



Competition Bureau  
Canada

Bureau de la concurrence  
Canada



# For a Competitive Playing Field

Promoting compliance for the  
benefit of Canadian consumers

ANNUAL REPORT OF  
THE COMMISSIONER  
OF COMPETITION FOR  
THE YEAR ENDING  
MARCH 31, 2015

Canada 

This publication is not a legal document. It contains general information and is provided for convenience and guidance in applying the *Competition Act*.

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## For a Competitive Playing Field

Healthy competition benefits everyone. It means lower prices and more choice for consumers. It means increased access to opportunities for businesses. And it drives innovation by inspiring companies to continuously improve and expand on their offerings of products and services, fuelling economic growth.

The Competition Bureau plays a crucial role in fostering an economic and regulatory environment in which competition and innovation can thrive. In 2014–2015, we focused on using all of the tools at our disposal — enforcement, promotion and advocacy — to promote compliance with Canada's competition laws, seeking a competitive playing field to benefit all Canadians.

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# The Competition Bureau at a Glance

## ABOUT THE COMPETITION BUREAU

The Competition Bureau (Bureau) is an independent law enforcement agency headed by the Commissioner of Competition (Commissioner). Its legislated mandate is to help cultivate a competitive, innovative marketplace for the benefit of Canadian businesses and consumers, and to administer and enforce Canada's:

- *Competition Act*
- *Consumer Packaging and Labelling Act* (except as it relates to food)
- *Textile Labelling Act*
- *Precious Metals Marking Act*

## OUR STRUCTURE

In 2014–2015, the Bureau streamlined its structure from eight branches to four, creating a stronger, more adaptive agency that will ensure Canadian consumers and businesses continue to prosper in a competitive and innovative marketplace.

### PREVIOUS STRUCTURE

- ① Civil Matters Branch
- ② Criminal Matters Branch
- ③ Fair Business Practices Branch
- ④ Mergers Branch
- ⑤ Compliance and Operations Branch
- ⑥ Economic Policy and Enforcement Branch
- ⑦ Legislative and International Affairs Branch
- ⑧ Public Affairs Branch

### NEW STRUCTURE

#### Enforcement branches

- ① **Cartels and Deceptive Marketing Practices Branch**
  - Cartels Directorate
  - Deceptive Marketing Practices Directorate
- ② **Mergers and Monopolistic Practices Branch**
  - Mergers Directorate
  - Monopolistic Practices Directorate

#### Enforcement support branches

- ③ **Competition Promotion Branch**
  - Advocacy and Economic Analysis Directorate
  - International Affairs Directorate
  - Policy and Planning Directorate
  - Public Affairs and Outreach Directorate
- ④ **Corporate Services Branch**

The Bureau's work is also supported by two independent legal support organizations:

- Competition Bureau Legal Services (Department of Justice)
- Competition Law Section of the Public Prosecution Service of Canada (PPSC)

# The Year in Numbers

## ENFORCEMENT

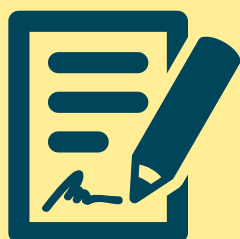


**\$8.63M** fines imposed by the courts as a result of Bureau actions

**\$10M** administrative monetary penalties<sup>1</sup> imposed by the Competition Tribunal

**\$7.11M** restitution to consumers

**\$950,169,365** estimated dollar savings to consumers in 2014–2015 from Bureau actions that stop anti-competitive activity



**6** registered consent agreements

**99%** non-complex mergers reviewed in a timely manner



**42** search warrants executed



**6** guilty pleas



### increase

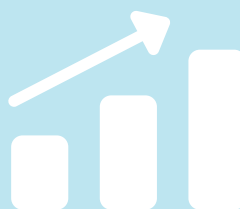
in administrative monetary penalties:

- \$500,000 in 2013–2014
- \$10 million in 2014–2015

### decrease

in fines imposed by the courts as a result of Bureau actions<sup>2</sup>:

- \$55.7 million in 2013–14
- \$8.63 million in 2014–15



**13%** increase

in investigations and examinations commenced:

- 270 in 2013–2014
- 306 in 2014–2015

### increase

in alternative case resolutions:

- 7 in 2013–2014
- 25 in 2014–2015

**170%**

increase in Section 11 orders<sup>3</sup> in non-merger cases:

- 7 in 2013–2014
- 19 in 2014–2015

**17%** decrease in presentations to external stakeholders:

- 169 in 2013–2014
- 141 in 2014–2015

**20%** increase

in search warrants executed:

- 35 in 2013–2014
- 42 in 2014–2015

<sup>1</sup> Administrative monetary penalties, or “AMPs,” are civil remedies, and quite distinct from fines (which are criminal). The purpose of an AMP is to promote and encourage compliance with the *Competition Act*, and failure to pay one may be enforced civilly as a debt due to the Crown. A fine, by contrast, is a punishment imposed by a court upon conviction of a criminal offence, and failure to pay may lead to imprisonment.

<sup>2</sup> The variance between 2013–2014 and 2014–2015 is largely due to the total amount of bid-rigging fines imposed by the courts as a result of Bureau actions. In 2013–2014 the courts imposed 49.2 million dollars in fines as a result of the Bureau's investigation into an international bid-rigging cartel involving motor vehicle parts.

<sup>3</sup> A section 11 order is an order issued by a judge under section 11 of the *Competition Act*.



## OUTREACH



**141** speeches

**532** media  
enquiries received

**26**  
publications

**11,019**  
media hits

**544,852** website visits

**50,366** video views

**41,055**  
publication downloads

**13,925** information  
requests and complaints received  
by the Bureau Information Centre



## ADVOCACY



**9** representations to regulatory bodies

**24** advocacy interventions

## PARTNERSHIPS



**2** signed Memoranda of  
Understanding

**20** formal domestic partnerships

**16** fora meetings and workshops  
with international organizations

# Setting Our Strategy



As part of its realignment in 2014–2015, the Bureau adopted a new, integrated planning approach to clearly connect its activities with longer-term goals and bring greater transparency to the planning and reporting process:

## STRATEGIC PLANNING

The Bureau's planning starts with an environmental scan to identify trends, opportunities and risks related to competition enforcement. This is complemented by the development of detailed operational plans that set out intended activities for the year ahead and inform the management team's performance agreements. Together, all of these activities shape the priorities and objectives of the Bureau's annual plan.

## ANNUAL PLAN

The Bureau published its first annual plan in 2014–2015: *Promoting Compliance for the Benefit of Canadian Consumers*. The plan shares the Bureau's priorities and objectives for the coming year with Canadian consumers and stakeholders in the business and legal communities. It outlines how we intend to deliver on each of our strategic objectives during the fiscal year.

## THREE-YEAR STRATEGIC PLAN

To better meet the needs of Canadians, the Bureau published a draft of its 2015–2018 strategic plan for public comment in March 2015. Designed as a roadmap for the next three years, the strategic plan will help improve the effectiveness and efficiency of the Bureau's competition enforcement and promotion activities.

The annual plan and three-year strategic plan support the Bureau's *Action Plan on Transparency*, which promotes the development of a more efficient and responsive agency while providing Canadians with greater opportunities to learn about the Bureau's work.

## PRIORITIES FOR 2014–2015

The Bureau's 2014–2015 annual plan sets out four priorities for the fiscal year:

- ① **Apply effective and integrated enforcement and administration of the *Competition Act* and labelling statutes.<sup>4</sup>**
- ② **Increase competition promotion efforts to advance a culture of compliance and competition advocacy.**
- ③ **Align with and deliver on Government of Canada priorities.**
- ④ **Increase organizational synergies through our people, planning and systems.**

## FROM PLAN TO RESULTS

**The commitments** of our 2014–2015 annual plan are listed at the start of each core reporting section of this annual report, along with an indication of how we progressed toward our targets.

<sup>4</sup> Labelling statutes, in the context of this document, refer to the *Consumer Packaging and Labelling Act* (except as it relates to food), the *Textile Labelling Act* and the *Precious Metals Marking Act*.



# Message from the Commissioner

2014–2015 was a year of success and change for the Competition Bureau.

We successfully pursued our four strategic priorities — effective and integrated enforcement, increased competition promotion, alignment with government priorities and greater organizational synergies — with the aim of ensuring competitive markets for Canadian companies and consumers.

At the same time, we changed how we work, putting greater emphasis on promoting compliance and realigning our operations to become more seamless and streamlined.

On the enforcement front, we conducted and concluded more investigations than in the previous year, with administrative monetary penalties rising from \$500,000 to \$10 million and restitution to consumers from zero to \$7.11 million.

Promoting compliance for the benefit of Canadian consumers was the thematic title of our annual plan. In enacting it, we worked to foster a spirit of competition across the country — for example, through submissions to the Canadian Radio-television and Telecommunications Commission (CRTC) on making the country's cable industry more consumer-friendly. We also increased our collaboration with domestic and international partners.

To align with government priorities, we completed one market study, made recommendations to the CRTC about Canada's wireless services industry and began enforcing the country's anti-spam law. To achieve greater synergies, we combined programs to increase internal and external collaboration and streamlined eight branches into four. We renewed our governance practices, clarified decision-making roles and responsibilities, and integrated our strategic, operational and budget planning activities.

Since becoming Commissioner, I have consistently emphasized the importance of thinking and acting as “one Bureau”.



Last year's activities marked an ambitious step toward achieving that goal.

At the end of 2014–2015, we concluded the activities of our annual plan and began drafting — and consulting publicly on — a new strategic vision to take us into the next three years.

Going forward, we will build on the work we have done, our cumulative successes and changes, to meet the needs of Canada's rapidly evolving markets as new business models emerge and new opportunities arise. We know that healthy competition breeds innovation, and we are committed to ensuring the country's competitive frameworks foster that.

I congratulate everyone in our organization for their hard work, dedication and professionalism over the course of the year. We have laid the groundwork: now comes the “roll-up-the-sleeves” task of ongoing implementation and refinement to realize the full advantage of operating as one Bureau in service to all Canadians.

**John Pecman**  
Commissioner of Competition

# Blowing the Whistle on Unfair Practices

Practices like bid-rigging, cartels and deceptive marketing break the rules of a competitive marketplace. They rob law-abiding businesses of market opportunities and often mean higher prices for consumers. Last year, we continued to call foul on anti-competitive tactics through effective, integrated enforcement of the *Competition Act* and labelling statutes.





## RECORD-SETTING PENALTIES PROVE IT PAYS TO PLAY BY THE RULES

When businesses engage in anti-competitive behaviour, they may be required to pay fines, administrative monetary penalties (AMPs) or make restitutions to consumers. Many of these consequences came into play last year in the Bureau's efforts to protect competition in Ontario and Quebec's water heater industry. We concluded a multi-year effort to stop deceptive door-to-door sales tactics, secured \$1.5 million in consumer restitution and obtained two \$5-million AMPs — including the first ever for abuse of dominance.<sup>5</sup>

Our efforts in the water heater industry led to a consent agreement with National Energy Corporation requiring the company to adopt a corporate compliance program, with oversight by an independent compliance monitor. It was the first time such a monitor was required in a non-merger situation in Canada. We also reached a consent agreement with Reliance Comfort Limited Partnership to resolve anti-competitive practices concerning water heater return policies requiring the company to take certain steps to make it easier for customers to terminate their rental agreements and return their water heaters.

The water heater industry case is a strong example of our “one Bureau” approach. Involving misleading advertising and anti-competitive conduct, it drew on multiple areas of Bureau expertise. The case also involved a proposed

merger between Reliance Comfort Limited Partnership and National Energy Corporation, and the consent agreements obtained were critical to our approval of that merger.

<b>PRIORITY I</b> <b>Apply effective and integrated enforcement and administration of the <i>Competition Act</i> and labelling statutes.</b>	
COMMITMENTS	STATUS
Leverage and integrate all available tools to seek greater compliance with the <i>Competition Act</i> at a lower cost — taking fuller advantage of outreach, communication, advocacy, publications, voluntary compliance, suasion and consent.	
Adopt collaborative enforcement approaches by working with other law enforcement agencies and/or government agencies on specific cases or initiatives so as to better leverage our mutual resources.	
Advance operational improvements through enforcement policies and procedures.	
Revise our Intellectual Property Enforcement Guidelines and publish our new Enforcement Guidelines — <i>Price Maintenance</i> (Section 76 of the <i>Competition Act</i> ).	

 Achieved

 Partially Achieved

<sup>5</sup> Abuse of dominance happens when a dominant firm or group of firms engages in anti-competitive practices that prevent or lessen competition substantially in a given market.

## GOING TO BAT FOR WIRELESS CONSUMERS

Last year, the Bureau concluded a multi-year investigation that found Canada's three largest wireless companies — Rogers, Bell Canada (Bell) and Telus Corporation (Telus) — in conjunction with the Canadian Wireless Telecommunications Association (CWTA) facilitated the sale to their own customers of premium-rate digital content for fees that had not been adequately disclosed. Customers were misled into believing the content was free.

As part of the resulting consent agreement, Rogers agreed to pay up to \$5.42 million in customer refunds — the most to date in a Bureau settlement — and to stop billing for premium text messaging services unless approved by the customer. The company also pledged to create a consumer awareness campaign about how wireless charges are incurred, and to strengthen its corporate compliance program related to billing on behalf of third parties.

In a clear example of international cooperation, our case was helped by a landmark U.S. District Court of Maryland decision requiring an American company to disclose key information about premium text services. The U.S. Federal Trade Commission provided that information to the Bureau.

## WHEN ENFORCEMENT MEETS COMPLIANCE, CANADIANS WIN

The Bureau promotes truth in advertising by discouraging deceptive business practices and encouraging companies to give consumers the information they need to make informed choices. *The Competition Act* contains criminal and civil provisions to address false or misleading representations and deceptive marketing practices in promoting the supply or use of a product or any business interest.

“The Bureau promotes truth in advertising by discouraging deceptive business practices and encouraging companies to give consumers the information they need to make informed choices.”

## THE YEAR IN ENFORCEMENT

50 investigations concluded

+\$25 million in fines, administrative monetary penalties and consumer restitution

25 alternative case resolutions

22 ongoing matters before the Competition Tribunal or the courts at year-end

Last year, the Bureau questioned certain performance claims made by Bauer Hockey Corp. about its RE-AKT hockey helmet, as the claims were not based on adequate and proper testing — and consumer health and safety could have been at risk. We were pleased that Bauer cooperated fully with our investigation, agreeing to stop making the claims, donating \$500,000 in equipment to a registered Canadian youth sport charity, and contributing \$40,000 to our investigative costs. Working with the Bureau, Bauer also agreed to implement an enhanced corporate compliance program to prevent similar issues from happening in the future.

## ENSURING CHOICE WHEN IT COMES TO CONSUMERS' HEALTH

The Bureau is constantly on the watch for any situation in which a company or group of companies uses its power in the marketplace to suppress or prevent competition. In November 2014, we reached an agreement with Medtronic Inc., Canada's largest supplier of insulin pumps for diabetic patients, over anti-competitive practices that limited competition and consumer choice. Following an investigation, we raised concerns that some of the warranty terms for a popular Medtronic insulin pump limited competitors from supplying insulin reservoir and infusion sets in Canada, and limited the choices available to diabetes patients who depend on those products. Medtronic agreed to revise its warranty terms and to advise customers about the revisions.

## BREAKING UP BID-RIGGING

Bid-rigging occurs when two or more parties secretly agree to influence a bidding process — whether by not bidding, withdrawing a bid, or agreeing to submit bids with specific content. It's the business equivalent of sports teams deciding in advance who's going to win a game. Bid-rigging prevents honest competitors from having a fair shot at winning the contract in question, and can often mean higher prices for consumers.

Last year, thanks to a Bureau investigation, DENSO Corporation pled guilty to three counts of bid-rigging under the *Competition Act* and was fined \$2.45 million by the Ontario Superior Court of Justice for participating in an international bid-rigging conspiracy. Yamashita Rubber Co. Ltd. pled guilty to two counts of bid-rigging in December and was fined \$4.5 million. Both guilty pleas are part of an ongoing investigation into a series of alleged conspiracies and bid-rigging agreements in the motor-vehicle component industry. Since 2013, our investigations in this area have led to seven guilty pleas and more than \$56 million in court-imposed fines.

## PUTTING A STOP TO PRICE-FIXING

Price-fixing is another form of anti-competitive collusion. It happens when companies agree among themselves on how to price goods and services instead of allowing market competition to determine rates. In 2014, two individuals and two companies pled guilty under the *Competition Act* to fixing rates or rate formulas for various surcharges applied in the ocean freight industry. ECU Line Canada Inc. was fined \$1 million, and Overseas Container Forwarding, Inc. was fined \$675,000. Both companies were required to set up a corporate compliance program. Two individuals involved received conditional sentences. The case came to light in 2009 through our Immunity Program, which offers individuals the prospect of immunity from prosecution for disclosing as-yet undetected offences and for providing evidence. The Immunity Program and our complementary Leniency Program — which advocates for lenient treatment of companies and individuals ineligible for immunity — are effective tools for exposing anti-competitive behaviour.

“Price-fixing is another form of anti-competitive collusion. It happens when companies agree among themselves on how to price goods and services instead of allowing market competition to determine rates.”

## MAKING SURE MERGERS WORK FOR CANADIANS

Mergers can be seen as a positive way to increase efficiencies. However, to make sure they don't have the opposite effect of reducing or preventing competition, the *Competition Act* empowers the Commissioner to review any merger of any size. When mergers exceed a specific size threshold, the Commissioner *must* be notified before they are completed. Not doing so is a criminal offence.

In 2014–2015, we completed 245 merger reviews, including 55 complex reviews. We met our service standard for timely review in 99 percent of non-complex cases and 91 percent of complex cases. Where we had concerns, competitive markets were protected in several ways: through alternative case resolutions, by the parties abandoning their proposed transaction after our concerns became known, or by consent agreements requiring divestitures or behavioural remedies.

One case last year — *Tervita* — led to a Supreme Court decision clarifying how to evaluate efficiencies in merger cases, which will guide our approach going forward. Under the *Competition Act*, efficiencies can allow mergers to proceed when they are otherwise anti-competitive. The *Tervita* case was first challenged before the Competition Tribunal in 2010 on the grounds that the company's acquisition of a hazardous landfill site and permits would substantially lessen competition. In 2015, the Supreme Court upheld lower court decisions that the merger would reduce competition. However, it found that the efficiencies outweighed the anti-competitive effects and so allowed the appeal.



## OTHER MERGERS REVIEWED LAST YEAR INCLUDE

- Postmedia/Sun Media
- Burger King/Tim Hortons
- Eastlink/Bruce Telecom
- Marriott/Delta
- Manulife/Standard Life
- TVA Group/Vision Globale
- TransForce/Contrans
- Reynolds/Novelis

The *Tervita* decision was the first time in nearly 20 years the Supreme Court provided guidance on merger reviews.

Also last year, we reached consent agreements for the Medtronic/Covidien merger and with Transcontinental Inc. over the proposed acquisition of 74 community newspapers. That last agreement required 34 of the newspapers to be put up for sale by an independent party at no minimum price, taking into consideration the financial distress of many newspapers and the ongoing transformation of the community newspaper industry.

In keeping with our increased focus on transparency, we issued 12 position statements over the course of the year, summarizing findings and giving stakeholders valuable guidance on our approach to merger reviews. We also released a new *Pre-Merger Notification Interpretation Guideline* for public comment.

## COMPETITION HAS NO BORDERS

With companies doing business across Canada and around the world, we continued to take a collaborative approach to enforcement last year, working closely with other law enforcement agencies on specific cases. For example, we enjoyed unprecedented coordination with the U.S. Department of Justice during our review of the Louisiana Pacific/Ainsworth merger, received evidence from the U.S. Federal Trade Commission to support our premium text messaging case, and coordinated a joint Internet sweep by members of the International Consumer Protection and Enforcement Network targeting deceptive online marketing aimed at vulnerable consumers.

Here at home, we worked together with the Government of Québec on the Commission of Inquiry on the Awarding and Management of Public Contracts in the Construction Industry, and testified before the Commission in October 2014. We also carried out a joint investigation with the Sûreté du Québec, laying criminal charges against a company and an individual for a complex bid-rigging scheme that provided preferential treatment for a group of municipal infrastructure contractors.

“With companies doing business across Canada and around the world, we continued to take a collaborative approach to enforcement last year, working closely with other law enforcement agencies on specific cases.”



## PROTECTING INTELLECTUAL PROPERTY IN CANADA

Based on public consultations, we released updated *Intellectual Property Enforcement Guidelines* (“Guidelines”) in 2014 to reflect amendments to the *Competition Act* since 2000 as well as recent enforcement experience. The Guidelines describe how we approach areas where competition policy and intellectual property (IP) rights intersect. A second phase of updates, intended in 2015–2016, will address additional IP-related issues, including our enforcement approach concerning patent litigation settlements, the conduct of standard essential patent owners and the activities of patent assertion entities.

We also released final Enforcement Guidelines entitled *Price Maintenance* (Section 76 of the *Competition Act*) on September 15, 2014. The Guidelines describe the Bureau’s general approach to enforcing section 76 of the *Competition Act*, including with respect to common business practices, such as minimum resale pricing, manufacturer-suggested resale pricing and minimum advertised pricing.

## ONGOING INITIATIVES

Many Bureau investigations and other activities carry over from one year to the next. In 2014–2015, we obtained decisions for several such ongoing cases involving Kobo and the Toronto Real Estate Board. Details on these are available at [www.competitionbureau.gc.ca](http://www.competitionbureau.gc.ca).

## GAINING EFFICIENCIES, HONING OPERATIONS

We made greater use of evidence handling software last year to assist with the processing of documents for litigated cases and other purposes. We also reduced preliminary evidence review times from months to weeks, with our Evidence Handling Reengineering Working Group looking at ways to further streamline the evidence handling lifecycle. In addition, we also improved our budget forecasting last year, even as we restructured and took on new initiatives.



# Sharing the Rulebook on Healthy Competition

Competition thrives when it's a core value shared by companies, consumers and government. In 2014–2015, we used all the tools at our disposal to promote a culture of compliance and competition advocacy — getting all players on the same page by making presentations to regulators, talking to stakeholders, working with partners and engaging the public.

## GAME-CHANGING RECOMMENDATIONS FOR THE CABLE TV MARKET

We know that companies and other stakeholders are effective promoters of compliance and can provide the best conditions for an efficient, competitive and open marketplace for the good of all Canadians. For that reason, we actively advocate for competition and for compliance with Canada's competition laws. Last year, the CRTC adopted a landmark decision consistent with the Bureau's recommendations on television services that would give consumers more choice and potentially lower cable bills. We submitted our recommendations through *Let's Talk TV*, a formal, consultative review of the country's television system. Looking at the issues of choice, consumer information, vertical integration and genre exclusivity, we advocated that consumers should be free to choose the services they want and pay only for what they choose. We also supported provisions to simplify switching between service providers and for clear contractual terms, and urged keeping existing safeguards in place to ensure that all television channels are available to Canadians, regardless of which service provider they choose.

### PRIORITY 2

Increased competition promotion efforts to advance a culture of compliance and competition advocacy.

COMMITMENTS	STATUS
Increase our competition promotion efforts through our advocacy, stakeholder outreach and communication functions.	
Complete ongoing market studies and initiate at least two other market studies.	
Broaden awareness of and support for competition principles to benefit Canadian businesses and consumers, and increase the competition-related advice we offer to other government departments.	
Diversify and strengthen partnerships with key regulators.	
Enhance our participation in multilateral fora, roundtables and workshops, and continue a leadership role.	
Continue to consult on important issues and provide guidance on investigations and stakeholder communications through the release of our <i>Transparency Bulletin</i> .	
Publicize enforcement outcomes, issue consumer advisories and position statements, and expand the Bureau's social media presence.	

 Achieved

 Partially Achieved

## PROMOTING COMPETITION AND COMPLIANCE THROUGH ADVOCACY

The Bureau made nine representations to regulators in 2014–2015 — three times as many as the previous year — including multiple submissions to the CRTC about wholesale mobile wireless services and cable TV.

## RAISING AWARENESS OF FRAUD

In March 2015, the Bureau, its Fraud Prevention Forum partners, and representatives from the Vancouver Police Department and the Better Business Bureau, officially kicked off Fraud Prevention Month by announcing the year's top 10 scams. We also released a series of eight animated videos based on the *Canadian Edition of The Little Black Book of Scams* as well as details about the most common investment scams. For the third consecutive year, we hosted a Twitter Chat on “2 Good 2 B True Day”, which this year focused on fake online reviews.

That same month, we hosted our second annual Anti-Cartel Day, helping Canadian companies learn how to recognize situations in which independent businesses agree to fix prices, “share” customers or markets, restrict production or rig bids. Several new resources were unveiled including YouTube videos, web content and Facebook postings. Among the new web pages was a series on competition in the construction industry, focusing on a sector that is particularly susceptible to cartel activity.

## GIVING GUIDANCE

The Bureau published **new and updated guidance** last year to increase transparency and promote compliance, including:

- *Information Bulletin on Communication during Inquiries* (summarizing how and when we typically communicate with parties under investigation, industry participants, complainants and the general public)
- *Price Maintenance Enforcement Guidelines* (describing our approach to enforcing section 76 of the *Competition Act* with respect to common business practices such as minimum resale pricing, manufacturer-suggested resale pricing and minimum advertised pricing — final guidance)
- *Guidelines for the Production of Electronically Stored Information* (outlining our preferred standard format for receiving electronically stored information during inquiries and investigations — released for consultation)
- *Intellectual Property Enforcement Guidelines* (updated, released for consultation — see page 11 for more detail)

The Bureau also released a revised Corporate Compliance Programs Bulletin (“Bulletin”) for public comment in 2014–2015. The Bulletin reflects new developments in how we will recognize and consider such programs as we enforce the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act* and the *Precious Metals Marking Act*.

“To foster compliance and provide greater transparency into how we investigate retail mergers, we published a white paper written by the T.D. MacDonald Chair in Industrial Economics.”

## RELIABLE EVIDENCE FOR INFORMED DECISIONS

We undertake market studies to better understand specific industries and highlight competition issues to regulators, industry participants and the public. We undertook two such studies last year: one on the country's propane industry, the other an examination of the Ontario/Québec beer markets, which was not released publicly. (Read more about these studies on page 16.) A further study continued past year-end, looking at restrictions on advertising by pharmacists, dentists and veterinarians.

To foster compliance and provide greater transparency into how we investigate retail mergers, we published a white paper written by the T.D. MacDonald Chair in Industrial Economics.<sup>6</sup> The paper discussed the economic tools and techniques we use when investigating mergers, how we define relevant product and geographic markets, and how we estimate the competitive effects of potential mergers on the marketplace and consumers.

A new communication vehicle, *The Competition Advocate* (“*Advocate*”), was launched last year to inform public discussions on competition in a wide range of sectors. The first issue of the *Advocate* shed light on emerging digital dispatch services in the taxi industry, which can offer convenience and potential cost savings by allowing consumers to use their smartphones to order services.

## GOING SOCIAL

The Bureau received record coverage on social media in 2014–2015, exceeding its audience targets for mainstream and social media by 190.8 million media hits. In the third quarter of the year, the Bureau was mentioned in 12,708 tweets, more than the entire year before. This new benchmark is due mainly to the Bureau's investigation of Apple, which generated 7,033 tweets.

Last year, as part of our *Action Plan on Transparency*, we published our first Quarterly Report in August 2014, with statistics on various types of information requests and other “intake measures” as well as mergers, other enforcement matters, and advocacy, outreach and partnership initiatives. These reports are published every quarter and give Canadians up-to-date information on a wide range of competition activities.

To aid transparency, the Bureau also published numerous enforcement outcomes and consumer advisories, including warnings about weight loss products promoted through social media sites, back-to-school and clothing donation bins, fake online endorsements and fake emails offering consumer refunds.

<sup>6</sup> Established in 1990, the T.D. MacDonald Chair advises the Bureau on economic matters related to competition policy and contributes economic analysis to significant Bureau investigations.



## TEAMWORK: THE FOUNDATION OF SHARED COMPLIANCE

Throughout the year, the Bureau strengthened its international and domestic partnerships to support competition and compliance. This included signing memoranda of understanding (MOUs) with India's Competition Commission and China's State Administration for Industry and Commerce. We also signed MOUs with the Canadian Intellectual Property Office (CIPO), Ontario's Ministry of Government and Consumer Services, and the Ontario Securities Commission for greater domestic enforcement cooperation.

## PLAYING IN THE INTERNATIONAL LEAGUE

Throughout the year, the Bureau took part in multilateral fora, roundtables and workshops.

The Commissioner served on the Steering Group of the International Competition Network (ICN), which advocates for the adoption of superior standards and procedures in competition policy and seeks effective international cooperation for the benefit of member agencies, consumers and economies worldwide.

We continued to act as ICN Secretariat and co-Chair of the ICN Mergers Group. The ICN provides a platform for developing practical guidance and best practices that increase cooperation and convergence on enforcement and advocacy.

As an executive committee member of the OECD Competition Committee and OECD-ICN co-ordinator, the Bureau released a submission to the Committee's Roundtable on Airline Competition, sharing our perspective on airline industry competition issues in Canada.



“ The Commissioner served on the Steering Group of the International Competition Network (ICN), which advocates for the adoption of superior standards and procedures in competition policy and seeks effective international cooperation for the benefit of member agencies, consumers and economies worldwide.”



# Seeking Wins for All Canadians

When every player on the field is well-aligned and working with a common purpose, the odds of winning go up. Recognizing this, the Bureau worked throughout 2014–2015 to ensure its activities aligned with the priorities of the Government of Canada and the Canadian public.

## PREVENTING SHORTAGES, AVOIDING SPIKES

At the direct request of Canada's Ministers of Natural Resources and Industry, the Bureau and the National Energy Board (NEB) jointly authored a study into what caused propane shortages and price spikes the previous winter. The final report, published in April 2014, found no evidence that anti-competitive behaviour had an impact on recent propane price spikes on consumers. The examination also found that last winter's prices and supply shortages were not indicative of long-term supply–demand imbalances in the Canadian propane industry.





The Bureau also concluded a study into the beer industries in Ontario and Québec. This study attracted attention from both the media and the public, and the Bureau actively contributed to the debate. In April 2015, the Ontario Premier's Advisory Council recommended a number of changes to the Ontario beer market, including expansion of beer sales into grocery stores. In light of these developments, we discontinued the study.

Market studies provide the Bureau with insights that enable improved enforcement decisions. For example, last year, we were able to use information gleaned

during the beer study to resolve a complaint from a market participant more quickly than would have been possible without the information and analysis from our market study.

### PRIORITY 3

Aligned with and deliver on Government of Canada priorities.

COMMITMENTS	STATUS
Complete a market study on propane in collaboration with the National Energy Board.	
Complete a market study assessing differences at the production, distribution and retail levels of the beer industries in Québec and Ontario.	 <sup>7</sup>
Continue advocacy efforts on telecommunications and wireless issues by intervening or making submissions before the CRTC.	
Begin implementing and enforcing the new provisions of the <i>Competition Act</i> that came into force as part of Canada's Anti-Spam Legislation (CASL).	

 Achieved

 Partially Achieved

<sup>7</sup> As the market study was discontinued, owing to the reasons described above, it was not released publicly.

## \$950 MILLION FOR CANADIANS

In 2014–2015, Bureau actions to stop anti-competitive activity resulted in more than \$950 million in savings for Canadians.

### BETTER WIRELESS PRICES FOR ALL

As part of our ongoing advocacy efforts in the telecommunications industry, we shared our views with the CRTC last year on the market power of the country's largest wireless companies. Given Canadians' vast and growing dependence on wireless technology, we looked at the impact of companies' ability to profitably keep prices above competitive levels, and to charge rivals high prices for wholesale mobile services. Estimating that retail competition from a new nationwide wireless carrier could add approximately \$1 billion a year to the Canadian economy through better product choices, lower roaming rates or prices and other consumer benefits, the Bureau recommended the CRTC address wholesale wireless pricing and, if needed, adopt regulatory measures to ensure new market entrants can compete effectively.

### COMPETITION DRIVES INNOVATION

Innovation is a key driver of economic growth, and competition drives innovation — inspiring companies to develop better products and services for consumers and bring them to market faster, at an affordable price. In November 2014, we held a one-day workshop in Ottawa on innovation and antitrust to facilitate discussion around the ways competition policy and enforcement practices create an economic and regulatory environment where

innovation can thrive. 100 people attended, including presenters from competition agencies in Europe and the U.S., business and academic leaders, and delegates from federal government agencies, the legal community and civil society. Live tweeting throughout the workshop gave up-to-the-minute reporting on the event, with the hashtag #CBinnov8 for readers to follow.

### KEEPING CANADIANS' INBOXES CLEAR

Canada's Anti-Spam Legislation came into effect in July 2014 — bringing new provisions to the *Competition Act* that target false or misleading representations and deceptive marketing practices in social media, promotional emails, text messages, instant messages and other channels of the electronic marketplace. We began enforcing those new provisions last year, filing an application with the Competition Tribunal in March to end alleged false or misleading price representations by car rental companies Avis and Budget, seeking \$30 million in AMPs from the companies as well as refunds for consumers. Our investigation found Avis and Budget advertised unattainable prices and discounts in promotional emails for vehicle rentals and other associated products due to additional fees imposed during the rental process.

“Innovation is a key driver of economic growth, and competition drives innovation — inspiring companies to develop better products and services for consumers and bring them to market faster, at an affordable price.”

# Strengthening Our Team for Peak Performance

Our ability to promote compliance and serve Canadians is stronger when we work as one Bureau — with sharply honed skills and a steadfast commitment to work as a team. Last year's process of realignment has made us a leaner, more adaptive agency focused on meeting the needs of Canada's markets and protecting the interests of consumers.

## STREAMLINED, STRATEGIC AND ACCOUNTABLE

In 2014–2015, we consolidated eight branches into four and increased internal collaboration and efficiency to better prioritize how we use our resources — balancing enforcement and competition promotion and ultimately strengthening the impact of our work for Canadians. We also developed a performance strategy to ensure the collection of credible, reliable performance data, and prepare for Departmental evaluations. An economic expert reviewed how we estimate the consumer impact of our enforcement and advocacy activities and recommended ways to further align our performance measures with internationally recognized methodologies. Going forward, we will further undertake a benchmarking exercise to determine the metrics used by other domestic law enforcement agencies to calculate the societal and economic value of enforcement activities, before finalizing and implementing the strategy.





## A FINELY TUNED TEAM

We identified training requirements to inform an organization-wide talent management framework and facilitated internal and external training, including sessions with the Canadian Bar Association, law enforcement partners, and economists to keep abreast of developments across the sectors of the economy. We also started developing a learning framework to meet our training needs and better deliver on our strategic objectives. This framework will include greater coordination of in-house, external and mandatory training (including language training and management development).

We also continued our efforts to support *Blueprint 2020*, the federal public service transformation agenda, participating in a pilot to foster greater inclusiveness and diversity in the workplace, and extensively supporting awareness-building and training activities around mental health in the workplace.

### PRIORITY 4

Increased organizational synergies through our people, planning and systems.

COMMITMENTS	STATUS
Integrate our business processes and better utilize our deep, diverse skill sets to ensure fair, healthy competition in Canada as efficiently and effectively as possible by implementing a new organizational structure.	
Improve accountability and performance reporting by finalizing and implementing a Performance Measurement Strategy.	
Support and implement all Government transformative activities related to information technology (IT) and information management including the transition of IT support to Shared Services Canada.	
Identify training requirements and facilitate internal and external training opportunities, including those involving the Canadian Bar Association and law enforcement partners.	

 Achieved

 Partially Achieved

## EVERY PLAYER COUNTS

We continued to promote the values of employment equity and diversity (EED) throughout the year and worked to ensure the Bureau embraces diversity and inclusiveness and respects cultural heritage. These efforts were led by our EED Champion — who in turn was supported by an EED Working Group (EEDWG) of 20-some employees who met regularly to share ideas on how the Bureau can better integrate diversity and inclusiveness into its day-to-day operations. In May 2014, the EED Working Group received a Deputy Minister's Award in recognition of its exceptional work on diversity and inclusiveness.

The EEDWG's Research sub-group drafted an internal research paper showing the positive link between diversity, inclusiveness, innovation and productivity based on consultations with advocacy organizations, a police department, a law firm, the Department of Justice, Agriculture Canada, the Royal Bank and others. The paper will ultimately provide a business case for operationalizing diversity and inclusiveness.

The Recruitment sub-group began discussions on how to educate managers and officers about the importance of diversity and inclusiveness in recruitment and succession planning, while the Awareness sub-group hosted a lunch-time panel discussion on career development and posted diversity-related messages at headquarters.

## LEADING ENFORCEMENT IN THE DIGITAL ERA

Last year we developed strategies, policies and training to manage digital information gathered through investigations and inquiries under the *Competition Act*. Our forensic investigators lent their expertise to various law enforcement agencies across Canada, sharing insights into search warrant execution and the forensic analysis of digital information. We continued to share best practices with domestic and international counterparts on forensic enforcement issues such as cloud computing and Internet-based fraud schemes, and installed intelligence software to increase the speed and efficacy of our investigators' evidence reviews.

## PLAYING OUR PART ON THE PUBLIC SERVICE TEAM

The Bureau actively supported the 2014 Public Service Employee Survey, gathering and analyzing results to develop an action plan. We also participated in the government's *Blueprint 2020*, offering input into the future vision of Canada's public service.

“ We identified training requirements to inform an organization-wide talent management framework and facilitated internal and external training, including sessions with the Canadian Bar Association, law enforcement partners, and economists to keep abreast of developments across the sectors of the economy. ”



## IMPLEMENTING GOVERNMENT INITIATIVES AT THE BUREAU

The Bureau continued to implement the federal public service transformation agenda last year, which aims to promote a high-performing workforce and excellence in people management. Key activities included managing human resources through the Treasury Board's Performance Management Program — holding mid-year reviews and identifying training needs for all staff — and continuing the effort with Shared Services Canada and Industry Canada to centralize IT infrastructure while maintaining the security of Bureau data.



“The Bureau continued to implement the federal public service transformation agenda last year, which aims to promote a high-performing workforce and excellence in people management.”

## OTHER EMPLOYMENT EQUITY AND DIVERSITY HIGHLIGHTS:

- *Positive Space* initiative: three Bureau champions
- *Respectful Healthy and Inclusive Workplace* initiative: senior manager pilot participant
- *Building Mentally Healthy Workplaces* workshop: attended by two senior managers
- EED intranet portal launched
- Employee accommodations: 23 employees had ergonomic modifications to workstations, access to a quiet room, or tools to facilitate telework arrangements — all for medical or other reasons
- *Commissioner's Award*: received by EED Working Group participant in recognition of exceptional work



# Financial Discussion and Analysis

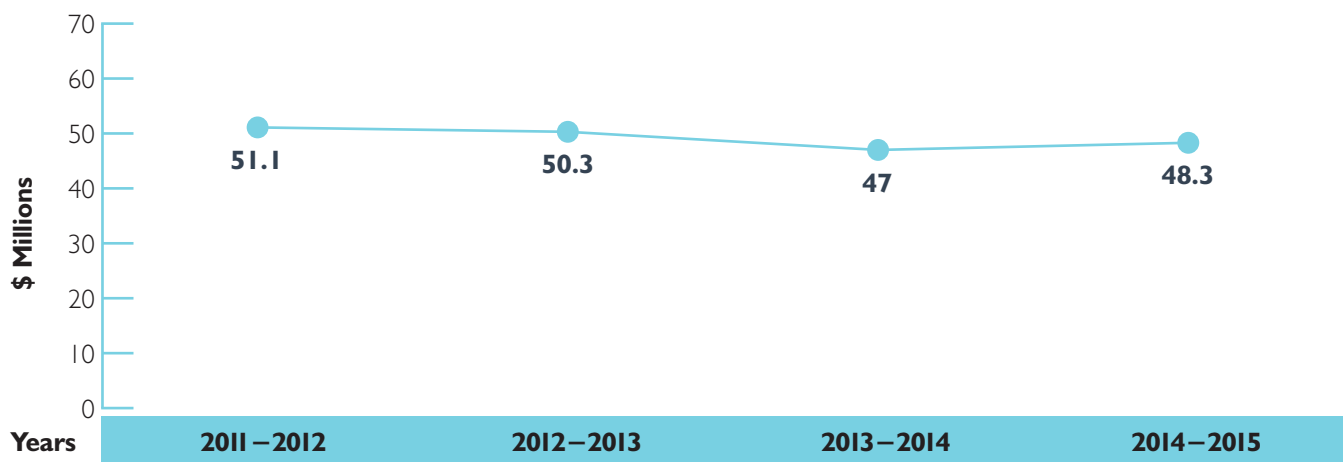
The Bureau's budget for 2014–2015 was \$49.1 million, including approximately \$10.4 million from user fees.<sup>8</sup> Expenditures were \$48.3 million, consisting of \$33.5 million in salaries for 368 full-time equivalents (FTEs) and \$14.8 million in non-salary expenses. Table 1 presents the Bureau's authorized budget and expenditures for the year.

**TABLE 1: AUTHORIZED BUDGET EXPENDITURES FOR 2014–2015**

	BUDGET	EXPENDITURE
Salary	\$34,074,051	\$33,486,308
O&M	\$14,895,462	\$14,671,597
Capital	\$124,049	\$124,049
<b>Total</b>	<b>\$49,093,562</b>	<b>\$48,281,954</b>
	<b>AUTHORIZED</b>	<b>USED</b>
FTEs	390	368

Figure 1 illustrates the Bureau's spending trend from 2011–2012 to 2014–2015.

**FIGURE 1: Bureau spending trend<sup>9</sup>**



<sup>8</sup> The Bureau collected nearly \$11.9 million in user fees (including \$18,000 in written opinions) of which approximately \$1.7 million was transferred to the Consolidated Revenue Fund.

<sup>9</sup> Does not include Work Force Adjustment budget and expenditures.

# Appendix: Bureau Performance Data

**TABLE 1:**

## **ESTIMATED SAVINGS AND VALUE FROM BUREAU ACTIONS AND BUREAU INFORMATION PRODUCTS ASSESSED**

The Bureau is required to report annually on its performance through a Departmental Performance Report (DPR) to Parliament. Industry Canada's DPR provides details of accomplishments and results achieved in the most recently completed fiscal year against performance expectations, as set out in the corresponding Report on Plans and Priorities. The Bureau quantifies the benefits of its activities via the following quantitative performance indicators: estimated dollar savings per annum to consumers from Bureau actions that stop anti-competitive activity, estimated dollar value per annum associated with deterrence from Bureau enforcement actions, Competition Bureau information products accessed and audience reached through mainstream and social media.

EXPECTED RESULT	PERFORMANCE INDICATOR	TARGET	2014–2015 ACTUAL RESULTS
Consumers benefit from a competitive marketplace	Estimated dollar savings per annum to consumers from Bureau actions that stop anti-competitive activity	\$225 million	\$950,169,365*
Deterrence of conduct contrary to the <i>Competition Act</i>	Estimated dollar value per annum associated with deterrence resulting from Bureau enforcement actions	\$17 million	\$20,758,085
Consumers benefit from information enabling them to make informed choices	Competition Bureau information products accessed	5,465 media hits	11,019 media hits
	Audience reached through mainstream and social media	234.2 million	425 million

\* The Bureau surpassed its target for estimated savings for consumers in 2014–2015, largely due to the conclusion of a consent agreement that produced savings of more than \$875 million per year.

The following tables include statistics relating to a variety of intake measures, merger and non-merger related enforcement matters, as well as advocacy, outreach and partnership initiatives.

**TABLE 2:**

<b>INTAKE</b>		
<b>MEASURE</b>	<b>2014–2015 TOTAL</b>	<b>DESCRIPTION</b>
<b>Complaints and information requests</b>	13,925	Complaints and questions submitted to the Bureau that relate to the Bureau's four statutes ( <i>Competition Act</i> , <i>Consumer Packaging and Labelling Act</i> , <i>Textile Labelling Act</i> and <i>Precious Metals Marking Act</i> ).
<b>Media requests</b>	532	Media requests to the Bureau.
<b>Textile Labelling CA Identification number applications</b>	766	The CA Identification number is registered for the exclusive use of a Canadian dealer on the label of a consumer textile article in place of a name and postal address (as per the <i>Textile Labelling Act</i> ).

**TABLE 2.1:**

<b>TOP 5 COMPLAINTS BY PRODUCT OR SERVICE</b> (Top level categories)	
<b>2014–2015</b>	
<b>1. Business products and services</b>	624
<b>2. Electronics</b>	227
<b>3. Food products and services</b>	139
<b>4. Transportation and vehicles</b>	114
<b>5. Contests and lotteries</b>	100

**TABLE 3:**

<b>ENFORCEMENT – NON MERGER</b>		
The Competition Bureau enforces both criminal and civil provisions of Canada's <i>Competition Act</i> aimed at addressing anti-competitive practices and misleading advertising as well as the <i>Consumer Packaging and Labelling Act</i> , the <i>Precious Metals Marking Act</i> and the <i>Textile Labelling Act</i> .		
MEASURE	2014–2015 TOTAL	DESCRIPTION
INVESTIGATIVE STAGE		
Immunity markers granted to applicants	28	Number of immunity markers the Criminal Matters Branch and the Fair Business Practices Branch granted.
Leniency markers granted to applicants	21	Number of leniency markers the Criminal Matters Branch granted.
Investigations		
<i>Commenced</i>	55	Investigations and compliance assessment matters that were opened. Investigations include matters on which inquiries have been commenced.
<i>Concluded</i>	50	Investigations and compliance assessment matters that were closed.
<i>Total Ongoing Investigations</i>	120	Investigations ongoing (i.e. matter not closed) at the end of the previous period. Investigations include matters on which inquiries have been commenced (as of the 1st day of reporting period).
Inquiries		
<i>Commenced</i>	8	Investigation for which an inquiry has been commenced pursuant to section 10 of the <i>Competition Act</i> .
<i>Discontinued</i>	4	Inquiries discontinued by the Commissioner.
<i>Total Ongoing Inquiries</i>	74	Investigation for which an inquiry has been commenced pursuant to section 10 of the <i>Competition Act</i> , regardless of when commenced, as long as inquiry is ongoing (as of the 1st day of reporting period).
Search warrants	42	Number of search warrants issued.
Section 11 orders	19	A section 11 order is an order issued by a judge under section 11 of the <i>Competition Act</i> . This statistic includes all section 11 orders issued, including when multiple orders are issued for a single investigation during the reporting period.
Investigations referred to the Public Prosecution Service of Canada	5	Investigations referred to the Public Prosecution Service of Canada for consideration and action.

**TABLE 3.1:**

<b>RESOLUTIONS</b>		
<b>MEASURE</b>	<b>2014–2015 TOTAL</b>	<b>DESCRIPTION</b>
<b>Alternative Case Resolutions</b>	25	Investigations that raised an issue under the <i>Competition Act</i> , the <i>Consumer Packaging and Labelling Act</i> , the <i>Precious Metals Marking Act</i> or the <i>Textile Labelling Act</i> , which were resolved outside of proceedings before the court or Competition Tribunal. Alternative Case Resolutions include: the adoption of corporate compliance programs, voluntary codes, information contacts, information letters, warning letters, stand still letters, compliance meetings and undertakings.
<b>Registered Consent Agreements</b>	4	All Consent Agreements registered pursuant to section 74.12 or 105 of the <i>Competition Act</i> with the Competition Tribunal or courts.
<b>Convictions without Guilty Pleas</b>	1	All convictions without guilty pleas, includes sections 65 and 66 under the <i>Competition Act</i> .
<b>Guilty pleas</b>	6	The number of guilty pleas made by individuals or companies for an offence under the <i>Competition Act</i> , the <i>Consumer Packaging and Labelling Act</i> , the <i>Precious Metals Marking Act</i> or the <i>Textile Labelling Act</i> .
<b>Prohibition order with convictions</b>	0	All prohibition orders with convictions (subsection 34(1)) under the <i>Competition Act</i> .
<b>Prohibition order without convictions</b>	0	All prohibition orders without convictions (subsection 34(2)) under the <i>Competition Act</i> .
<b>Interim injunctions</b>	0	All interim injunctions (section 33) under the <i>Competition Act</i> .

**TABLE 3.2:**

<b>CONTESTED MATTERS – BEFORE THE COURTS OR COMPETITION TRIBUNAL</b>		
<b>MEASURE</b>	<b>2014–2015 TOTAL</b>	<b>DESCRIPTION</b>
<b>Matters before the Competition Tribunal, Provincial Superior Courts or Federal Court</b>		
<b>Matters currently before the Competition Tribunal</b>	4	Applications brought by the Commissioner related to substantive matters before the Competition Tribunal where applications were filed but do not include Consent Agreements registered pursuant to sections 74.12 or 105 of the <i>Competition Act</i> . This excludes interim steps in a proceeding or rescission or variation of a Consent Agreement or Order under sections 74.13 and 106 of the <i>Competition Act</i> (excluding private access).
<b>Matters currently before the Courts</b>	18	Proceedings related to substantive matters before the courts where proceedings were filed. This excludes interim steps in a proceeding or rescission or variation of a Consent Agreement or Order under sections 74.13 and 106 of the <i>Competition Act</i> .



**TABLE 3.3:**

<b>OUTCOMES</b>		
<b>MEASURE</b>	<b>2014–2015 TOTAL</b>	<b>DESCRIPTION</b>
<b>Total fines imposed (millions)</b>	\$8.63M	Total amount of fines imposed upon companies and individuals by the Courts.
<b>Total bid-rigging fines imposed (millions)</b>	\$6.95M	Total amount of bid-rigging fines imposed. This statistic is included in “Total fines imposed”.
<b>Individuals sentenced</b>	3	The number of individuals sentenced under the <i>Competition Act</i> .
<b>Companies sentenced</b>	4	The number of companies sentenced under the <i>Competition Act</i> .
<b>Combined jail time imposed (months)</b>	32 months	Total amount of jail time imposed.
<b>Total administrative monetary penalties (AMPs) (millions)</b>	\$10M	Total amount of AMPs imposed by the Competition Tribunal or Courts.
<b>Total restitution (millions)</b>	\$7.11M	Total amount of restitution imposed by the Competition Tribunal or the Courts.
<b>Final orders issued by the Competition Tribunal</b>	0	All Orders issued under sections 74.1, 75, 76, 77, 79, 81, 82, 83, 84, 86, 87, 90.1, 92 of the <i>Competition Act</i> . This includes orders issued under sections 74.1, 74.111 and 92.1, Temporary Orders, and rescission or variation of a Consent Agreement or Order under sections 74.13 and 106 of the <i>Competition Act</i> .



**TABLE 4:**

<b>ENFORCEMENT – MERGER-RELATED</b>		
Under the <i>Competition Act</i> , mergers and proposed mergers of all sizes and in all sectors of the economy are subject to review to determine whether they have resulted, or will likely result, in a substantial lessening or prevention of competition.		
<b>MATTERS (ALL)</b>		
<b>MEASURE</b>	<b>2014–2015 TOTAL</b>	<b>DESCRIPTION</b>
<b>Examinations</b>		
<i>Commenced</i>	255	Includes all merger reviews that were opened during the period.
<b>Pre-Merger Notification (PMNs) filings &amp; Advance Ruling Certificate (ARC) requests</b>	240	PMNs filed pursuant to section 114(1) of the <i>Competition Act</i> and ARC requests made pursuant to section 102 of the <i>Competition Act</i> . Includes matters where either a Notification filing or an ARC request, or both occur.
<b>Other examinations</b>	15	Matters where no PMN or ARC request was received. Includes Investment Canada applications, Heritage Canada applications, complaints and reviews of non-notifiable mergers initiated by the Mergers Branch.
<i>Concluded</i>	245	Merger reviews that were completed during the period.
<b>No issues under the Act</b>	231	Merger reviews that were completed with no issues under the <i>Competition Act</i> .
<b>With issues under the Act</b>	9	Does not include ongoing Matters before the Competition Tribunal. Concluded with monitoring.
<b>Transactions abandoned for reasons unrelated to the Commissioner's position</b>	5	Merging parties abandon their proposed merger for reasons other than the Bureau's views on the proposed merger.
<i>Total Ongoing Merger Reviews</i>	24	Merger reviews ongoing (i.e. matter not closed) at the end of the previous period (as of the 1st day of reporting period).
<b>Inquiries</b>		
<i>Commenced</i>	3	Matters for which an inquiry has been commenced pursuant to section 10 of the <i>Competition Act</i> .
<i>Discontinued</i>	0	Inquiries discontinued by the Commissioner.
<i>Total Ongoing Inquiries</i>	12	Matters for which an inquiry has been commenced pursuant to section 10 of the <i>Competition Act</i> , regardless of when commenced, as long as inquiry is ongoing (as of the 1st day of reporting period).

**TABLE 4.1:**

<b>CONCLUDED MATTERS (NO ISSUES)</b>		
<b>MEASURE</b>	<b>2014-2015 TOTAL</b>	<b>DESCRIPTION</b>
<b>Advanced Ruling Certificates (ARC) Issued</b>	120	Examinations concluded with the issuance of an ARC pursuant to section 102 of the <i>Competition Act</i> .
<b>No Action Letters (NAL) Issued</b>	101	Examinations concluded with the issuance of a NAL pursuant to section 114 of the <i>Competition Act</i> .
<b>Other Examinations</b>	10	Examinations that do not contain a Notification filing or ARC request. These matters are opened for other reasons including Investment Canada applications, Heritage Canada applications, complaints and reviews of non-notifiable mergers initiated by the Mergers Branch
<b>Total Concluded Matters (No Issues)</b>	231	
<b>CONCLUDED &amp; ON-GOING MATTERS (WITH ISSUES)</b>		
<b>Consent Agreements</b>	2	Consent Agreements registered with the Competition Tribunal pursuant to section 105 of the <i>Competition Act</i> related to mergers.
<b>Transactions Abandoned due to competition concerns</b>	2	Merging parties abandon their proposed merger after being informed that the transaction raises issues under the <i>Competition Act</i> .
<b>Alternative Case Resolutions</b>	2	Matters that raised an issue under the <i>Competition Act</i> but were resolved outside of proceedings before the Competition Tribunal. Includes warning letters and undertakings.
<b>Total Concluded Matters (With Issues)</b>	6	
<b>Matters Before the Competition Tribunal</b>	0	Includes ongoing section 92 matters and other matters before the Competition Tribunal (such as section 100 and 106 matters) or the courts.

**TABLE 4.2:**

<b>MERGER REVIEW PERFORMANCE INDICATORS</b> Please visit the <a href="#">Competition Bureau Fees and Service Standards Handbook for Mergers and Merger-Related Matters</a>			
MEASURE	COMPLEXITY	2014–2015 TOTAL	DESCRIPTION
<b>Matters Concluded (#)</b>	Non-Complex	170	Non-complex mergers are readily identifiable by the clear absence of competition issues, and include transactions where there is no or minimal overlap between parties, assuming properly defined product and geographic markets. Minimal overlap includes a combined post-merger market share of less than 10% in any relevant market.
	Complex	55	Complex mergers involve proposed transactions between competitors, or between customers and suppliers, where there are indications that the transaction may, or is likely to, create, maintain, or enhance market power. Proposed transactions, where the combined post-merger market share of the parties is potentially 35% or more, are generally classified as complex.
	Total	225	
<b>Matters Concluded (%)</b>	Non-Complex	76%	
	Complex	24%	
	Total	100%	
<b>Service Standard Met (#)</b>	Non-Complex	168	14 days from the calendar day on which sufficient information has been received by the Bureau.
	Complex	50	45 days from the calendar day on which sufficient information has been received by the Bureau except where a SIR is issued, in which case it shall be 30 days.
	Total	218	
<b>Service Standard Met (%)</b>	Non-Complex	99%	
	Complex	91%	
<b>Avg. Review Time (days)</b>	Non-Complex	10.55	
	Complex	33.35	
<b>Supplementary Information Requests Issued</b>		12	A request made pursuant to section 114(2) of the <i>Competition Act</i> .



**TABLE 5:**

<b>ADVOCACY</b> The Bureau participates in a wide range of activities to promote and advocate the benefits of a competitive marketplace, both in Canada and abroad. This includes recommending that regulators and policy-makers rely on market forces as much as possible and that regulation, where required, limits competition as little as possible. Our Advocacy Portal on the Bureau's website highlights recent advocacy work conducted by the Bureau.		
MEASURE	2014–2015 TOTAL	DESCRIPTION
Representations before regulatory bodies	9	Interventions, submissions and appearances before regulatory bodies pursuant to our advocacy function under section 125 and 126 of the <i>Competition Act</i> .
Small to medium advocacy interventions	24	Interventions may include written submissions including letters, calls, and meetings with regulatory groups and other stakeholders.
Market studies	3	Market studies are designed to improve understanding of the effects of competition on the economy.

**TABLE 6:**

<b>OUTREACH</b> The Bureau promotes transparency in all its operations by communicating with stakeholders and providing them with up-to-date information and guidance through a wide variety of publications.		
MEASURE	2014–2015 TOTAL	DESCRIPTION
Speeches	141	The total number of presentations by Bureau officials to external stakeholders, including speaking engagements, information sessions, panel participation and outreach activities.
Publications	26	New publications and those that have been revised, including information bulletins, enforcement guidelines, position statements, pamphlets, FAQs and Bureau performance reports.

**TABLE 6.1:**

<b>HIGH PROFILE MEDIA ISSUES 2014–2015</b>			
ISSUE	HITS	% OF TOTAL COVERAGE	ESTIMATED REACH
1. Postmedia/Sun Media transaction	1,252	11%	41.7 million
2. Price Transparency Act	1,136	10%	52 million
3. Transcontinental/Quebecor transaction	648	6%	20.7 million
4. Gas prices	542	5%	8.2 million
5. Burger King/Tim Hortons transaction	452	4%	12.8 million

**TABLE 6.2:**

<b>TOP BUREAU ANNOUNCEMENTS</b> Top Bureau announcements are based on visits to the Bureau's website	
ANNOUNCEMENTS	2014–2015 VISITS
Criminal Charges Laid Against a Company and Six Individuals Involved in Bid-rigging Scheme	4,121 visits
National Home Services to pay \$7 million for misleading door-to-door water heater promotions	3,573 visits
Competition Bureau approves the sale of 13 Loblaw-owned stores and pharmacies to Metro, Jean Coutu and Remedy's	2,868 visits
Statement from the Commissioner of Competition on Postmedia's Proposed Acquisition of QMI's English-language Media Assets	2,272 visits
Competition Bureau Strengthens Competition in Ontario's Water Heater Industry	2,229 visits

**TABLE 7:**

<b>PARTNERSHIPS</b> The Bureau collaborates with domestic and international partners in order to enhance its ability to promote and protect a competitive marketplace.		
MEASURE	2014–2015 TOTAL	DESCRIPTION
INTERNATIONAL		
Cooperation Instruments	2	Memoranda of Understanding, cooperation agreements and cooperation arrangements. This includes all existing instruments.
Formal bilateral meetings	5	Bilateral meetings between the Bureau and foreign law enforcement agencies and competition authorities pursuant to obligations under cooperation instruments.
International Fora meetings and workshops	16	Meetings and workshops with multinational organizations (e.g., Organisation for Economic Co-operation and Development, International Competition Network, International Consumer Protection and Enforcement Network).
DOMESTIC		
Formal domestic partnerships	20	Number of domestic partnerships in which the Bureau participates (e.g., the Market Surveillance Administrator of Alberta, the Canadian Radio-television and Telecommunications Commission, Canadian Intellectual Property Office and the Department of Public Works and Government Services) where Memoranda of Understanding or other agreements are in place.

# Glossary

**Competition Act:** The *Competition Act* is a federal law governing most business conduct in Canada. It contains both criminal and civil provisions aimed at preventing anti-competitive practices in the marketplace.

**Competition Tribunal:** The Competition Tribunal is a specialized tribunal that combines expertise in economics and business with expertise in law. The Tribunal is a strictly adjudicative body that operates independently of any government department. The cases it hears are complex and deal with matters such as mergers, misleading advertising and restrictive trade practices. The Competition Tribunal should be distinguished from the Competition Bureau. The Competition Bureau investigates complaints and decides whether to proceed with the filing of an application with the Competition Tribunal.

**Compliance Assessment:** An examination of a program, activity or individual transaction to ensure that it conforms to legislation, regulations and administrative directives.

**Consumer Packaging and Labelling Act:** The *Consumer Packaging and Labelling Act* is a criminal statute relating to the packaging, labelling, sale, importation and advertising of prepackaged and certain other products.

**Courts:** Under the *Competition Act*, as well as under the *Consumer Packaging and Labelling Act*, the *Precious Metals Marking Act* and the *Textile Labelling Act*, certain practices may be brought before the courts, which include the Federal Court or the Superior Court of a province. Under the civil regime of the *Competition Act*, certain practices may be brought for review before the Competition Tribunal, the Federal Court or the superior court of a province.

**Immunity:** The first party to disclose to the Competition Bureau an offence not yet detected or to provide evidence leading to the filing of charges may receive immunity from prosecution from the Director of Public Prosecutions of Canada as long as the party cooperates with the Bureau and any subsequent prosecution.

**Investigation:** A civil (non-merger) or criminal investigation under the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act* or the *Precious Metals Marking Act*.

**Leniency:** The Competition Bureau may recommend to the Director of Public Prosecutions that cooperating persons who have breached the cartel provisions under the *Competition Act*, who are not eligible for a grant of immunity, nevertheless be considered for lenient treatment in sentencing.

**Matter:** An ongoing issue or case that requires action by the Competition Bureau.

**Merger Review:** A review of a merger under the *Competition Act*.

**Precious Metals Marking Act:** The *Precious Metals Marking Act* is a criminal statute relating to the marking of articles containing precious metals.

**Textile Labelling Act:** The *Textile Labelling Act* is a criminal statute relating to the labelling, sale, importation and advertising of consumer textile articles.





