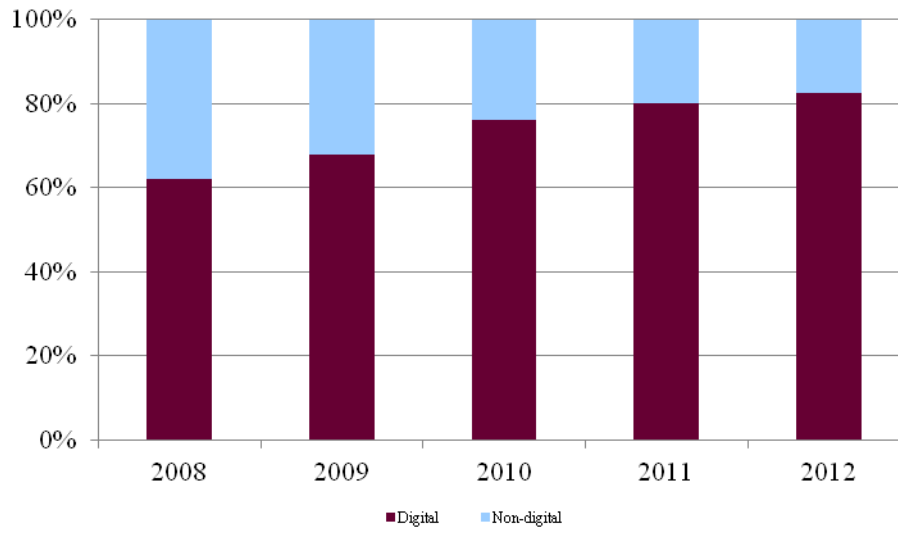
- Data is for the 12-month period ending 31 August each year.
  - Household penetration is now measured by dividing the number of subscriptions by the number of households.
- Source: CRTC data collection

**Figure 4.4.1 Percentage of revenues and subscribers by type of distribution platform in 2012**



Source: CRTC data collection

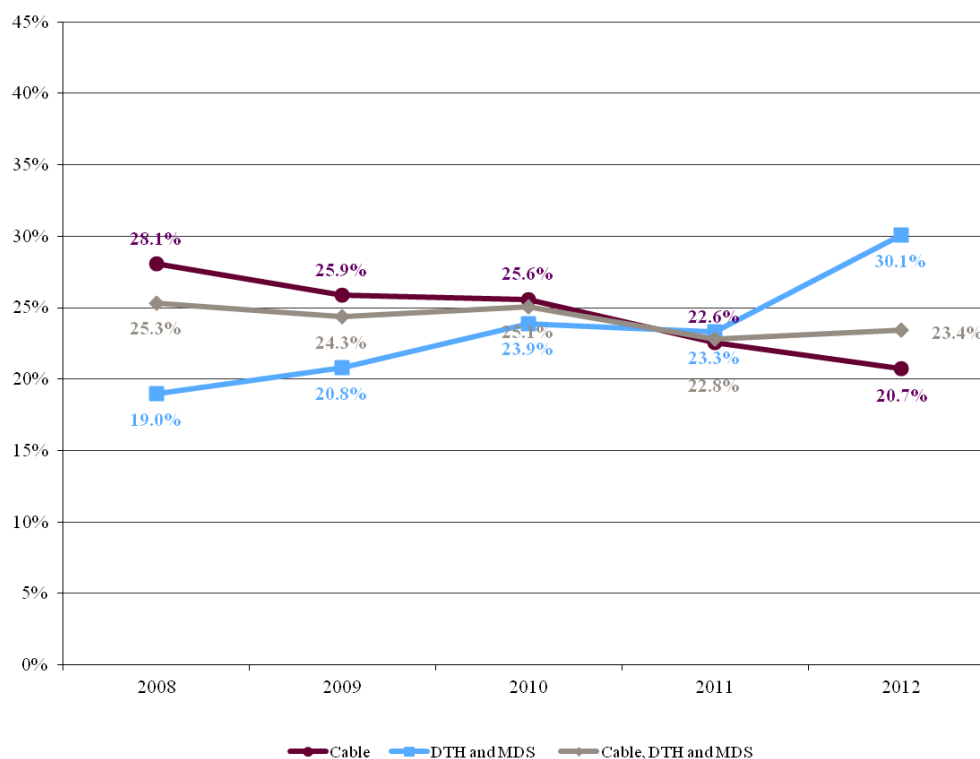
**Figure 4.4.2 Percentage of BDU subscribers receiving digital and non-digital services**



Sources: Mediastats and CRTC data collection

d) *Financial performance*

**Figure 4.4.3 EBITDA margins achieved from basic and non-basic programming services**



• Based on the 12-month period ending 31 August  
Source: CRTC data collection

e) *Disbursements under affiliate agreements*

**Table 4.4.5 Affiliation payments made to Canadian and non-Canadian pay, PPV, VOD, and specialty services reported by BDUs (part 1 of 2)**

		2008	2009	2010	2011	2012	CAGR 2008-2012
Payments to Canadian affiliates	Cable	1,304	1,473	1,633 #	1,808 #	1,963	10.8%
	Percentage of total cable	86	88	87	87	88	
	Percentage growth		13	11	11	9	
	DTH and MDS	678	738	819	838	726	1.7%
	Percentage of total DTH and MDS	92	91	92	91	89	
	Percentage growth		9	11	2	-13	
	Combined						
	Pay	541	596	647 #	682 #	679	5.9%
	Percentage of total pay	94	94	93	93	95	
	Percentage growth		10	9	5	0	
	Specialty	1,441	1,616	1,805	1,964 #	2,010	8.7%
	Percentage of total specialty	85	87	87	87	86	
	Percentage growth		12	12	9	2	
	Total	1,982	2,211	2,452 #	2,645 #	2,689	7.9%
	Percentage of total	88	89	89	89	88	
	Percentage growth		12	11	8	2	
Payments to Non- Canadian affiliates	Cable	219	207	243 #	262	270	5.4%
	Percentage of total cable	14	12	13	13	12	
	Percentage growth		-5	18	8	3	
	DTH and MDS	63	70	75	81	86	8.2%
	Percentage of total DTH and MDS	8	9	8	9	11	
	Percentage growth		11	8	8	5	
	Combined						
	Pay	32	38	46	48	34	1.5%
	Percentage of total pay	6	6	7	7	5	
	Percentage growth		17	21	3	-28	
	Specialty	249	238	272 #	296	321	6.6%
	Percentage of total specialty	15	13	13	13	14	
	Percentage growth		-4	14	9	8	
	Total	281	276	318 #	344 #	355	6.0%
	Percentage of total	12	11	11	11	12	
	Percentage growth		-2	15	8	3	

**Table 4.4.5 Affiliation payments made to Canadian and non-Canadian pay, PPV, VOD, and specialty services reported by BDUs (part 2 of 2)**

		2008	2009	2010	2011	2012	CAGR 2008-2012
Total affiliate payments	Cable	1,523	1,680	1,877 #	2,070 #	2,232	10.0%
	Percentage of total	67	68	68	69	73	
	Percentage growth		10	12	10	8	
	DTH and MDS	741	807	894	919	812	2.3%
	Percentage of total	33	32	32	31	27	
	Percentage growth		9	11	3	-12	
	Combined						
	Pay	574	634	693 #	730 #	714	5.6%
	Percentage of total	25	25	25	24	23	
	Percentage growth		10	9	5	-2	
	Specialty	1,690	1,854	2,077 #	2,259 #	2,331	8.4%
	Percentage of total	75	75	75	76	77	
	Percentage growth		10	12	9	3	
	Total	2,264	2,488	2,770 #	2,989 #	3,045	7.7%
	Percentage growth		10	11	8	2	

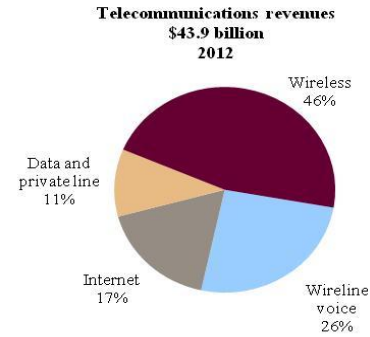
- Based on the 12-month period ending 31 August each year.  
Source: CRTC data collection



## 5.0 Telecommunications service industry

### 5.1 Financial review

In 2012, the Canadian telecommunications service industry was dominated by 10 large companies that collectively, with their affiliates, accounted for 93% of Canadian telecommunications revenues of \$43.9 billion. The remaining entities were smaller, with annual combined revenues of less than \$2.9 billion, placing each company well below 10% of total Canadian telecommunications revenues as set out in subsection 16(6) of the *Telecommunications Act*, as amended.



Section 16 of the *Telecommunications Act* addresses the eligibility of Canadian carriers to operate as telecommunications common carriers. For the purposes of applying the provisions of this section, the Commission has determined that, for the period between the date of release of the 2013 Communications Monitoring Report and the date of release of the 2014 Communications Monitoring Report, the total annual revenues from the provision of telecommunications services in Canada is \$43.9 billion.

In 2012, companies operating in all six markets of the telecommunications service industry (i.e. local and access, long distance, Internet, data, private line, and wireless) accounted for approximately 87% of Canadian telecommunications revenues. Companies operating in only one market sector accounted for 1% of revenues.

This section provides a broad overview of the financial performance of the telecommunications service industry and examines various financial indicators such as revenue trends by market sector and by type of service provider, profitability, market share, capital intensity, and average revenues per line.

#### *Telecommunications service industry at a glance*

		2011	2012	% Growth
Telecommunications revenues <sup>1</sup> (\$ billions)		42.8	# 43.9	2.7
Percentage of telecommunications revenues	Top 5 ILECs	65	65	5.2
	Top 5 cable companies	30	30	4.2
	Top 5 resellers	2	2	-0.6
Capex (\$ billions)	Wireline	7.2	# 7.1	-1.3
	Wireless <sup>3</sup>	2.3	2.5	9.2
EBITDA margin (%)	Wireline	21	22	6.8
	Wireless	43	40	-6.3
Average wireless retail revenues <sup>2</sup> (\$/subscriber/month)		57.00	# 58.60	2.8%

1. Excludes landline terminal revenues.

2. Average retail revenues per subscriber per month are obtained by dividing total retail revenues by the total number of retail subscribers, then dividing this number by 12.

3. Globalive, Public Mobile and Data & Audio expenditures were excluded.

Source: CRTC data collection

## Statistical information – Telecommunications

### a) Industry revenues

**Table 5.1.1 Retail and wholesale telecommunications revenues<sup>1</sup> (\$ billions)**

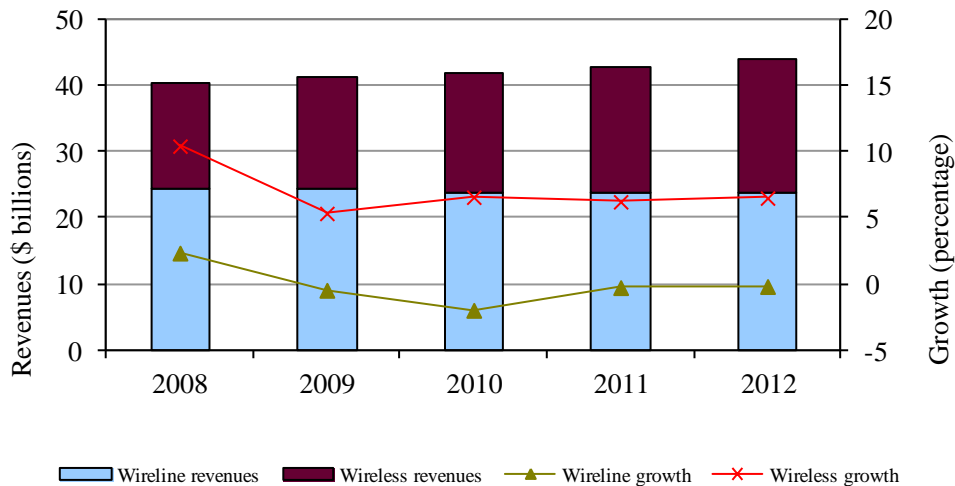
		2008	2009	2010	2011	2012	CAGR 2008-2012
Wireline	Retail <sup>2</sup>	21.1	21.0	20.6	20.6 #	20.6	-0.5%
	Percentage growth	1.2	-0.4	-1.8	0.2	0.0	
	Wholesale	3.1	3.1	3.1	3.0 #	2.9	-1.7%
	Percentage growth	10.1	-1.3	-0.3	-1.4	-3.6	
	Wireline total	24.2	24.0	23.7	23.7	23.5	-0.6%
Wireless	Percentage growth	2.2	-0.5	-1.6	0.0	-0.5	
	Retail	15.6	16.3	17.5	18.4	19.5	5.8%
	Percentage growth	11.1	4.9	7.2	5.0	6.1	
	Wholesale	0.5	0.5	0.5	0.7	0.8	16.5%
	Percentage growth	-8.0	19.3	-12.9	50.6	17.6	
Wireless total	Wireless total	16.0	16.9	18.0	19.1	20.4	6.2%
	Percentage growth	9.3	5.3	6.6	6.2	6.5	
Retail total	Retail total	36.6	37.3	38.1	39.1	40.2	2.3%
	Percentage growth	5.2	1.8	2.2	2.4	2.9	
Wholesale total	Wholesale total	3.6	3.6	3.5	3.7	3.7	1.2%
	Percentage growth	7.4	1.4	-2.2	5.6	0.5	
Total	Total	40.3	41.0	41.7	42.8	43.9	2.2%
	Percentage growth	5.4	1.8	1.8	2.7	2.7	

1. Estimates were made to capture revenues of the smaller TSPs that were not required to complete detailed survey forms.

2. Local and Access terminal equipment and other non-telecommunications revenues were excluded.

Source: CRTC data collection

**Figure 5.1.1 Telecommunications revenues and annual growth**



Source: CRTC data collection

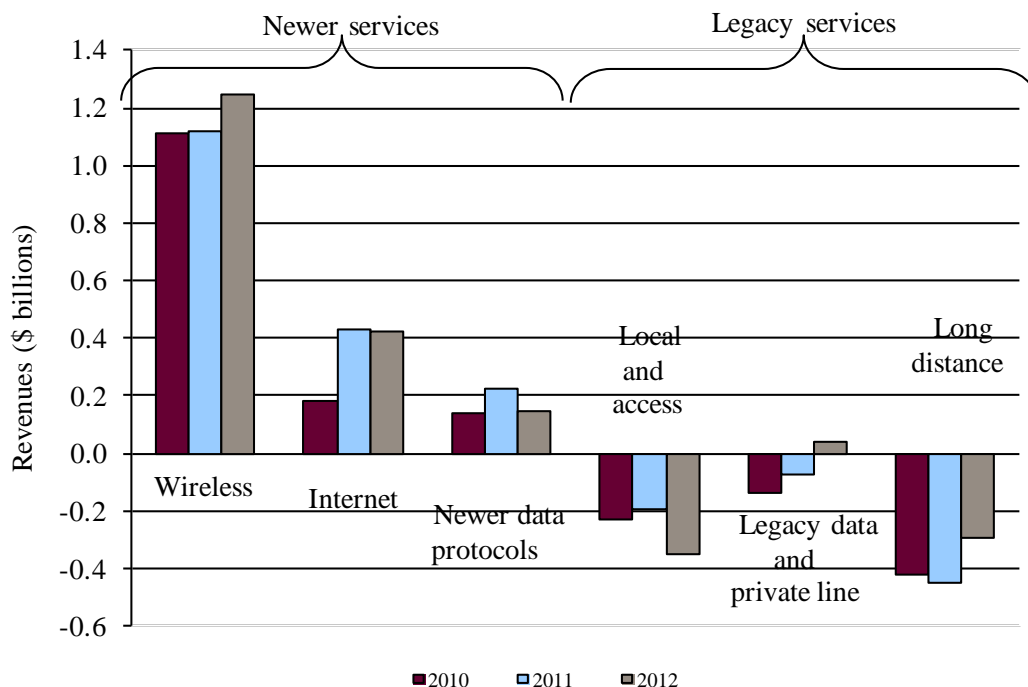
**Table 5.1.2 Telecommunications revenues, by market sector (\$ billions)**

		2008	2009	2010	2011	2012	CAGR 2008-2012
Voice	Local and access	9.6	9.4	9.1	9.0 #	8.6	-2.6%
	Percentage growth	0.1	-1.9	-2.7	-1.9	-4.2	
	Long distance	4.2	3.9	3.4	3.0 #	2.7	-10.3%
	Percentage growth	-3.8	-7.1	-11.0	-11.8	-11.2	
	Voice subtotal	13.7	13.2	12.6	12.0	11.3	-4.8%
	Percentage growth	-1.1	-3.5	-5.0	-4.6	-6.0	
Wireline	Internet	6.1	6.5	6.8	7.2	7.6	5.6%
	Percentage growth	9.1	6.1	4.2	6.3	5.9	
	Newer data protocols	1.5	1.7	1.8	2.1	2.2	10.5%
	Percentage growth	15.1	14.4	8.3	12.2	7.2	
	Legacy data, private line, and other	2.8	2.6	2.5	2.4	2.4	-3.8%
	Percentage growth	-0.4	-8.3	-5.3	-2.9	1.6	
	Data and private line subtotal	4.3	4.3	4.3	4.5	4.7	1.8%
	Percentage growth	4.4	-0.5	0.0	3.5	4.1	
Non-voice	Non-voice subtotal	10.5	10.8	11.1	11.7	12.3	4.1%
	Percentage growth	7.1	3.4	2.5	5.3	5.2	
Total wireline		24.2	24.0	23.7	23.7	23.5	-0.6%
Percentage growth		2.3	-0.5	-1.6	0.0	-0.5	
Wireless		16.0	16.9	18.0	19.1	20.4	6.2%
Percentage growth		10.4	5.3	6.6	6.2	6.5	
Total		40.3	41.0	41.7	42.8	43.9	2.2%
Percentage growth		5.4	1.8	1.8	2.7	2.7	

Source: CRTC data collection

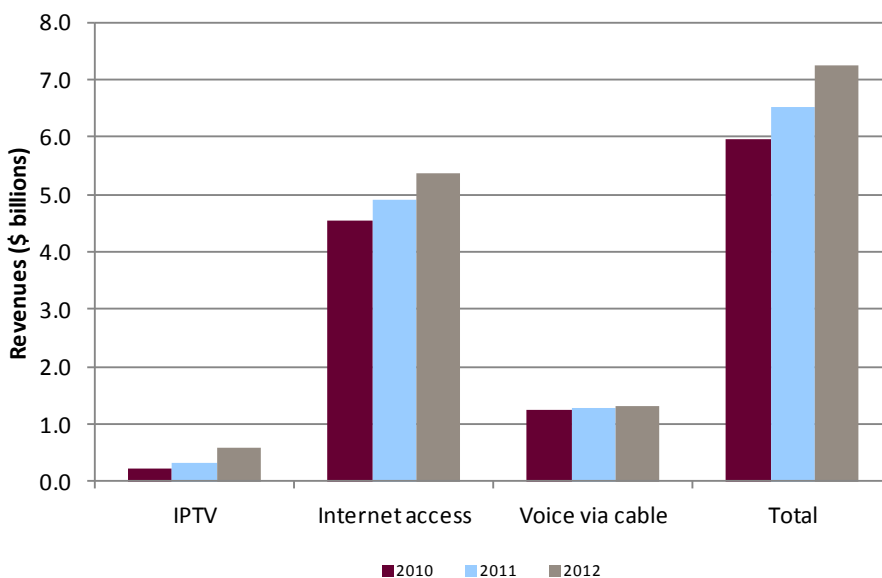
**b) Technology indicators**

**Figure 5.1.2 Annual telecommunications revenue growth, by market sector**



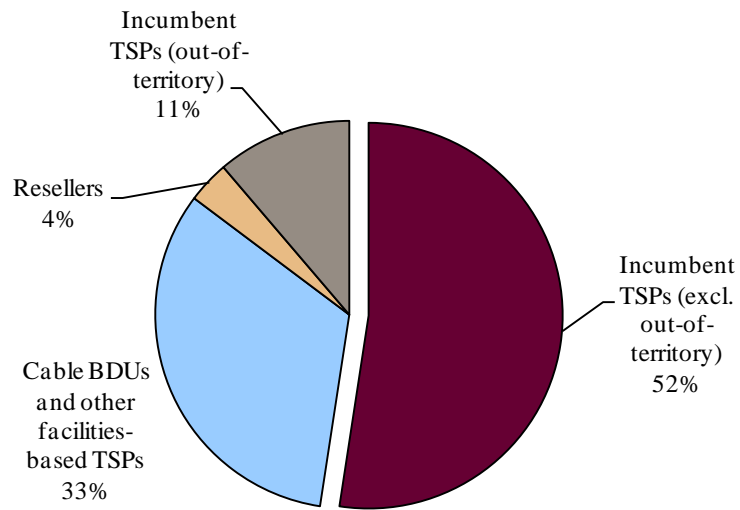
Source: CRTC data collection

**Figure 5.1.3 Residential IP-provisioned service revenues**



Source: CRTC data collection

**Figure 5.1.4 Total telecommunications revenue market share, by type of TSP, 2012**



Source: CRTC data collection

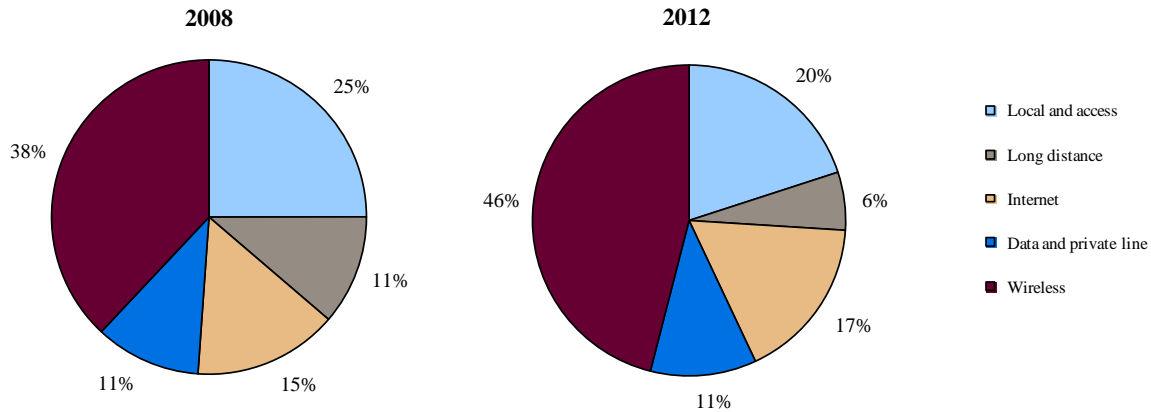
c) *Industry characteristics*

**Table 5.1.3 Wireline telecommunications revenue market share (%), by type of TSP, 2012**

		Retail			Wholesale	Total
		Residential	Business	Total		
Incumbent TSPs (excl. out-of-territory)		51.7	65.7	57.9	72.1	59.7
Alternative TSPs	Incumbent TSPs (out-of-territory)	0.1	12.3	5.5	12.7	6.4
	Facilities-based non-incumbent TSPs	42.8	13.2	29.7	12.1	27.5
	Resellers	5.3	8.8	6.9	3.1	6.4
	Alternative TSPs subtotal	48.6	33.2	41.8	25.6	39.8

Source: CRTC data collection

**Figure 5.1.5 Distribution of telecommunications revenues, by market sector**



Source: CRTC data collection

**Table 5.1.4 Percentage of telecommunications revenues generated by companies operating in multiple markets**

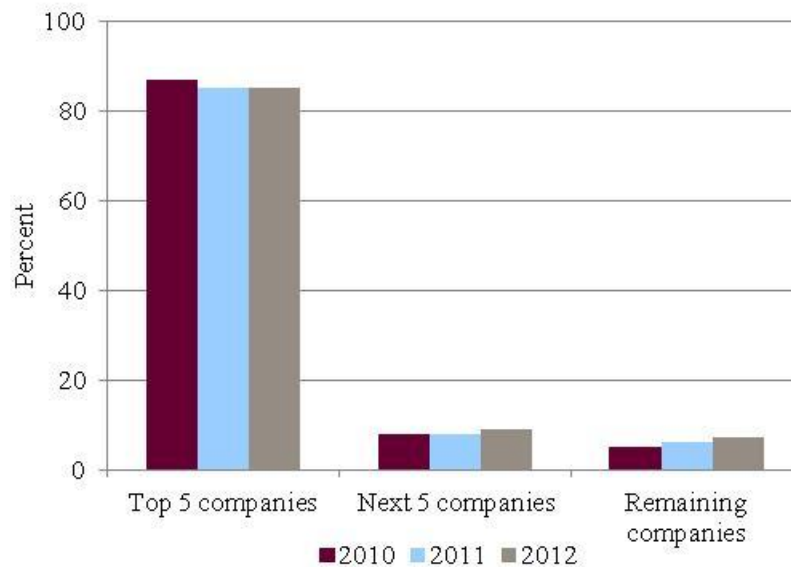
Number of markets <sup>1</sup>	Number of reporting companies operating in these markets <sup>2</sup>			Percentage of telecom revenues generated in these markets		
	2010	2011	2012	2010	2011	2012
6	10	10	10	89	88	87
5	12	14	15	5	5	6
4	23	19	22	3	2	2
3	29	38	41	2	2	2
2	31	33	26	1	2	1
1	56	52	65	1	1	1

1. Markets includes local and access, long distance, Internet, data and private line, and wireless markets.

2. Affiliates are included with their parent company.

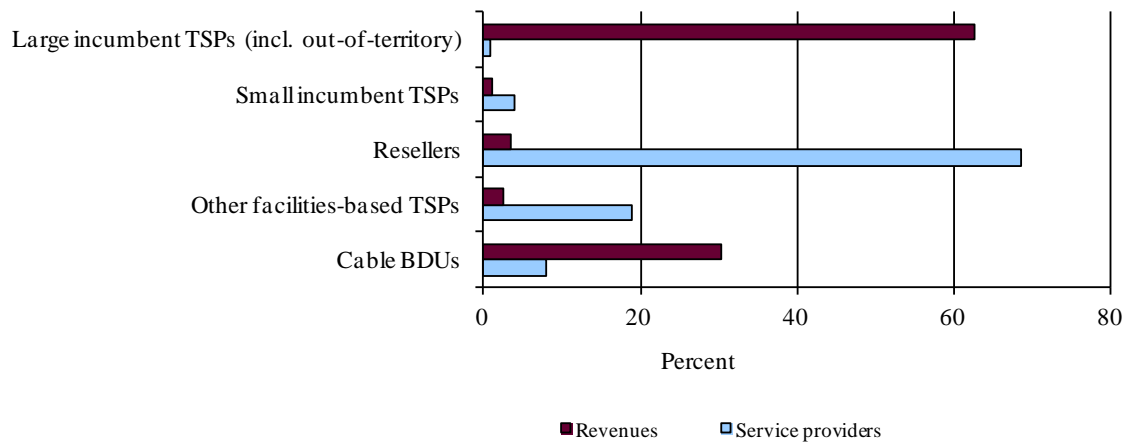
Source: CRTC data collection

**Figure 5.1.6 Telecommunications revenues for the top 5 company groups, the next 5 company groups, and the remaining company groups**



- Top 5 are Bell, MTS, Rogers, Shaw and TCC.
  - Next 5 are Bragg, Cogeco, Quebecor, SaskTel and Telesat Canada
- Source: CRTC data collection

**Figure 5.1.7 Total telecommunications revenue market share, by type of TSP, 2012**



Source: CRTC data collection

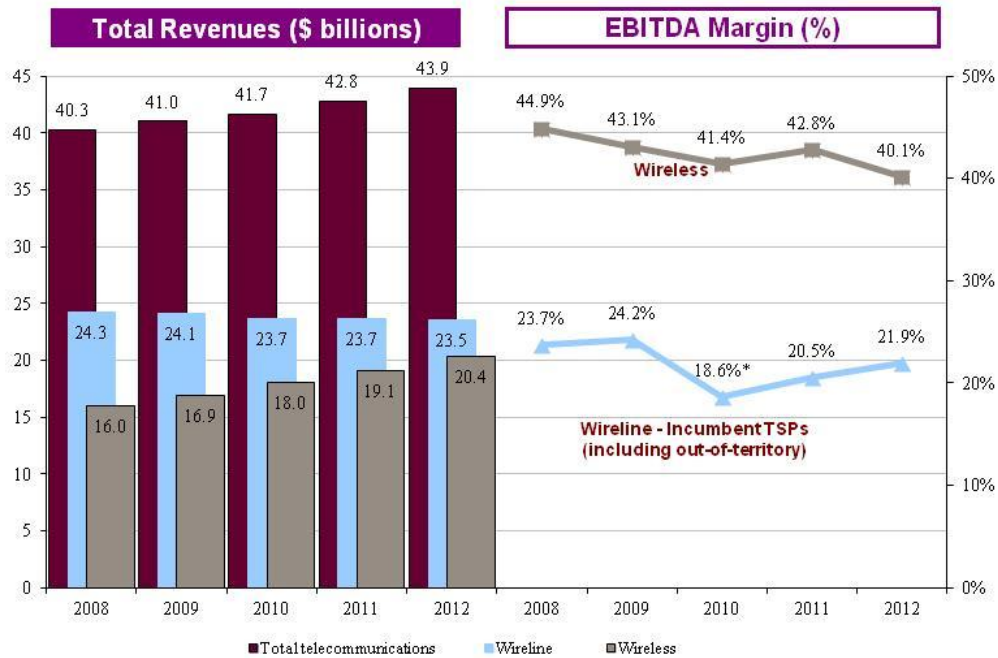
**Table 5.1.5 Total telecommunications revenues, by type of service provider (\$ millions)**

			2009	2010	2011	2012
Incumbent TSPs	Large incumbent TSPs		26,777.9	26,752.3	27,203.0	# 27,478.5
	Small incumbent TSPs		401.8	417.5	469.9	474.4
	Subtotal		27,179.7	27,169.8	27,672.9	# 27,952.9
	Less: out-of-territory		4,290.6	4,326.1	4,105.6	# 4,934.6
	Incumbents (excl. out-of-territory)		22,889.1	22,843.7	23,567.3	23,018.3
	Percent of total		56%	55%	55%	52%
Alternative TSPs	Facilities-based carriers	Incumbents (out-of-territory)	4,290.6	4,326.1	4,105.6	4,934.6
		Cable BDUs	11,428.4	12,237.0	12,734.9	13,272.9
		Utility telcos and other	723.7	713.5	849.8	1,148.7
		Subtotal alternative TSPs	16,442.6	17,276.5	17,690.3	19,356.2
	Resellers		1,594.7	1,533.8	1,522.8	1,540.7
	Total facilities-based and resellers		18,037.2	18,810.3	19,213.1	20,896.9
	Percent of total		44%	45%	45%	48%
Total			40,926.4	41,654.0	42,780.4	43,915.2

Source: CRTC data collection

d) *Financial performance*

**Figure 5.1.8 Telecommunications revenues and EBITDA margins**



• 2010 Wireline – Incumbent TSPs (including out-of-territory) EBITDA figure has been restated due to company adjustments.  
Source: CRTC data collection

**Table 5.1.6 Telecommunications capex, by type of TSP (\$ billions)**

		2008	2009	2010	2011	2012	CAGR 2008- 2012
Wireline	Incumbent TSPs <sup>1</sup>	4.1	4.2	4.4	4.6	4.4	1.6%
	Percentage growth	-1.4	1.4	5.1	5.4	-5.0	
	Facilities-based TSPs	1.7	1.5	2.1	2.6 #	2.7	12.1%
	Percentage growth	5.6	-10.7	40.2	20.5	4.8	
	Alternative TSPs <sup>2</sup>	0.1	0.0	0.0	0.0	0.0	-14.8%
	Percentage growth	-2.5	-59.0	-35.5	33.6	48.8	
	Alternative TSPs total	1.8	1.6	2.2	2.6 #	2.7	11.3%
	Percentage growth	5.2	-12.8	38.7	20.7	5.2	
	Wireline total	5.9	5.7	6.6	7.2	7.1	4.8%
	Percentage growth	0.5	-2.9	14.2	10.4	-1.3	
Wireless		6.1	2.2	1.8	2.3 #	2.5	-19.7%
Percentage growth		220.2	-63.0	-18.9	27.2	9.2	
Wireline and wireless total		12.0	8.0	8.4	9.6	9.7	-5.2%
Percentage growth		54.1	-33.4	4.9	14.1	1.2	

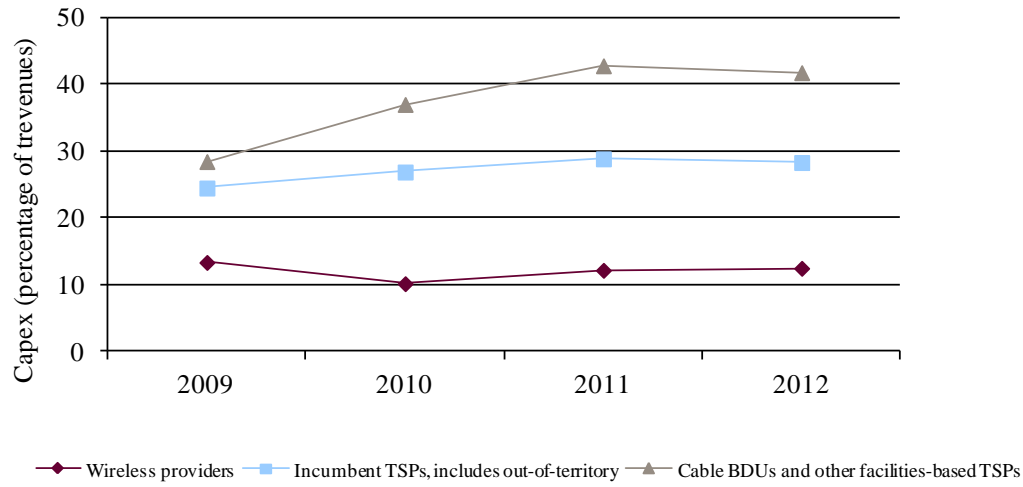
1. Included out-of-territory operations

2. Excludes incumbent out-of-territory operations

• Globalive, Public Mobile and Data & Audio expenditures were excluded due to insufficient data.

Source: CRTC data collection

**Figure 5.1.9 Telecommunications capex as a percentage of revenues, by type of TSP<sup>1</sup>**



1. Incumbent TSPs (including out-of-territory) and cable BDUs and other facilities-based TSPs exclude their respective wireless services.
  - Globalive, Public Mobile and Data & Audio expenditures were excluded due to insufficient data.
- Source: CRTC data collection

e) *Forbearance and wholesale revenue data*

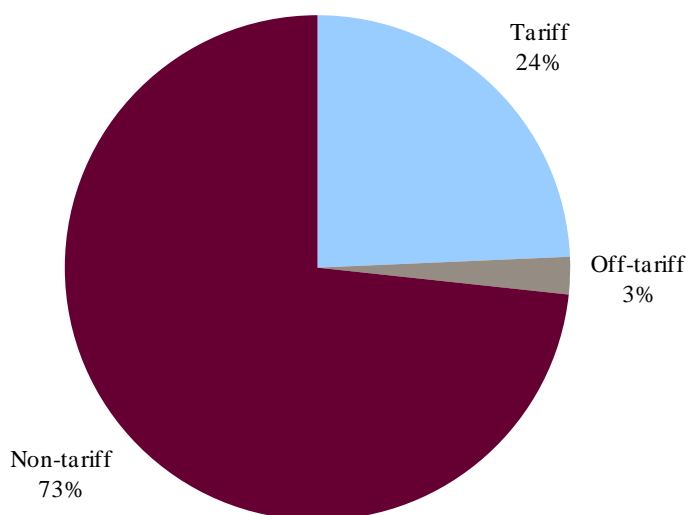
**Table 5.1.7 Percentage of telecommunications revenues generated by forborne services**

	2008	2009	2010	2011	2012
Local and access <sup>1</sup>	75	71	73	76	77
Long distance	94	96	96	95	99
Internet	98	99	98	98	98
Data and private line <sup>1</sup>	80	82	81	83	84
Wireless	100	100	100	100	100
Overall	90	91	92	93	93

1. Additional companies reported in 2012

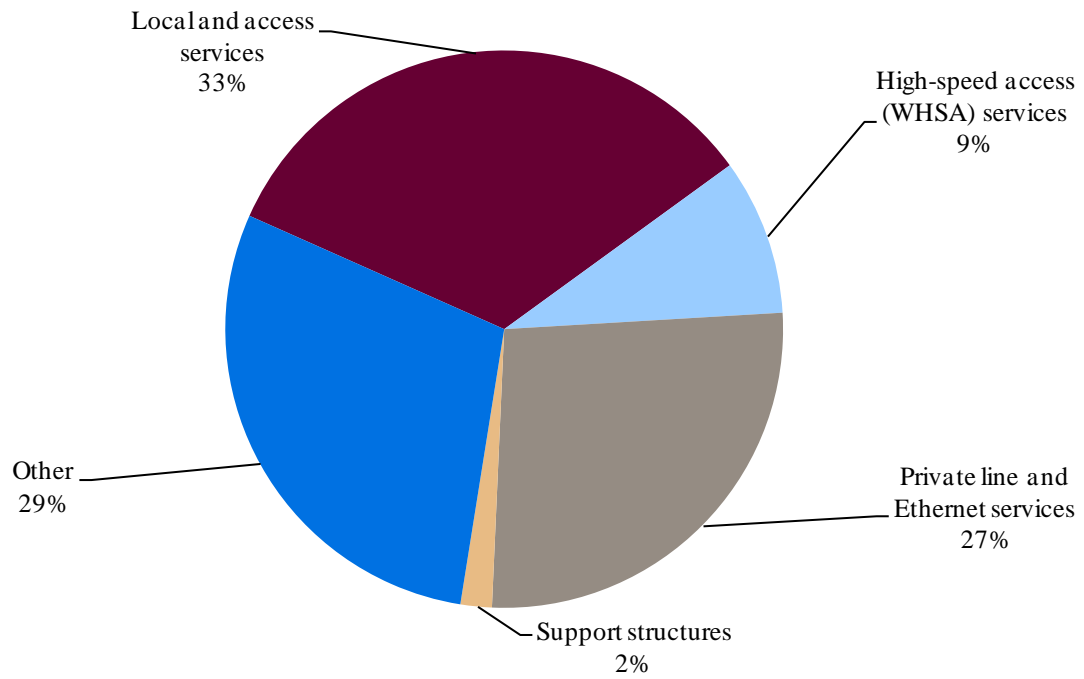
Source: CRTC data collection

**Figure 5.1.10 Telecommunications wholesale service revenues, tariff v. off-tariff v. non-tariff, 2012**



Source: CRTC data collection

**Figure 5.1.11**      **Telecommunications wholesale service revenues, by type of service, 2012**



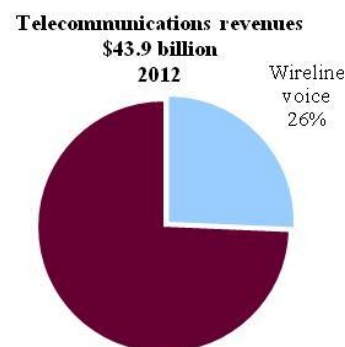
Source: CRTC data collection

## 5.2 Wireline voice market sector

### Overview

Canadians were served by over 100 providers of local telephone service and over 150 providers of long distance service in 2012. These service providers included the following:

- large incumbent TSPs, which provide both local and long distance services, primarily over their own networks;
- small incumbent TSPs, which operate in limited areas of Ontario, Quebec, and British Columbia, and include municipally owned, public, and private carriers;
- cable BDUs, which provide network-based local and long distance services on a managed network;
- ISPs which provide local and/or long distance service over the public Internet network; and
- resellers, which do not own their own facilities and tend to concentrate on the long distance market by offering dial-around or prepaid card services.



This section presents revenue and demand quantities (i.e., number of local subscriber lines, payphones and long distance minutes) generally over a five-year period to display the trends in the sector. Performance and technology indicators, such as ARPU and market share data, and measurement data identifying innovation and technology deployment in the network and service offerings are also provided, generally for a five-year period.

### Wireline voice market sector at a glance

	2011	2012	% change
Revenues (\$ billions)	11.8	11.1	-5.8
Local and access <sup>1</sup>	8.8	8.5	-4.0
Long distance <sup>2</sup>	3.0	2.7	-11.2
Local lines (millions)	19.9	19.4	-2.7
Monthly retail local and long distance revenues per line	\$47.31#	\$46.27	-2.2
Monthly retail local revenues per line	\$36.28#	\$36.19	-0.3
Residence	\$31.23#	\$30.80	-1.3
Business	\$46.65#	\$47.35	1.5
Retail long distance revenues per minute	\$0.058#	\$0.055	-5.0
Residence	\$0.068#	\$0.067	-0.8
Business	\$0.044#	\$0.040	-10.0
Incumbent revenue market share (excluding out-of-territory)			
Local and access	76%	74%	
Long distance	61%#	63%	

1. Revenues from telephony services that do not involve connectivity to the PSTN (i.e. computer-to-computer communication) and revenues from wireline terminal equipment sales (telephones and PBX equipment) are excluded from local and access revenues.
2. Long distance calls originating from mobile phones are included in the wireless section of this report. However, revenues and minutes from wireline and wireless long distance calls associated with calling cards are included in the wireline voice sector.

Source: CRTC data collection

## Statistical information – Wireline voice market sector

### a) Industry revenues

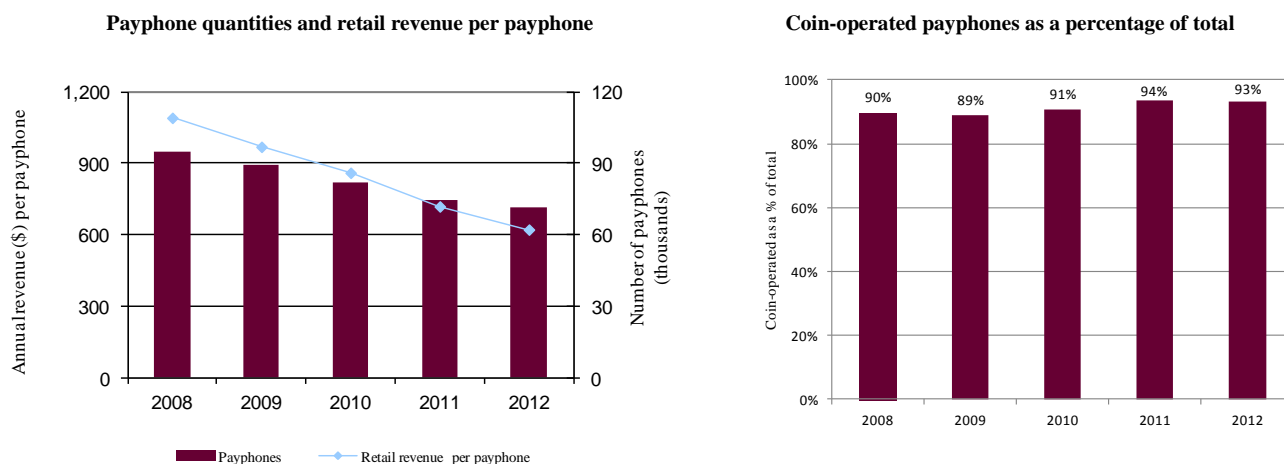
**Table 5.2.1 Local and access, and long distance revenues**

	2008	2009	2010	2011	2012	CAGR 2008 – 2012	
Total local and access revenues (\$ millions)	9,550	9,386	9,132	8,962	#	8,584	-2.6%
Annual growth (%)	0.1	-1.7	-2.7	-1.9		-4.2	
Less: contribution revenues (\$ millions)	209	203	165	157		132	-10.9%
Local and access service revenues (\$ millions)	9,342	9,183	8,967	8,806	#	8,453	-2.5%
Annual growth (%)	0.2	-1.7	-2.4	-1.8		-4.0	
Long distance revenues (\$ millions)	4,153	3,856	3,432	3,026	#	2,687	-10.3%
Annual growth (%)	-3.8	-7.1	-11.0	-11.8		-11.2	
Local and access and long distance revenues (\$ millions)	13,494	13,039	12,399	11,831	#	11,140	-4.7 %
Annual growth (%)	-1.1	-3.4	-4.9	-4.6		-5.8	

• Excludes revenues from small, access-independent VoIP providers.

Source: CRTC data collection

**Figure 5.2.1 Large incumbent TSPs' payphone revenues and quantities**



• Approximately 10% of payphones are equipped with teletypewriter (TTY) capability.

Source: CRTC data collection

**Table 5.2.2 Local and access revenues, by type of TSP (\$ millions)**

	2009	2010	2011	2012	CAGR 2009 – 2012
<b>Residential</b>					
Incumbent TSPs (excluding out-of-territory)	3,546	3,349	3,129	2,906	-6.4 %
Annual growth %	-7.3	-5.6	-6.6	-7.1	
Incumbent TSPs (out-of-territory)	9	9	12 #	16	20.2 %
Annual growth %	-5.9	-1.8	31.7	34.2	
Non-incumbent, alternative TSPs (excluding cable BDUs)	140	123	161 #	173	7.3 %
Annual growth %	10.7	-12.2	30.7	7.6	
Cable BDUs	1,099	1,252	1,285	1,307	6.0 %
Annual growth %	21.3	13.9	2.6	1.7	
Total residential	4,794	4,732	4,586	4,401	-2.8 %
Annual growth %	-1.5	-1.3	-3.1	-4.0	
<b>Business</b>					
Incumbent TSPs (excluding out-of-territory)	3,017	2,934	2,813 #	2,664	-4.1 %
Annual growth %	-2.6	-2.7	-4.1	-5.3	
Incumbent TSPs (out-of-territory)	309	270	259 #	306	-0.3 %
Annual growth %	-0.1	-12.6	-4.0	18.1	
Non-incumbent, alternative TSPs	189	182	266 #	291	15.5 %
Annual growth %	28.7	-3.9	46.3	9.4	
Total business	3,514	3,386	3,339 #	3,261	-2.5 %
Annual growth %	-1.1	-3.7	-1.4	-2.3	
<b>Retail</b>					
Incumbent TSPs (excluding out-of-territory)	6,563	6,282	5,942 #	5,570	-5.3 %
Annual growth %	-5.2	-4.3	-5.4	-6.3	
Incumbent TSPs (out-of-territory)	318	279	271 #	322	0.4 %
Annual growth %	-0.3	-12.3	-2.9	18.8	
Non-incumbent, alternative TSPs	1,428	1,556	1,711 #	1,771	7.4 %
Annual growth %	21.0	9.0	10.0	3.5	
Total retail	8,308	8,117	7,924 #	7,663	-2.7 %
Annual growth %	-1.3	-2.3	-2.4	-3.3	
<b>Wholesale</b>					
Incumbent TSPs (excluding out-of-territory)	660	653	682 #	623	-1.9 %
Annual growth %	-3.8	-1.1	4.5	-8.7	
Incumbent TSPs (out-of-territory)	115	105	112 #	85	-9.7 %
Annual growth %	0.4	-8.6	6.5	-24.2	
Non-incumbent, alternative TSPs	49	41	39 #	44	-3.7 %
Annual growth %	-3.7	-17.6	-4.6	13.6	
Total wholesale	824	798	832 #	751	-3.0 %
Annual growth %	-3.2	-3.1	4.3	-9.8	
<b>Total</b>					
Incumbent TSPs (excluding out-of-territory)	7,223	6,935	6,624 #	6,193	-5.0 %
Annual growth %	-5.1	-4.0	-4.5	-6.5	
Incumbent TSPs (out-of-territory)	432	383	382 #	406	-2.1 %
Annual growth %	-0.1	-11.3	-0.3	6.2	
Non-incumbent, alternative TSPs	1,477	1,597	1,750 #	1,815	7.1 %
Annual growth %	20.0	8.1	9.6	3.7	
Total revenues	9,132	8,915	8,756 #	8,414	-2.7 %
Annual growth %	-1.5	-2.4	-1.8	-3.9	

Source: CRTC data collection

**Table 5.2.3 Local wholesale revenues, by major component (\$ millions)**

	2008	2009	2010	2011	2012	<i>CAGR 2008 – 2012</i>
Interconnection	281	280	276	254	220	-5.9%
Centrex	97	97	89	88	76	-5.9%
PSTN access	280	290	288	354	327	4.0%
Unbundled loops	116	92	79	60	47	-20.3%
Other revenues	47	33	42	42	44	-1.9%
<b>Total</b>	<b>821</b>	<b>792</b>	<b>774</b>	<b>798</b>	<b>714</b>	<b>-3.4%</b>

Source: CRTC data collection

**Table 5.2.4 Long distance revenues, by type of TSP (\$ millions)**

	2009	2010	2011	2012	CAGR 2009 – 2012
<b>Residential</b>					
Incumbent TSPs (excluding out-of-territory)	1,288	1,136	1,051 #	931	-10.2%
Annual growth %	-10.6	-11.8	-7.5	-11.4	
Incumbent TSPs (out-of-territory)	2	2	1	1	-26.0%
Annual growth %	-21.5	-16.4	-21.8	-38.1	
Non-incumbent, alternative TSPs	709	590	554	492	-11.5%
Annual growth %	-2.5	-16.9	-6.0	-11.2	
Total residential	1,999	1,728	1,606 #	1,424	-10.7%
Annual growth %	-7.9	-13.6	-7.0	-11.3	
<b>Business</b>					
Incumbent TSPs (excluding out-of-territory)	669	565	491 #	449	-12.5%
Annual growth %	-2.4	-15.6	-13.1	-8.5	
Incumbent TSPs (out-of-territory)	161	115	119 #	89	-17.9%
Annual growth %	-8.4	-28.2	2.7	-25.0	
Non-incumbent, alternative TSPs	247	226	193	173	-11.1%
Annual growth %	-16.2	-8.3	-14.8	-10.2	
Total business	1,077	907	802 #	711	-12.9%
Annual growth %	-6.9	-15.8	-11.5	-11.3	
<b>Retail</b>					
Incumbent TSPs (excluding out-of-territory)	1,957	1,701	1,542 #	1,380	-11.0%
Annual growth %	-7.9	-13.1	-9.4	-10.5	
Incumbent TSPs (out-of-territory)	163	117	120 #	90	-18.0%
Annual growth %	-8.6	-28.1	2.3	-25.1	
Non-incumbent, alternative TSPs	956	816	747	665	-11.4%
Annual growth %	-6.4	-14.6	-8.5	-11.0	
Total retail	3,076	2,634	2,408 #	2,135	-11.5%
Annual growth %	-7.5	-14.4	-8.6	-11.3	
<b>Wholesale</b>					
Incumbent TSPs (excluding out-of-territory)	373	311	315 #	323	-4.6%
Annual growth %	-11.2	-16.6	1.3	2.6	
Incumbent TSPs (out-of-territory)	231	229	205 #	138	-15.8%
Annual growth %	-11.8	-1.1	-10.5	-32.5	
Non-incumbent, alternative TSPs	176	257	97	90	-20.0%
Annual growth %	21.4	46.3	-62.3	-7.1	
Total wholesale	780	797	617 #	552	-10.9%
Annual growth %	-5.7	2.2	-22.6	-10.6	
<b>Total</b>					
Incumbent TSPs (excluding out-of-territory)	2,330	2,012	1,857 #	1,704	-9.9%
Annual growth %	-8.5	-13.6	-7.7	-8.2	
Incumbent TSPs (out-of-territory)	394	346	325 #	228	-16.7%
Annual growth %	-10.5	-12.2	-6.2	-29.8	
Non-incumbent, alternative TSPs	1,132	1,073	844	755	-12.6%
Annual growth %	-3.0	-5.2	-21.4	-10.5	
Total revenues	3,856	3,432	3,026 #	2,687	-11.3%
Annual growth %	-7.1	-11.0	-11.8	-11.2	

Source: CRTC data collection

b) *Subscriber line and minute data*

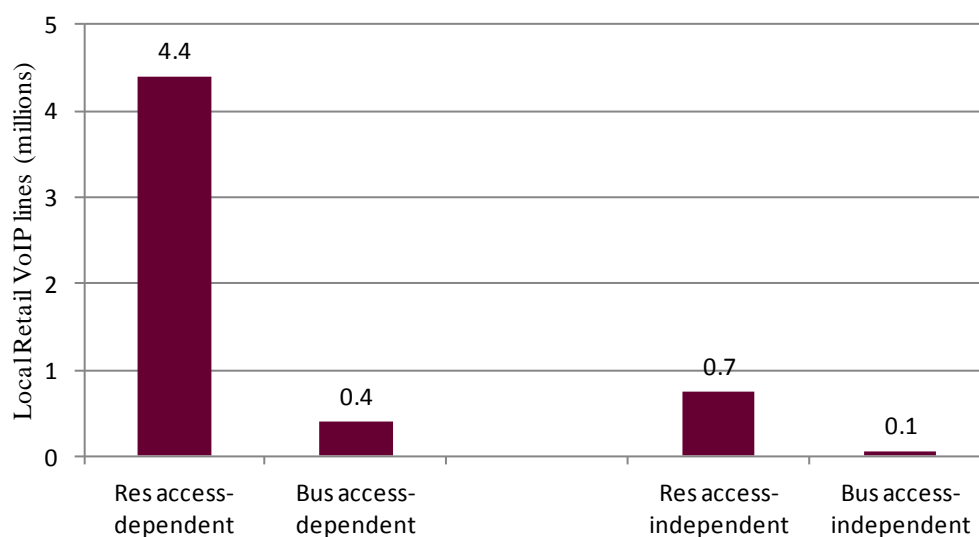
**Table 5.2.5 Number of local telephone lines, access dependent v. access independent (thousands)**

	2008	2009	2010	2011	2012	CAGR 2008 – 2012
Local lines excluding access-independent VoIP providers	20,947	20,348	19,996	19,918	#	-1.9%
Annual growth %	0.1	-2.9	-1.7	-0.4	-2.7	
Access-independent VoIP lines	153	161	n/a	356	812	51.8 %
Annual growth %	-8.5	5.0	n/a	n/a	128.5	

- Additional companies responded in 2012.
- Includes non-revenue generating lines.

Source: CRTC data collection

**Figure 5.2.2 Access-independent and access-dependent retail VoIP local lines, by market, 2012**



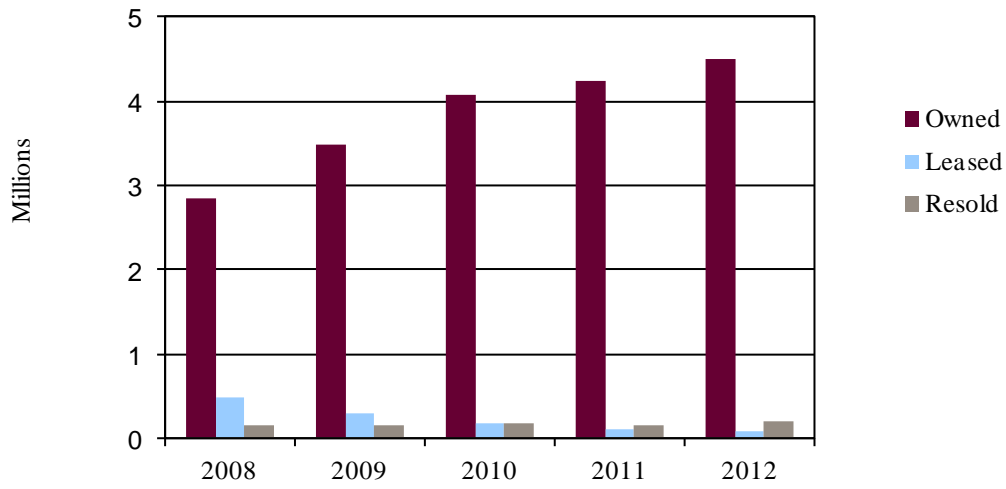
Source: CRTC data collection

**Table 5.2.6 Local and access lines, by type of TSP (thousands)**

	2009	2010	2011	2012	CAGR 2009 – 2012
<b>Residential</b>					
Incumbent TSPs (excluding out-of-territory)	8,818	8,142	7,543	6,942	-7.7%
Annual growth %	-7.6	-7.7	-7.4	-8.0	
Incumbent TSPs (out-of-territory)	28	27	34	33	4.7%
Annual growth %	4.6	-6.1	26.7	-3.5	
Non-incumbent, alternative TSPs (excluding cable BDUs)	416	463	600	674	17.4%
Annual growth %	-17.6	11.3	29.5	12.3	
Cable BDUs	3,425	3,947	4,061	4,258	7.5%
Annual growth %	17.4	15.2	2.9	4.8	
Total residential	12,687	12,578	12,238	11,907	-2.1%
Annual growth %	-2.3	-0.9	-2.7	-2.7	
<b>Business</b>					
Incumbent TSPs (excluding out-of-territory)	4,968	4,721	4,598 #	4,441	-3.7%
Annual growth %	-5.7	-5.0	-2.6	-3.4	
Incumbent TSPs (out-of-territory)	617	638	752	639	1.2%
Annual growth %	0.5	3.3	17.9	-15.0	
Non-incumbent, alternative TSPs	435	457	614	660	14.9%
Annual growth %	11.7	5.0	34.5	7.4	
Total business	6,021	5,815	5,964 #	5,740	-1.6%
Annual growth %	-4.0	-3.4	2.6	-3.8	
<b>Retail</b>					
Incumbent TSPs (excluding out-of-territory)	13,786	12,863	12,140 #	11,383	-6.2%
Annual growth %	-6.9	-6.7	-5.6	-6.2	
Incumbent TSPs (out-of-territory)	646	664	786	671	1.3%
Annual growth %	0.7	2.9	18.3	-14.5	
Non-incumbent, alternative TSPs	4,276	4,867	5,276	5,592	9.4%
Annual growth %	12.2	13.8	8.4	6.0	
Total retail	18,708	18,394	18,202 #	17,647	-1.9%
Annual growth %	-2.9	-1.7	-1.0	-3.0	
<b>Wholesale</b>					
Incumbent TSPs (excluding out-of-territory)	533	515	525 #	495	-2.5%
Annual growth %	-14.4	-3.4	1.9	-5.8	
Incumbent TSPs (out-of-territory)	300	266	322	247	-6.2%
Annual growth %	14.6	-11.2	21.0	-23.3	
Non-incumbent, alternative TSPs	99	88	151 #	300	44.7%
Annual growth %	1.7	-11.1	71.7	98.6	
Total wholesale	932	870	999 #	1,042	3.8%
Annual growth %	-5.1	-6.7	14.8	4.4	
<b>Total</b>					
Incumbent TSPs (excluding out-of-territory)	14,319	13,378	12,655 #	11,878	-6.0%
Annual growth %	-7.2	-6.6	-5.4	-6.1	
Incumbent TSPs (out-of-territory)	946	931	1,108	919	-1.0%
Annual growth %	4.7	-1.6	19.1	-17.1	
Non-incumbent, alternative TSPs	4,375	4,955	5,437	5,892	10.4%
Annual growth %	11.9	13.2	9.7	8.4	
Total lines	19,640	19,263	19,200 #	18,689	-1.6%
Annual growth %	-3.0	-1.9	-0.3	-2.7	

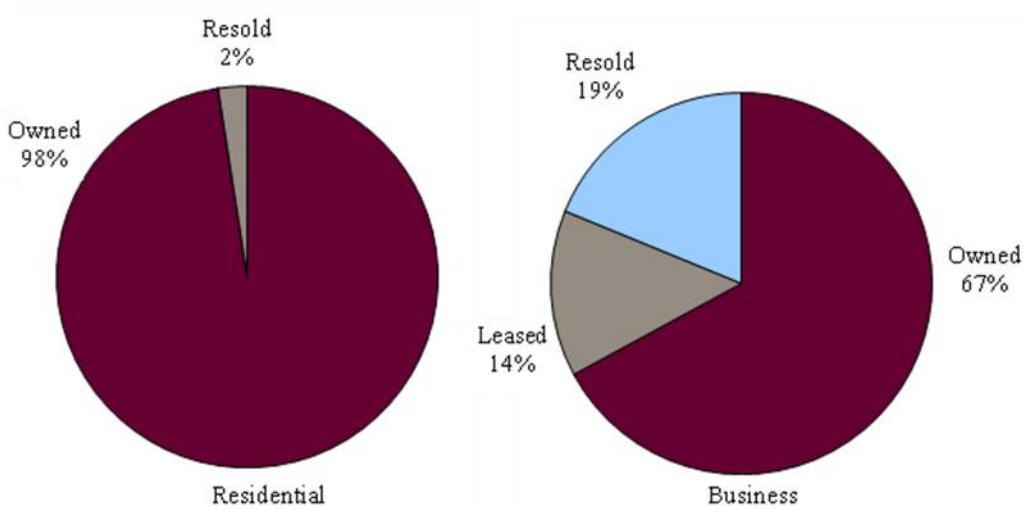
Source: CRTC data collection

**Figure 5.2.3 Alternative TSP local retail lines (excluding incumbent out-of-territory), by type of facility**



Source: CRTC data collection

**Figure 5.2.4 Alternative TSP local residential and business lines, by type of facility, 2012**



Source: CRTC data collection

c) *Performance and technology indicators***Table 5.2.7 Local and long distance retail monthly revenues per line (\$)**

	2009	2010	2011	2012	CAGR 2009 – 2012
<b>Local and long distance</b>					
Residential	44.62	42.79	42.17#	40.77	-3.0%
Annual growth %	-1.2	-4.1	-1.5	-3.3	
Business	63.55	61.50	57.85#	57.67	-3.2%
Annual growth %	1.6	-3.2	-5.9	-0.3	
Total retail	50.71	48.71	47.31#	46.27	-3.0%
Annual growth %	-0.2	-3.9	-2.9	-2.2	

Source: CRTC data collection

**Table 5.2.8 Local and access retail monthly revenues (\$), per line by type of TSP**

	2009	2010	2011	2012	CAGR 2009 – 2012
<b>Residential</b>					
Incumbent TSPs (excluding out-of-territory)	33.51	34.27	34.57	34.88	1.3%
Annual growth %	0.3	2.3	0.9	0.9	
Incumbent TSPs (out-of-territory)	26.42	27.62	28.71#	39.93	14.8%
Annual growth %	-10.0	4.6	3.9	39.1	
Non-incumbent, alternative TSPs (excluding cable BDUs)	28.04	22.10	22.31#	21.38	-8.6%
Annual growth %	34.4	-21.2	0.9	-4.2	
Cable BDUs	26.73	26.42	26.36	25.58	-1.5%
Annual growth %	3.3	-1.1	-0.2	-3.0	
Total residential	31.49	31.35	31.23	30.80	-0.7%
Annual growth %	0.8	-0.4	-0.4	-1.3	
<b>Business</b>					
Incumbent TSPs (excluding out-of-territory)	50.60	51.79	50.99#	49.99	-0.4%
Annual growth %	3.4	2.4	-1.5	2.0	
Incumbent TSPs (out-of-territory)	41.67	35.26	28.71#	39.91	-1.4%
Annual growth %	-0.6	-15.4	-18.6	39.0	
Non-incumbent, alternative TSPs	36.22	33.17	36.09#	36.76	0.5%
Annual growth %	15.2	-8.4	8.8	1.9	
Total business	48.64	48.51	46.65#	47.35	-0.9%
Annual growth %	3.1	-0.3	-3.8	1.5	
<b>Retail</b>					
Incumbent TSPs (excluding out-of-territory)	39.67	40.70	40.79#	40.78	0.9%
Annual growth %	1.8	2.6	0.2	0.0	
Incumbent TSPs (out-of-territory)	41.00	34.95	28.71#	39.91	-0.9%
Annual growth %	-1.0	-14.8	-17.9	39.0	
Non-incumbent, alternative TSPs	27.82	26.65	27.03#	26.39	-1.7%
Annual growth %	7.9	-4.2	1.4	-2.4	
Total retail	37.01	36.78	36.28#	36.19	-0.7%
Annual growth %	1.6	-0.6	-1.3	-0.3	

Source: CRTC data collection

**Table 5.2.9 Local and access, and long distance forborne revenues and lines (%)**

	2009	2010	2011	2012
Forborne revenues				
Local and access <sup>1</sup>	71	73	76	72
Long distance	96	96	95	96
Forborne local lines				
Residential	77	80	82	84
Business	68	72	76	78

1. Additional companies responded in 2012.

Source: CRTC data collection

**Table 5.2.10 Incumbent TSP provincial retail local market share, by line (%)**

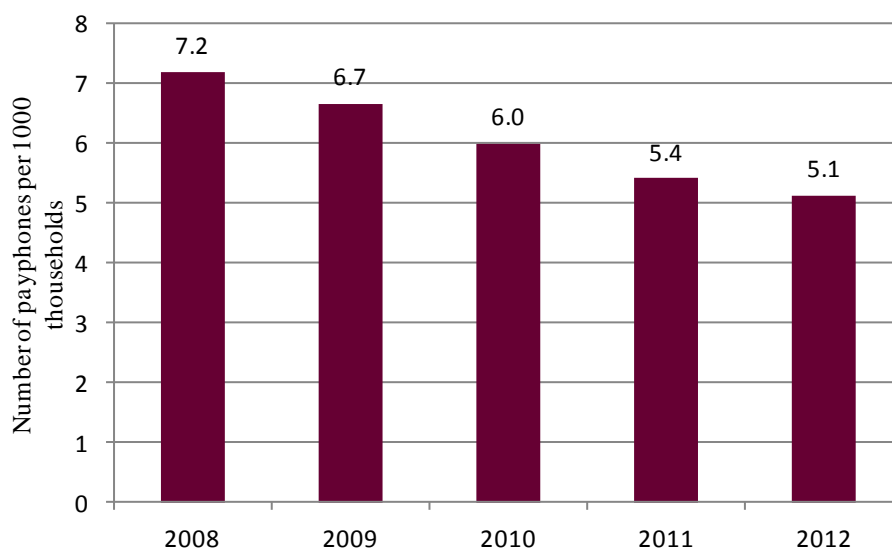
Province	2009	2010	2011	2012
British Columbia	75.6	67.3	65.2	60.9
Alberta	71.7	68.2	66.8	64.6
Saskatchewan	94.3	93.0	92.5	90.9
Manitoba	87.1	83.7	80.2	77.4
Ontario	73.4	70.2	67.6	66.4
Quebec	67.0	62.8	58.0	55.5
New Brunswick	87.5	85.1	83.1	81.6
Nova Scotia	70.4	67.8	65.1	65.8
Prince Edward Island	79.2	74.7	71.7	71.3
Newfoundland and Labrador	90.6	89.4	90.9	81.2
All provinces	73.8	69.8	66.9	64.8

Source: CRTC data collection

**Table 5.2.11 Incumbent TSP residential and business local market share (%), by line for major centres**

Province	Major centre	Residential lines		Business lines	
		2011	2012	2011	2012
British Columbia	Vancouver	61.1	56.5	62.8	62.3
	Victoria	48.5	45.1	66.1	61.6
Alberta	Calgary	52.3	49.6	62.2	61.0
	Edmonton	58.8	56.1	64.7	62.2
Saskatchewan	Saskatoon	76.8	72.7	96.1	94.2
	Regina	85.6	83.0	98.1	97.6
Manitoba	Winnipeg	62.7	56.1	84.5	82.6
Ontario	Toronto	57.9	55.4	72.9	75.9
	Ottawa – Gatineau	56.7	53.4	88.4	88.8
	Hamilton	54.8	50.9	75.0	75.1
	London	59.5	56.3	75.3	76.9
	Kitchener – Waterloo	56.9	53.8	76.3	76.7
	St. Catharines – Niagara	63.4	59.6	80.2	80.8
	Windsor	65.3	61.9	67.2	68.1
	Oshawa	53.8	52.1	83.9	86.4
Quebec	Montréal	48.4	44.6	73.6	72.6
	Québec	39.9	38.0	69.5	68.2
New Brunswick	Fredericton	72.9	72.4	99.5	99.6
Nova Scotia	Halifax	45.6	48.8	76.0	75.6
Prince Edward Island	Charlottetown	53.0	51.7	76.3	75.2
Newfoundland and Labrador	St. John's	75.6	70.3	99.7	99.3

• Major centre boundaries are defined using Statistics Canada's census metropolitan area and census agglomeration definitions.  
Source: CRTC data collection

**Figure 5.2.5 Number of payphones per 1000 households**

Source: CRTC data collection

**Table 5.2.12 Large incumbent TSPs' retail long distance revenue market share (%), by region**

Region	2008	2009	2010	2011	2012
B.C., Alberta	73	74	68	74	75
Saskatchewan	85	84	83	92	92
Manitoba	83	81	78	84	83
Ontario, Quebec	56	55	61	71	70
Atlantic	81	80	81	83	83

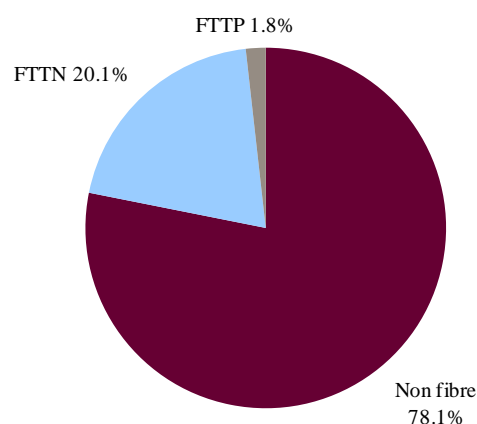
Source: CRTC data collection

**Table 5.2.13 Long distance retail revenues (\$) per minute, by type of TSP**

	2009	2010	2011	2012	CAGR 2009 - 2012
<b>Residential</b>					
Incumbent TSPs (excluding out-of-territory)	0.100	0.092	0.089#	0.088	-4.3 %
Annual growth %	-9.5	-8.4	-2.3	-2.0	
Incumbent TSPs (out-of-territory)	0.071	0.082	0.084	0.072	0.4%
Annual growth %	3.4	14.1	2.9	-13.8	
Non-incumbent, alternative TSPs	0.054	0.052	0.046	0.047	-5.1%
Annual growth %	-5.9	-4.9	-10.4	0.4	
Total residential	0.077	0.072	0.068#	0.067	-4.5 %
Annual growth %	-9.0	-5.8	-6.6	-0.8	
<b>Business</b>					
Incumbent TSPs (excluding out-of-territory)	0.067	0.059	0.061#	0.049	-9.7%
Annual growth %	0.8	-11.7	2.6	-18.8	
Incumbent TSPs (out-of-territory)	0.037	0.028	0.031#	0.027	-10.1%
Annual growth %	-4.0	-24.0	12.1	-14.7	
Non-incumbent, alternative TSPs	0.039	0.038	0.031	0.032	-6.7%
Annual growth %	-15.1	-1.7	-20.2	3.6	
Total business	0.052	0.046	0.044#	0.040	-8.6 %
Annual growth %	-4.0	-11.0	-4.7	-10.0	

Source: CRTC data collection

**Figure 5.2.6 Fibre-based lines (FTTN and FTTP) as a percentage of total lines, 2012**

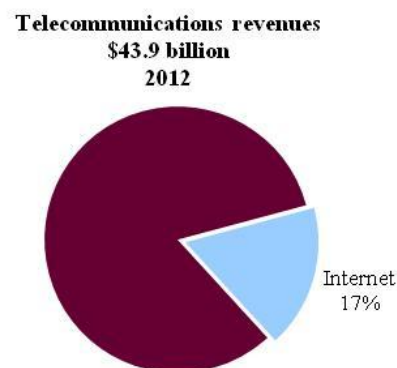


Source: CRTC data collection

### 5.3 Internet market sector

#### Overview

Canadians were served by over 500 Internet service providers. Incumbent TSPs provided Internet services using mainly DSL, fibre-optic and dial-up facilities. Cable companies provided service mainly via cable modem and fibre-optic, facilities. Utility telcos, municipalities, and other TSPs provided Internet services using DSL, fibre-optic, satellite, fixed-wireless, and dial-up facilities. Resellers essentially rely on facilities-based TSPs to provide them with facilities on a wholesale basis. Resellers provided Internet access service, generally using leased DSL facilities and, to a lesser extent, cable-modem, and fibre-optic facilities.



This section presents revenue and demand quantities (i.e., number of Internet subscribers) generally over a five-year period to display the trends in the sector. Performance and technology indicators, such as ARPU and market share data, as well as plans and pricing data are also presented.

#### *Internet market sector at a glance*

	2011	2012	% Growth
Revenues (\$ billions)	7.2	7.6	5.9
Internet access and transport			
Residential	4.9	5.4	9.1
Business	1.2	1.2	0.7
Wholesale	0.3	0.3	9.3
Other	0.8	0.7	-7.9
Residential subscribers (millions)	10.7	11.0	3.0
Residential high-speed access revenues per subscriber per month	\$38.79	\$41.05	
Internet access revenue market share			
Top five major ISPs (including affiliates)	76%	76%	
Cable operators	51%	52%	
ILECs (excluding out-of-territory)	37%	37%	
Residential penetration: All speeds	78%	79%	
High-speed	76%	78%	
Broadband (1.5 Mbps and higher)	72%	75%	
Broadband (5 Mbps and higher)	54%	62%	
Average GB downloaded per month per residential subscriber	17.9	28.4	56.2
Average GB uploaded per month per residential subscriber	3.8	5.4	42.2
Monthly average residential high-speed service churn rate	1.65%	1.83%	
Monthly average business high-speed service churn rate	1.57%	2.49%	

- Rural is defined as areas with a density of fewer than 400 people per square kilometre, or population centres with fewer than 1,000 people.
- The top five major ISPs are Bell Canada, Quebecor, Rogers, Shaw and TCC.
- Churn rate is a measure of subscriber turnover, expressed as an average annual percentage. It is derived by dividing the number of subscribers that have left by the total number of Internet subscribers.

Source: CRTC data collection

# Statistical information – Internet market sector

## a) Industry revenues

**Table 5.3.1 Internet revenues, by type of service (\$ millions)**

		2008	2009	2010	2011	2012	Growth 2011-2012	CAGR 2008-2012
Residential	Incumbent TSPs (excluding out-of-territory)							
	Dial-up	116	92	64	46	30	-34.1%	-28.5%
	High-speed	1,406	1,506	1,588	1,732	1,860	7.4%	7.2%
	Total	1,522	1,598	1,652	1,778	1,890	6.3%	5.6%
	Cable BDUs							
	Dial-up	2	1	1	1	0	-32.4%	-32.2%
	High-speed	2,129	2,419	2,572	2,811	3,065	9.0%	9.5%
	Total	2,131	2,420	2,573	2,811	3,065	9.0%	9.5%
	Incumbent TSPs (excluding out-of-territory) plus cable BDUs							
	Dial-up	118	93	65	47	31	-34.1%	-28.6%
	High-speed	3,535	3,925	4,160	4,543	4,925	8.4%	8.6%
	Total	3,654	4,018	4,225	4,590	4,956	8.0%	7.9%
	Other TSPs							
	Dial-up	71	48	31	23	12	-44.8%	-35.2%
	High-speed	175	219	282	310	400	29.0%	23.0%
	Total	245	267	313	332	413	24.0%	13.9%
Business	Total of the above							
	Dial-up	189	141	96	69	43	-37.6%	-30.8%
	High-speed	3,710	4,144	4,442	4,853	5,325	9.7%	9.5%
	Residential total	3,899	4,285	4,538	4,923	5,369	9.1%	8.3%
	Incumbent TSPs (excluding out-of-territory)	457	444	478	481	499	3.6%	2.2%
	Cable BDUs	201	227	284	309	273	-11.4%	8.0%
	Total	657	671	762	790	772	-2.3%	4.1%
	Other TSPs							
	Incumbent TSPs (out-of-territory)	98	93	81	81	81	-0.1%	-4.7%
	Resellers, utility telcos, and other carriers	241	255	282	272	285	4.9%	4.2%
Wholesale access	Total	339	348	364	353	366	3.7%	1.9%
	Business access total	997	1,019	1,125	1,142	1,138	-0.4%	3.4%
	Business transport total	76	67	77	52 <sup>1</sup>	65 <sup>1</sup>	25.0%	-4.0%
	Business total	1,073	1,086	1,202	1,194	1,202	0.7%	2.9%
	Higher capacity access and transport	54	48	42	53	45	-15.7%	-4.5%
	Lower capacity access	161	213	218	266	303	14.2%	17.1%
Other	Wholesale total	215	261	260	319	348	9.3%	12.8%
	Applications, equipment, and other Internet-related services	939	868	772	766	706	-7.9%	-6.9%
Grand total		6,126	6,499	6,772	7,202	7,625	5.9%	5.6%

- Wholesale Internet access and transport services are generally sold to ISPs. ISPs use these services to provide Internet access service to their retail customers. Sales to non-ISP entities, such as VoIP service providers, are included in the wholesale revenues presented in Table 5.3.1 as “Higher capacity access and transport” revenues.
- “Lower capacity access” includes services such as Bell Canada’s GAS, TCC’s VPOP, DSL, and cable BDU-provided TPIA service, as well as satellite capacity and dial-up bundled with Internet access sold to ISPs.
- In previous years, modem rental fees for residential service were included with Internet access service revenues. However, the fees are no longer included as of 2008. In 2008, the fees were approximately \$121 million.

1. Due to changes in company reporting, the business transport totals in 2011 and 2012 are not comparable to previous years.

Source: CRTC data collection

**b) Subscriber data****Table 5.3.2 Residential Internet subscribers, by type of TSP (thousands)**  
**(Part 1 of 2)**

	2008	2009	2010	2011	2012	CAGR 2008-2012
<b>Incumbent TSPs (excluding out-of-territory)</b>						
Dial-up	433	286	210	137	97	-31.1%
Annual growth (%)	-23.5	-33.9	-26.6	-34.9	-28.8	
Share of total dial-up (%)	59.1	58.8	57.3	55.5	53.2	
High-speed	3,584	3,673	3,762	3,874	4,014	2.9%
Annual growth (%)	5.3	2.5	2.4	3.0	3.6	
Share of total high-speed (%)	39.5	38.4	37.6	37.2	37.1	
Total	4,017	3,959	3,972	4,011	4,111	0.6%
Annual growth (%)	1.2	-1.4	0.3	1.0	2.5	
Share of total (%)	40.9	39.3	38.3	37.6	37.4	
<b>Cable BDUs</b>						
Dial-up	18	14	10	7	6	-22.9%
Annual growth (%)	1.9	-24.4	-23.0	-28.9	-14.6	
Share of total dial-up (%)	2.4	2.8	2.8	3.0	3.5	
High-speed	4,990	5,358	5,642	5,839	5,925	4.4%
Annual growth (%)	9.1	7.4	5.3	3.5	1.5	
Share of total high-speed (%)	55.0	56.0	56.4	56.0	54.8	
Total	5,008	5,372	5,653	5,846	5,932	4.3%
Annual growth (%)	9.1	7.3	5.2	3.4	1.5	
Share of total (%)	51.1	53.4	54.5	54.8	54.0	
<b>Incumbent TSPs (excluding out-of-territory) plus cable BDUs total</b>						
Dial-up	451	299	220	144	104	-30.8%
Annual growth (%)	-22.8	-33.6	-26.5	-34.6	-28.1	
Share of total dial-up (%)	61.6	61.6	60.1	58.5	56.6	
High-speed	8,574	9,031	9,404	9,713	9,939	3.8%
Annual growth (%)	7.5	5.3	4.1	3.3	2.3	
Share of total high-speed (%)	94.5	94.3	94.0	93.2	91.9	
Total	9,024	9,331	9,625	9,857	10,043	2.7%
Annual growth (%)	5.4	3.4	3.1	2.4	1.9	
Share of total (%)	92.0	92.7	92.8	92.4	91.4	
<b>Other TSPs</b>						
Dial-up	281	187	146	102	79	-27.1%
Annual growth (%)	-19.7	-33.6	-21.7	-30.1	-22.3	
Share of total dial-up (%)	38.4	38.4	39.9	41.5	43.4	
High-speed	503	545	604	712	870	14.7%
Annual growth (%)	32.9	8.2	10.8	18.0	22.1	
Share of total high-speed (%)	5.5	5.7	6.0	6.8	8.1	
Total	785	731	750	815	950	4.9%
Annual growth (%)	32.9	8.2	2.5	8.6	16.6	
Share of total (%)	8.0	7.3	7.2	7.6	8.6	

**Table 5.3.2 Residential Internet subscribers, by type of TSP (thousands)**  
(part 2 of 2)

	2008	2009	2010	2011	2012	CAGR 2008-2012
<b>Total (of the above)</b>						
Dial-up	732	486	366	246	183	-29.3%
<i>Annual growth (%)</i>	-21.6	-33.6	-24.6	-32.8	-25.7	
<i>Share of total (%)</i>	7.5	4.8	3.5	2.3	1.7	
High-speed	9,077	9,576	10,008	10,426	10,809	4.5%
<i>Annual growth (%)</i>	8.6	5.5	4.5	4.2	3.7	
<i>Share of total (%)</i>	92.5	95.2	96.5	97.7	98.3	
<b>Grand total</b>	9,809	10,062	10,375	10,672	10,992	2.9%
<i>Annual growth (%)</i>	5.6	2.6	3.1	2.9	3.0	

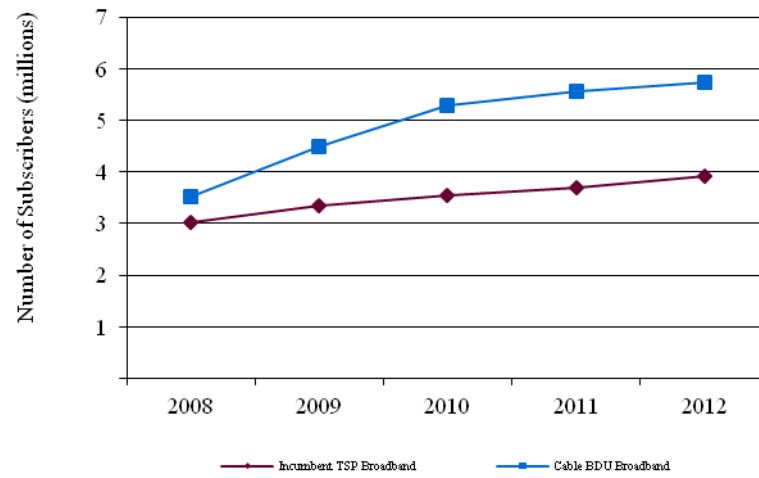
Source: CRTC data collection

**Table 5.3.3 Number of business Internet access subscriptions, by type of TSP (thousands)**

	2008	2009	2010	2011	2012	CAGR 2008-2012
<b>Dial-up</b>	138	113	84	72	61	-18.3%
<i>Annual growth (%)</i>		-18.1	-26.0	-13.5	-15.2	
<b>High-speed</b>						
Incumbent TSPs (excluding out-of-territory)	431	431	447	452	444	0.8%
<i>Annual growth (%)</i>		0.0	3.6	1.3	-1.8	
<i>Share of total high-speed (%)</i>	56.3	55.5	55.2	52.8	50.4	
Cable BDUs	157	176	199	232	268	14.2%
<i>Annual growth (%)</i>		12.0	13.3	16.6	15.1	
<i>Share of total high-speed (%)</i>	20.5	22.6	24.6	27.1	30.4	
Total	588	607	646	685	712	4.7%
<i>Annual growth (%)</i>		3.2	6.5	6.0	3.9	
<i>Share of total high-speed (%)</i>	76.9	78.1	79.8	80.0	80.8	
Other TSPs						
Incumbent TSPs (out-of-territory)	15	12	11	19	19	5.2%
<i>Annual growth (%)</i>		-21.3	-8.2	76.5	-3.9	
<i>Share of total high-speed (%)</i>	2.0	1.5	1.4	2.3	2.1	
Resellers, utility telcos and other carriers	162	158	152	152	150	-1.9%
<i>Annual growth (%)</i>		-2.3	-3.8	-0.2	-1.1	
<i>Share of total high-speed (%)</i>	21.2	20.4	18.8	17.7	17.1	
Total	177	170	163	171	169	-1.2%
<i>Annual growth (%)</i>		-3.9	-4.1	5.0	-1.4	
<i>Share of total high-speed (%)</i>	23.1	21.9	20.2	20.0	19.2	
<b>Total high-speed</b>	765	777	809	856	881	3.6%
<i>Annual growth (%)</i>		1.5	4.1	5.8	2.8	

Source: CRTC data collection

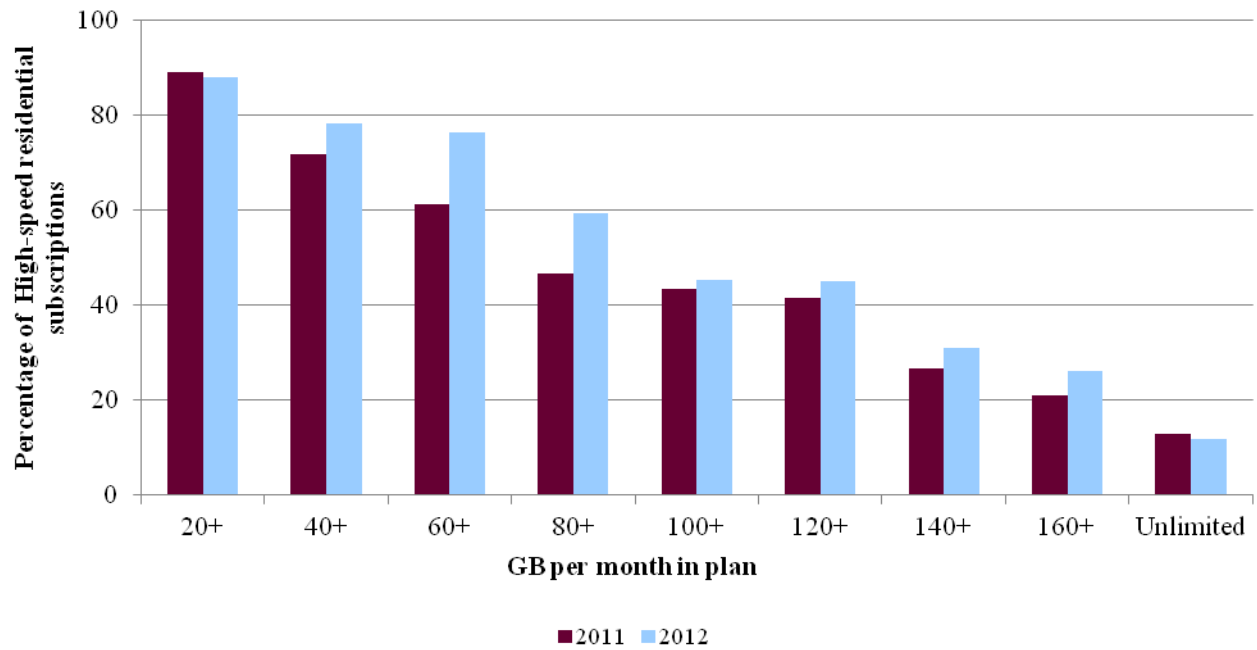
**Figure 5.3.1 Broadband subscriptions - Incumbent TSP v. Cable BDU**



Source: CRTC data collection

*c) Plans and pricing*

**Figure 5.3.2 High-speed residential subscribers by GB downloadable capacity**



Source: CRTC data collection

**Table 5.3.4 Residential Internet speeds and pricing (part 1 of 2)**

Downstream Speed	2008	2009	2010	2011	2012
One-month revenue (%)					
Lite and wideband up to 256 Kbps	2.9	0.6	0.2	0.3	0.3
Wideband 300 to 1400 Kbps	15.1	8.6	4.3	3.6	1.9
Broadband					
1.5 to 4 Mbps	17.3	20.9	20.9	20.3	16.7
5 to 9 Mbps	53.6	46.5	49.1	47.0	42.0
10 to 15 Mbps	10.8	22.4	22.8	16.5	9.4
16 Mbps and higher	0.3	1.0	2.7	12.3	29.7
16 to 49 Mbps	-	-	2.4	11.8	24.6
50 Mbps and higher	-	-	0.3	0.6	5.1
Total sample	306.4	320.7	350.0	375.7	418.0
Subscribers (%)					
Lite and wideband up to 256 Kbps	4.3	1.1	0.3	0.4	0.3
Wideband 300 to 1400 Kbps	19.8	12.2	5.8	4.3	2.6
Broadband					
1.5 to 4 Mbps	17.0	24.5	24.2	24.6	17.7
5 to 9 Mbps	50.1	42.6	45.3	45.6	41.6
10 to 15 Mbps	8.6	19.0	22.4	15.6	10.2
16 Mbps and higher	0.2	0.6	2.0	9.5	27.6
16 to 49 Mbps	-	-	1.8	9.2	23.9
50 Mbps and higher	-	-	0.2	0.3	3.7
Total sample	8,184.4	8,516.8	8,983.1	9,440.3	9,618.4
ARPU					
Lite and wideband up to 256 Kbps	\$24.86	\$19.55	\$25.18	\$33.86	\$35.97
Wideband 300 to 1400 Kbps	\$28.57	\$26.84	\$28.87	\$33.03	\$30.96
Broadband					
1.5 to 4 Mbps	\$38.22	\$32.46	\$33.57	\$32.87	\$40.78
5 to 9 Mbps	\$40.00	\$41.14	\$42.23	\$40.97	\$43.97
10 to 15 Mbps	\$47.06	\$44.43	\$39.67	\$42.11	\$40.34
16 Mbps and higher	\$63.06	\$65.08	\$53.71	\$51.63	\$46.83
16 to 49 Mbps	-	-	\$51.66	\$50.76	\$44.85
50 Mbps and higher	-	-	\$75.80	\$78.06	\$59.69
Total sample	\$37.44	\$37.80	\$38.96	\$39.80	\$43.46

**Table 5.3.4 Residential Internet speeds and pricing (part 2 of 2)**

Downstream speed	2008	2009	2010	2011	2012
Weighted-average upload speed (Kbps)					
Lite and wideband up to 256 Kbps	131	152	209	178	168
Wideband 300 to 1400 Kbps	286	267	352	314	303
Broadband					
1.5 to 4 Mbps	809	656	584	666	652
5 to 9 Mbps	744	723	870	855	1,122
10 to 15 Mbps	862	751	797	876	2,527
16 Mbps and higher	1,120	1,085	1,735	2,693	4,291
16 to 49 Mbps	-	-	1,661	2,662	2,912
50 Mbps and higher	-	-	2,529	3,667	13,199
Total sample	649	652	769	961	2,031
Weighted-average download speed	4,928	5,945	7,060	8,238	12,796
Weighted-average upload/download limit (GB)					
Lite and wideband up to 256 Kbps	8.50	11.75	-	-	-
Wideband 300 to 1400 Kbps	8.75	3.04	7.20	14.9	17.75
Broadband					
1.5 to 4 Mbps	43.25	32.20	22.13	69.06	98.34
5 to 9 Mbps	54.18	42.80	45.27	80.81	77.33
10 to 15 Mbps	80.81	69.53	74.28	74.22	107.18
16 Mbps and higher	101.91	104.14	112.94	179.58	160.23
16 to 49 Mbps	-	-	108.25	176.98	131.50
50 Mbps and higher	-	-	163.22	236.54	364.80
Total sample	42.34	40.32	45.04	81.11	104.90

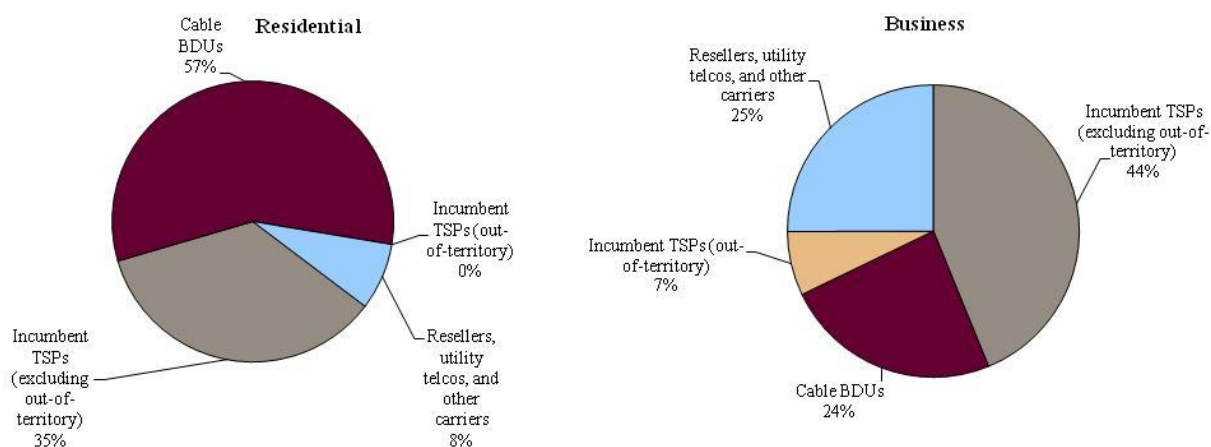
1. Weighted-average download limits are calculated only for those plans that have limits.

2. All data excludes terminal rental revenues.

Source: CRTC data collection

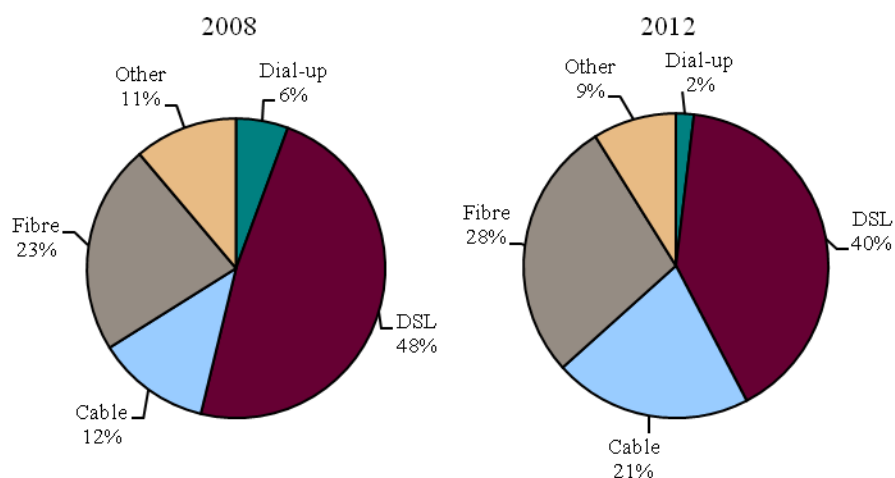
d) *Performance and technology indicators*

**Figure 5.3.3 Internet access revenue shares, by type of ISP, 2012**



Source: CRTC data collection

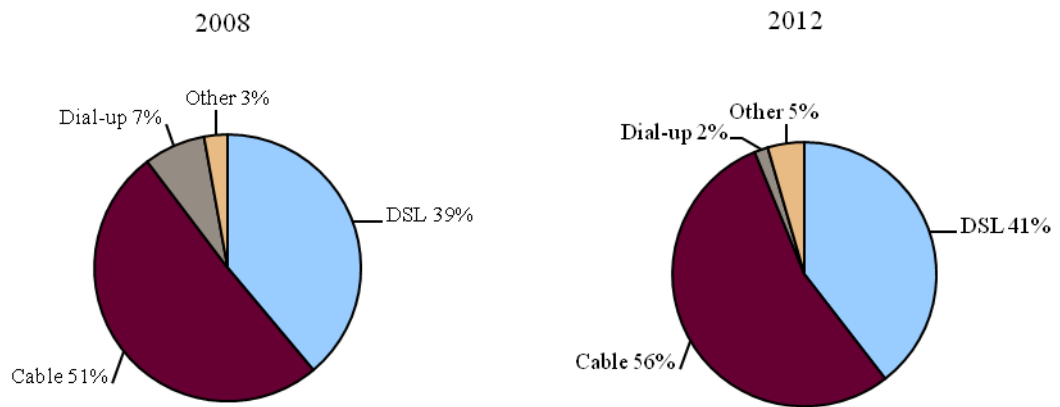
**Figure 5.3.4 Business Internet access revenues, by access technology, 2008 v. 2012**



• “Other” includes the remaining technologies, such as, but not limited to, ISDN, fixed wireless, and satellite technologies.

Source: CRTC data collection

**Figure 5.3.5 Residential Internet access technology mix, 2008 v. 2012**



Source: CRTC data collection

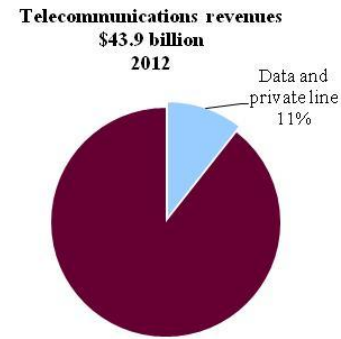
## 5.4 Data and private line market sector

### Overview

The data and private line services are sold to business customers. Examples of data services include Ethernet and IP, as well as, legacy services such as X.25, ATM and Frame Relay. Examples of private line service are OC-3 and DS-1. Data and private line services are also provided to other TSPs, on a wholesale basis, for inclusion in their network in the provision of service to their retail customers or for resale purposes.

Canadian businesses were served by approximately 150 entities offering data and private line services in 2012. Of these, incumbent TSPs accounted for approximately 20%, and alternative TSPs, such as cable BDUs, utility telcos, and resellers, accounted for the remaining 80%.

This section presents revenue details generally over a five-year period to display the trends in the data and private line market sector. Performance and technology indicators, such as market share data and technology trends are also presented.



### Data and private line market sector at a glance

	2011	2012	% Growth
Revenues (\$ billions)	4.5	4.7	4.1
Data	3.0	3.2	6.2
Private line	1.5	1.5	0.0
Data revenues as a percentage of total	66.7%	68.0%	
Private line revenues as a percentage of total	33.3%	32.0%	
New data protocols			
Revenues (\$ billions)	2.1	2.2	7.1
Percentage of total data protocol revenues	93.5%	95.6%	
Data and private line revenue market share			
Incumbent TSPs (excluding out-of-territory)	69%	65%	
Forborne services			
Percentage of data revenues from forborne data services	91%	91%	
Percentage of private line revenues from forborne private line services	67%	69%	
Number of forborne private line routes	5,108	5,394	5.6

Source: CRTC data collection

## Data and private line market sector – Statistical information

a) *Industry revenues*

Table 5.4.1 Data and private line revenues (\$ millions)

	2008	2009	2010	2011	2012	CAGR 2008-2012
<b>Data</b>						
Data protocols	1,890	2,020	2,055	2,209	2,313	5.2%
Percentage growth	6.9	6.8	1.8	7.5	4.7	
Other	723	658	723	770	851	4.1%
Percentage growth	2.8	-9.0	9.8	6.6	10.4	
Total data and other	2,614	2,678	2,778	2,979	3,164	4.9%
Percentage growth	5.7	2.5	3.7	7.2	6.2	
<b>Private line</b>	1,722	1,636	1,536	1,488	1,488	-3.6%
Percentage growth	2.5	-5.0	-6.1	-3.1	0.0	
<b>Total data and private line</b>	4,336	4,313	4,314	4,467	4,652	1.8%
Percentage growth	4.4	-0.5	0.0	3.5	4.1	

- Data services are classified into one of three categories: (1) legacy data protocols such as X.25, ATM, and frame relay; (2) newer protocols such as Ethernet and IP-VPN, and other protocols including managed services where specific protocols cannot be separated; and (3) other services such as network management and networking equipment.

Source: CRTC data collection

Table 5.4.2 Data protocol revenues, by service category (\$ millions)

	2008	2009	2010	2011	2012	CAGR 2008-2012
<b>New protocols</b>						
Retail						
Ethernet	520.7	482.3	451.4	478.6	482.7	-1.9%
Percentage growth	6.6	-7.4	-6.4	6.0	0.9	
IP	710.1	870.8	995.9	1,124.4	1,189.7	13.8%
Percentage growth	32.7	22.6	14.4	12.9	5.8	
Other	77.5	126.4	118.9	125.9	154.0	18.7%
Percentage growth	-25.4	63.0	-5.9	5.7	22.3	
Total retail	1,308.4	1,479.5	1,566.2	1,728.9	1,826.4	8.7%
Percentage growth	16.0	13.1	5.9	10.4	5.6	
Wholesale						
Ethernet	122.4	173.2	196.8	221.3	225.4	16.5%
Percentage growth	36.0	41.5	13.7	12.4	1.8	
IP	17.4	11.8	41.7	68.8	98.5	54.2%
Percentage growth	54.6	-32.3	253.5	65.0	43.2	
Other	37.5	35.1	35.0	45.4	61.3	13.2%
Percentage growth	-39.8	-6.4	-0.3	29.2	35.2	
Total wholesale	177.4	220.1	273.6	335.4	385.2	21.4%
Percentage growth	8.4	24.1	24.3	22.6	14.8	
Total new protocols	1,485.7	1,699.7	1,839.8	2,064.4	2,211.6	10.5%
Percentage growth	15.1	14.4	8.2	12.2	7.1	
<b>Legacy protocols</b>						
Retail	343.8	264.2	173.6	103.6	67.1	-33.5%
Percentage growth	-17.2	-23.2	-34.3	-40.3	-35.3	
Wholesale	60.7	55.7	41.5	40.6	34.7	-13.0%
Percentage growth	-2.6	-8.3	-25.4	-2.2	-14.5	
Total legacy	404.6	319.9	215.2	144.2	101.8	-29.2%
Percentage growth	-15.3	-20.9	-32.7	-33.0	-29.4	
<b>Total data protocols</b>	1,890.3	2,019.5	2,055.0	2,208.6	2,313.4	5.2%
Percentage growth	6.9	6.8	1.8	7.5	4.7	

Source: CRTC data collection

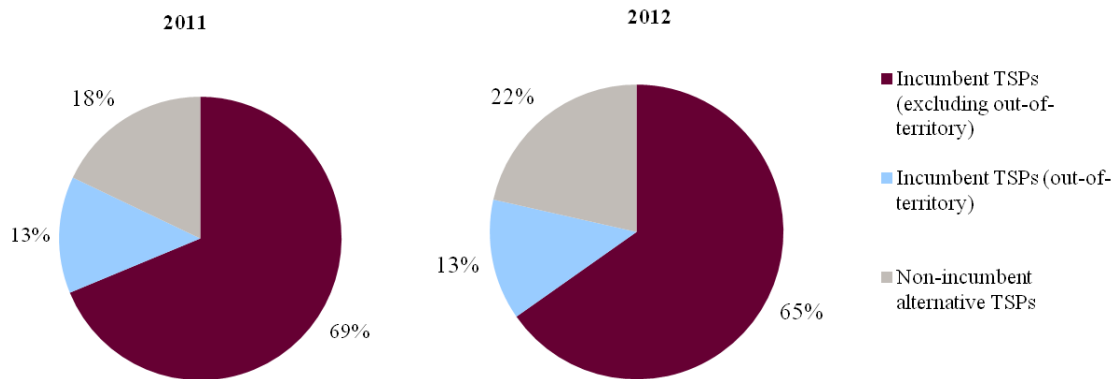
**Table 5.4.3 Private line revenues, by service category (\$ millions)**

	2008	2009	2010	2011	2012	CAGR 2008-2012
Private line						
Retail	894	843	807	751	793	-2.9%
Percentage growth	-11.2	-5.7	-4.2	-7.0	5.6	
Wholesale	828	793	729	737	695	-4.9%
Percentage growth	22.9	-4.3	-8.0	1.1	-5.7	
Total private line	1,722	1,636	1,536	1,488	1,488	-3.6%
Percentage growth	2.5	-5.0	-6.1	-3.1	0.0	

Source: CRTC data collection

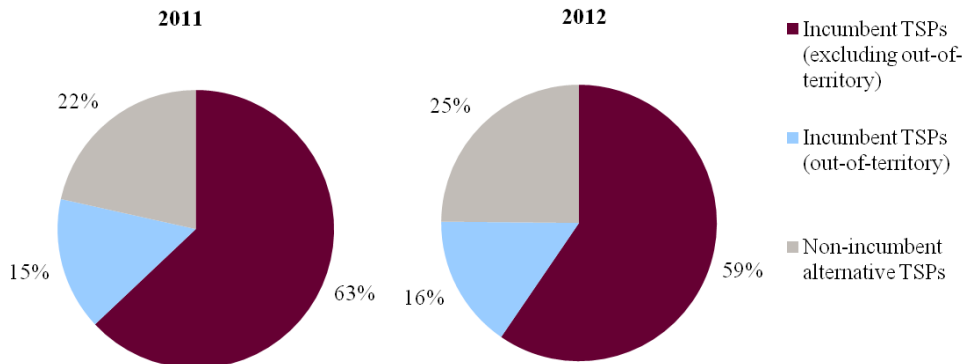
**b) Performance and technology indicators**

**Figure 5.4.1 Data and private line revenue market share, by type of TSP**



Source: CRTC data collection

**Figure 5.4.2 Data revenue market share, by type of TSP**



Source: CRTC data collection

**Table 5.4.4 Data protocol revenue market share, by service category (%)**

	2008	2009	2010 <sup>1</sup>	2011 <sup>1</sup>	2012
New data					
Incumbent TSPs (excluding out-of-territory)	53	55	59	55 #	55
Incumbent TSPs (out-of-territory)	19	19	17	18 #	16
Non-incumbent alternative TSPs	28	26	24	27	29
Legacy data					
Incumbent TSPs (excluding out-of-territory)	60	59	62	68	66
Incumbent TSPs (out-of-territory)	13	12	7	6	6
Non-incumbent alternative TSPs	26	29	31	26	28
Total data protocols					
Incumbent TSPs (excluding out-of-territory)	55	56	59	56 #	56
Incumbent TSPs (out-of-territory)	17	17	16	17 #	16
Non-incumbent alternative TSPs	28	27	25	26	29

1. Due to changes in company reporting in both 2010 and 2011, incumbent TSPs (out-of-territory) results are not consistent with previous years. In addition, Other Protocols were not separately reported for incumbent TSPs (out-of-territory) before 2010. This had less than a 2% impact on the results in 2010.

Source: CRTC data collection

**Table 5.4.5 Private line – revenue market share (%)**

	2008	2009	2010 <sup>1</sup>	2011 <sup>1</sup>	2012
Incumbent TSPs (excluding out-of-territory)	74	76	80	80 #	77
Incumbent TSPs (out-of-territory)	16	14	10	9 #	8
Non-incumbent alternative TSPs <sup>2</sup>	10	10	10	11	14

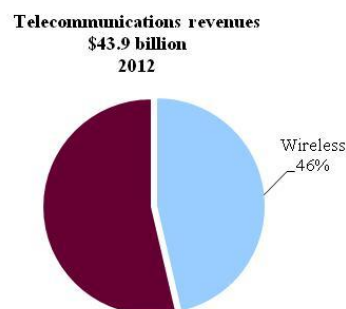
1. Due to changes in company reporting in both 2010 and 2011, incumbent TSPs (out-of-territory) results are not consistent with previous years.

2. Due to new reporting by non-incumbent alternative TSPs, 2012 results may not be comparable to previous years.

Source: CRTC data collection

## 5.5 Wireless market sector

Wireless networks cover approximately 20% of Canada's geographic area and are available to 99% of Canadians. The advanced wireless network that supports handsets such as smartphones and turbo sticks is available to 99% of Canadians. The LTE network is available to approximately 72% of Canadians. Canadians' expenditure on wireless services constitutes the largest component (51%) of their expenditure on telecommunications services.



Canadians are served by three large facilities-based national WSPs, a number of smaller regional facilities-based WSPs, and a small number of MVNOs.

A number of new facilities-based WSPs have entered the wireless market sector. Mobile services provided by these new WSPs are accessible to 58% of Canadians.

This section presents revenue and subscriber details, generally over a five-year period to display the trends in the sector. Performance and technology indicators, such as ARPU, penetration and market share data, as well as broadband and coverage data are also presented.

### Wireless market sector at a glance

	2011	2012	% growth
Revenues (\$ billions)	19.1	20.4	6.5
Number of subscribers (millions)	27.4	27.9	1.8
ARPU per month, excluding paging	\$57.98	\$60.71	4.7
ARPM, excluding paging	\$0.10	\$0.09	-8.5
Wireless capex as a percentage of total telecom capex	24%	26%	
Average capex per user	\$7.06	\$7.56	7.2
Wireless availability, percent of population	99	99	nil
3G availability (percent of population)	99	99	nil
HSPA+ broadband availability (percent of population)	99	99	nil
LTE broadband availability (percent of population)	45	72	61.0
Wireless penetration (percent of households)	79.4	n/a	
Wireless only penetration (percent of households)	12.8	n/a	

Sources: CRTC data collection and Statistics Canada

## Wireless sector – Statistical information

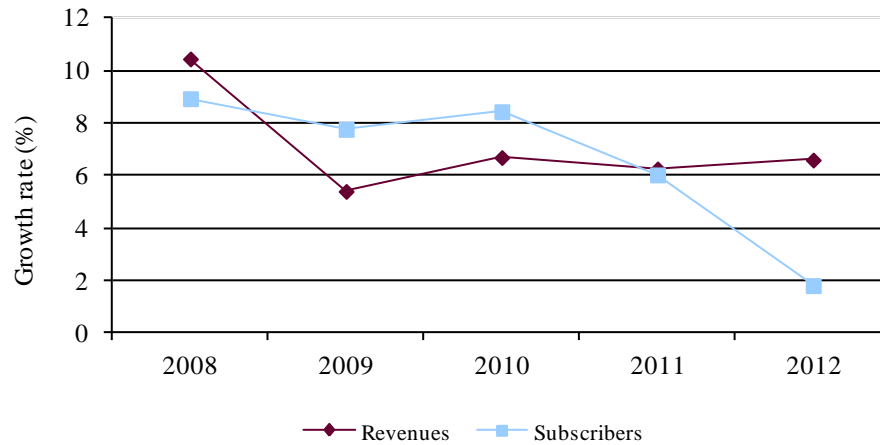
### a) Revenue and subscriber data

**Table 5.5.1 Wireless and paging revenues and number of subscribers**

		2008	2009	2010	2011	2012	CAGR 2008-2012
Revenues (\$ millions)	Wireless	15,940.3	16,804.0	17,931.2	19,056.3	20,316.6	6.3%
	Annual growth	10.5%	5.4%	6.7%	6.3%	6.6%	
	Paging	96.1	89.2	71.9	67.1	50.2	-15.0%
	Annual growth	3.5%	-7.2%	-19.5%	-6.6%	-25.1%	
	Total revenues	16,036.4	16,893.2	18,003.0	19,123.4	20,366.8	6.2%
	Annual growth	10.4%	5.3%	6.6%	6.2%	6.5%	
Subscribers (thousands)	Wireless	22,092.5	23,811.9	25,825.4	27,387.2	27,888.0	6.0%
	Annual growth	9.0%	7.8%	8.5%	6.0%	1.8%	
	Paging	319.3	253.6	241.3	219.0	187.4	-12.5%
	Annual growth	-18.2%	-20.6%	-4.8%	-9.3%	-14.4%	
ARPU (\$/month)	Wireless	60.1	58.8	57.9	58.0	60.7	
	Annual growth	1.3%	-2.2%	-1.5%	0.2%	4.7%	

Source: CRTC data collection

**Figure 5.5.1 Wireless revenue and subscriber growth rates (excluding paging)**



Source: CRTC data collection

**Table 5.5.2 Wireless and paging revenue components (\$ millions)**

		2008	2009	2010	2011	2012	CAGR 2008- 2012
Basic voice		10,481.9	10,323.5	10,343.7	9,855.5	9,510.9	-2.4%
	<i>Annual growth</i>	3.6%	-1.5%	0.2%	-4.7%	-3.5%	
Long distance		1,224.0	1,204.9	1,276.5	1,289.5	1,257.8	0.7%
	<i>Annual growth</i>	13.8%	-1.6%	5.9%	1.0%	-2.5%	
Paging		96.1	89.2	71.9	67.1	50.2	-15.0%
	<i>Annual growth</i>	3.5%	-7.2%	-19.5%	-6.6%	-25.1%	
Terminal equipment and handheld devices		803.0	1,106.3	1,171.8	1,419.3	1,556.7	18.0%
	<i>Annual growth</i>	14.8%	37.8%	5.9%	21.1%	9.7%	
Data and other	Data	n.a	n/a	3,885.7	5,066.4	6,257.9	n/a
	<i>Annual growth</i>				30.4%	23.5%	
	Roaming (Voice)	n.a	n/a	776.1	830.9	799.0	n/a
	Roaming (Data)	n.a	n/a	390.6	525.3	784.6	n/a
	Subtotal	n.a	n/a	1,166.7	1,356.2	1,583.6	n/a
	<i>Annual growth</i>				16.2%	16.8%	
Data and other	Other	n.a	n/a	86.9	69.3	149.7	n/a
	Total data, roaming and other	3,431.4	4,169.2	5,139.3	6,491.9	7,991.2	23.5%
	<i>Annual growth</i>	35.2%	21.5%	23.3%	26.3%	23.1%	
Total		16,036.4	16,893.2	18,003.0	19,123.4	20,366.8	6.2%
	<i>Annual growth</i>	10.4%	5.3%	6.6%	6.2%	6.5%	

Source: CRTC data collection

**Table 5.5.3 Prepaid and post-paid wireless revenues (basic voice and long distance) (\$ millions)**

		2008	2009	2010	2011	2012	CAGR 2008-2012
Prepaid		912.9	846.4	851.5	777.2	664.3	-7.6%
	<i>Annual growth</i>	-2.3%	-7.3%	0.6%	-8.7%	-14.5%	
Post-paid		10,745.7	10,610.6	10,768.7	10,317.1	10,065.9	-1.6%
	<i>Annual growth</i>	5.2%	-1.3%	1.5%	-4.2%	-2.4%	
Total		11,658.6	11,456.9	11,620.2	11,094.3	10,730.2	-2.1%
	<i>Annual growth</i>	4.6%	-1.7%	1.4%	-4.5%	-3.3%	

Source: CRTC data collection

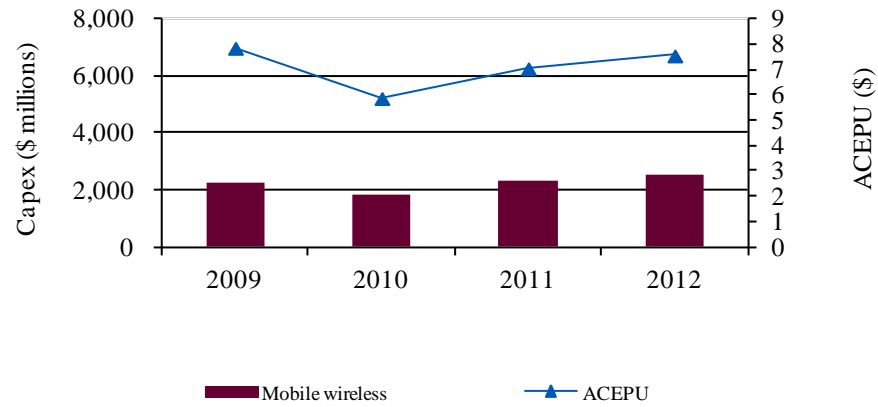
**Table 5.5.4 Number of post-paid subscribers as a percentage of total wireless subscribers**

	2008	2009	2010	2011	2012
Post-paid	78	79	79	78	81

Source: CRTC data collection

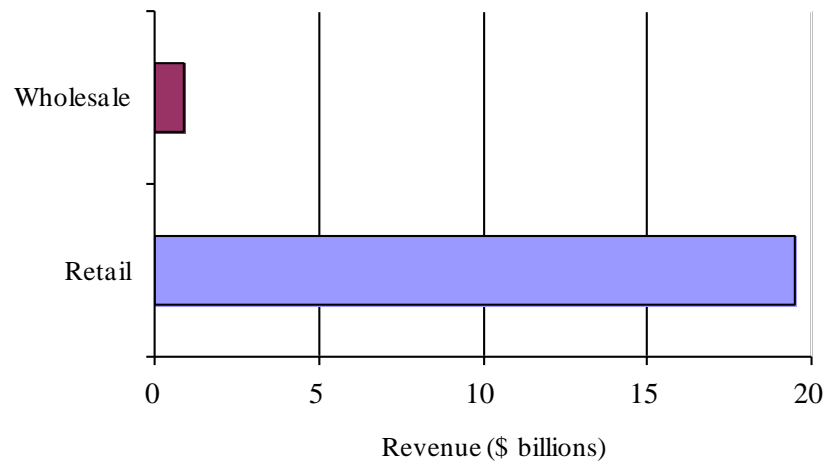
**b) Capital expenditures and wholesale revenue data**

**Figure 5.5.2 Wireless Capex and ACEPU**



Globalive, Public Mobile and Data & Audio expenditures were excluded due to insufficient data.  
Source: CRTC data collection

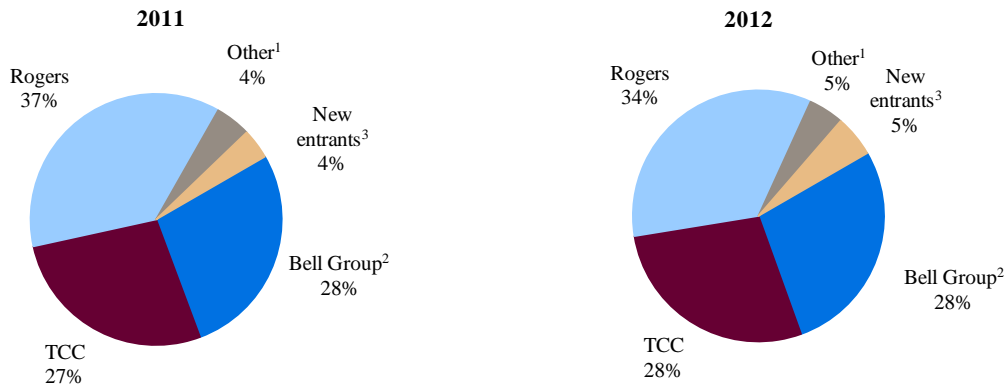
**Figure 5.5.3 Wireless retail and wholesale revenues, 2012**



Source: CRTC data collection

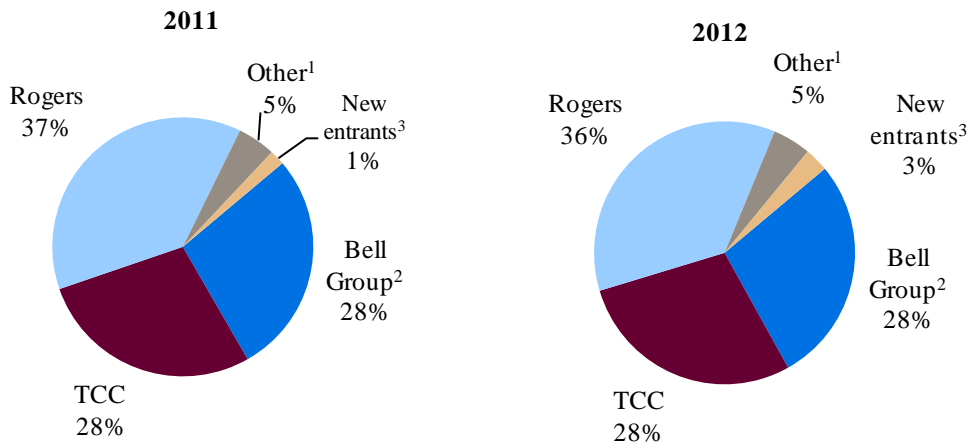
c) *Performance and technology indicators*

**Figure 5.5.4 TSPs' wireless subscriber market share**



1. "Other" includes MTS Allstream, SaskTel, and smaller WSPs.
  2. "Bell Group" includes Bell Canada, Northwestel Mobility, Bell Mobility, Télébec, NorthernTel, Skyterra, Virgin Mobile, and Latitude Wireless.
  3. "New entrants" refers to the new wireless entities that acquired spectrum in Industry Canada's 2008 AWS spectrum auction.
- Source: CRTC data collection

**Figure 5.5.5 TSPs' wireless revenue market share**



1. "Other" includes MTS Allstream, SaskTel, and smaller WSPs
  2. "Bell Group" includes Bell Canada, Northwestel Mobility, Bell Mobility, Télébec, NorthernTel, Skyterra, Virgin Mobile, and Latitude Wireless.
  3. "New entrants" refers to the new wireless entities that acquired spectrum in Industry Canada's 2008 AWS spectrum auction.
- Source: CRTC data collection

**Table 5.5.5 Wireless subscriber market share, by province, 2012 (%)**

Province	Bell Group <sup>2</sup>	TCC	Rogers	New entrants <sup>3</sup>	Other <sup>1</sup>
British Columbia	18	40	39	3	0
Alberta	23	50	24	3	0
Saskatchewan	10	10	9	0	71
Manitoba	5	9	33	0	53
Ontario	28	20	44	6	1
Quebec	33	28	29	10	0
New Brunswick	58	23	19	0	0
Nova Scotia	54	29	16	0	0
Prince Edward Island	58	27	15	0	0
Newfoundland and Labrador	73	25	2	0	0
The North <sup>4</sup>	90	0	0	0	10

1. "Other" includes MTS Allstream, SaskTel, and smaller WSPs.

2. "Bell Group" includes Bell Canada, Northwestel Mobility, Bell Mobility, Télébec, NorthernTel, SkyTerra, Virgin, and Latitude Wireless.

3. "New entrants" refers to the new wireless entities that acquired spectrum in Industry Canada's 2008 AWS spectrum auction.

4. The North includes Yukon, the Northwest Territories, and Nunavut.

Source: CRTC data collection

**Table 5.5.6 Advanced handheld devices, by province, 2012**

Province	Number of advanced handheld devices	Percentage of total handheld devices
British Columbia	2,002,719	13
Alberta	2,066,054	14
Saskatchewan	734,314	5
Manitoba	730,018	5
Ontario	5,659,999	38
Quebec	2,884,597	19
New Brunswick	258,440	2
Nova Scotia	348,422	2
Prince Edward Island	48,210	0
Newfoundland and Labrador	187,908	1
The North <sup>1</sup>	4,660	0

1. The North includes Yukon, the Northwest Territories, and Nunavut.

Source: CRTC data collection

**Table 5.5.7 Wireless ARPU, by province (excluding paging)**

Province	2008	2009	2010	2011	2012
British Columbia	\$63.53	\$60.88	\$60.45	\$62.78	\$63.56
Alberta	\$75.26	\$70.28	\$69.58	\$74.96	\$73.50
Saskatchewan	\$57.66	\$58.11	\$62.93	\$57.14	\$63.30
Manitoba	\$57.05	\$52.88	\$54.51	\$55.73	\$59.31
Ontario	\$60.61	\$62.75	\$58.72	\$56.76	\$61.87
Quebec	\$50.45	\$52.15	\$49.98	\$50.36	\$51.95
New Brunswick	\$50.00	\$51.08	\$52.03	\$54.19	\$55.32
Nova Scotia	\$52.57	\$52.70	\$54.72	\$56.34	\$58.94
Prince Edward Island	\$64.89	\$56.18	\$48.43	\$52.33	\$53.08
Newfoundland and Labrador	\$47.43	\$48.22	\$50.45	\$55.40	\$59.69
The North <sup>1</sup>	n/a	n/a	\$111.41	\$97.10	\$83.62

1. The North includes Yukon, the Northwest Territories, and Nunavut.

Source: CRTC data collection

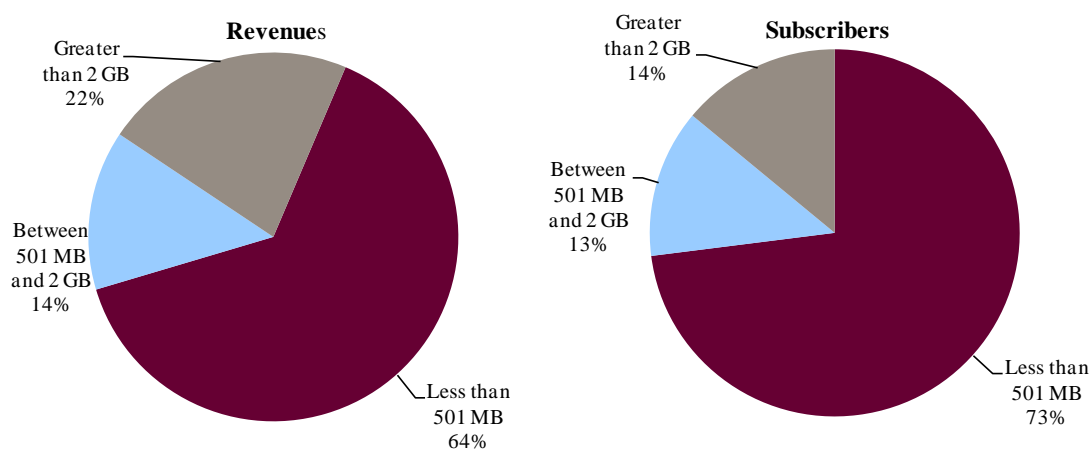
**Table 5.5.8 Wireless average monthly churn rates (percentage)**

	2008	2009	2010	2011	2012
Bell Mobility	1.6	1.6	1.9	2.0	1.7
Rogers	1.5	1.4	1.5	1.8	1.8
TCC	1.6	1.6	1.6	1.7	1.5

- Churn rate is a measure of subscriber turnover, expressed as an average annual rate. It is derived by dividing the number of subscribers that have left by the total number of wireless subscribers.

Sources: Companies' annual reports and CRTC data collection

**Figure 5.5.6 Mobile data-only plan<sup>1</sup> revenues, subscribers, and monthly ARPU, by data plan capacity, 2012**

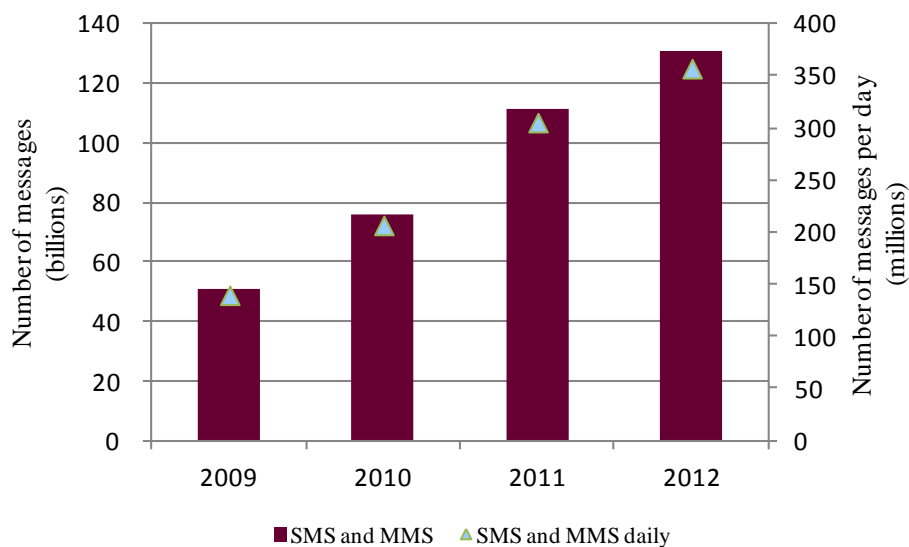


ARPU per month (\$)

Capacity	Less than 501 MB	Between 501 MB and 2 GB	Greater than 2 GB
2011	39	58	75
2012	41	48	77

1. Data-only plans include built-in and portable access devices such as hubs, sticks, dongles, laptops, etc.  
Source: CRTC data collection

**Figure 5.5.7 Total number of MMS and SMS messages**

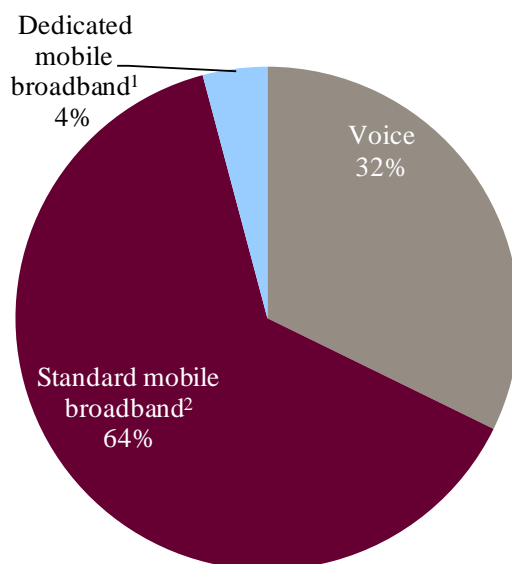


- The number of MMS and SMS messages includes both incoming and outgoing messages.
  - Northwestel, NorthernTel, Télébec and Telus were unable to provide data details.
- Source: CRTC data collection

**Table 5.5.9 Mobile broadband subscribers**

	2011	2012	% growth
Standard mobile broadband			
Number of subscribers (millions)	12.0	13.0	8.3
Percentage of all subscribers	44%	47%	
Dedicated mobile			
Number of subscribers (millions)	1.2	1.3	8.3
Percentage of all subscribers	4%	5%	
Total mobile broadband			
Number of subscribers (millions)	13.2	14.3	8.3
Percentage of all subscribers	48%	52%	

Source: CRTC data collection

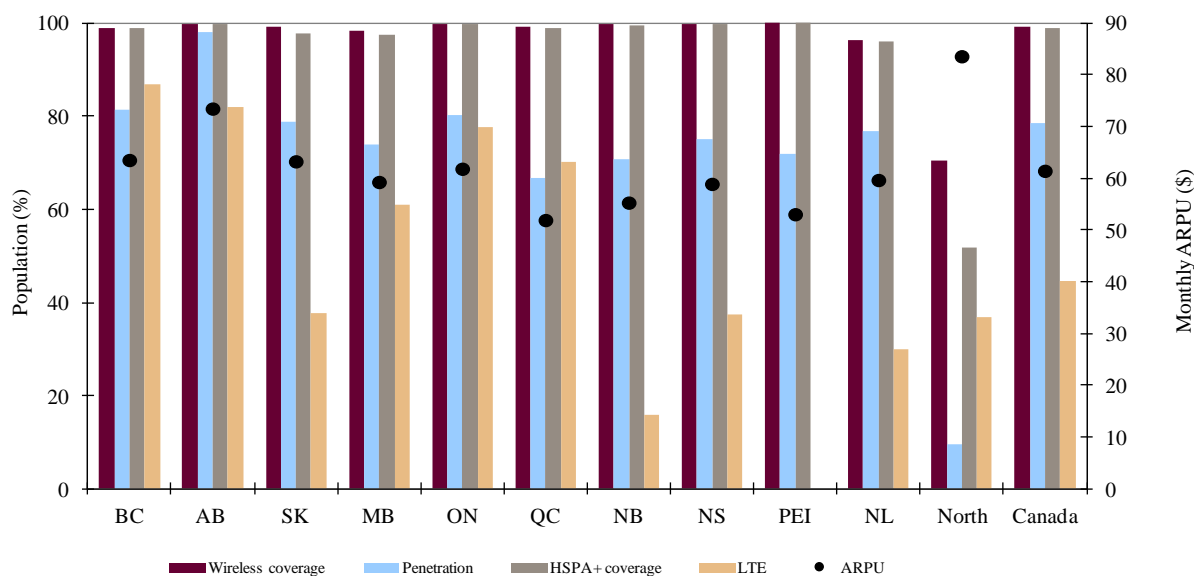
**Figure 5.5.8 Percent of mobile revenues, voice v. standard broadband v. dedicated broadband, 2012**

1. "Standard mobile broadband" refers to subscribers who own smartphones, rocket hubs, or regular cell phones with a subscription to a data and voice plan. Standard mobile broadband includes BlackBerry (BB) plans (BB unlimited social networking, BB unlimited email, BB regular bucket-based data plans, and non-BB regular based data plans). Excluded are mobile phone plans with browsing only.
2. "Dedicated mobile broadband" refers to subscribers with subscriptions to dedicated data services over a mobile network. These subscriptions are purchased separately from voice services, either as a stand-alone service (modem/dongle) or as an add-on data package to voice services, which requires an additional subscription.

Source: CRTC data collection

d) Coverage / availability details

**Figure 5.5.9 Wireless coverage, penetration, and ARPU by province, 2012**



Source: CRTC data collection

**Table 5.5.10 Wireless coverage, penetration, and ARPU, by province, 2012**

	Coverage (%)			Penetration rate (%)	ARPU (\$/month)
	wireless	HSPA+	LTE		
British Columbia	99.0	98.8	87.0	81.5	63.56
Alberta	99.8	99.8	82.0	98.2	73.50
Saskatchewan	99.3	97.8	37.8	78.8	63.30
Manitoba	98.4	97.5	61.1	74.1	59.31
Ontario	99.8	99.7	77.5	80.3	61.87
Quebec	99.3	98.9	70.1	66.8	51.95
New Brunswick	99.7	99.6	15.7	70.7	55.32
Nova Scotia	99.8	99.7	37.3	75.1	58.94
Prince Edward Island	99.9	99.9	0.0	71.9	53.08
Newfoundland and Labrador	96.4	96.0	30.0	76.8	59.69
The North	70.4	51.9	36.7	9.7	83.62
Canada	99.4	99.1	72.0	78.4	61.47

Source: CRTC data collection

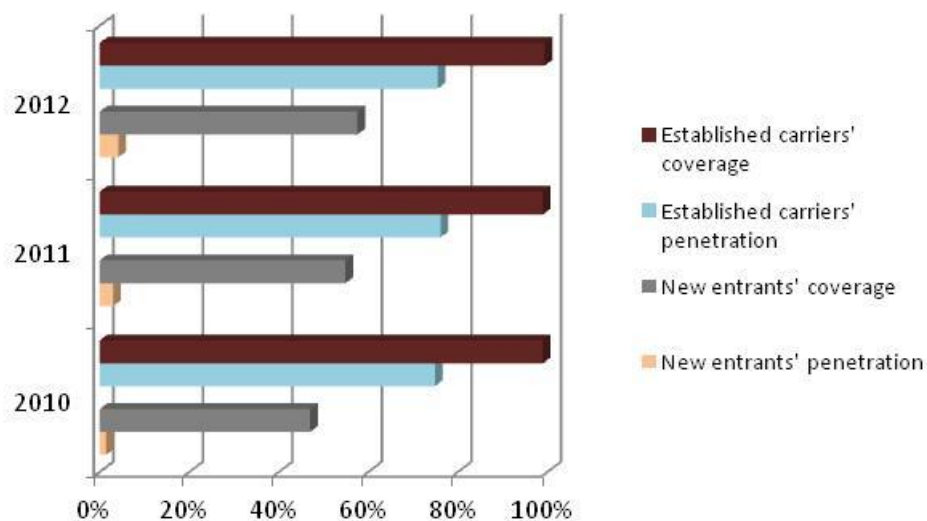
**Table 5.5.11 Percentage of population with access to one, two, three, or four or more facilities-based WSPs, by province, 2012**

	Number of facilities-based wireless service providers				
	none	1 only	2 only	3 only	4 or more
British Columbia	1%	2%	32%	6%	59%
Alberta	0%	1%	32%	11%	55%
Saskatchewan	1%	16%	75%	8%	0%
Manitoba	2%	2%	18%	78%	0%
Ontario	0%	1%	3%	33%	63%
Quebec	1%	4%	6%	8%	82%
New Brunswick	0%	4%	73%	22%	0%
Nova Scotia	0%	4%	53%	43%	0%
Prince Edward Island	0%	4%	96%	0%	0%
Newfoundland and Labrador	4%	39%	18%	40%	0%
The North <sup>1</sup>	30%	63%	7%	0%	0%
Canada	1%	3%	17%	22%	57%

1. The North includes Yukon, the Northwest Territories, and Nunavut.

Source: CRTC data collection

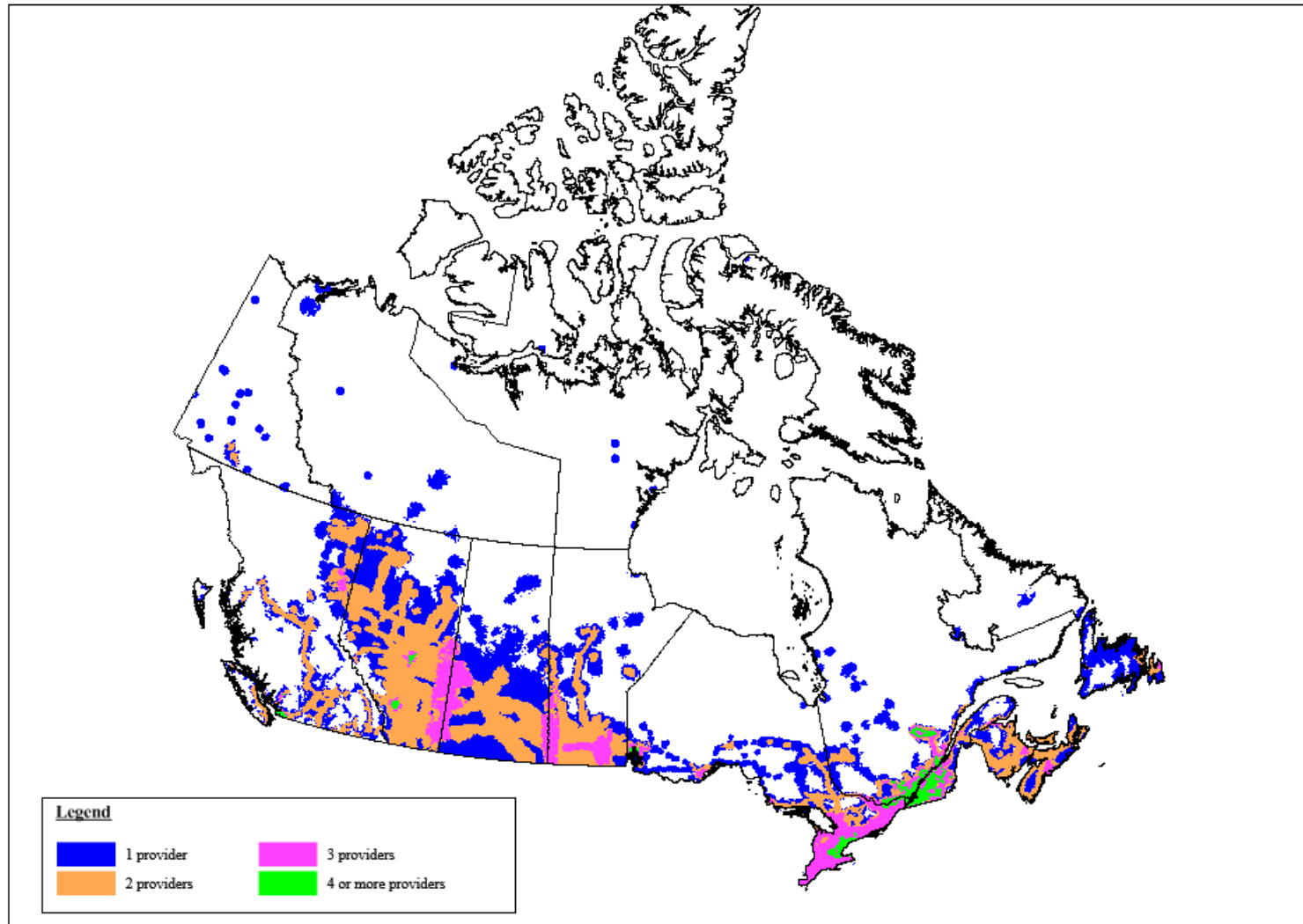
**Figure 5.5.10 Established carriers' coverage and penetration v. new entrants' coverage and penetration**



- 'New entrants' refers to the new wireless entities that acquired spectrum in Industry Canada's 2008 AWS spectrum auction.

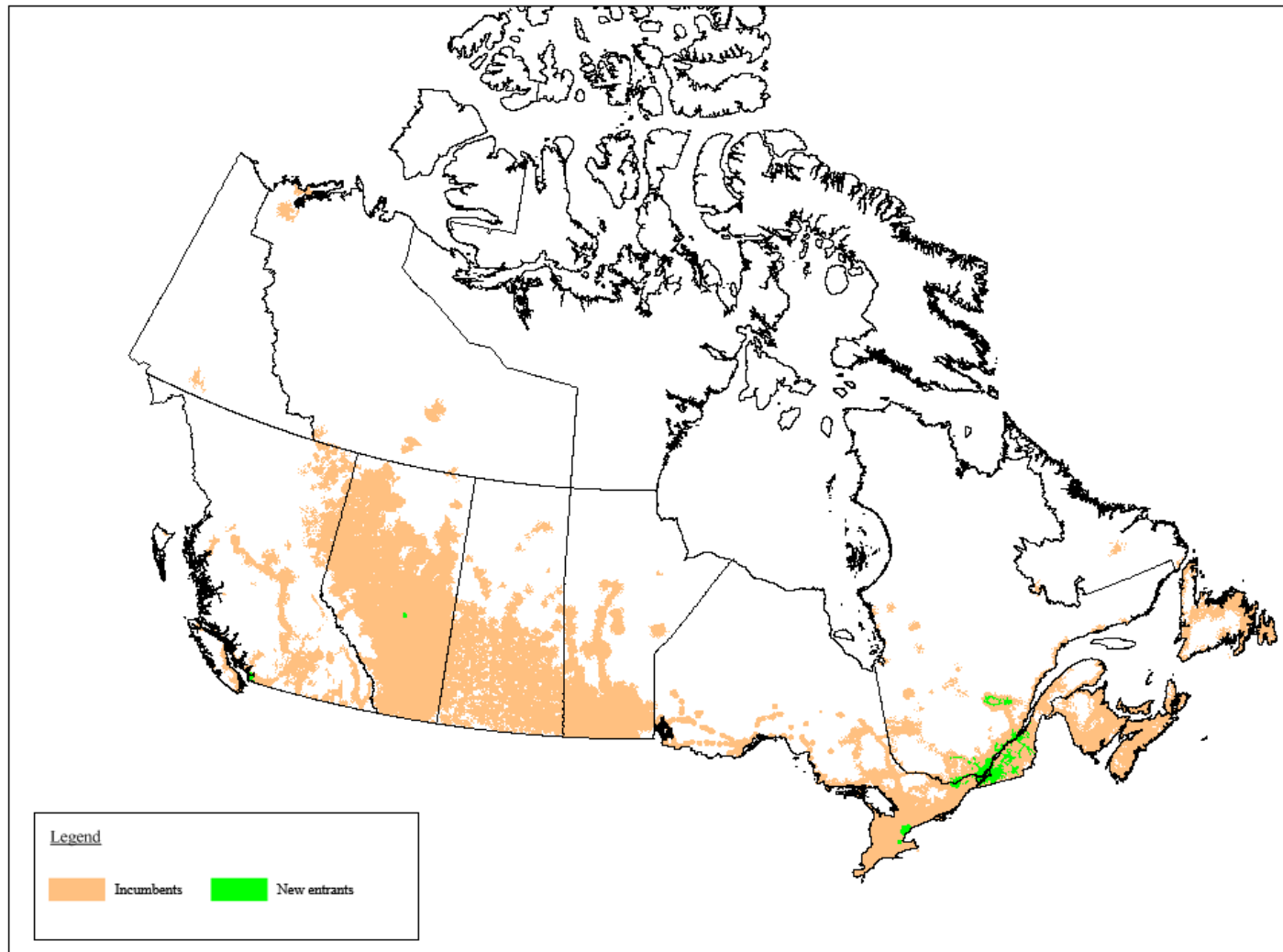
Source: CRTC data collection

**Map 5.5.1 Wireless service availability, by number of facilities-based providers, 2012**



Source: CRTC data collection

**Map 5.5.2 Wireless HSPA+ service availability, by number of facilities-based providers, 2012**



Source: CRTC data collection



## **6.0 Broadband availability and adoption of digital technologies**

### **Overview**

Canadians can access broadband using either wireline or wireless facilities. These facilities are evolving new experiences for Canadians, ranging from those resembling television and radio, to new, highly interactive services and programs offering greater consumer control and choice. Consumers can engage with the digital world with their devices at the time and place of their choosing.

The following sections examine the availability of broadband Internet access service, the capacity requirements that must be met for participating in the digital environment, as well as the requirements impact on consumer behaviour. They also look at certain technologies as they relate to Canada's broadcasting and telecommunications sectors. As this is a growing and evolving industry, data related to consumer behaviour was gathered primarily from contracted research and publicly available data rather than direct data collection. One of the primary data sources was the MTM Fall 2012 survey, which examined the media habits and technology usage of 8,000 Canadians 18 years of age and older.



## 6.1 Broadband availability and capacity requirements

This section examines the extent to which Canadians have access to broadband Internet service and the capacity requirements.

Fixed and mobile broadband (i.e., HSPA+) are available to over 99% of households. Canadians are accessing the growing volumes of content, whether audio, video, or data, being made available online. Spurring this development is the availability of multi-function consumer devices.

In 2012, Canadians were served by over 500 Internet service providers. Incumbent TSPs provided Internet services using mainly DSL, fibre-optic, satellite, and fixed-wireless facilities. Cable companies used cable modem, fibre-optic, fixed-wireless and dial-up facilities. Utility telcos, municipalities, and other TSPs provide Internet services using dial-up, DSL, fibre-optic, satellite, and fixed-wireless facilities. Resellers essentially rely on facilities-based TSPs to provide them with facilities on a wholesale basis. Resellers also provide high-speed Internet service, generally using leased DSL facilities and, to a lesser extent, cable-modem and fibre-optic facilities.

Wireless service providers also provide broadband service. As displayed in section 5.5, 52% of wireless subscribers in 2012 had advanced handheld devices capable of accessing the digital world.

### *Broadband availability at a glance*

	2011	2012
Residential broadband availability (excluding satellite)		
National	97%	97%
Urban	100%	100%
Rural	83%	85%
National, including HSPA+	99%	99%

- “Rural” is defined as areas with densities of fewer than 400 people per square kilometre, or population centres with fewer than 1,000 people.  
Source: CRTC data collection

**Figure 6.1.1 Internet applications – bandwidth requirements**

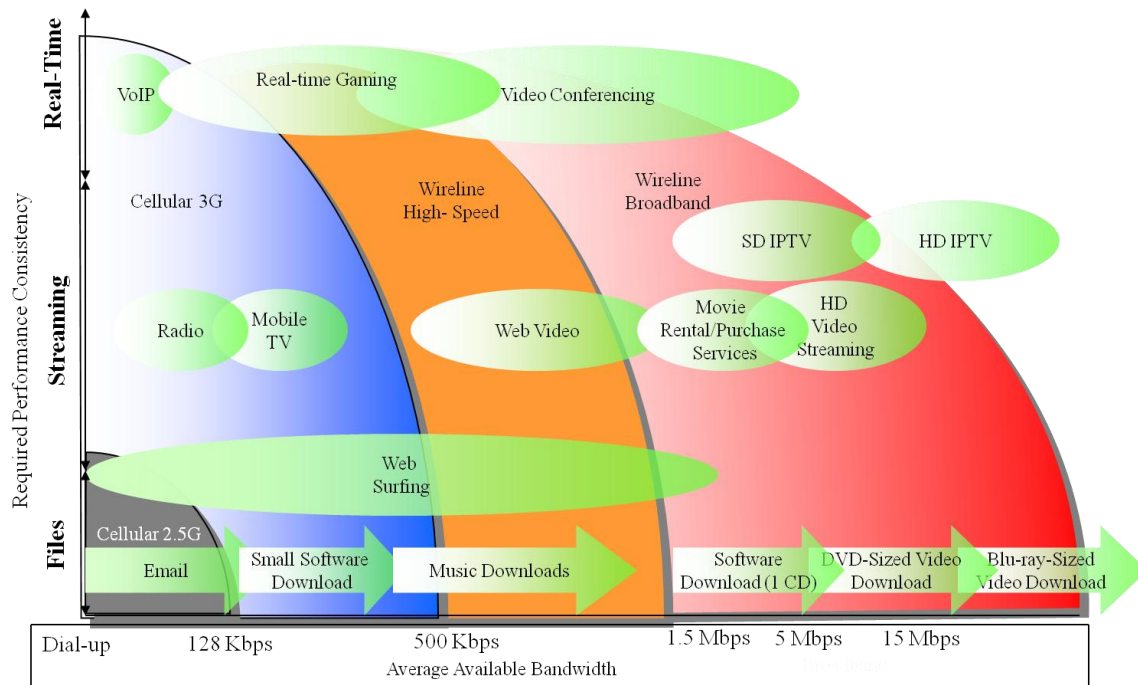


Table 6.1.1 illustrates the Internet access speed requirements for a number of commonly accessed online services. It shows both the average upload and download speeds required by each service. The intention of this table is to give readers an idea of the Internet access speeds that would be required to use various online audio and video services. While some services attempt to send data in short bursts at higher peak rates, they can adapt to differing peak rates, so the average rate is still an important factor in determining the data rate requirements for most services. Testing focused on replicating a typical home environment, and included a variety of consumer electronic devices connected to the Internet through 1) a wired Internet connection or 2) making use of a Wi-Fi network. Services tested over the wired Internet connection were carried out on a Windows-based PC. When carrying out testing over the Wi-Fi network, devices used included an Xbox 360, Apple TV, as well as Android and iOS tablets and smartphones, making use of device-specific apps rather than mobile-friendly websites. In testing the Wi-Fi connected devices, significant differences in the results were noted for some services across devices, and for this reason, a range of speeds and caps has been shown.

With the exception of Netflix and YouTube, where video quality is selectable, default settings were used for each device and service being measured. It is worth noting that several services will automatically change the quality (and therefore the amount of data) being delivered based on a user's Internet connection. Multiple measurements were collected using a variety of tools and techniques, on a relatively "idle" network, without any interfering applications or services.

The differences in test results on the wireless devices reflect the different types of devices, different brands, and even different operating systems in use. Due to the wide range of speeds needed and capacity needed, consumers may benefit from using apps that are available for specific devices to monitor data usage. These can be found by using search terms such as "bandwidth monitor" or "network monitor" in popular app stores operated by Android, Apple, Blackberry, and Windows.

**Table 6.1.1 Internet access speed requirements for a number of commonly accessed online services**

Application	Wired connection		Wireless connection	
	Average download speed (Kbps)	Average upload speed (Kbps)	Average download speed (Kbps)	Average upload speed (Kbps)
Video streaming				
Netflix (Good)	630	19.6	554-680	9-14.6
Netflix (Better)	2223	68.6	536-1161	9-14.8
Netflix (Best)	5941	179.2	554-4000	8.9-29.7
Rogers Anyplace TV	3193	104.5	1400-1650	9-23.5
CBC Television	2400-6444	58-167	220-1335	1.5-15.4
Global TV	972	26.0	1396	9.0
YouTube (HD or 720p)	1335	27.7	368-1270	5.3-26
YouTube (480p) <sup>1</sup>	492	11.2	—	—
YouTube (240p)	319	7.3	—	—
Audio streaming				
Slacker Radio	137	9.6	125-267	1.8-4.8
Live audio				
Local (Ottawa) FM radio	34	1.3	34	2.0
CBC radio	130	4.4	96-135	6.0

1. YouTube video quality was fixed and not selectable on the collection of devices connected to wirelessly, e.g., the Xbox 360, Apple TV, as well as Android and iOS tablets and smartphones.

Source: CRTC staff analysis

Table 6.1.2 illustrates the maximum number of hours that a user could use each service under different usage caps based on the information from the previous table. Both upload and download traffic was counted towards the usage cap in calculating these times. The intention of this table is to give readers an idea of how much data is used when enjoying various online audio and video services.

**Table 6.1.2 Number of usage hours before reaching various capacity thresholds by service**

Application	Wired connection			Wireless connection		
Time to Exhaust (Hours) for:	20GB Cap	60GB Cap	80GB Cap	20GB Cap	60GB Cap	80GB Cap
Video streaming						
Netflix (Good)	68	205	273	64-79	192-237	256-315.5
Netflix (Better)	19	58	78	38-81	114-244	152-325
Netflix (Best)	7	22	29	11-79	33-237	44-316
Rogers Anyplace TV	13	40	54	27-32	80-95	106-127
CBC television	6.7-18	20-54	27-72	33-201	99-600	132-800
Global TV	45	134	178	32	95	127
YouTube (HD or 720p)	33	98	130	34-119	102-358	136-477
YouTube (480p)	88	265	353	—	—	—
YouTube (240p)	136	408	544	—	—	—
Audio streaming						
Slacker Radio	304	912	1216	165-350	493-1049	650-1399
Live audio						
Local (Ottawa) FM radio	1262	3786	5048	1200	3600	4750
CBC radio	330	990	1320	294-435	882-1306	1176-1741

Source: CRTC staff analysis

Due to the limited number of measurement samples and the wide variety of home network configurations and equipment, the reported average bandwidth and capacity used is for illustrative purposes only and results obtained may vary in different settings.

## Broadband availability - Statistical information

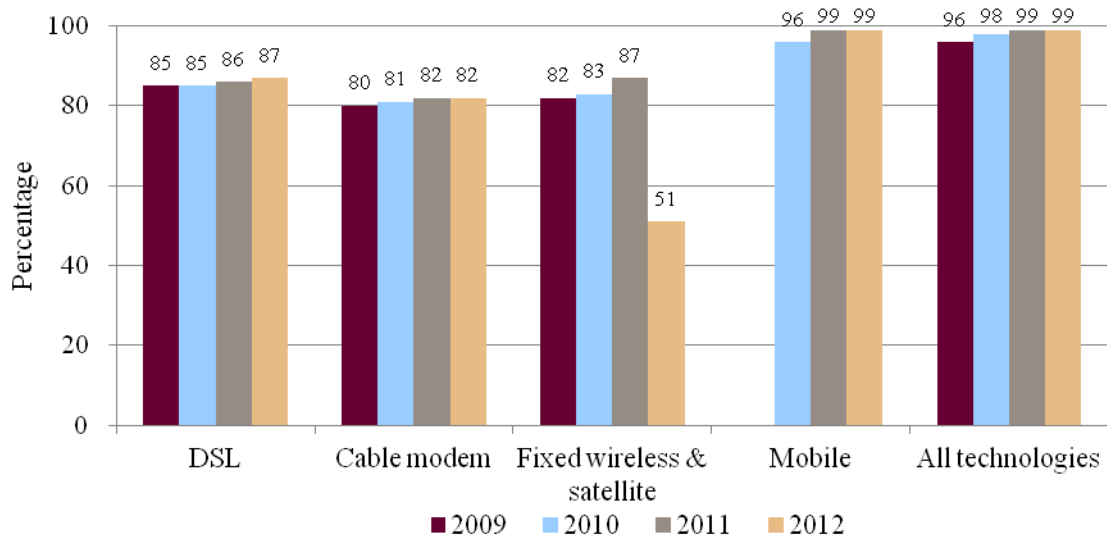
### a) Key broadband indicators

**Table 6.1.3 Key telecommunications availability indicators**

Platform	Availability (% of households)				
	2008	2009	2010	2011	2012
Mobile broadband					
3G/3G equivalent	91	96	98	99	99
HSPA+	n/a	n/a	97	99	99
LTE	n/a	n/a	n/a	45	72
Wireline broadband					
DSL	84	85	85	86 #	87
Cable modem	80	80	81 #	82 #	82
Fixed wireless	80	81	82	86	50 <sup>1</sup>
IPTV	10	21	22	34	54
Digital satellite	National	National	National	National	National

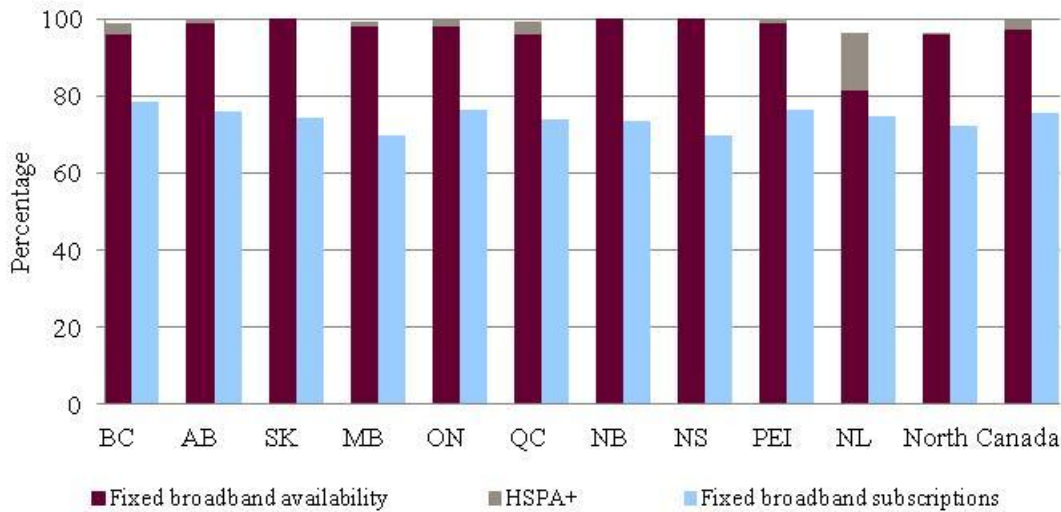
1. Decline is due to the deactivation of the Inukshuk network.  
Source: CRTC data collection

**Figure 6.1.2 Broadband availability (percentage of households)**



1. In 2012, the decline in fixed wireless & satellite availability was due to the deactivation of the Inukshuk network.  
Sources: Industry Canada and CRTC data collection

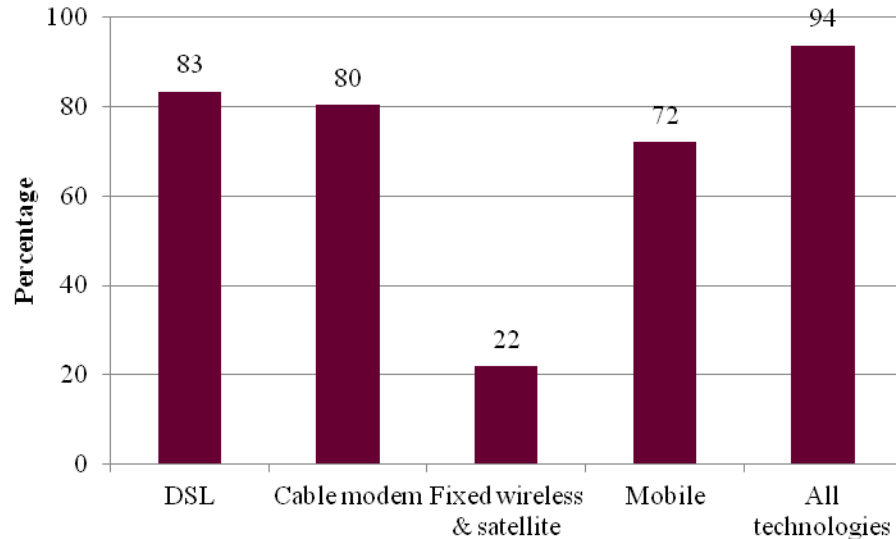
**Figure 6.1.3 Broadband availability v. broadband subscriptions, 2012**



- The provinces of New Brunswick and Saskatchewan have arrangements to provide broadband service via satellite at terms and conditions similar to wireline service, and these arrangements are taken into account in the fixed broadband availability bars in this chart.
- HSPA+ in PEI is available to those without access to other means of broadband connectivity at terms and conditions equivalent to wireline service.
- Excludes satellite.

Sources: Industry Canada and CRTC data collection

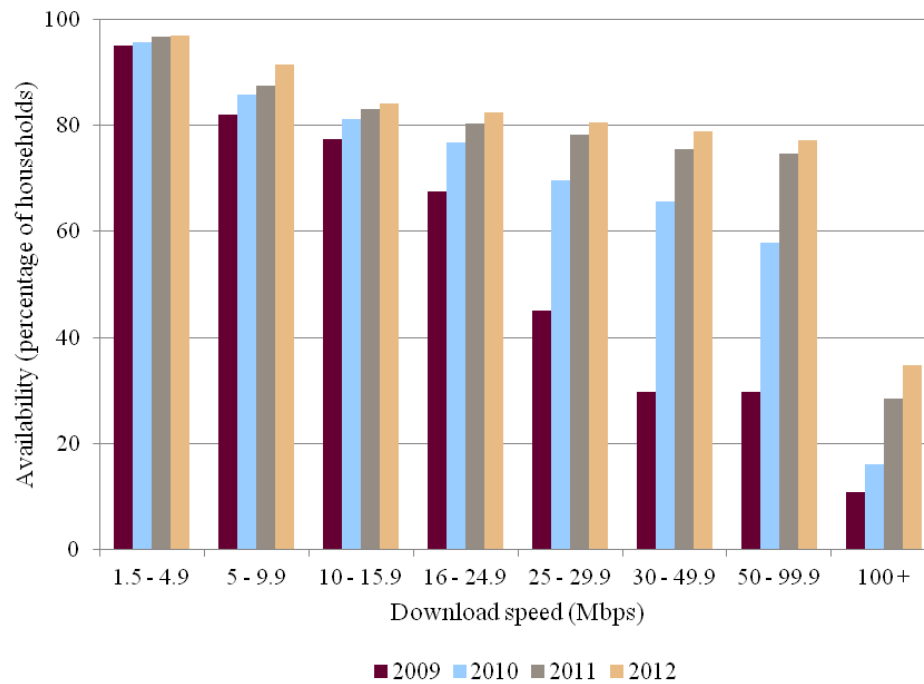
**Figure 6.1.4 Broadband, 5 Mbps availability (percentage of households), 2012**



Sources: Industry Canada and CRTC data collection

**b) Broadband availability by speed**

**Figure 6.1.5 Broadband availability by speed (percentage of households)**



- Excludes HSPA+, LTE and satellite.
- Sources: Industry Canada and CRTC data collection

**Table 6.1.4 Broadband availability platforms, by speed and number of platforms, 2012 (percentage of households)**

Number of platforms	1.5 to 4.9 Mbps	5.0 to 9.9 Mbps	10.0 to 15.9 Mbps	16.0 to 24.9 Mbps	25.0 to 29.9 Mbps	30.0 to 49.9 Mbps	50.0 to 99.9 Mbps	100 Mbps and higher
1	3	9	25	28	32	33	76	32
2	11	15	59	54	48	45	0	0
3	50	58	0	0	0	0	0	0
4	36	10	0	0	0	0	0	0

- Platforms include DSL, cable modem, fixed wireless, and mobile (HSPA+ and LTE)
- Sources: Industry Canada and CRTC data collection

c) *Availability by province***Table 6.1.5 Broadband availability, by speed and province/territory, 2012 (percentage of households)**

Province	1.5 – 4.9 Mbps	5 – 9.9 Mbps	10 – 15.9 Mbps	16 – 24.9 Mbps	25 – 100 Mbps
British Columbia	99	94	90	89	87
Alberta	99	96	85	84	80
Saskatchewan	99	75	63	57	57
Manitoba	99	85	67	66	66
Ontario	99	95	87	85	84
Quebec	99	93	84	82	80
New Brunswick	99	89	82	82	82
Nova Scotia	99	82	78	75	72
Prince Edward Island	99	71	55	48	48
Newfoundland and Labrador	96	79	69	69	61
Yukon	99	90	61	61	60
Northwest Territories	91	85	50	50	42
Nunavut	99	29	0	0	0

- HSPA+ is included only in the 1.5 to 4.9 Mbps speed tier, and LTE is included in the 5 to 9.9 category.
- Data regarding availability of broadband speeds greater than 25 Mbps have been combined due to the confidentiality of the data.
- Excludes satellite.

Sources: Industry Canada and CRTC data collection

**Table 6.1.6 Number of households that can have broadband access (thousands)**

Province	2010	2011	2012
British Columbia	1,739	1,766	1,781
Alberta	1,386	1,417	1,471
Saskatchewan	397	403	431
Manitoba	429	451	480
Ontario	4,928	5,014	5,055
Quebec	3,198	3,288	3,320
New Brunswick	315	316	316
Nova Scotia	399	401	401
Prince Edward Island	57	59	58
Newfoundland and Labrador	170	171	170
The North <sup>1</sup>	31	31	38
Canada	13,048	13,316	13,526

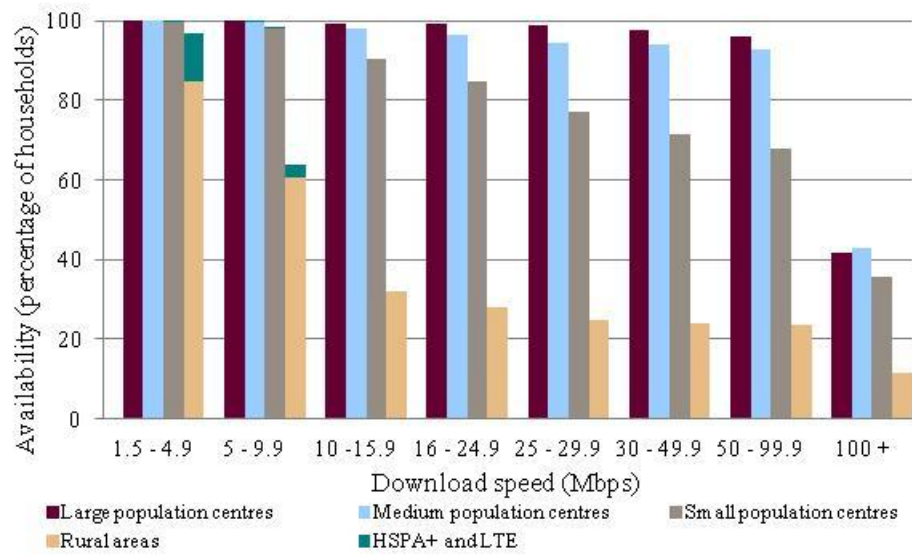
- Excludes HSPA+, LTE and satellite.

1. The North includes Yukon, Northwest Territories and Nunavut.

Sources: Industry Canada and CRTC data collection

d) *Urban v. rural*

**Figure 6.1.6 Broadband availability – Urban v. rural, 2012 (percentage of households)**



- Excludes satellite.

Sources: Industry Canada and CRTC data collection



## **6.2 Adoption of digital technologies**

### **Overview**

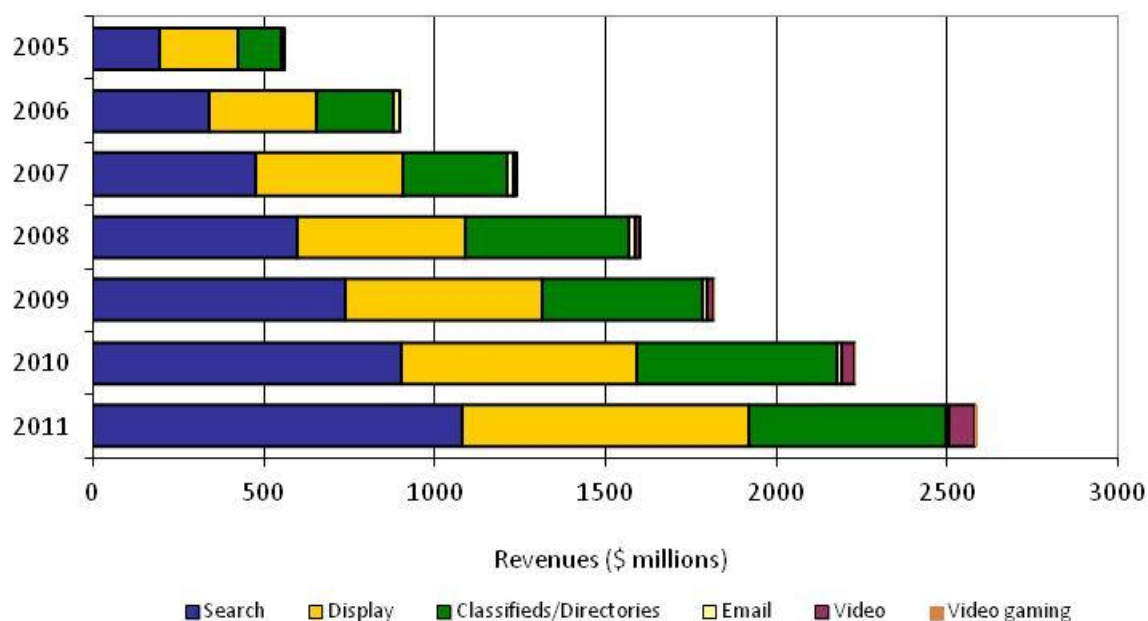
The Canadian communications system helps its creators, citizens and consumers, including small businesses, participate fully in the democratic, economic, social and cultural life of the country, at the national, provincial, regional, and municipal levels. Digital technologies are integrated into the daily lives of Canadians with over 75% of them subscribing to a broadband Internet service. This allows them to more effectively interact and participate actively in their communities, engage with the world, and enrich their social and cultural lives.

This section provides some indications of how Canadians are participating in the digital environment. It presents data displaying how they are accessing audio and video content and using the technologies available. Financial data is also included to display the extent to which service providers are attracting advertising revenues to digital platforms.

## Statistical information – Financial data

### a) *Financial performance*

**Figure 6.2.1 Canadian online advertising revenues**

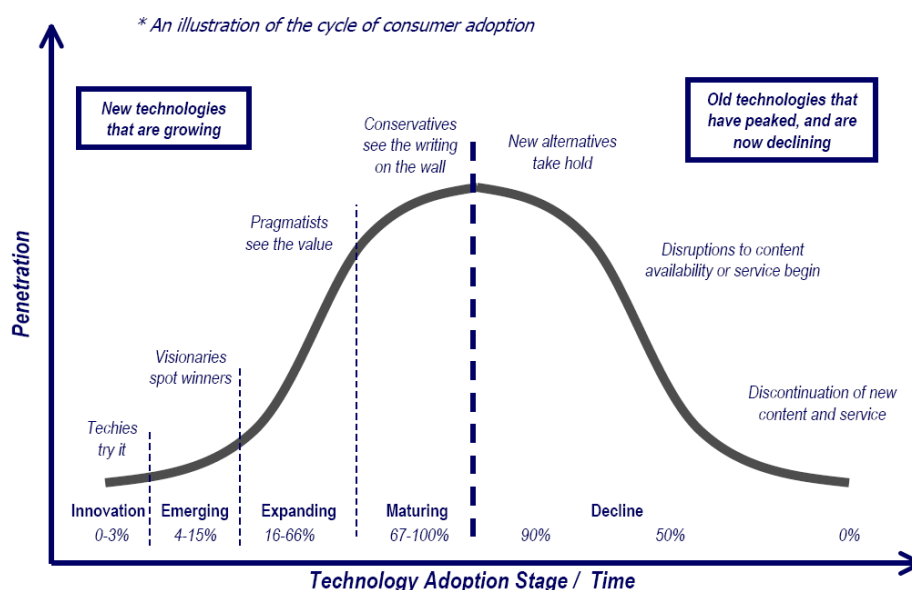


• 2012 figures not available at time of printing  
 Source: 2011-2012 Canadian Online Advertising Revenue Report, IAB Canada

## Statistical information – Overview

## b) Digital media services

Figure 6.2.2 Cycle of consumer adoption / Product life cycle



Source: MTM 2012

Table 6.2.1 Media technology adoption by consumers categorized by life cycle stage in Canada, 2012

Innovation	Emerging	Expanding	Maturing	Declining
	Watch TV online only 4%	Watch BDU provided Video-on-Demand 18%	Have WiFi network at home 68%	Listen to podcast 13%
	Watch Internet TV on a tablet 6%	Stream AM/FM radio 20%	Watch Internet video 71%	Subscribe to analog cable 11%
	Watch Internet TV on a smartphone 6%	Watch entire 30 or 60 minute TV show online 23%	Subscribe to Digital TV 72%	TV Antenna (off air) 6%
	Tuned out from TV (no BDU or OTA) 8%	Watch full length movie online 24%	Possess a mobile phone (any type) 80%	Subscribe to dial-up Internet 3%
	Stream audio on a tablet 8%	Possess a Tablet 26%	Subscribe to broadband Internet 82%	
	Watch TV shows on BDU VOD 13%	Watch Internet TV 33%	Subscribe to residential Internet 85%	
	Watch webisode or program produced for web <sup>1</sup> 13%	Possess a PVR 42%		
	Stream online personalized music service 13%	Possess a HD receiver 42%		
	Subscribe to satellite radio 13%	Possess a MP3 Player 49%		
	Stream audio on a smartphone 14%	Possess a Smartphone 51%		
		Listen to streamed audio 56%		
		Possess a HD set 61%		

1. Applicable only to wireline survey respondents

Source: MTM 2012 (Respondents: Canadians 18+)

**Table 6.2.2 Percentage of Canadians using the Internet, by linguistic group**

	2007	2007	2009	2009	2010	2010	2011	2011	2012	2012
	Anglo	Franco	Anglo	Franco	Anglo	Franco	Anglo	Franco	Anglo	Franco
Overall Usage	81	71	83	76	86	79	87	82	88	83
18-34	95	91	94	93	96	97	97	97	98	98
35-49	89	84	91	88	92	90	94	92	95	94
50+	66	51	69	59	74	63	75	63	78	69

• Usage in past month

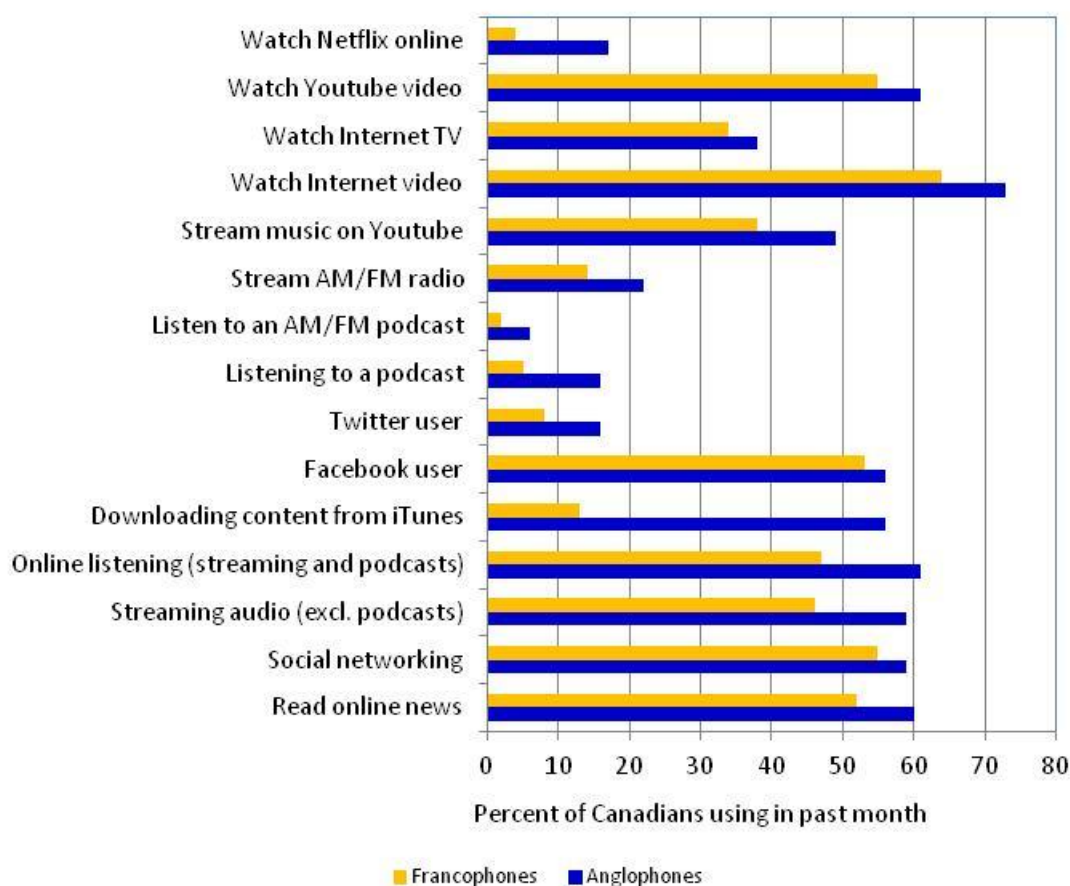
Source: MTM 2012 (Respondents: Canadians 18+)

**Table 6.2.3 Average weekly hours spent online by Canadian Internet users**

	1999	2002	2005	2007	2008	2009	2010	2011	2012
Anglophones	5.6	9.3	11.7	13.4	13.8	14.6	17.3	18.2	20.1
Francophones	6.3	7.7	9.1	9.8	11.2	11.9	12.8	13.1	13.0

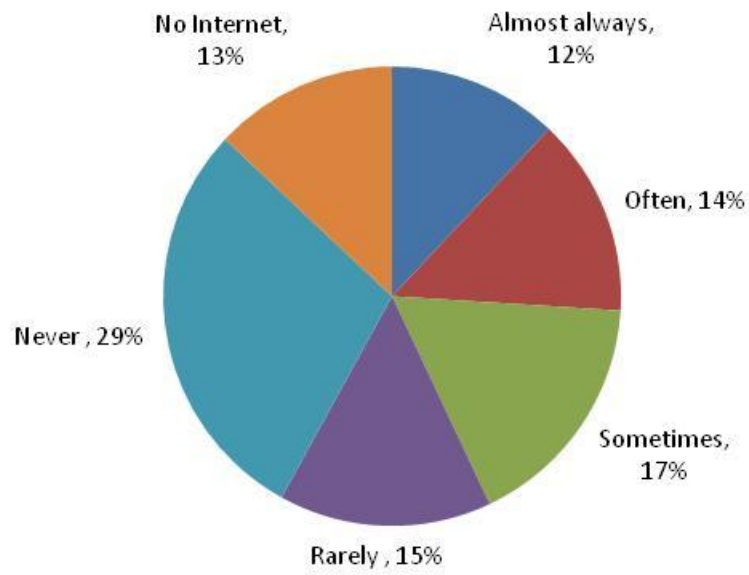
• Past week users

Source: MTM 2012 (Respondents: Canadian Internet Users 18+)

**Figure 6.2.3 Popular Internet activities for Canadian Internet users**


Source: MTM 2012 (Respondents: Canadians 18+)

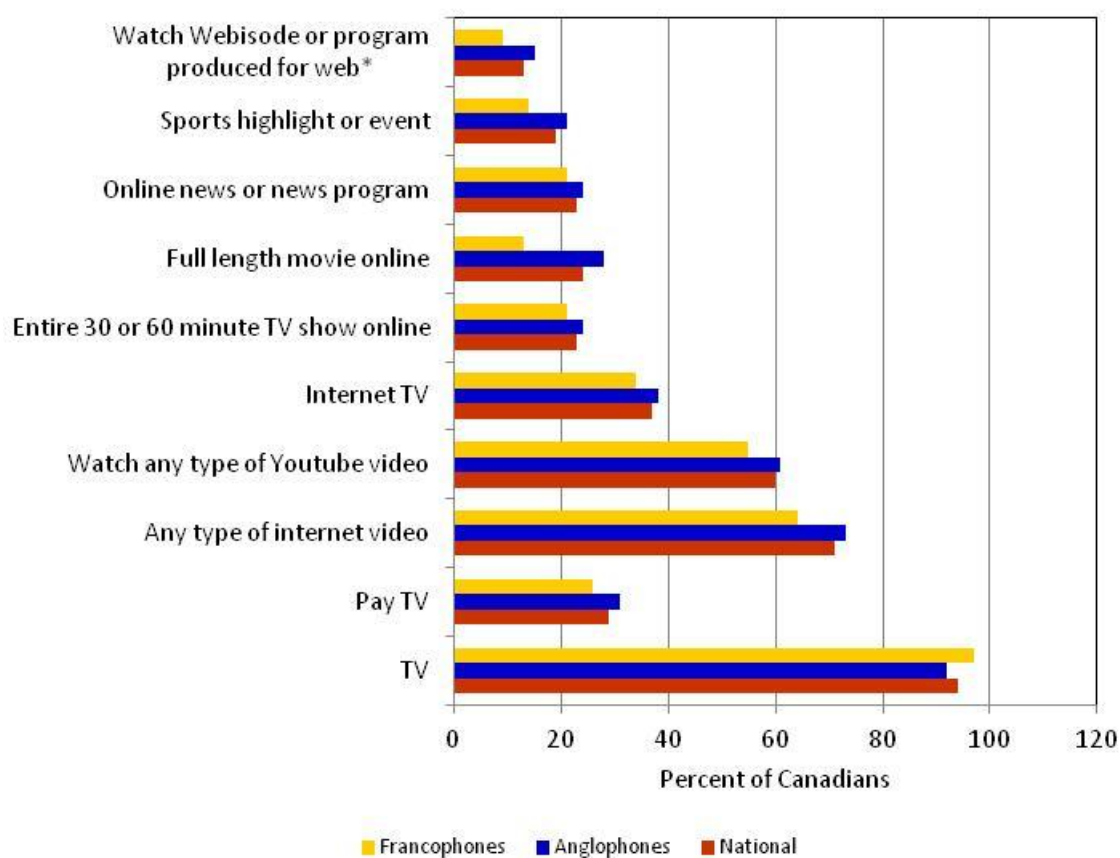
**Figure 6.2.4**      **Percentage of Canadians viewing TV and accessing the Internet concurrently**



Source: MTM 2012 (Respondents: Canadians 18+)

c) *Video*

**Figure 6.2.5 TV and Internet video viewing by consumers**

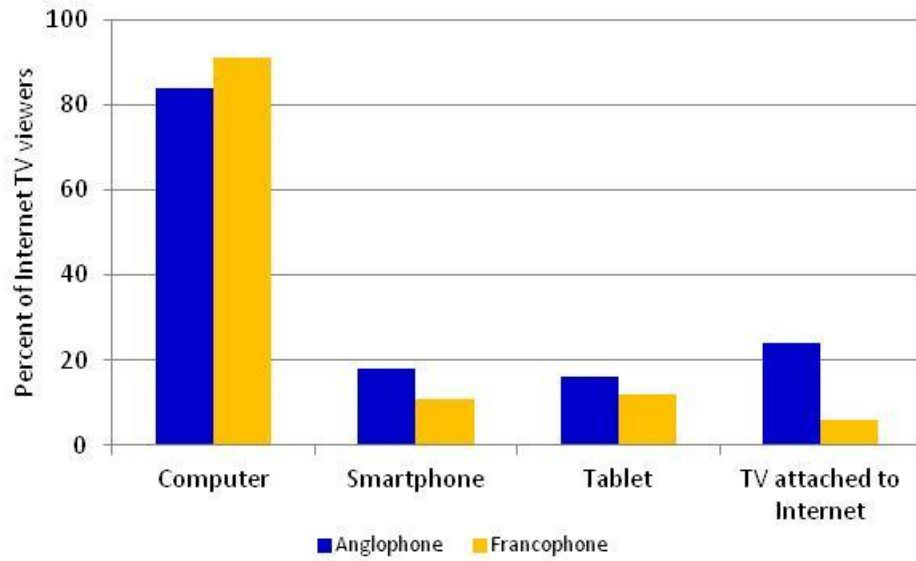


\* Applicable only to wireline survey respondents

• Usage in past month

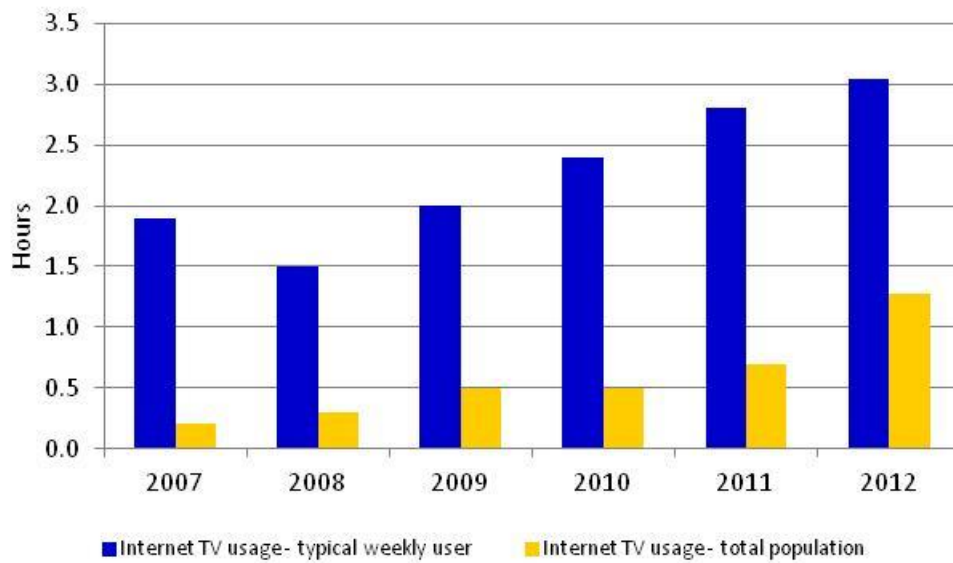
Source: MTM 2012 (Respondents: Canadians 18+)

**Figure 6.2.6 Type of devices used by Internet TV viewers**



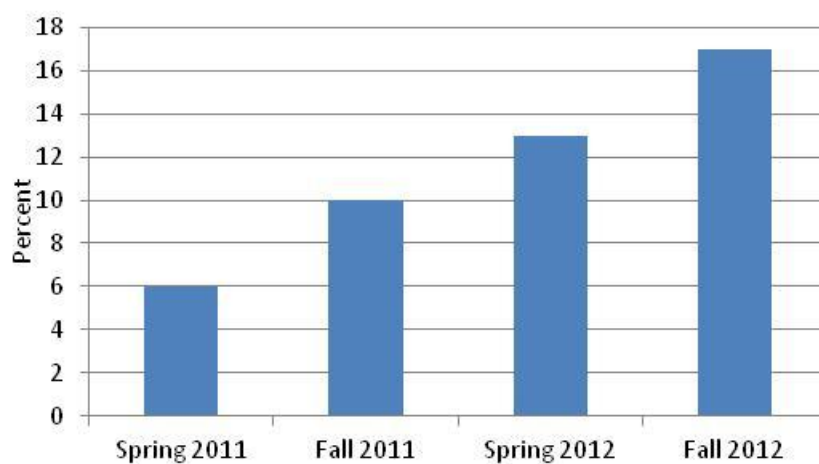
Source: MTM 2012 (Respondents: Canadian Internet TV viewers 18+)

**Figure 6.2.7 Average weekly hours spent watching Internet TV**



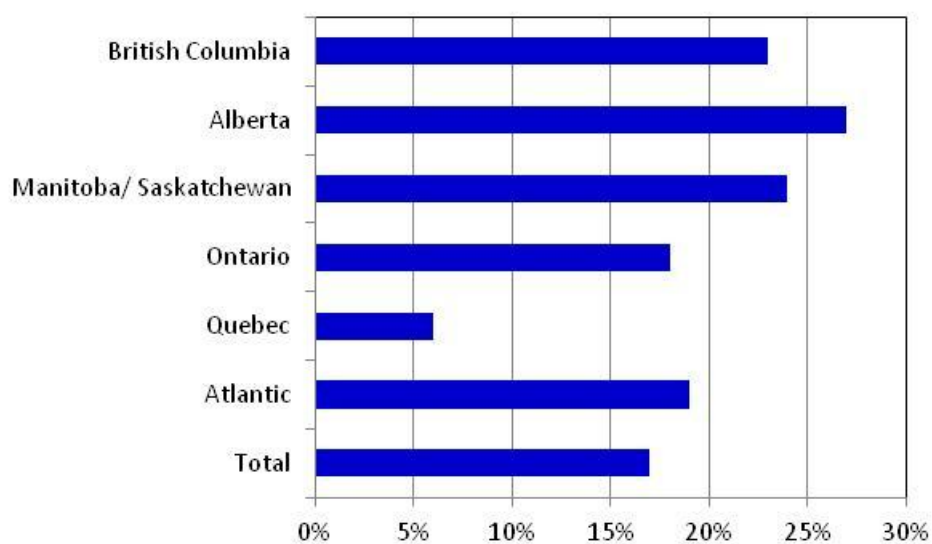
Source: MTM 2012 (Respondents: Canadians 18+)

**Figure 6.2.8 Percentage of Canadians subscribing to Netflix**



Source: MTM 2012 (Respondents: Canadians 18+)

**Figure 6.2.9 Canadian Netflix Subscribers by region**



Source: MTM 2012 (Respondents: Canadians 18+)

**Table 6.2.4 Adoption and growth rate of various video technologies in Canada (Percentage)**

	Adoption					Growth				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
PVR										
Anglophones	13	18	23	35	43	30	38	28	52	23
Francophones	10	13	16	23	39	67	30	23	44	70
Internet TV <sup>1</sup>										
Anglophones	22	30	31	34	38	-	36	3	10	12
Francophones	17	22	26	33	34	-	29	18	27	3
Internet video on cellphone <sup>1,2</sup>										
Anglophones	5	5	9	12	14 <sup>2</sup>	150	0	80	33	17
Francophones	2	2	4	8	8 <sup>2</sup>	100	0	100	100	0
Internet TV on cellphone <sup>1</sup>										
Anglophones	1	1	2	4	7	-	0	100	100	75
Francophones	-	-	1	3	4	-	-	-	200	33
Internet video on Tablet <sup>1,2</sup>										
Anglophones	-	-	-	6	12 <sup>2</sup>	-	-	-	-	100
Francophones	-	-	-	3	7 <sup>2</sup>	-	-	-	-	133
Internet TV on tablet <sup>1</sup>										
Anglophones	-	-	-	3	6	-	-	-	-	100
Francophones	-	-	-	2	4	-	-	-	-	100
Netflix										
Anglophones	-	-	-	10	21	-	-	-	-	110
Francophones	-	-	-	5	5	-	-	-	-	0

1. Usage in past month

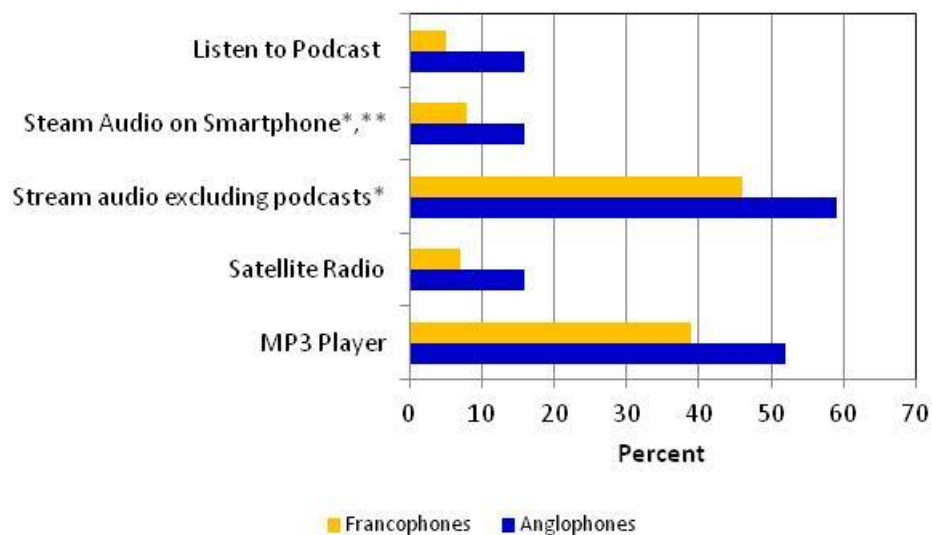
2. Applicable only to wireline survey respondents

- Question regarding video on cellphones changed in 2011 to watch online video
- Question regarding TV on cellphones changed in 2011 to watch TV programs or clips

Source: MTM 2012 (Respondents: Canadians 18+)

d) *Audio*

**Figure 6.2.10 Audio technology (excluding conventional radio) usage by consumers**

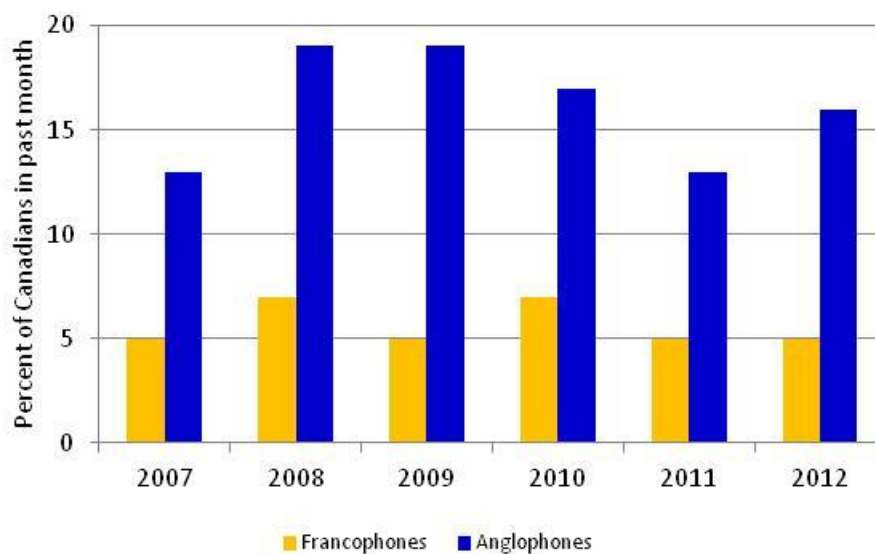


\* Usage in past month

\*\* Applicable only to wireline survey respondents

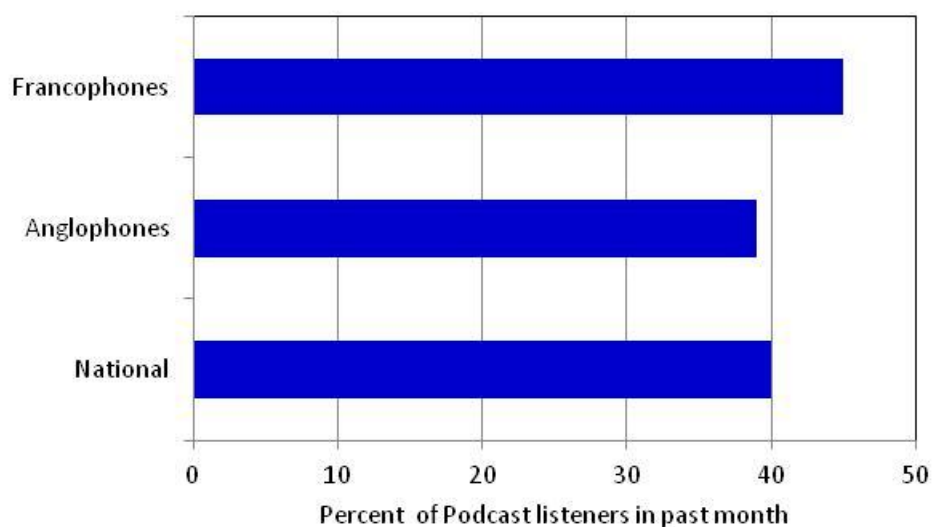
Source: MTM 2012 (Respondents: Canadians 18+)

**Figure 6.2.11 Podcast usage in Canada, by language group**



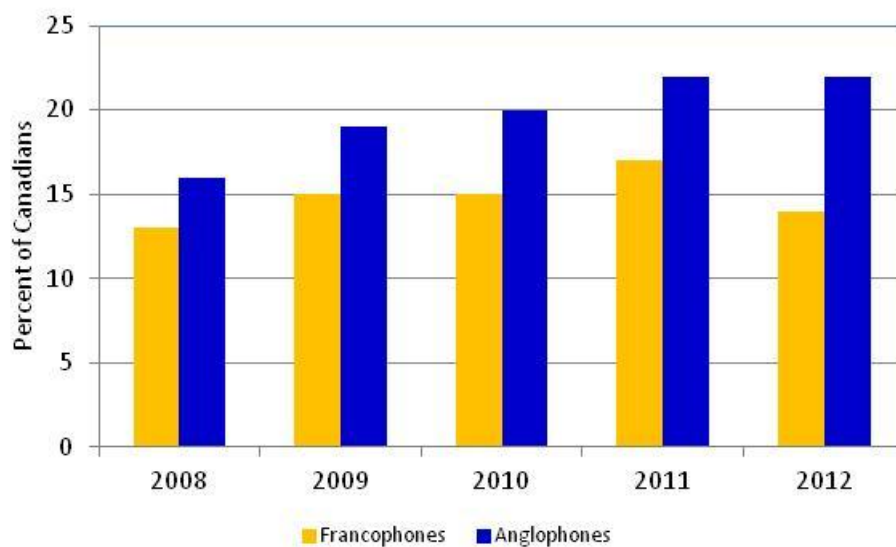
Source: MTM 2012 (Respondents: Canadians 18+)

**Figure 6.2.12 Podcast users who listen to AM/FM podcasts, by language group**



Source: MTM 2012 (Respondents: Canadian listeners of podcasts in past month 18+)

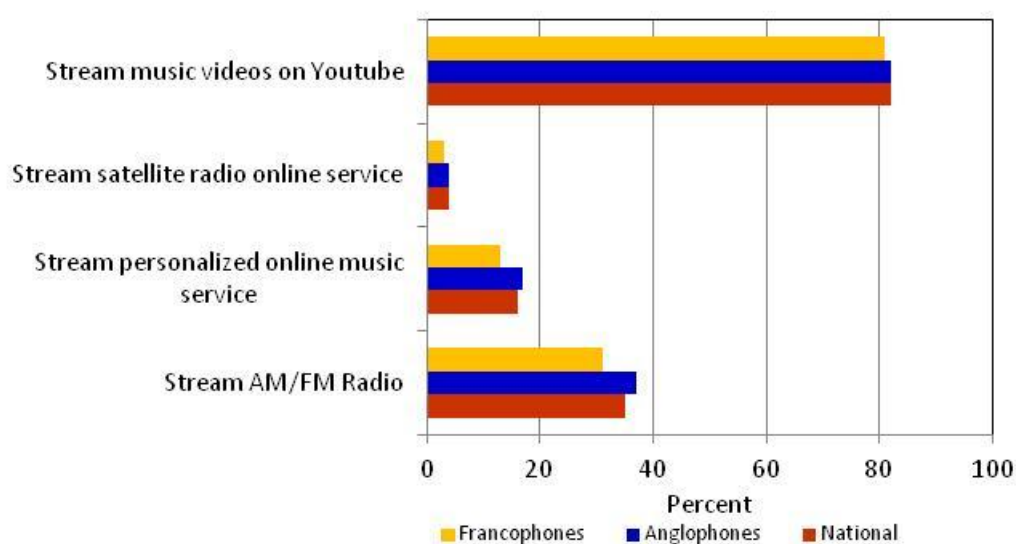
**Figure 6.2.13 Percentage of Canadians streaming AM/FM radio, by language group**



• Past month users

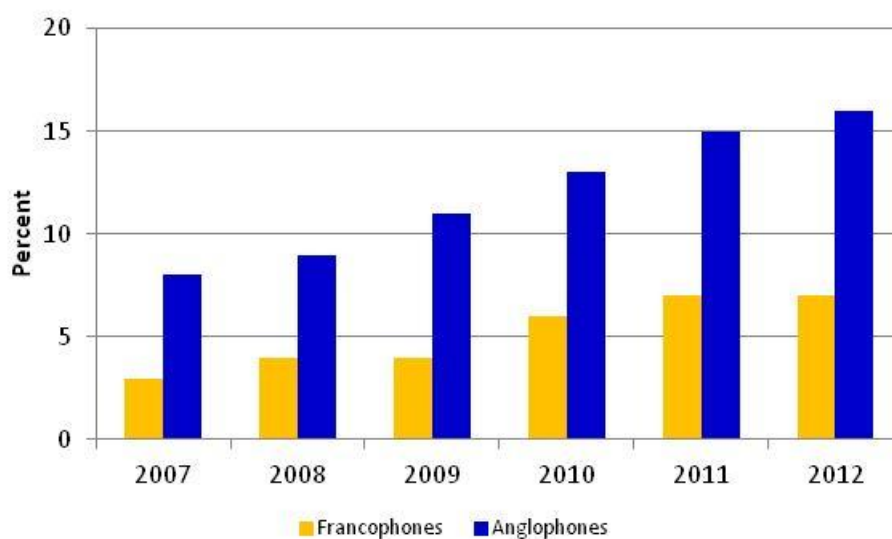
Source: MTM 2012 (Respondents: Canadians 18+)

**Figure 6.2.14 Popular online streamed audio services accessed by consumers, by language group**



Source: MTM 2012 (Respondents: Canadian users of streamed audio services in past month 18+)

**Figure 6.2.15 Satellite radio subscriptions, by language group**



Source: MTM 2012 (Respondents: Canadians 18+)

**Table 6.2.5 Adoption and growth rates of various audio technologies in Canada (Percentage)**

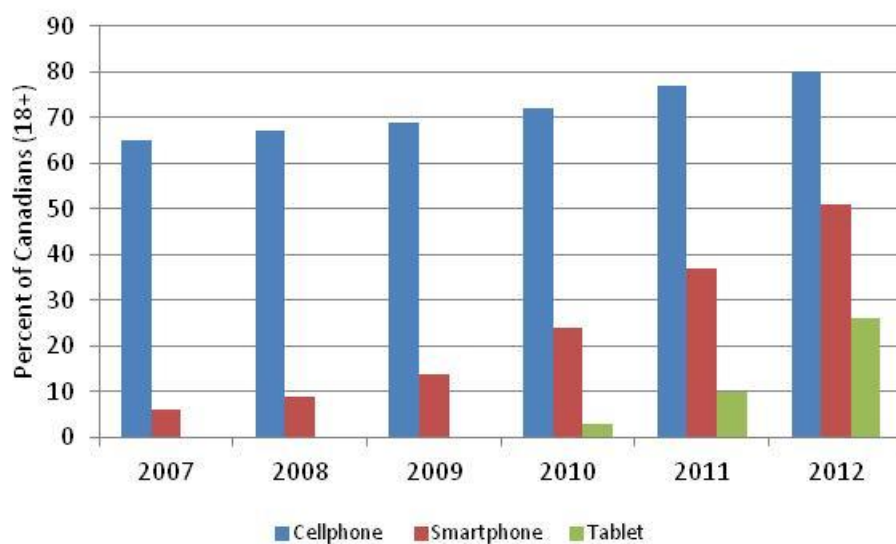
	Adoption					Growth				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
MP3 player ownership										
Anglophones	39	44	43	49	52	15	13	-2	14	6
Francophones	30	31	36	39	39	25	3	16	8	0
Podcast listening <sup>1</sup>										
Anglophones	19	19	17	13	16	46	0	-11	-24	23
Francophones	7	5	7	5	5	40	-29	40	-29	0
Streaming AM/FM radio <sup>1</sup>										
Anglophones	16	19	20	22	22	-11	19	5	10	10
Francophones	13	15	15	17	14	8	15	0	13	-18
Satellite radio subscriber										
Anglophones	9	11	13	15	16	13	22	18	15	7
Francophones	4	4	6	7	7	33	0	50	17	0

1. Past month users

Source: MTM 2012 (Respondents: Canadians 18+)

e) *Mobile*

**Figure 6.2.16 Mobile device penetration**



Source: MTM 2012 (Respondents: Canadians 18+)

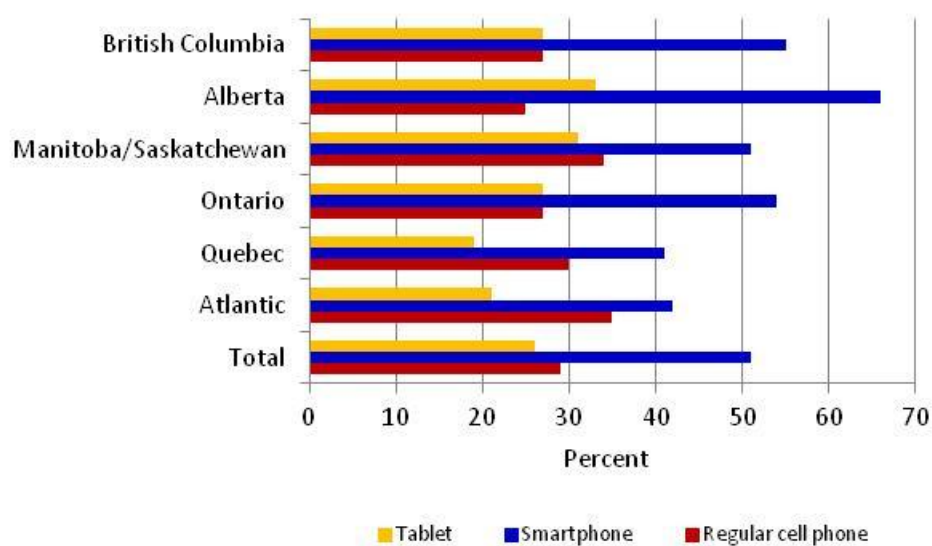
**Table 6.2.6 Mobile device penetration by linguistic group (Percentage)**

	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012
	Anglo	Franco	Anglo	Franco	Anglo	Franco	Anglo	Franco	Anglo	Franco
Cellphone <sup>1</sup>	70	56	72	59	74	63	80	67	83	71
Smartphone	10	6	16	8	27	14	41	26	55	39
Tablet					4	2	11	6	28	17

1. Includes smartphones and regular cell phones

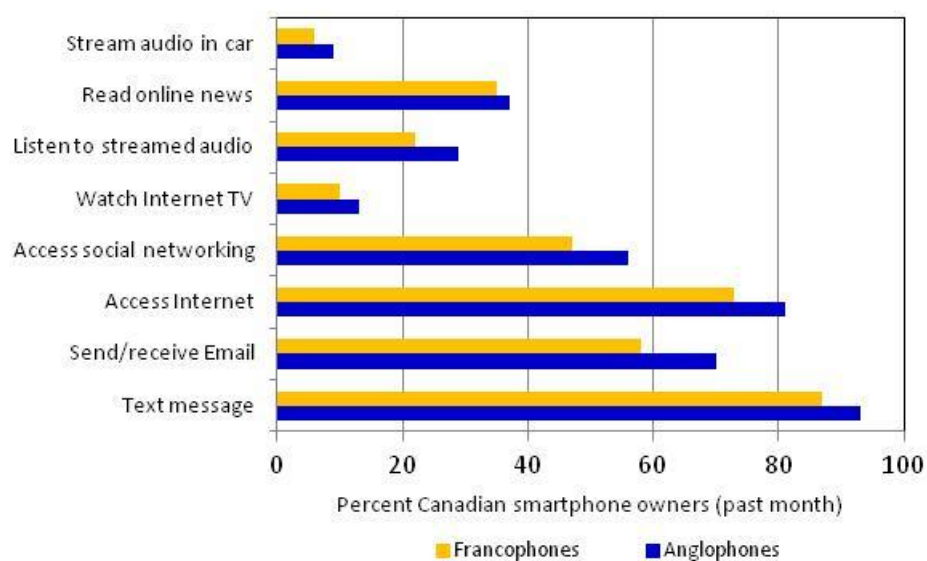
Source: MTM 2012 (Respondents: Canadians 18+)

**Figure 6.2.17 Mobile device penetration by region**



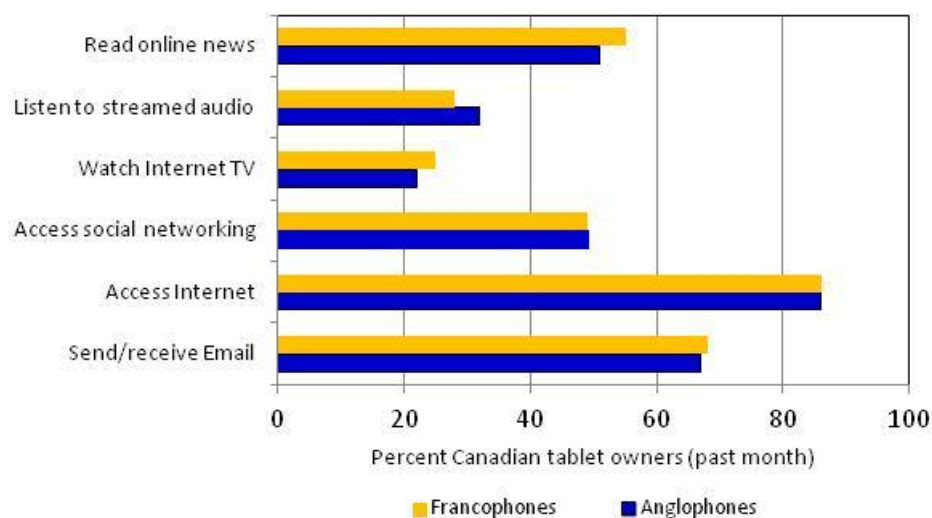
Source: MTM 2012 (Respondents: Canadians 18+)

**Figure 6.2.18 Popular Internet and mobile activities for Canadian smartphone owners, by language group**



Source: MTM 2012 (Respondents: Canadian smartphone owners 18+)

**Figure 6.2.19 Popular Internet and mobile activities for Canadian tablet owners**



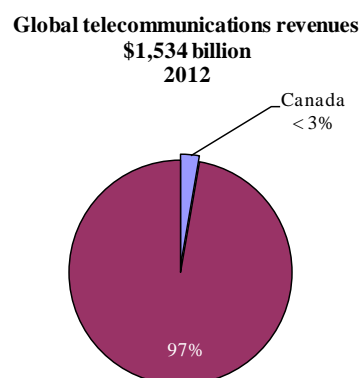
Source: MTM 2012 (Respondents: Canadian tablet owners 18+)

## 7.0 International perspective

### 7.1 How Canada compares internationally

This section provides a statistical comparative perspective of Canada in the context of the international communications landscape, including a view of pricing, revenues, and other metrics within the communications industry sectors of wireline, wireless, broadband, radio, and television services in a select number of countries.

In 2012, revenues from Canadian telecommunications services represented less than 3% of global telecommunications revenues. Canada's portion of North American telecommunications revenues was approximately 10%.



#### a) *Service pricing – Individual services and bundled rates*

Service providers in the telecommunications and broadcasting industries continued to offer traditional core business services and to package communications services into various bundles. These bundles combine some or all of the following: fixed-line voice telephony services, mobile wireless services, broadband Internet access via both fixed and mobile technologies, and television and video services. Price comparisons between Canada and five selected foreign jurisdictions are contained in Table 7.1.1.

## Statistical information – International comparisons

Table 7.1.1 International pricing (average price (\$)¹ per month)

		Canada	United States	United Kingdom	France	Australia	Japan
<b>Wireline service</b>	Level 1 (low-volume use)	35	46	32	34	46	30
	Level 2 (average use)	56	71	42	52	77	62
	Level 3 (high-volume use)	62	76	61	55	96	97
<b>Wireless service</b>	Level 1 (basic user)	31	33	22	20	22	28
	Level 2 (average user)	45	76	39	44	35	44
	Level 3 (premium user)	94	146	64	59	50	125
<b>Broadband (fixed)</b>	Level 1 (≤3 Mbps, 5 GB/month²)	39	52	n/a	n/a	n/a	46
	➤ average advertised download speed	1.6 Mbps	2.7 Mbps				1.2 Mbps
	➤ average advertised upload speed	0.4 Mbps	0.7 Mbps				0.5 Mbps
	Level 2 (4-15 Mbps, 20 GB/month²)	51	81	33	n/a	58	53
	➤ average advertised download speed	10.2 Mbps	14.0 Mbps	11.0 Mbps		8.0 Mbps	10.3 Mbps
	➤ average advertised upload speed	2.3 Mbps	2.7 Mbps	0.4 Mbps		0.5 Mbps	1.3 Mbps
	Level 3 (16-40 Mbps, 50 GB/month²)	65	99	43	49	57	62
	➤ average advertised download speed	24.8 Mbps	28.0 Mbps	36.0 Mbps	22.5 Mbps	25.0 Mbps	34.0 Mbps
	➤ average advertised upload speed	4.7 Mbps	4.7 Mbps	6.3 Mbps	0.8 Mbps	1.0 Mbps	1.3 Mbps
	Level 4 (40+ Mbps, 75 GB/month²)	83	123	53	55	73	65
<b>Mobile Internet (3G and up)</b>	➤ average advertised download speed	70.6 Mbps	56.3 Mbps	84.0 Mbps	100.0 Mbps	100.0 Mbps	115.1 Mbps
	➤ average advertised upload speed	11.3 Mbps	15.0 Mbps	14.5 Mbps	27.5 Mbps	2.0 Mbps	31.9 Mbps
	Level 1 (2 GB/month data usage³)	45	55	24	35	29	58
	➤ average advertised download speed	72.2 Mbps	10.5 Mbps	7.2 Mbps	28.2 Mbps	40.0 Mbps	34.5 Mbps
	Level 2 (5 GB/month data usage³)	65	60	62	45	35	58
<b>Bundled services</b>	➤ average advertised download speed	72.2 Mbps	10.5 Mbps	7.2 Mbps	42.0 Mbps	40.0 Mbps	32.0 Mbps
	Wireline-Wireless-Broadband	139	185	111	96	146	150
	Wireline-Broadband-Digital TV	134	168	98	69	145	137
	Wireline-Wireless-Broadband-DTV	177	224	141	101	178	183

1. Canadian dollars shown have been converted from local currencies and adjusted for purchasing power parity differences across the countries.

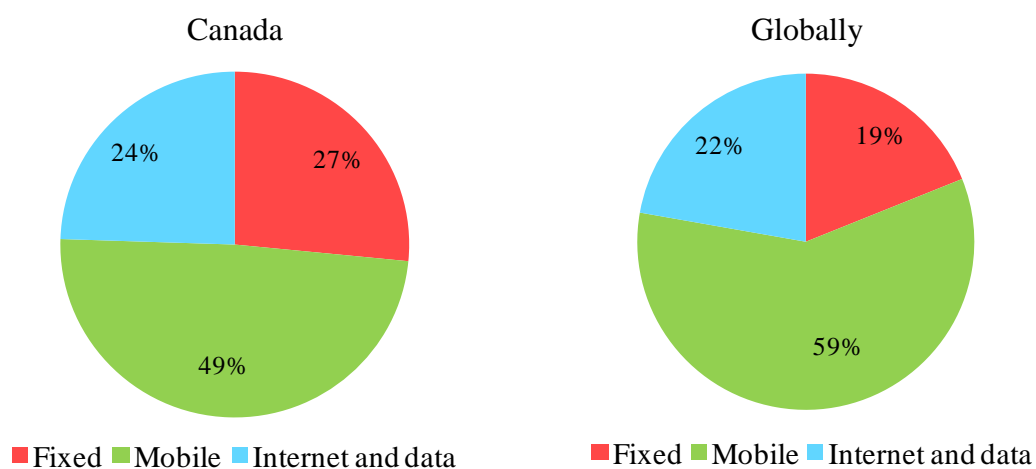
2. Regarding data caps, all the American and Japanese broadband Internet service providers surveyed offer unlimited data usage plans. In each of the United Kingdom and France, one of the providers surveyed applies data caps. Australian plans are marketed based more on data usage than on service speed; consequently, all the plans surveyed there include data caps. For Canada, about half of the surveyed offerings include data caps; note that most of the Canadian providers' caps at each service level are set much higher than the average data usage assumed for each of Levels 1, 2, 3, and 4.

3. Most of the mobile Internet access plans from all six countries surveyed had applicable monthly data usage caps; Japan was the only country with some unlimited mobile data offerings among the sampled plans.

Source: [Price comparison study](#) conducted during the first quarter of 2013 by Wall Communications Inc.; see Appendix 4 for a summary of the assumptions and methodology used.

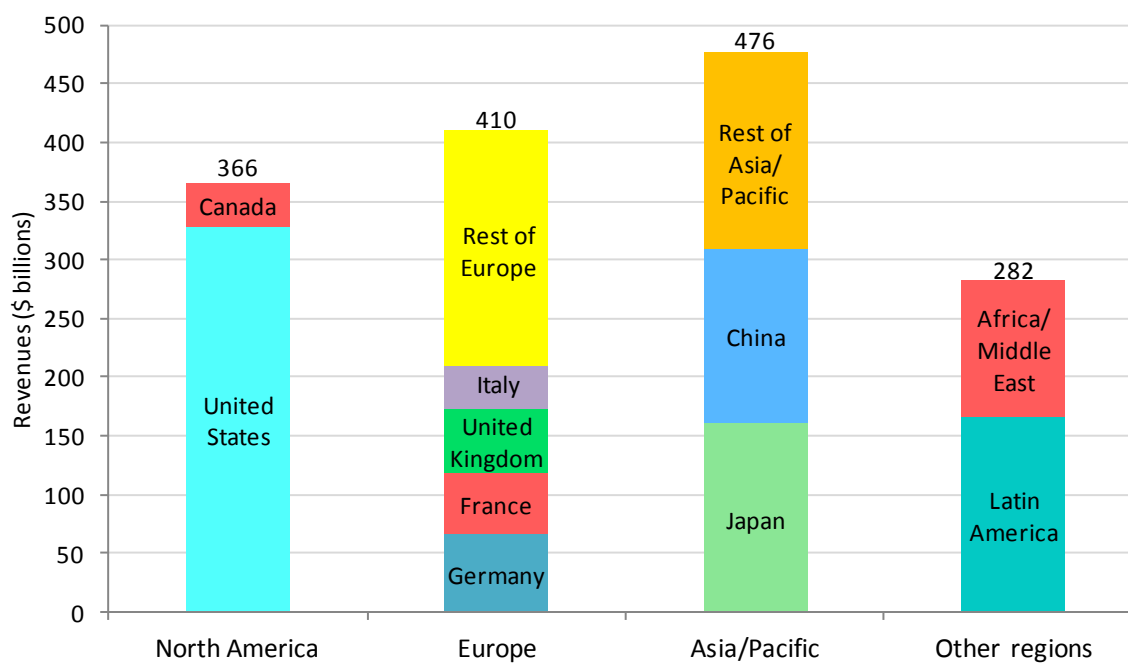
**b) Revenues – Telecommunications market sector**

**Figure 7.1.1 Telecommunications revenues, by market sector, 2012**

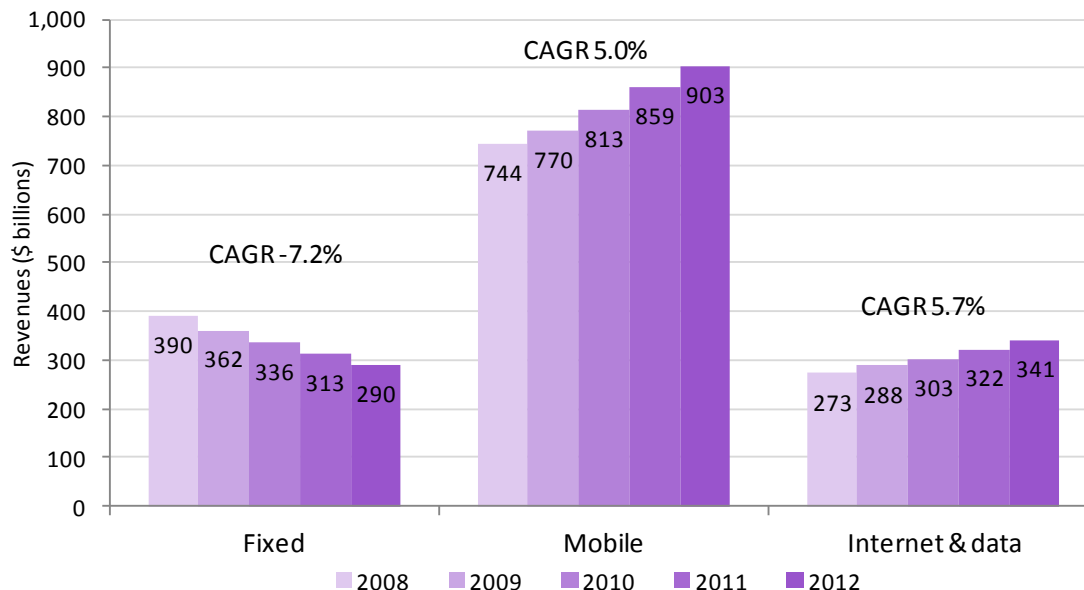


Source: IDATE

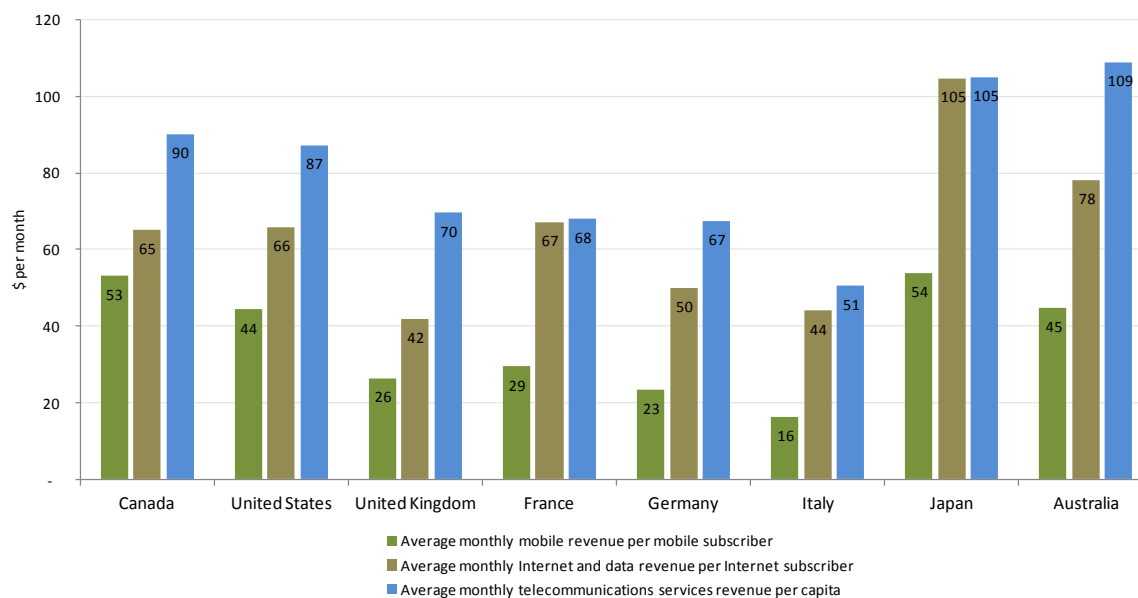
**Figure 7.1.2 Global telecommunications retail revenues, by region, 2012**



• Canadian dollars shown have been converted from local currencies based on IMF 2011 year average exchange rates.  
Source: IDATE

**Figure 7.1.3 Global telecommunications retail revenues, by market sector**


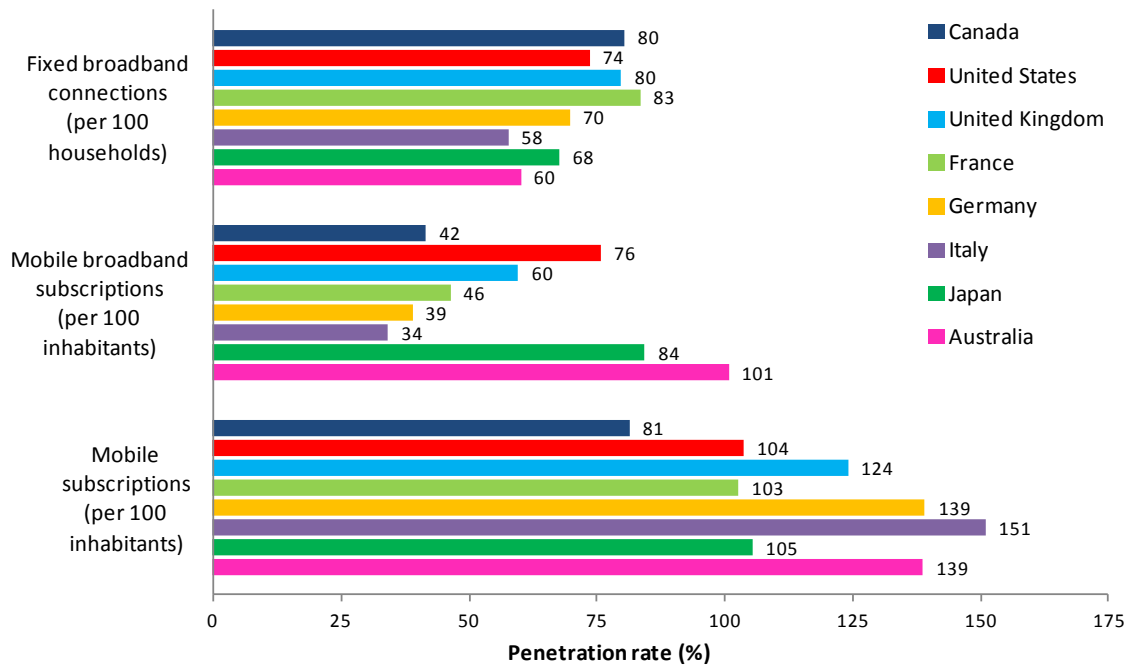
• Canadian dollars shown have been converted from local currencies based on IMF 2011 year average exchange rates.  
Source: IDATE

**Figure 7.1.4 Average monthly telecommunications retail revenues, 2012**


• Canadian dollars shown have been converted from local currencies based on IMF 2011 year average exchange rates.  
Source: IDATE

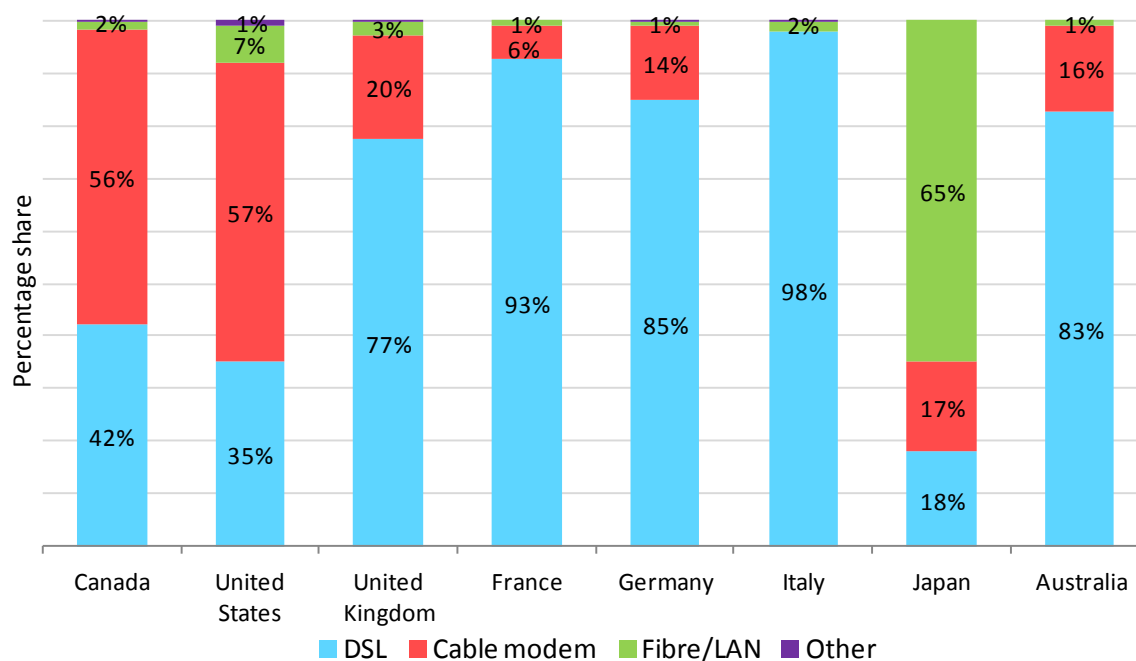
*c) Broadband market sector*

**Figure 7.1.5 Broadband and mobile service penetration for a select number of countries, 2012**



Sources: Bank of America Merrill Lynch, CRTC data collection, IDATE, ITU, OECD

**Figure 7.1.6 Fixed broadband subscriptions, by technology, for a select number of countries, 2012**



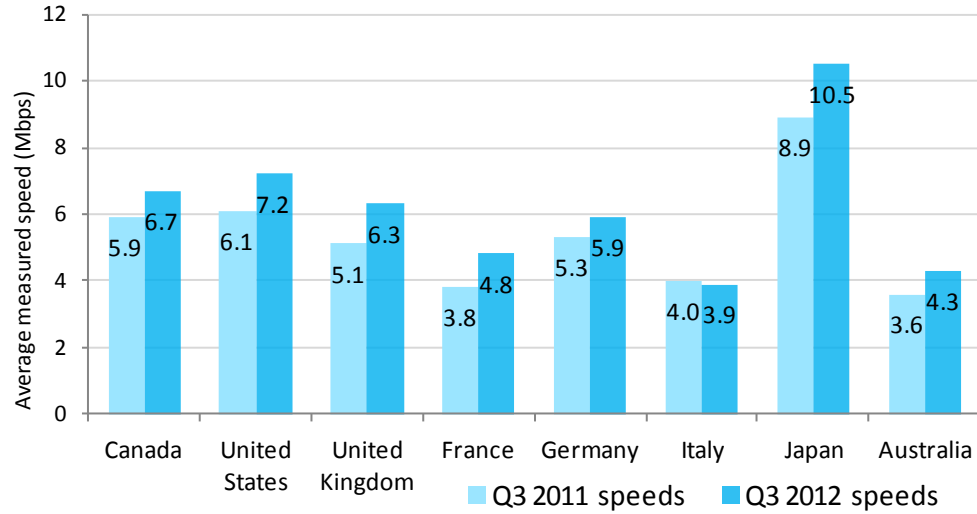
Source: OECD

**Table 7.1.2 Average advertised Internet speeds (Mbps) across OECD countries, by access technology**

		2009	2010	2011	2012	CAGR 2009–2012
DSL	Download	14.4	14.2	15.3	16.5	5%
	Upload	3.9	2.5	2.3	2.1	-18%
Cable modem	Download	25.5	29.7	42.0	44.1	20%
	Upload	2.3	2.7	3.2	3.6	16%
FTTH	Download	76.8	93.1	96.4	89.0	5%
	Upload	51.7	60.0	52.7	37.6	-10%

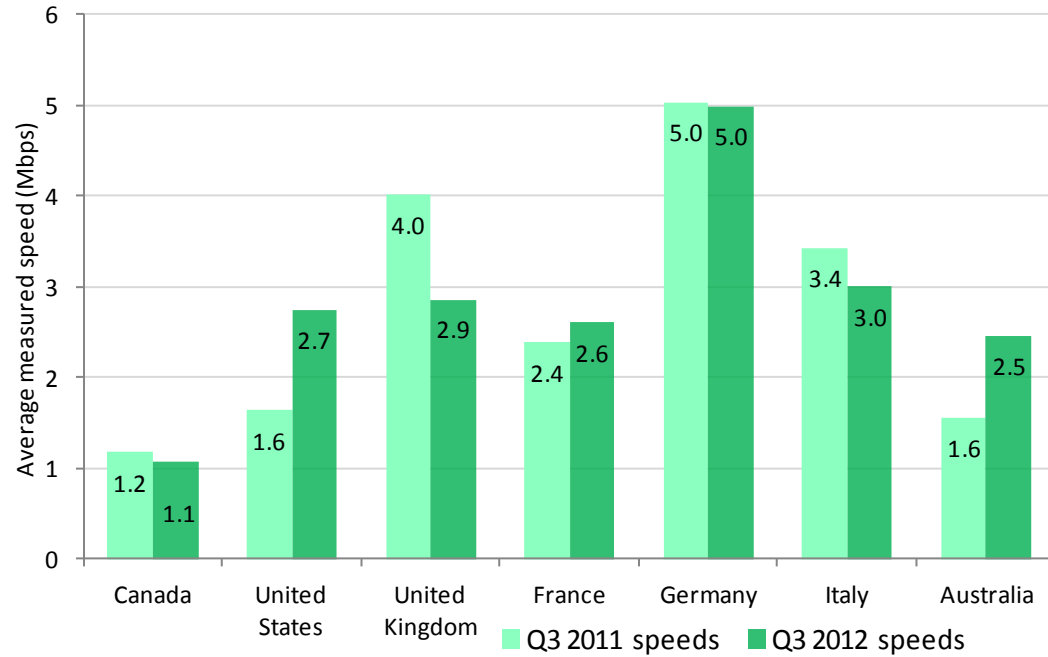
Source: OECD

**Figure 7.1.7 Fixed broadband average measured speeds**



Source: Akamai

**Figure 7.1.8 Mobile broadband average measured speeds**

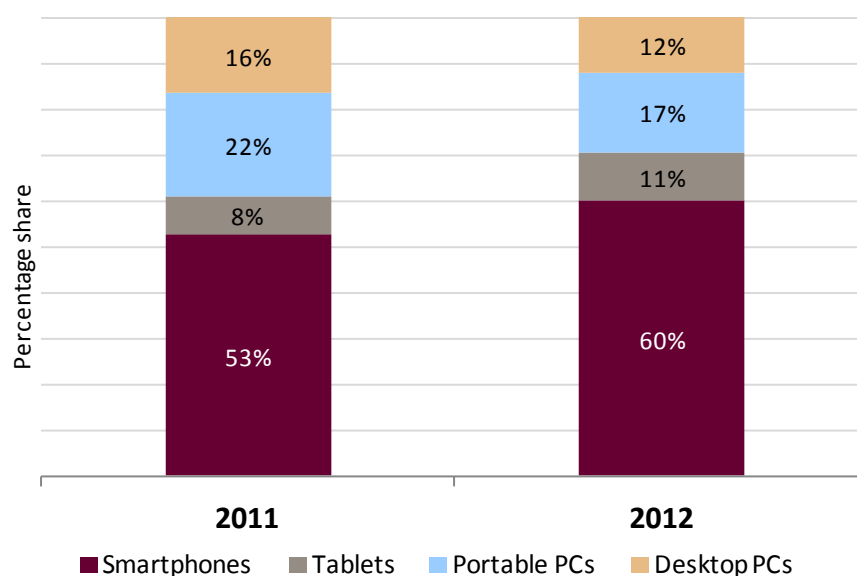


Source: Akamai

**Table 7.1.3 Smart connected devices – global shipments by category**

	2011	2012	Annual growth, 2011-2012
Smartphones	485 million	722 million	48.9%
Tablets	75 million	129 million	72.0%
Portable PCs	205 million	209 million	2.0%
Desktop PCs	151 million	142 million	-6.0%
Total smart connected devices	916 million	1.2 billion	

Source: IDC, February 2013

**Figure 7.1.9 Smart connected devices – global market share by category**


Source: IDC, February 2013

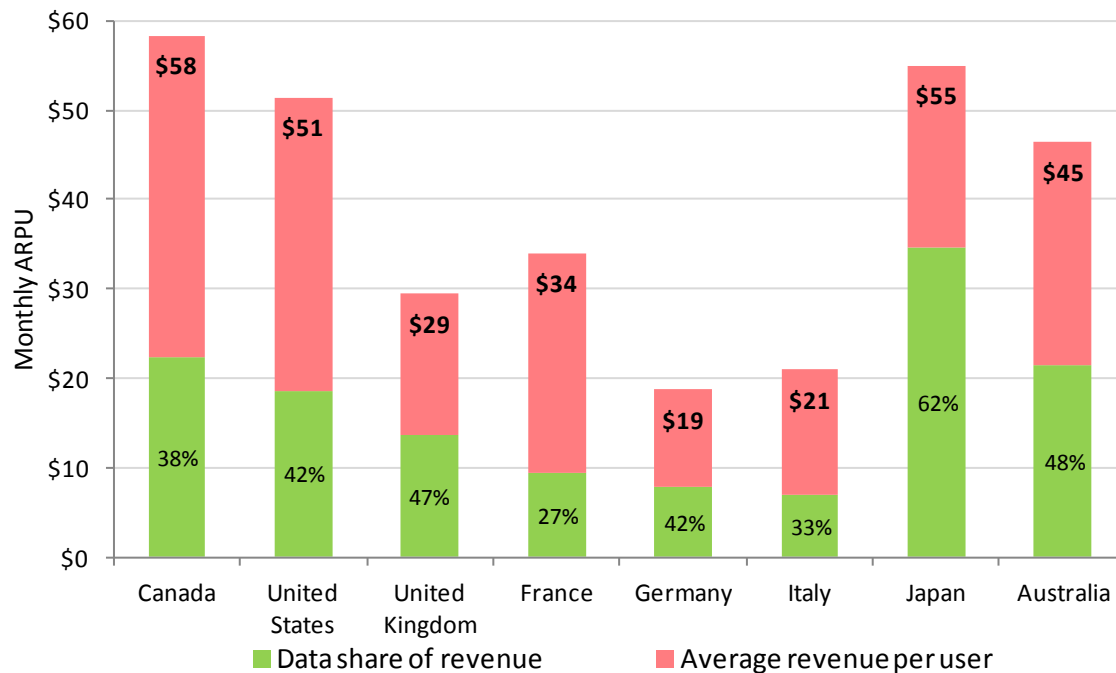
d) *Wireless market sector – performance indicators*

**Table 7.1.4 Wireless industry performance indicators for a select number of countries, 2012**

	Number of mobile subscribers (millions)	Number of major providers	Market share (in subscribers) of top two providers	Revenues <sup>1</sup> from wireless services (voice & data) (\$ billions)	ARPU growth (2011–2012)
Canada	27.9	3	63%	18.63	0.6%
United States	325.6	4	63%	181.15	1.5%
United Kingdom	78.2	5	54%	27.37	-5.1%
France	67.7	4	71%	26.97	-9.7%
Germany	113.2	4	62%	25.69	0.0%
Italy	92.5	4	67%	23.27	-8.2%
Japan	134.3	3	73%	82.82	-5.4%
Australia	30.5	3	78%	16.77	-7.6%

1. Canadian dollars shown have been converted from local currencies based on Bank of Canada 2012 year average exchange rates.  
Sources: CRTC data collection, Bank of America Merrill Lynch

**Figure 7.1.10 Wireless ARPU – monthly revenues, including data share, for a select number of countries, 2012**



• Canadian dollars shown have been converted from local currencies based on Bank of Canada 2012 year average exchange rates.  
Source: Bank of America Merrill Lynch

*e) Radio market sector – Performance indicators***Table 7.1.5 Radio performance indicators for a select number of countries, 2012**

	Total radio industry revenues <sup>1</sup> (\$ billions <sup>2</sup> )	Radio revenue per capita (\$ annually)	Year-over-year change in radio revenues (%)	Change in radio revenues, 2008-2012 (%)
Canada	1.92	56	3.1	2.0
United States	19.08	61	3.6	-2.2
United Kingdom	1.55	25	2.9	-0.3
France	1.65	25	-0.5	-0.2
Germany	4.48	55	-0.4	0.0
Italy	0.64	10	-8.2	-3.8
Japan	1.55	12	-1.4	-5.4
Australia	1.10	50	0.5	0.5

1. Revenues are comprised of advertising, public funding, and subscription revenues.

2. Canadian dollars shown have been converted from source data provided in US dollars, using Bank of Canada 2012 year average currency exchange rate.

Source: PwC

*f) Television market sector – Performance indicators***Table 7.1.6 Television performance indicators for a select number of countries, 2012**

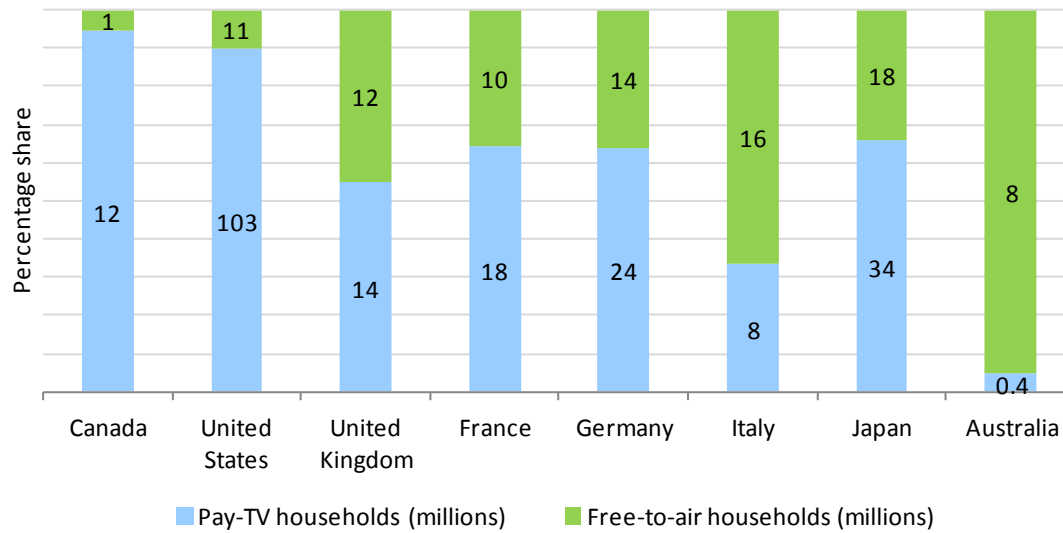
	Total television industry revenues <sup>1</sup> (\$ billions <sup>2</sup> )	Total television revenues per TV household (\$ annually)	Advertising revenues per TV household (\$ annually)	Pay-TV revenues per pay-TV household (\$ annually)
Canada	7.04	552	269	217
United States	166.27	1,454	543	1,008
United Kingdom	18.63	725	218	613
France	15.12	543	155	421
Germany	17.67	466	143	249
Italy	10.35	426	199	411
Japan	51.73	1,006	455	577
Australia	6.39	774	497	2,531

1. Revenues are comprised of advertising, public funding, and pay-TV revenues.

2. Canadian dollars shown have been converted from source data provided in US dollars, using Bank of Canada 2012 year average currency exchange rate.

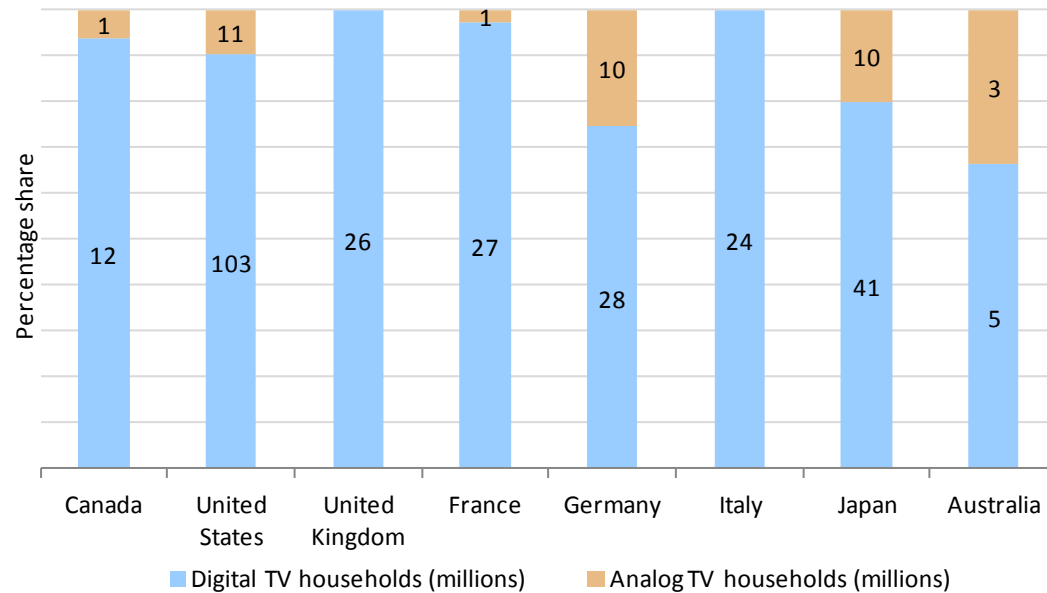
Source: IDATE

**Figure 7.1.11 Percentage of households accessing pay-TV v. free-to-air, for a select number of countries, 2012**



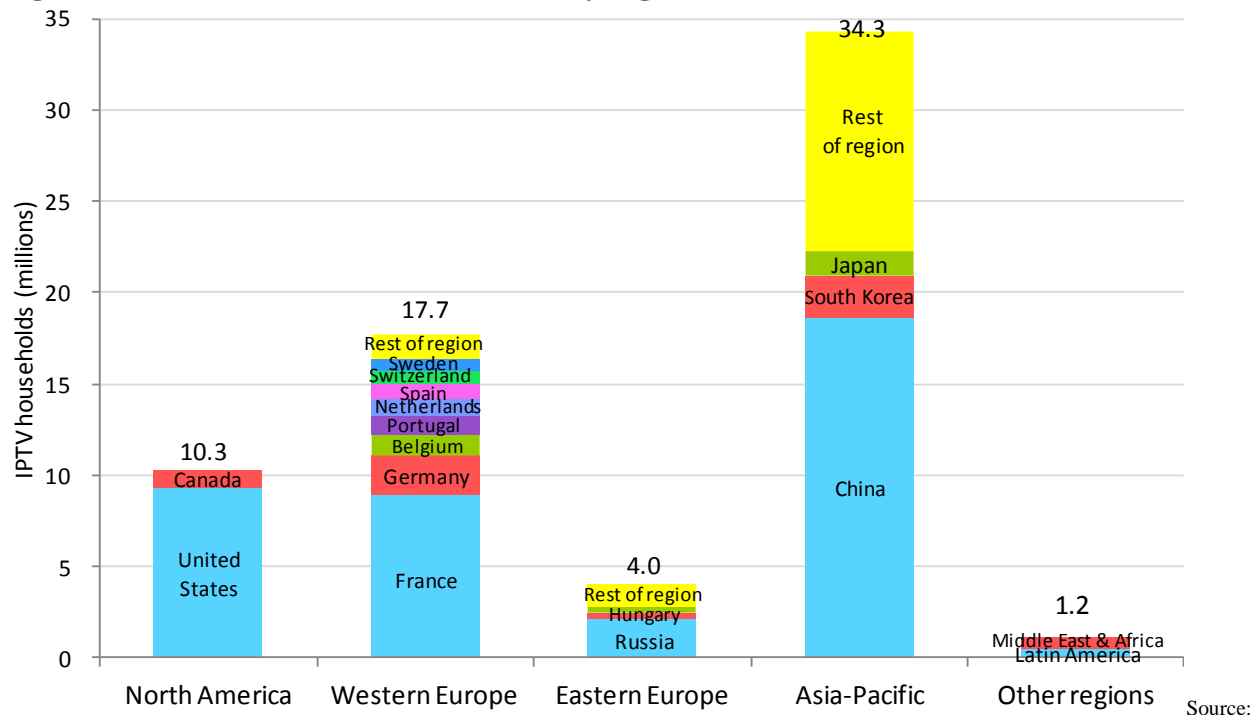
Source: IDATE

**Figure 7.1.12 Percentage of households accessing digital v. analog television, for a select number of countries, 2012**

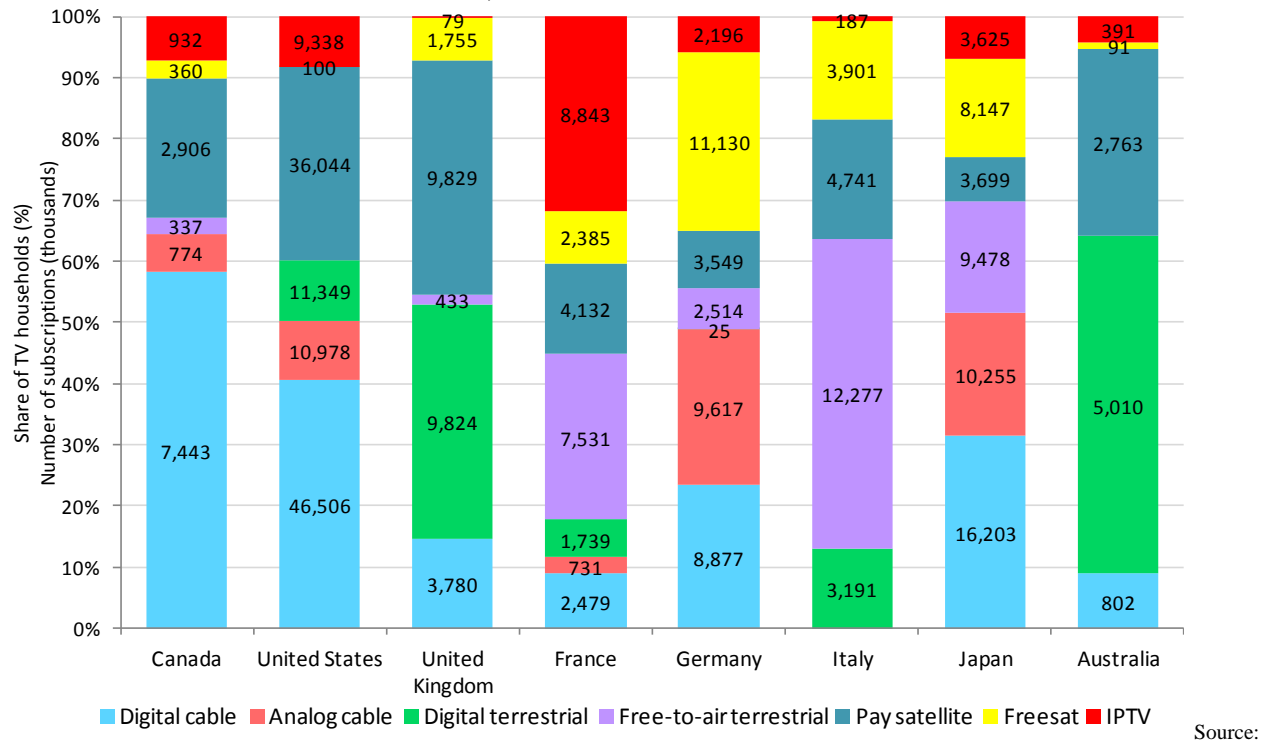


Source: IDATE

**Figure 7.1.13 Global IPTV subscribers, by region, 2012**



**Figure 7.1.14 Percentage of, and number of, TV households, by platform for a select number of countries, 2012**



## Data collection and analysis

### Data collection

Statistics Canada and the CRTC collect data jointly under the authority of the *Statistics Act*, the *Broadcasting Act*, and the *Telecommunications Act*. Statistics Canada uses the data to develop national accounts. The CRTC uses it to monitor the broadcasting and telecommunications industries' performance, their adherence to regulations, and the overall effectiveness of the CRTC's regulatory frameworks. The data is used in the development of policy and encourages the participation of Canadians in the process. Providing data year over year enables the identification of trends that can be used to inform the participation of Canadians in the CRTC's public processes and policy development. Broadcasting and telecommunications data are presented separately because these sectors operate on different fiscal years.

#### *Broadcasting*

Data collected are used to measure the financial performance of broadcasters and their contribution to the Canadian economy, and to maintain and update the CRTC's data on broadcasting fees. The data collection process targets all broadcasting service providers licensed by the CRTC to operate private, public, and non-commercial radio, television, and broadcasting distribution services, as well as pay, pay-per-view, video-on-demand, and specialty services. Broadcasting licensees file annual returns outlining financial and statistical information for each broadcast year. The key results of the data collection process are used to produce annual financial and statistical summaries of revenues and expenditures, such as expenditures on Canadian and international programming. These summaries are published on the CRTC's website at <http://www.crtc.gc.ca/eng/stats.htm>.

The broadcasting regulations require broadcasting service providers to complete an annual survey. Except for a small number of small radio service providers, broadcasting service providers access and submit the survey forms electronically using the CRTC's secure web-based DCS. In mid-October each year, the survey is mailed to the small radio service providers that do not have access to the DCS. The survey covers the 12-month period ending 31 August of that year. All broadcasting service providers have until 30 November to complete and submit their respective annual survey forms.

As part of the annual return process, commercial radio broadcasters must report on their contributions to CCD. BDUs must submit information regarding their contributions to the creation and production of Canadian programming. This information enables the CRTC to ensure that radio licensees are complying with their conditions of licence or regulatory requirements relating to CCD contributions and that broadcast distribution licensees are fulfilling their obligations regarding the creation and production of Canadian programming, including contributing to the CMF, LPIF, independent funds, and local expression.

## *Telecommunications*

As part of its monitoring activities, the CRTC uses the data collection process to maintain and update its data on (i) TSP registration lists, (ii) the contribution regime, (iii) telecommunications fees, (iv) the total annual revenues from the provision of telecommunications services in Canada and (v) the telecommunications service industry. Annual revenue data is used to assess the eligibility of Canadian carriers to operate as telecommunications common carriers under section 16 of the *Telecommunications Act*.

TSPs are classified into one of two groups: Group 1 TSPs or Group 2 TSPs. Group 1 TSPs generally (i) have significant telecommunications revenues, (ii) file tariffs, and/or (iii) have international licences. Group 2 TSPs generally have lower revenues than Group 1 TSPs.

Each TSP is required to complete and submit a registration form to the CRTC annually. The CRTC uses the information contained in the form to update certain basic information about that TSP and to determine which additional forms, if any, are to be issued to the TSP. Group 1 TSPs must access and submit the registration form electronically using the CRTC's secure web-based DCS. The CRTC contacts these TSPs by email at the start of the data collection process each year and provides them with (i) the due dates for submitting the registration form and any additional data forms, and (ii) the information needed to access the DCS. Group 2 TSPs, on the other hand, are mailed a registration form for completion. Submission of this form generally marks the end of the data collection process for the Group 2 TSPs.

Group 1 TSPs are required to submit a range of company-specific information, including financial data (e.g. an income statement, a balance sheet, and capital expenditure information), along with detailed telecommunications information focused on products and geographic markets. Geographic markets are defined on a national, provincial/territorial, regional, local exchange, or city basis. The data submitted are as of 31 December each year.

## **Data analysis**

### *Broadcasting*

The CRTC performs a compliance analysis using the financial data from the annual returns submitted by all broadcasting service providers. The objectives of this analysis are as follows:

#### **Where can I get more details on the CRTC's data collection process?**

More information can be found in *Telecommunications industry data collection: updating of CRTC registration lists, telecommunications fees, Canadian contribution mechanism fund administration, international licences and monitoring of the Canadian telecommunications industry*, Telecom Circular CRTC 2003-1, 11 December 2003.

- to ensure that the summary of financial data for operations connected to the licensee, included in the annual return, corresponds to the data presented in the financial statements required of broadcasting licensees in accordance with Circular No. 404;
- to reconcile broadcasting licensees' actual expenditures on Canadian programming with the expenditures required by their conditions of licence;
- to reconcile broadcasting licensees' actual contributions to CCD with the contributions required by their conditions of licence; and
- to then proceed with a percentage or ratio analysis of the trends in the major categories of revenue and expenditures listed in the annual forms over a five-year period, particularly with reference to the previous year.

The CRTC then publishes financial and statistical summaries for the four major broadcasting categories (i.e. commercial radio; conventional television; broadcasting distribution; and pay, pay-per-view, video-on-demand, and specialty services). The data from the annual returns are also used to prepare this report.

Revisions may be made to the financial and statistical summaries, and to this report, after they are published. These revisions are generally the result of late receipts of data, modifications made by broadcasting licensees to previously filed data, or errors detected following data publication. Historically, revisions have not had a major impact on the results of the data collection process.

### *Telecommunications*

The CRTC analyzes returns filed by TSPs to ensure that the data provided is accurate and complete. The CRTC then follows up with TSPs as required to resolve or obtain explanations of any anomalies. The CRTC subjects the data to computerized edits designed to ensure accuracy and internal consistency. For large enterprises, the CRTC compares reported data to audited financial information and investigates any major discrepancies. The CRTC then makes a year-over-year comparison to identify any significant or unexplained changes and follows up with TSPs, if necessary. Finally, the CRTC determines the data's validity by performing a time series analysis or by comparing the data or their derivatives (such as average revenues per line or minute) with other established benchmarks.

Certain figures published in the monitoring report from previous years may be restated for consistency. Other figures may change as a result of some companies resubmitting previous years' data. In addition, certain data may be reclassified to better reflect market segments or industry developments. These changes are identified by a number sign (#).

Most of the tables and figures included in this report are derived from the data submitted via the DCS, while others are derived using data from Statistics Canada and Industry Canada. Inconsistencies in data may arise between data sources given that the companies surveyed, the definitions used, and the level of detail requested may differ for each source. The data source is therefore identified beneath each table and figure in the report.



### Classification of Canadian TSPs

For regulatory purposes, TSPs operating in Canada are classified into two broad categories, incumbent TSPs and alternative TSPs, as described below. The category into which a given TSP falls may change from one year to the next as a result of consolidation in the industry. The classification of TSPs' affiliated entities that provide telecommunications services is based on their affiliate relationship with the TSP. For example, if a wireless TSP is affiliated with a TSP, the wireless TSP takes the same classification as the TSP to which it is affiliated. Affiliates of non-TSPs are classified according to the structure set out below.

- 1) ***Incumbent TSPs*** are the companies that provided telecommunications services on a monopoly basis prior to the introduction of competition. For the purpose of this report, these companies' operations outside their traditional operating territories are included in the alternative TSPs category. Incumbent TSPs are subdivided into large and small TSPs.
  - a) *Large incumbent TSPs* serve relatively large areas, usually including both rural and urban populations, and provide wireline voice, Internet, data and private line, wireless, and other services. The large incumbent TSPs are Bell Aliant, Bell Canada, MTS Inc., Northwestel, SaskTel, Télébec, and TCC.
  - b) *Small incumbent TSPs* serve relatively small geographical areas (mostly municipal areas generally located in less densely populated areas) in Ontario, Quebec, and, in one instance, British Columbia. Due to the limited size of their serving areas, these companies do not typically provide facilities-based long distance services. However, they provide a range of wireline voice, Internet, data and private line, and wireless services. Examples of small incumbent TSPs are Lansdowne Rural Telephone Company Ltd., in Ontario and Sogetel inc., in Quebec.
- 2) ***Alternative TSPs*** are either i) TSPs that are not incumbent TSPs as described in 1) above or ii) incumbent TSPs conducting out-of-territory operations, such as Bell Canada conducting operations in Alberta and British Columbia and Allstream Inc., an affiliate of MTS Inc. conducting operations across Canada. Alternative TSPs are subdivided into facilities-based and non-facilities-based TSPs.
  - a) *Facilities-based alternative TSPs* own and operate telecommunications networks. This group is further subdivided into facilities-based incumbent TSPs (out-of-territory) and facilities-based non-incumbent TSPs.

Facilities-based non-incumbent TSPs are further subdivided into cable BDUs, utility telcos, and other carriers.

- *Cable BDUs* are the former cable monopolies that also provide telecommunications services (e.g. wireline voice, Internet, data and

private line, and wireless services). These TSPs include such companies as Bragg, Cogeco, Rogers, Shaw, and Videotron.

- *Utility telcos* are TSPs whose market entry or whose corporate group's market entry into telecommunications services was preceded by a group-member company's operations in the electricity, gas, or other utility business.
- *Other carriers* own physical transmission facilities (e.g. intercity, intra-city, or local transmission facilities). These TSPs include such companies as Xplornet.

b) *Non-facilities-based alternative TSPs* do not own or operate a telecommunications network. These companies are referred to as resellers, since they generally acquire telecommunications services from other TSPs and either resell those services or create their own network from which to provide services to their customers. Examples of non-facilities-based TSPs are Distributel, Primus, Yak, and independent ISPs.

## Status of local forbearance – Residential and business exchanges (as of 31 December 2012)

Major centre	Number of local exchanges	Number of forborne exchanges		Number of forborne exchanges as a percentage of total exchanges in the major centre	
		Residential	Business	Residential	Business
<b>British Columbia</b>					
Vancouver	19	18	18	95	95
Victoria	4	3	3	75	75
Remaining exchanges	259	81	67	31	26
Provincial total	282	102	88	36	31
<b>Alberta</b>					
Calgary	8	5	3	63	38
Edmonton	27	15	11	56	41
Remaining exchanges	303	53	40	17	13
Provincial total	338	73	54	22	16
<b>Saskatchewan</b>					
Saskatoon	10	1	1	10	10
Regina	5	1	0	20	0
Remaining exchanges	214	8	3	4	1
Provincial total	229	10	4	4	2
<b>Manitoba</b>					
Winnipeg	14	1	1	7	7
Remaining exchanges	230	9	2	4	1
Provincial total	244	10	3	4	1
<b>Ontario</b>					
Toronto	50	47	20	94	40
Ottawa/Gatineau	28	19	3	68	11
Hamilton	12	10	5	83	42
London	16	12	1	75	6
Kitchener	8	8	2	100	25
St. Catharines/Niagara	13	7	2	54	15
Windsor	11	4	2	36	18
Oshawa	8	7	2	88	25
Remaining exchanges	531	112	30	21	6
Provincial total	677	226	67	33	10
<b>Quebec</b>					
Montréal	40	40	11	100	28
Québec	17	12	4	71	24
Remaining exchanges	518	134	51	26	10
Provincial total	575	186	66	32	11
<b>New Brunswick</b>					
Fredericton	2	2	1	100	50
Remaining exchanges	86	27	43	31	50
Provincial total	88	29	44	33	50
<b>Nova Scotia</b>					
Halifax	16	7	8	44	50
Remaining exchanges	131	46	54	35	41
Provincial total	147	53	62	36	42
<b>Prince Edward Island</b>					
Charlottetown	4	1	1	25	25
Remaining exchanges	22	10	11	45	50
Provincial total	26	11	12	42	46
<b>Newfoundland &amp; Labrador</b>					
St. John's	6	3	5	50	83
Remaining exchanges	206	13	30	6	15
Provincial total	212	16	35	8	17
All provinces	2,818	716	435	25	15

Source: CRTC Data collection



### International pricing assumptions

Below is a summary of the assumptions and methodology used in developing aggregate pricing indices for the international price comparisons shown in Table 6.1.1.

**Table A.4.1 Service providers surveyed (Part 1 of 2)**

City	Service basket	Service providers
<b>Canada</b>		
Halifax NS	Wireline Wireless Broadband Internet Mobile Internet Bundles	Bell Aliant, EastLink Bell, TCC, Rogers Bell Aliant, EastLink Bell, TCC, Rogers Bell Aliant, EastLink
Montréal QC	Wireline Wireless Broadband Internet Mobile Internet Bundles	Bell, Videotron, Primus Bell, TCC, Rogers, Primus, Videotron, Public Mobile Bell, Videotron, Primus Bell, TCC, Rogers, Videotron Bell, Videotron, Primus (excluding digital TV)
Toronto ON	Wireline Wireless Broadband Internet Mobile Internet Bundles	Bell, Rogers, Primus Bell, TCC, Rogers, Primus, WIND, Mobilicity, Public Mobile Bell, Rogers, Primus Bell, TCC, Rogers, WIND, Mobilicity Bell, Rogers, Primus (as applicable)
Regina SK	Wireline Wireless Broadband Internet Mobile Internet Bundles	SaskTel, Access Communications SaskTel, TCC, Rogers SaskTel, Access Communications SaskTel, TCC, Rogers SaskTel, Access Communications
Vancouver BC	Wireline Wireless Broadband Internet Mobile Internet Bundles	TCC, Shaw, Primus Bell, TCC, Rogers, Primus, WIND, Mobilicity TCC, Shaw, Primus Bell, TCC, Rogers, Primus, WIND, Mobilicity TCC, Shaw, Primus (as applicable)
<b>United States</b>		
Boston MA	Wireline Wireless Broadband Internet Mobile Internet Bundles	Verizon, Comcast AT&T, Verizon, Sprint Verizon, Comcast AT&T, Verizon, Sprint Verizon, Comcast
Kansas City MO	Wireline Wireless Broadband Internet Mobile Internet Bundles	AT&T, Time Warner AT&T, Verizon, Sprint AT&T, Time Warner AT&T, Verizon, Sprint AT&T, Time Warner
Seattle WA	Wireline Wireless Broadband Internet Mobile Internet Bundles	Qwest, Comcast AT&T, Verizon, Sprint Qwest, Comcast AT&T, Verizon, Sprint Qwest/Verizon, Comcast

**Table A.4.1 Service providers surveyed (Part 2 of 2)**

City	Service basket	Service providers
<b>United Kingdom</b> London	Wireline Wireless Broadband Internet Mobile Internet Bundles	BT, Virgin, Talk Talk Orange, Virgin, Vodafone BT, Virgin, Orange, AOL Broadband Orange, Virgin, Vodafone Virgin, BT (Orange for wireless)
<b>Australia</b> Sydney	All service baskets	Telstra, Optus
<b>France</b> Paris	All service baskets	Orange (France Telecom), SFR (Neuf Cegetel), Numericable
<b>Japan</b> Tokyo	Wireline Wireless Broadband Internet Mobile Internet Bundles	NTT, J:Com NTT DoCoMo, J:Com (Willcom/Softbank), KDDI, eMobile NTT, J:Com, KDDI, Yahoo! BB NTT DoCoMo, J:Com (Willcom/Softbank), KDDI, eMobile NTT, J:Com (Willcom/Softbank)

**Table A.4.2 Wireline service baskets**

Calling assumptions	Minutes of use/month		
	Level 1	Level 2	Level 3
Outgoing (55%)	220	550	880
Incoming (45%)	180	450	720
Total minutes	400	1,000	1,600
Outgoing by time of day/week			
Peak (40%)	88	220	352
Off-peak (60%)	132	330	528
Outgoing long distance	10% of total	20% of total	30% of total
National	16	70	150
U.S.	6	30	80
Other (international)	-	10	34
Total	22	110	264
Outgoing to mobile	15% of total	15% of total	15% of total
Local	33	60	100
National	-	22.5	32
International	-	-	-
Total	33	82.5	132
Average call length	3 minutes	3 minutes	3 minutes
Features			
Voice mail	-	Yes	Yes
Caller identification	-	Yes	Yes
Other	-	-	Yes (bundled, if available)

- Wireline pricing reflects flat-rate unlimited local calling in Canada and the United States; in the United Kingdom and France, wireline is priced on a per-minute metered basis; in Australia, wireline local calling is priced on a per-call basis but is otherwise unmetered.

Prices were surveyed from the three or four largest service providers in each country as outlined in Table A.4.1, and then weighted by the market share of each provider. Government sales taxes, such as GST or VAT, and one-time service installation charges were excluded. Industry-specific charges (such as 9-1-1 fees, universal service and regulatory charges in the United States, and television licence fees in the United

Kingdom) were included. Prices were converted to Canadian dollars using average January 2013 market exchange rates, and were also adjusted for purchasing power parity using January 2013 comparative price level indexes published by the OECD.

Canadian prices were compared to those in the United States, the United Kingdom, France, Australia, and Japan for wireline and mobile wireless services at three separate service levels, designed to reflect typical basic, standard, and high-end Canadian service consumption patterns (service basket Levels 1, 2, and 3). For broadband Internet services, an additional Level 4 basket was added in 2011 for higher-speed broadband service offerings (see Table A.4.5). Prices were also compared for mobile Internet access service in the above-mentioned countries, based on 3G or higher wireless technology, at a Level 1 monthly data usage level of 2 GB. In 2012, a Level 2 data usage of 5 GB per month was added to the mobile Internet category. As well, prices for bundles of three or four services were compared: Bundle 1 (wireline, mobile wireless, and broadband Internet), Bundle 2 (wireline, broadband Internet, and a basic digital television package), and Bundle 3 (wireline, mobile wireless, broadband Internet, and basic digital television). Level 2 service baskets were used in each of these bundles.

**Table A.4.3 Wireless service baskets**

Calling assumptions	Minutes of use/month		
	Level 1	Level 2	Level 3
Outgoing (60%)	90	270	720
Incoming (40%)	60	180	480
Total	150	450	1,200
Time of day/week			
Peak (40%)	60	180	480
Off-peak (60%)	90	270	720
Outgoing long distance	10% of total	10% of total	15% of total
National	9	21	90
U.S.	-	6	18
Other	-	-	-
Total	9	27	108
Outgoing to mobile	50% of total	50% of total	50% of total
On-net (2/3)	30	90	240
Off-net (1/3)	15	45	120
Total	45	135	360
Average call length	3 minutes	3 minutes	3 minutes
Features			
Voice mail	-	Yes	Yes
Caller identification	-	Yes	Yes
Other	-	-	Yes
Data			
SMS	-	300	300
Data service	-	-	1 GB

- For Level 1 wireless service, both prepaid and post-paid plans were considered, with the selected price reflecting the least expensive option of the two. For Levels 2 and 3, post-paid plans (generally based on two-year contract rates) were assumed to be more economical. Handset costs are not reflected in these price comparisons.

**Table A.4.4 Mobile Internet service baskets**

Elements	Level 1	Level 2
Download speed	$\geq 1.5$ Mbps	$\geq 1.5$ Mbps
Assumed data usage/month	2 GB	5 GB
USB modem	No cost with contract; or rental/24-month amortization	

**Table A.4.5 Broadband (Internet access) service baskets**

Elements	Level 1	Level 2	Level 3	Level 4
Download speed	Basic services $\leq 3$ Mbps	4 – 15 Mbps (highest available)	16 – 40 Mbps (highest available)	40+ Mbps (highest available)
Average data usage/month	5 GB	20 GB	50 GB	75 GB
Modem	No cost with contract; or rental/24-month amortization			

**Table A.4.6 Bundled service baskets**

Service elements	Bundle 1 Triple-play	Bundle 2 Triple-play	Bundle 3 Quadruple-play
Wireline	Wireline Level 2 usage	Wireline Level 2 usage	Wireline Level 2 usage
Wireless	Wireless Level 2 usage		Wireless Level 2 usage
Broadband	Broadband Level 2 usage	Broadband Level 2 usage	Broadband Level 2 usage
Television		Basic digital TV package	Basic digital TV package

## **Telecommunications market sector description**

### **A) Wireline voice**

Wireline voice-related telecommunications services can be divided into two broad market segments: (i) local and access services, and (ii) long distance services.

#### **i) Local and access services**

The local and access segment is composed of wireline services relating to access and connectivity to the PSTN, and includes services used by both retail and wholesale customers.

Local wireline telephone service enables customers to place unlimited calls within a defined local calling area for a basic monthly fee. This service is either access-dependent or access-independent. Access-dependent service includes managed wireline access from the TSP to the customer, a connection to the PSTN, and a telephone number. Access-independent service does not include the managed wireline access component. Customers of access-independent service must subscribe to broadband Internet service, which serves as the access component.

Local wireline telephone service includes automated call answering, business Centrex, and ISDN services, as well as other ancillary services such as inside wiring, installation and repair, teleconferencing, and miscellaneous local services.

Local and access service revenues include revenues from the sale of local services on a wholesale basis and, with the introduction of local competition, revenues from the sale of access services for interconnection between carriers and other service providers, including switching and aggregation, and from the sale of unbundled network components.

#### **ii) Long distance services**

Retail long distance services encompass wireline voice traffic to locations outside the local service calling area. These services are sold in a variety of ways, such as through a standard per-minute charge, a monthly subscription plan, calling cards, or a bundle with other services.

Wholesale long distance services are services provided a) under connection arrangements, between a facilities-based TSP and a long distance TSP to transit long distance minutes, or b) on a wholesale bulk long distance minute basis by facilities-based TSPs to resellers of long distance service.

## B) Internet

Internet-related telecommunications services can be divided into two broad market segments: (i) Internet access and transport, and (ii) Internet applications and other Internet-related services.

### i) Internet access and transport

Internet access involves the provision of an IP connection to an end-user, which enables the end-user to exchange application traffic with Internet hosts and other end-users. Internet access service consists of the following three major components:

- a) a data connection between a modem at the end-user's location (such as a residential dwelling) and the ISP;
- b) ISP facilities, which include
  - o routers, to switch traffic between ISP end-users and the Internet at large,
  - o servers, to provide in-house ISP services, such as email, and
  - o network management elements; and
- c) a connection from the ISP to the Internet.

Internet access services are available at a variety of speeds. Low-speed, or narrowband, access services operate at speeds of up to 64 Kbps and are typically provided using dial-up access lines. High-speed access services, including wideband (up to 1.5 Mbps) and broadband (faster than 1.5 Mbps), generally operate using DSL, coaxial cables, terrestrial wireless technologies, satellites, or fibre-optic cables.

Internet transport service is a type of Internet connectivity service typically sold to ISPs and some larger business customers. Internet transport capacity is provided over Internet backbone facilities that carry aggregated traffic across domestic and international links between Internet traffic switches or routers. Internet transport service provides partial control over the movement of customers' Internet traffic. In some cases, peering arrangements between Internet backbone service providers substitute for the outright purchase of Internet transport by one ISP from another.

### ii) Internet applications and other Internet-related services

A growing number of Internet application services, including email and Web hosting, piggyback on Internet connectivity services. Internet application services are typically bundled together with Internet access services. However, TSPs also participate in emerging stand-alone business Internet application service markets, which include services such as premium Web hosting services, Internet data centre and off-site data storage services, and security and firewall services.

C) Data and private line

Data services include managed LAN and WAN services for data, video, and voice networks within a metropolitan area or on a national or international scale. Data services include legacy protocols such as X.25 (packet switched WAN communication), ATM, and frame relay; newer protocols such as Ethernet and IP-VPN; and the provisioning and management of networks and related equipment.

Private line services provide the capability to link two or more locations over dedicated facilities for the purpose of transporting data, video, or voice traffic. These services include high-capacity digital transmission services (at speeds ranging up to gigabit speeds over fibre) and digital data systems, as well as voice-grade and other analogue services. Transmission facilities for private line services include copper wire, fibre-optic cable, and satellite facilities.

D) Wireless

Wireless services are composed of telecommunications services provided via mobile wireless access facilities. These services include mobile telephony, mobile data (such as text and multi-media messaging), roaming, wireless Internet access, and paging services. Data related to satellite private line services are included in the “Data and private line” section of this report, while data related to the satellite services associated with mobile telephones are included in the “Wireless” section of this report.

In addition to enabling voice communications over wireless networks, new wireless technologies are enabling users to send text messages and multi-media messages, including photos, graphics, videos, and audio clips, from one device to another and from one carrier to another. Data usage is expected to continue to grow as existing and new carriers forge network agreements, expand and upgrade their networks, and terminal equipment makers introduce new devices.

Mobile wireless services are generally billed on a usage basis for both voice and data services. Subscribers have a choice of two payment plan options: prepaid and post-paid. Under prepaid plans, subscribers must purchase the wireless service prior to use, while under post-paid plans, subscribers must pay monthly after using the service. Customers typically pay a per-minute rate under prepaid plans. However, under post-paid plans, customers pay for a service package that includes defined minutes of use, an overage minute rate, data features, and other optional services such as voice mail, call display, and call-waiting services.



### **List of acronyms used in the report**

ACEPU	average capital expenditure per user
AMP	administrative monetary penalty
ARPM	average revenue per minute
ARPU	average revenue per user
ASC	Advertising Standards Canada
ATM	asynchronous transfer mode
AWS	advanced wireless service
BDU	broadcasting distribution undertaking
CAB	Canadian Association of Broadcasters
CAGR	compound annual growth rate
capex	capital expenditure
CBC	Canadian Broadcasting Corporation
CBSC	Canadian Broadcast Standards Council
CCD	Canadian Content Development
CCTS	Commissioner for Complaints for Telecommunications Services Inc.
CLEC	competitive local exchange carrier
CMF	Canadian Media Fund
CPAC	Cable Public Affairs Channel Inc.
CPE	Canadian programming expenditures
CPI	Consumer Price Index
CRTC, the Commission	Canadian Radio-television and Telecommunications Commission
CTD	Canadian Talent Development
CTF	Canadian Television Fund
DCS	Data collection system
DNA	digital network access
DNCL	Do Not Call List
DSL	digital subscriber line
DTH	direct-to-home

EBITDA	earnings before interest, taxes, depreciation and amortization
FTTH	fibre-to-the-home
GAS	gateway access service
GB	gigabyte
GDP	gross domestic product
GST	goods and services tax
HD	high definition
high-speed DNA	high-speed intra-exchange digital network access
HSDS	high-speed digital service
HSPA	high-speed packet access
HSPA+	evolved high-speed packet access
ID	identification
IAB Canada	Interactive Advertising Bureau of Canada
ILEC	incumbent local exchange carrier
IMF	International Monetary Fund
IP	Internet Protocol
IPTV	Internet Protocol television
IP-VPN	Internet Protocol – virtual private network
ISDN	integrated services digital network
ISP	Internet service provider
ITU	International Telecommunications Union
Kbps	kilobits per second
LAN	local area network
LEC	local exchange carrier
LPIF	Local programming improvement fund
LTE	long-term evolution
Mbps	megabits per second
MDS	multipoint distribution service
MMS	multimedia messaging service
MTM	Media Technology Monitor
MVNO	mobile virtual network operator
MWS	metropolitan wavelength services

n/a	not available
n.m.	not meaningful
NRA	national regulatory authority
NAS	Network access service
OECD	Organisation for Economic Co-operation and Development
OMDC	Ontario Media Development Corporation
OTA	over-the-air
PBIT	profit before interest and taxes
PBX	private branch exchange
PNI	programs of national interest
PPM	portable people meter
PPP	Purchasing Power Parity
PPV	pay-per-view
PST	provincial sales tax
PSTN	public switched telephone network
RDU	radiocommunication distribution undertaking
SD	standard definition
SMS	short message service
SRDU	satellite relay distribution undertaking
TPI	telephone price index
TPIA	third-party Internet access
TSP	telecommunications service provider
TTY	teletypewriter
VAT	value-added tax
VDSL	very high bit rate digital subscriber line
VOD	video-on-demand
VoIP	voice over Internet Protocol
VPOP	virtual point of presence
WAN	wide area network
WSP	wireless service provider
3G	third-generation
4G	fourth-generation



**Circulars, decisions, public notices, orders, notice of consultation, and regulatory policies referenced in the report**

*Broadcasting*

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Broadcasting Decision 2007-165	<i>Transfer of effective control of CHUM Limited to CTVglobemedia Inc.</i> , Broadcasting Decision CRTC 2007-165, 8 June 2007
Broadcasting Decision 2007-359	<i>Acquisition of assets</i> , Broadcasting Decision CRTC 2007-359, 28 September 2007, as corrected by Erratum Broadcasting Decision CRTC 2007-359-1, 3 December 2007
Broadcasting Decision 2007-360	<i>Transfer of effective control of 1708487 Ontario Inc., 1738700 Ontario Inc. and CHUM Television Vancouver Inc. to Rogers Media Inc.</i> , Broadcasting Decision CRTC 2007-360, 28 September 2007
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Broadcasting Decision 2007-434	<i>Exchange of radio assets</i> , Broadcasting Decision CRTC 2007-434, 24 December 2007
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Broadcasting Decision 2008-72	<i>Acquisition of assets – CHNM-TV and CHNM-DT Vancouver and their transmitters in Victoria</i> , Broadcasting Decision CRTC 2008-72, 31 March 2008

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Broadcasting Decision 2008-130	<i>Canadian Broadcasting Corporation – Acquisition of assets</i> , Broadcasting Decision CRTC 2008-130, 26 June 2008
Broadcasting Decision 2008-138	<i>Change in effective control</i> , Broadcasting Decision CRTC 2008-138, 7 July 2008
Broadcasting Decision 2008-206	<i>Change in effective control</i> , Broadcasting Decision CRTC 2008-206, 22 August 2008
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	<i>subsidiaries</i> , Broadcasting Decision CRTC 2010-782, 22 October 2010
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Broadcasting and Telecom Regulatory Policy 2009-430	<i>Accessibility of telecommunications and broadcasting services</i> , Broadcasting and Telecom Regulatory Policy CRTC 2009-430, 21 July 2009
<i>Telecommunications</i>	
Telecom Decision 94-19	<i>Review of regulatory framework</i> , Telecom Decision CRTC 94-19, 16 September 1994
Telecom Decision 2006-15	<i>Forbearance from the regulation of retail local exchange services</i> , Telecom Decision CRTC 2006-15, 6 April 2006, as varied by Order in Council P.C. 2007-532, 4 April 2007
Forbearance Order	<i>Order Varying Telecom Decision CRTC 2006-15</i> , P.C. 2007-532, 18 April 2007

Policy Direction

*Order Issuing a Direction to the CRTC on  
Implementing the Canadian Telecommunications  
Policy Objectives, P.C. 2006-1534,  
14 December 2006*

HSDS Decision

*Framework for forbearance from regulation of high-  
speed intra-exchange digital network access services,  
Telecom Decision CRTC 2007-35, 25 May 2007*



**List of Canadian companies referenced in the report**

Access Communications	Access Communications Co-operative Limited
Allstream	Allstream Inc.
Astral	Astral Media Inc.
Atria	Atria Networks L.P.
BCE	Bell Canada Enterprises
Bell Aliant	Bell Aliant Regional Communications, Limited Partnership
Bell Canada	Bell Canada
Bell Group	Bell Canada; Bell Mobility Inc.; Latitude Wireless Inc.; NorthernTel, Limited Partnership; Northwestel Mobility Inc.; SkyTerra (Canada) Inc.; SkyTerra Corp.; Télébec, Limited Partnership; and Virgin Mobile Canada
Bell Mobility	Bell Mobility Inc.
Bragg	Bragg Communications Inc.
Canwest	Canwest Media Inc.
CBC	Canadian Broadcasting Corporation
Cogeco	Cogeco Canada L.P., Cogeco Câble Québec s.e.n.c. and Cogeco Inc.
Corus	Corus Entertainment Inc.
Crossroads	Crossroads Television System
CTV	CTV Inc. (CTVglobemedia Inc., CTV Inc., CTV Limited, and CTV Corp. amalgamated on 15 March 2011 as CTV Inc.)
Distributel	Distributel Communications Limited
EastLink	EastLink
Hydro One	Hydro One Telecom Inc.
Latitude Wireless	Latitude Wireless Inc.
MTS	MTS Inc.
NorthernTel	NorthernTel, Limited Partnership
Northwestel	Northwestel Inc.
Northwestel Mobility	Northwestel Mobility Inc.
Quebecor	Quebecor Media Inc.
Primus	Primus Telecommunications Canada Inc.
Remstar	Remstar (V)

Rogers	Rogers Broadcasting Limited, Rogers Cable Communications Inc., Rogers Communications Inc. and Rogers Wireless Inc.
SaskTel	Saskatchewan Telecommunications
Shaw	Shaw Communications Inc.
SkyTerra	SkyTerra (Canada) Inc. and SkyTerra Corp.
SRC	Société Radio-Canada
Star Choice	Star Choice Television Network Incorporated
TBayTel	TBayTel
TCC	TELUS Communications Company
Télébec	Télébec, Limited Partnership
Télé-Québec	Télé-Québec
Videotron	Videotron Ltd.
Virgin Mobile	Virgin Mobile Canada
WIND	WIND Mobile
Xplornet	Xplornet Communications Inc.
Yak	YAK Communications (Canada) Corp.