



28 November 2022

Filed online

Claude Doucet
Secretary General
CRTC
Ottawa, ON K1A 0N2

Dear Secretary General,

Re: *Call for comments on an application by Bell Canada, Cogeco Communications Inc., Bragg Communications Incorporated, carrying on business as Eastlink, and Saskatchewan Telecommunications regarding the increase of the maximum retail price of the basic service, [Broadcasting Notice of Consultation CRTC 2022-267](#) (Ottawa, 28 September 2022)*

The Forum for Research and Policy in Communications (FRPC) is a non-profit and non-partisan organization established in 2013 to undertake research and policy analysis about communications, including telecommunications. The Forum supports a strong Canadian communications system that serves the public interest as defined by Parliament in the 1991 *Broadcasting Act*.

The Forum's intervention in opposition to the above-noted application is appended. We look forward to reviewing other parties' interventions and may reply to these at the appropriate time. Should the CRTC decide to hold a public hearing in this matter the Forum respectfully asks to participate in this process in person.

Regards,

Monica Auer, M.A., LL.M. execdir@frpc.net
Executive Director
Forum for Research and Policy in Communications (FRPC)
Ottawa, Ontario

cc:

| | | | |
|-------------------------------|--|---------------------------|--|
| Jonathan Daniels, Bell Canada | bell.regulatory@bell.ca | Marielle Wilson, Eastlink | regulatory.matters@corp.eastlink.ca |
| Paul Beaudry, Cogeco | telecom.regulatory@cogeco.com | W.N. Beckman, SaskTel | document.control@sasktel.com |
| Peggy Tabet, Québecor | peggy.tabet@quebecor.com | Pamela Dinsmore, Rogers | pam.dinsmore@rci.rogers.com |
| Lecia Simpson, Telus | regulatory.affairs@telus.com | Cynthia Wallace, Shaw | regulatory@sjrb.ca |



Nothing ventured, \$330,000,000 not gained

**Canada's largest television service distributors want
the CRTC to raise Canadians' costs now and going
forward, but provide neither
arguments nor evidence
to explain why**

*Call for comments on an application by Bell Canada, Cogeco
Communications Inc., Bragg Communications Incorporated, carrying on
business as Eastlink, and Saskatchewan Telecommunications regarding the
increase of the maximum retail price of the basic service,
[BNoC 2022-267](#) (Ottawa, 28 September 2022)*

Forum for Research and Policy in Communications (FRPC)

Monica Auer
Executive Director
execdir@frpc.net
frpc.net
@frpc_frpc

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Key terms

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|---------------------------------|--|
| Basic service | Before the small basic service established by the CRTC in 2015, the ‘basic’ service included specific local and regional services mandated by the CRTC’s regulations or BDUs’ cols – and could include other services at the discretion of the BDU |
| BDUs | Broadcasting Distribution Undertakings (consisting of cable systems, direct-to-home [DTH] distribution systems and wireless systems) |
| CRTC | Canadian Radio-television Telecommunications Commission |
| DTH | Direct-to-home satellite television distribution services |
| Exempt programming | Consists of classified advertising, teleshopping/general services, infomercials, games services and unspecified other exempt services (Source: CRTC Aggregated Financial Return for 2019, p. i) |
| Non-programming services | Consists of Internet access services, telephony, other telecommunications services (including security) and other services (Source: CRTC Aggregated Financial Return for 2019, p. i) |
| ILECs | Incumbent local-exchange carriers, under the jurisdiction of the 1993 <i>Telecommunications Act</i> |
| Packages | Once subscribers agree to accept the small basic service they may choose from individual discretionary services or packages of pg services |
| Small basic service | The rate-regulated basic service defined by the CRTC in 2015 which all BDU subscribers receive |

Executive Summary

- ES 1** In January 2022 Bell, Cogeco, Eastlink and Sasktel asked the CRTC to raise their revenues by \$3/month for each of their subscribers, and after that to grant yearly increases based on the rate of inflation. The applicants also proposed that these increases be granted to all other television distribution services in Canada.
- ES 2** At the end of September 2022 the CRTC invited the public to comment on the companies' application. The comment deadline was 28 October 2022; on 27 October 2022 the CRTC extended the intervention deadline to 28 November 2022, enabling FRPC to commission a survey of Canadians about the applicants' proposal.
- ES 3** FRPC opposes the companies' application due to fatal weaknesses of the applicants' arguments, their equally fatal failure to provide relevant evidence and their decision not to explain how granting their application furthers the implementation of Parliament's broadcasting policy for Canada.
- ES 4** FRPC also opposes the general proposal of raising the small basic service monthly rate by \$3 in the near term and by the annual rate of inflation thereafter because
- a. the increase will be unaffordable to hundreds of thousands of subscribers,
 - b. all benefits of the increase will flow to BDUs,
 - c. granting the application would subsidize BDUs' current business model thereby negating the CRTC's decades-long emphasis on market forces in the BDU sector, and because
 - d. BDUs have other alternatives for raising revenues to counter the loss of subscribers to Internet service providers (owned by themselves or their BDU competitors).
- ES 5** The Forum's intervention begins by addressing flaws in the BNoC 2022-267 consultation process. The Notice of Consultation lacked even elementary data about the basic service (total basic subscribers, revenues, costs and profits before interest and taxes) and the implications of approving the companies' application for subscribers, both for the companies and for the broadcasting system. Key data provided by the applicants and four other designated parties was either entirely or substantively redacted and/or made public two weeks after BNoC 2022-267 itself was published.
- ES 6** Although the CRTC published an aggregated version of data about BDUs' basic service on 17 November 2022, it did not explain what it thinks the data mean, and because the CRTC asked the applicants and the companies it made party to the proceeding different questions, the parties' answers cannot be compared.
- ES 7** The BDU parties to the proceeding also unanimously claimed that significant harm would result from disclosure of information about numbers of subscribers

- to and revenues from the \$25/ month small basic service and the CRTC granted their requests for confidentiality. Yet both Cogeco and Quebecor made this information public in their 2020 and 2021 Aggregated Annual BDU Returns.
- ES 8** Apart from the basic fact that the Cogeco and Quebecor statements in support of confidentiality were incorrect, the Forum also notes that neither company appears to have suffered the serious harm that each claimed they would incur if the data were revealed. The Forum respectfully submits that one outcome of this proceeding should either be a review of the CRTC’s approach to granting confidentiality any time prospective harm is postulated (yet never proven), or the removal of any future confidentiality regarding basic-service information.
- ES 9** FRPC also notes that in a proceeding about a potential \$3/month increase in BDU rates which clearly engages Parliament’s desire that BDU rates be affordable, the CRTC first mentioned the word “affordability” on 17 November 2022 – more than a month and a half (50 days) after asking Canadians’ views on the proposal. One might conclude that – despite 8 months’ of time to consider the BDUs’ application – the objective of BDU affordability set out in Parliament’s broadcasting policy for Canada was never top of mind for the CRTC, even with many recent headlines highlighting Canadians’ concerns about their finances and welfare.
- ES 10** The CRTC may alleviate the worst of the disadvantages caused by its process. It could – and in our view should – in this proceeding treat the public interest as being of primary importance. In this context Parliament’s broadcasting policy is clear: it says that distribution undertakings should “give priority to the carriage of Canadian programming services and, in particular, to the carriage of local Canadian stations” and that they “should provide efficient delivery of programming at affordable rates”.
- ES 11** Rather than treating this proceeding as a polycentric decision requiring the careful balancing of competing interests – being on one side multi-billion dollar applicants and on the other, individual subscribers who may not even be aware of this proceeding – the CRTC should instead require relevant arguments with credible and publicly available evidence clearly demonstrating that, but for the 12% rate increase, the applicants will suffer severe and undue financial disadvantage. In the absence of such evidence, the CRTC should focus on ensuring that distributors’ basic-service rates are affordable.



Part II Applicants' arguments and evidence.

ES 12 The applicants' arguments for raising basic BDU rates by 12% boil down to these:

- a. If the applicants' licensed broadcasting undertakings were incumbent local exchange carriers, the CRTC would have already granted them inflationary increases under the *Telecommunications Act*,
- b. the CRTC has granted mandated 'must-carry' programming services significant rate increases – 18.5% in English-language markets and 13% in French-language markets, and
- c. The applicants do not want their basic service revenues to decrease in any way and would prefer them to grow.

ES 13 Except for several facts about the CRTC's telecommunications regulations and a parsimonious description of 'must-carry' programming services' rates, the applicants provided no evidence in their application to support their arguments.

Part III FRPC's response to applicants' arguments and evidence

Broadcasting undertakings are regulated under the *Broadcasting Act*

ES 14 The applicants argue that, if their distribution systems were telecom undertakings, they would have been granted inflationary increases for their rates.

ES 15 At present, however, the CRTC is as a matter of law limited in a broadcasting proceeding to exercising its authority under the *Broadcasting Act*. While the House of Commons has twice had the opportunity to merge Parliament's broadcasting and telecommunications statutes by way of Bills C-10 and C-11, it has not done so – a fact that weighs against the adoption of the applicants' argument.

The percentage increase in must-carry programming services cited by the applicants is misleading

ES 16 The applicants argue that wholesale fee costs of must-carry programming services have increased since 2015 by 18.5% in English-language BDU markets and by 13% in French-language BDU markets.

ES 17 This argument is misleading because it ignores relevant evidence. First, based on the information provided by the CRTC in 2015 and the applicants' own evidence, the actual amount of the increase in the monthly price of the must-carry programming services is \$0.54 in English-language markets and \$0.21 in French-



language markets – many times less than the \$3 monthly increase the applicants seek.

| 9(1)(h) services | 2015-96, ¶122 | % increase (application, ¶120) | Dollar cost | |
|--------------------------|---------------|-----------------------------------|-----------------|------------------------|
| | | | With % increase | Current less 2015 cost |
| English-language markets | \$1.24 | 18.5% | \$1.78 | \$0.54 |
| French-language markets | \$1.45 | 13% | \$1.64 | \$0.21 |

(CBC's 2019 application having been returned to the CRTC for reconsideration by the Governor in Council in September 2022, any rate changes granted by the CRTC in Broadcasting Decision CRTC 2022-165 are moot)

- ES 18** Second, the applicants have also ignored the relevant point that except for the OMNI regional service, owned by Rogers, the CRTC did not grant these programming services cost increases based on inflation over time.

The proposed increases will be unaffordable for hundreds of thousands of subscribers

- ES 19** Nearly 400 individuals and organizations intervened in this proceeding, with 99% of them opposing the idea of raising the small basic service rate. Of those who opposed the rate-increase idea, 11% said they cannot afford it.

Benefits of the proposed increases flow entirely to BDUs

- ES 20** Approval of the rate increase and inflation-indexing proposals would raise BDUs' incomes by an estimated \$330 million or more per year beginning in 2023.

- ES 21** There is no evidence that BDU subscribers will benefit from this increase.

Requiring the small basic service to subsidize BDUs' current business model contradicts the CRTC's longstanding commitment to BDU competition

- ES 22** The true effect of the small basic service rate-increase proposal would be to transfer hundreds of millions of dollars from BDU subscribers to some of Canada's most profitable companies, thereby subsidizing BDUs' current business model. This approach is inconsistent with the CRTC's commitment since 1997 to encourage competition in the BDU sector.

There are alternatives to raising the small basic service price

- ES 23** Apart from selling subscriptions to the small basic service, discretionary television services and packages of programming services BDUs also sell exempted services and non-programming services. The available evidence from 2019 suggests that basic and non-basic programming services already bear a

disproportionate share of costs relative to their revenues: what prevents BDUs from raising the rates they charge for their unregulated and unlicensed non-programming services?

Part IV CRTC issues

ES 24 The Forum's position is that

- a. It is inappropriate to raise the amount currently charged for the small basic service when there is no evidence that BDUs' financial position is imperilled;
- b. It is inappropriate to apply an indexing mechanism to the price of the small basic service when BDUs have stated they have not even attempted to identify operating efficiencies in their BDU services;
- c. If the CRTC were nevertheless to require BDU subscribers to subsidize BDUs' business by raising the rates subscribers pay for the small basic service, it should apply inflation-based increases on the broadcast year rather than any other period, so that Canadians may evaluate how BDUs have allocated the \$330 million or more that subscribers are being required to pay to them through the CRTC's annual statistical and financial summaries;
- d. The CRTC should not increase the small basic service for a fixed number of years as there is no evidence of BDUs' precarity.

V FRPC Recommendations

- ES 25** The CRTC should deny the application submitted by Bell, Cogeco, eastlink and Sasktel because the arguments it sets out are neither cogent nor relevant, because the application provides no relevant evidence to support its pleading, and because the application's disingenuous presentation of evidence about the costs of must-carry television programming services is misleading, thereby heightening its irrelevance.
- ES 26** FRPC's position is that the CRTC should begin to develop a regulatory framework in which BDUs would be required to provide a lifeline basic service consisting of local television and radio stations as well as the discretionary news services of the national public broadcaster (for which they have paid) without any charge to any subscribers. The CRTC currently permits BDUs to offer such a service without charge: as no BDUs apparently offer Canadians this service, the CRTC should mandate it.
- ES 27** FRPC also asks that the CRTC review its approach to granting confidentiality when it is clear from this proceeding that BDU information whose disclosure the



BDUs alleged would cause serious financial harm, in fact caused no harm at all when it was disclosed in both 2020 and 2021.

- ES 28** Finally, the Forum asks that, going forward, the CRTC reconsider its approach to deadlines. The Commission's current approach is to give interveners one month to review, analyze and consult with respect to broadcasting notices of consultation, to identify and obtain relevant law and evidence, and to draft and finalize their interventions. Broadcasters have the resources to ensure this information is readily available – and as they are generally the applicants, can decide when and from whom to obtain evidence. As one-month deadlines place all other interveners at an automatic disadvantage, the CRTC should review this practice: the 'playing field' of Canadian broadcast regulation should be level for all 'players'.

I. Introduction

- 1 The Forum for Research and Policy in Communications (FRPC) is a non-profit and non-partisan organization established in 2013 to undertake research and policy analysis about communications, including telecommunications. The Forum supports a strong Canadian communications system that serves the public interest as defined by Parliament.
- 2 The Forum is participating in the public consultation about an application by four broadcasters asking that the CRTC raise the rates their broadcasting distribution undertakings (BDUs) now charge for the 'small basic service' television package. The CRTC set this rate at \$25 in 2016. On 5 January 2022 Bell Canada (Bell), Cogeco Communications, Eastlink and SaskTel asked the CRTC to increase the small basic service rate by 12% and more, from \$25 per subscriber per month to \$28 per subscriber per month, and in the years going forward, by an annual increase equal to the change in the consumer price index (CPI).¹
- 3 The Forum opposes this application because the applicants have failed to provide compelling arguments in support of their application, have offered no evidence justifying the application and have not explained how raising BDU rates for the small basic service meets Parliament's objective of affordable BDU service rates.
- 4 Even if the applicants' position were indeed so precarious as to require an infusion of an estimated \$135 million or more per year from subscribers, the applicants have not explained why subscribers should pay for the companies' self-proclaimed failure to remedy that precarity. Rather, as indicated below, three of the four applicants² confirmed that they neither looked for nor achieved operating efficiencies in their basic service or in general:

CRTC question of 25 February 2022: Commission staff notes that inflationary pressures as well as the increased carriage costs of 9(1)h services were highlighted in your application. Please disclose any cost saving measures and/or synergies that have been put in place or that you have benefitted from as well as productivity gains since the implementation of the small basic service decision. Please quantify the impact on your costs.

Bell, p. 1: "We confirm that we have not implemented any cost saving measures and/or synergies, nor achieved any productivity gains related to our provision of the small basic service (branded as "Starter")."
[DM#4167199]

Cogeco, p. 3: "Cogeco has not put in place or benefitted from any cost saving measures and/or synergies, nor have we experienced productivity

¹ Bell Canada et al., *Part 1 Application for a condition of licence with respect to section 17.1 of the Broadcasting Distribution Regulations* (6 January 2022) [Bell et al. application].

² Eastlink redacted the entirety of its response; see Appendix 1

gains since the implementation of the small basic service decision.”
[DM#4167194]

Sasktel, p. 2, para. 6: “... SaskTel introduces cost saving and increased functionality initiatives at the portfolio level and not at a specific product level. As such, SaskTel cannot provide information on cost saving measures and / or synergies that we have put in place specifically regarding our small basic service. [DM#4166814]

- 5 In the remainder of this Part the Forum addresses procedural unfairness in the 2022-267 process, and provides context for the application that was not set out in BNoC 2022-267. Part II summarizes the applicants’ requests, their arguments in support of their request and their evidence. Part III sets out the Forum’s response to the applicants. Answers to the four issues raised by BNoC 2022-267 are set out in Part IV. Conclusions and the Forum’s recommendations follow.

A. Flawed process

- 6 On several grounds the 2022-267 process has been unfair to members of the general public and public-interest organizations such as FRPC: the initial lack of information provided by the CRTC to interested parties, misinformation by two of the BDU respondents in this matter, ongoing errors in the Aggregated Financial Summaries published by the CRTC and inexplicable timing that limits effective participation by public-interest organizations.

1. *BNoC 2022-267 provides Canadians with no facts*

Figure 1 CRTC notices and information

- 7 The CRTC not only has the authority to collect but actually does collect information from its licensees. Considering that the applicants propose that the CRTC grant their application for all other BDUs – thereby making their application a public-policy matter, it is surprising and disappointing that the CRTC’s notice of consultation provides no information at all about the potential implications for Canadians of granting the application. The CRTC has explained in the past that its notices help to ensure that participants understand the case they must make: Figure 1 (above and to the right).

Simultaneous substitution for the Super Bowl,
Broadcasting Regulatory Policy CRTC 2016-334 and
Broadcasting Order CRTC 2016-335 (Ottawa, 19 August
2016), at para. 19
... The Commission is not bound by the same rules of
evidence as a court, and the notice that was provided was
sufficient to ensure that parties understood the case they
had to make.

- 8 BNoC 2022-267 also offered no information about the applicants' and other BDUs' compliance with the CRTC's requirements. Yet in denying a [Broadcasting Decision CRTC 2019-21](#)³ the CRTC pointed out

... its well-established practice of taking a licensee's general conduct with respect to existing obligations and policies into account. Generally speaking, the Commission will be disinclined to grant a licensee relief from its current regulatory responsibilities where it is in non-compliance with those responsibilities or acting inconsistently with key Commission policies. The Commission generally considers that any such issues should be resolved prior to relief being granted.⁴
(para. 26)

- 9 The current *Broadcasting Act* designates the CRTC as the "single, independent public authority" responsible for regulating and supervising Canada's broadcasting system,⁵ and says that the Commission "shall regulate and supervise ... with a view to implementing the broadcasting policy".⁶ Choosing not to provide Canadians with relevant information deprives them of the opportunity to submit informed comments, thereby denying them due regulatory process.

2. *Gaps, errors and the undue burden imposed by the CRTC through its approach to quantitative evidence*

- 10 The lack of information provided by the Commission is all the more frustrating when interveners attempt to inform themselves of relevant facts and evidence using the CRTC's public records but find gaps and errors, sometimes in the same document.
- 11 For example, as the applicants are asking the CRTC to raise the maximum rate they are allowed to charge for the 'small basic package' FRPC reviewed the CRTC's Aggregate Annual Returns for evidence on this point. The Commission's 2020 and 2021 Annual Return forms now include a requirement to provide "Supplemental subscriber information – by average monthly bill (excluding taxes and equipment)". Such data would enable the public to determine how many subscribers subscribe just to the small basic service, and how many subscribe to channels and packages beyond the small basic service.

³ *Terrestrial broadcasting distribution undertakings in Alberta and British Columbia – Licence amendment, deletion and exemption of licensed service areas*, [Broadcasting Decision CRTC 2019-21](#) (Ottawa, 28 January 2019)

⁴ *Terrestrial broadcasting distribution undertakings in Alberta and British Columbia – Licence amendment, deletion and exemption of licensed service areas*, [Broadcasting Decision CRTC 2019-21](#) (Ottawa, 28 January 2019), at para. 26.

⁵ *Broadcasting Act*, s. 3(2).

⁶ *Broadcasting Act*, s. 5(1).

- 12 Bragg Communications Inc.’s 2021 Aggregate Annual Return does not report any information about the numbers of subscribers to different levels of television service, but does report total numbers of subscribers. It does not provide the total basic and non-basic revenues requested in line 17, and the figure for total subscribers differs from the same figure in line 12 (despite line 17’s express requirement that the two figures match):

Figure 2 Gaps and errors in CRTC’s Aggregated Annual Returns (Bragg Communications Inc., 2021, p. ii)

| Subscribers and revenue by distribution type | | Number of Subscribers | Basic and Non-basic revenues |
|--|---|-----------------------|------------------------------|
| 7 | Analog cable | 5334 | |
| 8 | Digital cable | 263637 | \$272,229 |
| IPTV | | | |
| 9 | Application based | | |
| 10 | Set-top-box based | | |
| 11 | Total - IPTV | | |
| 12 | Total - Subscribers and revenue by distribution type (subscribers must equal the total number reported on line 6 above) | 268971 | \$272,229 |
| Supplemental subscriber information - by average monthly bill (excluding taxes and equipment) | | Number of subscribers | Basic and non-basic revenues |
| 13 | \$25 or less | | |
| 14 | \$25.01 - \$50 | | |
| 15 | \$50.01 - \$100 | | |
| 16 | More than \$100 | | |
| 17 | Total - Subscribers and revenue by average monthly bill (subscribers and revenue must equal to the totals reported on line 12 above) | 257159 | |

Please use the space provided below to supply any comments, explanations, methodological notes, qualifiers or other important information about the data you have supplied on this form.

- 13 An Access-to-Information request made on 24 October 2022 for data missing from Bragg’s published Aggregated Annual Summaries for its BDU services resulted on 25 November 2022 in a notice of extension from the CRTC for an additional two months (taking the response to 25 January 2022, well past the deadlines in this proceeding).
- 14 Compounding the difficulty for the public to know the case to be met in this matter, is the CRTC’s decision to ask the two sets of BDU parties to this proceeding different questions about subscribers to the small basic service. BNoC 2022-267 says that Quebecor, Rogers, Shaw and Telus would have to submit the same information as the original four applicants. In fact, the information is slightly different and therefore not directly comparable.
- 15 In fact, the CRTC asked the two sets of parties substantively different questions about the small basic service: Table 1.

BNoC 2022-267 para. 13: “In order to allow for a more holistic consultative approach, including evaluating the need, effects and impacts of the changes requested by the applicants, the Commission makes other BDUs currently required to submit annual aggregate returns parties to this proceeding and asks them to provide the same financial and subscriber information to the Commission that was previously collected from the applicants and that was added to the public record.”

Table 1 Questions about the small basic service posed to the two sets of BDUs in this proceeding

| |
|---|
| <p>Bell, Cogeco, eastlink, Sasktel</p> <p>CRTC Request for information, 11 March 2022, Q2: Please complete the following table:</p> <p><u>Number of subscribers to basic package</u> Average set top box rental fee (per month) Average installation fee (one time)</p> |
| <p>Quebecor, Rogers, Shaw and Telus</p> <p>BNoC 2022-267, Appendix 2</p> <p>1. Please provide the following information:</p> <p>a) the total number of basic package subscribers (<u>includes those that are subscribing to one or more traditional programming services a la carte in addition to the basic package</u>); b) the number of basic package subscribers who do not receive a credit to their account (this number should not exceed the number of basic package subscribers provided above); c) the number of basic package subscribers who bundle their television service with another non-television service, such as wireline telephone or internet; and d) the number of basic package subscribers who bundle their television services with another non-television service and who do not receive a credit to their account (this number should not exceed the numbers provided above).</p> <p>2. Please provide the aggregated total of subscribers across all your broadcasting distribution undertaking systems.</p> |

- 16 Perhaps the difference in questions explains why BNoC 2022-267-2 includes this cautionary note:
- Important note: a high degree of variability between the parties’ responses was observed and may suggest differing interpretations of the requested information amongst the parties in addition to reflecting differently structured market offerings. The percentage of total subscribers listed as “basic package subscribers” varied by respondent from less than 1% to 100%.
- 17 Even more problematic than the points noted above is the simple fact that all BDU parties in this proceeding applied for and received confidential treatment of the concepts that are at the core of this proceeding: how many subscribers only subscribe to the small basic service, and the revenues they generate for BDUs. However, Cogeco and Quebecor each submitted this information in their aggregated annual returns for 2019/20 and 2020/21, as shown in Table 6, below.
- 18 The fact that Cogeco and Quebecor published their small basic service subscriber and financial information for the last two broadcast years raises two concerns in this

proceeding. First, since Cogeco and Quebecor applied for confidentiality on the basis that they did not disclose this information as a rule when in fact they had disclosed it,⁷ the CRTC should revoke the confidentiality granted to their information in this proceeding. Second, as neither Cogeco nor Quebecor has suffered any harm from the disclosure of this allegedly confidential information, the CRTC should review its decision to grant confidentiality for this information for all other parties in this proceeding.

- 19 The lack of financial information in BNoC 2022-267 makes it difficult for Canadians lacking experience in this sector to know the case they must meet, and to respond to the CRTC's questions and to the issues raised by the Notice of Consultation, this effectively tilts the due-process playing field in favour of the applicants. Broadcasters know their business and know it well: the CRTC could have and should have levelled the playing field by ensuring that it had a consistent set of data to make available to the public – and it should have done so in BNoC 2022-267 itself, rather than in a notice issued nearly two months later.

3. *Unexplained delay*

- 20 After receiving the applicants' proposal on 5 January 2022, the CRTC waited 266 days (8.7 months) before giving the public 30 days (one month) to respond to its 28 September 2022 notice of consultation. The CRTC did not explain why it waited nearly nine months to issue BNoC 2022-267 or why it considers one month sufficient time for interested parties to locate, obtain and review relevant evidence, and to draft and finalize an informed comment on the issues raised by the notice.
- 21 In fact, the CRTC has never explained why it provides just 30 calendar days for the public to submit comments, especially in an increasingly complex broadcasting environment. Short deadlines limit public-interest organizations' capacity to retain outside expertise or to commission timely survey research.
- 22 Ultimately, however, the CRTC extended its deadline by one month and this enabled FRPC to commission a survey of Canadians on this issue. Highlights from the survey are attached separately as

⁷ Quebecor, Réponse de Québecor Média inc. à la demande de renseignements du CRTC Annexe 2 à l'Avis de consultation de radiodiffusion CRTC 2022-267 - Appel aux observations à propos d'une demande de Bell Canada, Cogeco Communications inc., Bragg Communications Incorporated, faisant affaire sous le nom d'Eastlink et Saskatchewan Telecommunications concernant l'augmentation du prix de détail maximal du service de base, (Montreal, 12 October 2022), DM#4252342 ; Cogeco, Joint Application 2022-0019-5 by Bell, Cogeco, Eastlink and Sasktel – CRTC Request for Additional Information – Cogeco Responses, (29 March 2022), DM#4173046).

B. Relevant regulatory context: rate regulation, deregulation and re-regulation

23 After Parliament established the CRTC in 1968 the Commission addressed the affordability of cable rates in one of its first public notices. It explained that BDU (cable)

[s]ervice rates are a concern of the CRTC, in the public interest. They are a factor in considering the award of licences or licence renewals. The rate structure imposed in the licence may be adjusted only with the approval of the Commission.⁸

24 The CRTC therefore required BDUs to apply for and justify increases to their rates.

25 The Commission also addressed “non-programming” services. It encouraged technical innovation while ensuring subscriber choice, explaining in 1978 that its regulations for cable television were

... intended to ensure that cable television revenues are not diverted from the licensee’s primary obligations to provide quality service and community programming.

It is not the intention of the Commission, by means of section 5, to inhibit the initiative of and the development of innovative services by the Canadian cable television industry. Rather, the Commission considers it to be in the public interest that such initiative and innovation be encouraged in Canada as well as the research and development on which it depends. Indeed, section 3(j) of the Broadcasting Act calls for regulation that is “flexible and readily adaptable to scientific and technical advances.”

Accordingly, the Commission announces that it will give prompt and favourable consideration to applications by cable television licensees for the use of their systems to provide new communication services of a non-programming nature. Apart from concerns which may be raised by interveners, the Commission’s primary concerns regarding any such applications will be to ensure that:

1. The priority claims of off-air and local origination services, in terms of channel capacity and spectrum space, both present and future are not compromised; and

2. **Those subscribers who wish to receive only off-air and local origination services are not obliged to take and to pay extra for non-programming services, either directly or indirectly.**⁹

⁸ CRTC, *Community Antenna Television*, Public Announcement (Ottawa, 13 May 1969), at p. 3.

⁹ *Non-Programming Service by Cable Television Licensees*, CRTC Public Announcement (Ottawa, 6 June 1978), bold font added.

- 26 The CRTC repeated its regulatory distinction between basic and non-basic programming services in 1985.¹⁰
- 27 When Parliament enacted the 1991 *Broadcasting Act* it included affordability in its broadcasting policy for Canada. Specifically, it said that distribution undertakings should provide programming at affordable rates: Figure 2.

Figure 3 1991 *Broadcasting Act*, s. 3(1)(t)(ii) regarding affordability

| | |
|---|---|
| <p>(t) distribution undertakings</p> <p>(i) should give priority to the carriage of Canadian programming services and, in particular, to the carriage of local Canadian stations,</p> <p>(ii) should provide efficient delivery of programming at affordable rates, using the most effective technologies available at reasonable cost,</p> <p>(iii) should, where programming services are supplied to them by broadcasting undertakings pursuant to contractual arrangements, provide reasonable terms for the carriage, packaging and retailing of those programming services, and</p> <p>(iv) may, where the Commission considers it appropriate, originate programming, including local programming, on such terms as are conducive to the achievement of the objectives of the broadcasting policy set out in this subsection, and in</p> | <p>(v) être offerte partout au Canada de la manière la plus rentable, compte tenu de la qualité;</p> <p>s) les réseaux et les entreprises de programmation privés devraient, dans la mesure où leurs ressources financières et autres le leur permettent, contribuer de façon notable à la création et à la présentation d'une programmation canadienne tout en demeurant réceptifs à l'évolution de la demande du public;</p> <p>t) les entreprises de distribution :</p> <p>(i) devraient donner priorité à la fourniture des services de programmation canadienne, et ce en particulier par les stations locales canadiennes,</p> <p>(ii) devraient assurer efficacement, à l'aide des techniques les plus efficaces, la fourniture de la programmation à des tarifs abordables,</p> <p>(iii) devraient offrir des conditions acceptables relativement à la fourniture, la combinaison et la</p> |
|---|---|

- 28 The passage of the 1991 *Act* coincided with the beginning of the CRTC's deregulation of BDU rates, beginning with Class 2 cable systems with 2,000 or fewer subscribers in 1991.¹¹
- 29 In 1997 the CRTC moved to deregulate all basic BDU service rates, theorizing that sufficient competition and 'market forces' would effectively substitute for rate regulation. It explained that cable subscribers were moving "away from a 20-year regulatory regime with Commission scrutiny of basic service rate increases, to a regime where basic service rate increases will be regulated by market forces only."¹²

¹⁰ *Cable Distribution of Non-Programming Services*, Public Notice CRTC 1985-150 (Ottawa, 18 July 1985): "subscribers who wish to receive only off-air and locally originated programming services will not be obliged to take or pay for the non-programming service, either directly or indirectly,"

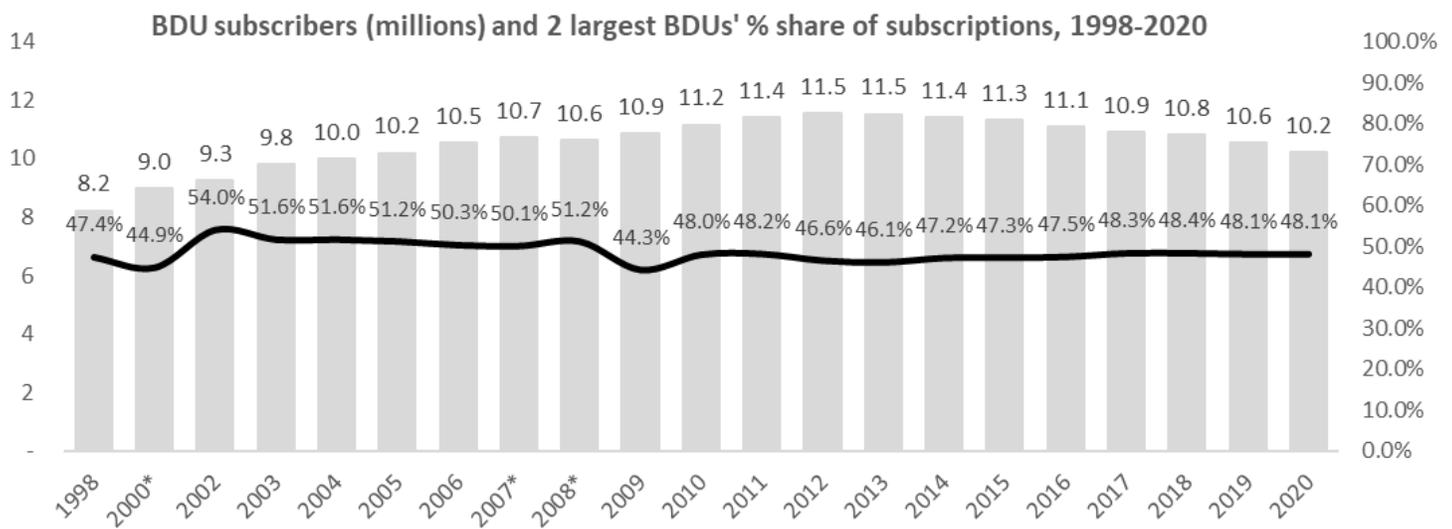
¹¹ *AMENDMENTS TO THE CABLE TELEVISION REGULATIONS, 1986 - CHANGES TO THE REGULATION OF SUBSCRIBER FEES AND RELATED MATTERS*, [Public Notice CRTC 1991-12](#) (Ottawa, 24 January 1991).

¹² *Ibid.*, at para. 72.

30 The CRTC deregulated large cable systems’ basic service rates once two criteria were met. The first was “that the basic service of one or more other licensed distribution undertakings” had become “available to 30% or more of the households in a given cable licensee’s service area”: this date was set as 1 August 1997 due to the launch of the Star Choice and ExpressVu direct-to-home BDUs.¹³ The second criterion was that large cable systems had lost 5% or more of their subscribers since the basic service of another licensed BDU became available in its licensed service area.”¹⁴

31 Unfortunately the level of competition that the CRTC apparently assumed its deregulatory approach would yield failed to materialize. For the past 24 years Canada’s two largest BDUs served almost 50% of all BDU subscribers: Figure 2.

Figure 4 BDU subscribers and 2 largest BDUs’ share of subscriptions, 1998-2020



* CRTC reporting base changed

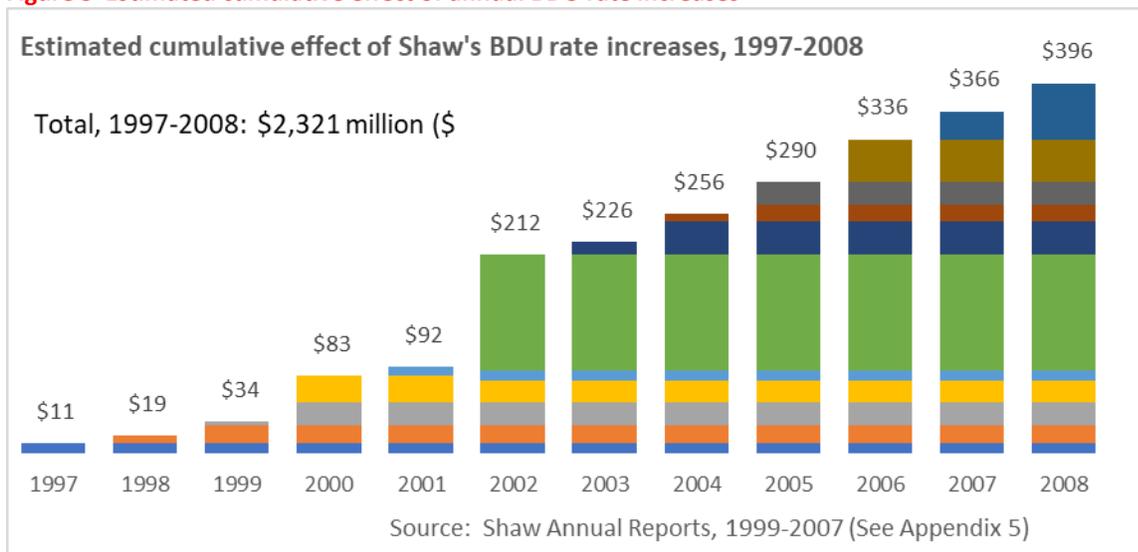
Source: CRTC reports (various)

33 Contrary to the CRTC’s expectations that the limited competition of an oligopolistic market would suffice to limit rate increases, basic service rates increased. From 1997 to 2009, for example, Shaw’s *Annual Reports* describe 16 increases in its BDU rates over the 11-year period from 1997 to 2009: Appendix 4.

¹³ *Broadcasting Distribution Regulations*, Public Notice CRTC 1997-150 (Ottawa, 22 December 1997) at paras. 62 and 64.

¹⁴ *Ibid.*, at paras. 66 and 68.

Figure 5 Estimated cumulative effect of annual BDU rate increases



- 34** Little evidence of such increases is readily available from the CRTC, however, as in 2004 it stopped reporting the average rate paid by subscribers for the basic BDU service. That said, the CRTC published some information about basic rates in 2002, and telephone calls to and/or online research about basic service rates of the Rogers and Shaw cable companies elicited additional information in 2008.
- 35** Comparing the basic cable rates of Rogers and Shaw before rate deregulation in 2002 with the rates charged in January 2008 show that the companies' basic service rates increased from 55.5% to 109.5% - or by three to seven times the rate of inflation over the same period: Table 2.

Table 2 Change in large cable systems' basic service rate before and after rate deregulation

| Cable company and system | Date of deregulation | Basic Rate | | | % change before deregulation and 24 Jan 2008 | If basic rate had grown at rate of inflation |
|--------------------------|----------------------|----------------|-----------|-----------|--|--|
| | | Before dereg'n | 05-Sep-02 | 24-Jan-08 | | |
| Rogers | | | | | | |
| Toronto Peel | 23-Aug-02 | \$21.29 | \$21.29 | \$34.97 | 64.3% | \$18.66 |
| Ottawa West | 01-Feb-02 | \$16.69 | \$20.00 | \$34.97 | 109.5% | \$17.53 |
| Saint John | 01-Aug-02 | \$18.86 | \$20.00 | \$34.97 | 85.4% | \$17.53 |
| Rogers, average | | \$18.95 | \$20.43 | \$34.97 | 84.5% | \$17.91 |
| Shaw (cable) | | | | | | |
| Vancouver | 23-Aug-02 | \$19.26 | \$19.26 | \$29.95 | 55.5% | \$16.88 |
| Winnipeg-East | 13-Aug-02 | \$15.75 | \$15.75 | \$29.95 | 90.2% | \$13.80 |
| Calgary | 15-Jul-02 | \$18.55 | \$18.55 | \$29.95 | 61.5% | \$16.26 |
| Shaw, average | | \$17.85 | \$17.85 | \$29.95 | 67.8% | \$15.64 |
| CPI (2002=100) | \$1.00 | \$1.00 | \$1.00 | \$1.14 | 14.1% | |



| Cable company and system | Date of deregulation | Basic Rate | | | % change before deregulation and 24 Jan 2008 | If basic rate had grown at rate of inflation |
|--------------------------|----------------------|----------------|-----------|-----------|--|--|
| | | Before dereg'n | 05-Sep-02 | 24-Jan-08 | | |

Source:

1. Before and after deregulation - CRTC, Broadcasting Policy Monitoring Report 2002, at 89 (Table 3);
2. January 2008 rates: Rogers (CSR); Shaw online (<http://www.shaw.ca/en-ca/ProductsServices/Television/Cable/BasicCable.htm>)

36 In 2015 the CRTC established the \$25/month rate for a small basic service.¹⁵ FRPC notes that it was difficult to find information about the applicants' small basic service from their website: see Appendix 6.

C. The state of Canada's broadcast distribution sector

37 Today it is difficult to determine the true financial position of Canada's BDUs due to the CRTC's changes in to the presentation of their finances data. For example, the CRTC for many years required large BDUs to report their revenues and expenses for their basic and non-basic programming services, their exempt programming services and their non-programming services: Figure 6.

Figure 6 Bell's 2018/19 Aggregated Financial Return for its terrestrial BDU services

Ownership group : _____

| Summary of revenues and expenses | | | | |
|---|------------------------------|-----------------------------|--------------------------|--------------------|
| Public version | | | | |
| For year ended August 31, 2019 | | | | |
| Aggregate (exempted and non-exempted systems) - Canada | | | | |
| TOTAL SUBSCRIBERS: BASIC AND NON-BASIC SERVICES = 1,777,119 | | | | |
| (\$000) | | | | |
| | Basic and Non-Basic Services | Exempt Programming Services | Non-Programming Services | Total All Services |
| Revenue | | | | |
| 1 Subscription | | | | |
| 2 Connection (installation & reconnect) | | | | |
| 3 Community channel sponsorship | | | | |
| 4 Community channel facilities rental | | | | |
| 6 Set-top Box - Rental | | | | |
| 8 Set-top Box - Net Sales | | | | |
| 7 Channel placement/carriage | | | | |
| 8 Other revenue | | | | |
| 9 Total Revenue | \$1,290,213 | \$541 | \$62,186 | \$1,352,940 |
| Operating Expenses | | | | |
| 10 Community programming | | | | \$8,534 |
| 11 Locally reflective news programming | | | | \$21,508 |
| 12 Affiliation payments (amount from line 3 on page III) | | | | \$572,288 |
| 13 Technical | | | | \$156,783 |
| 14 Sales and promotion | | | | \$120,331 |
| 16 Administration and general | | | | \$412,836 |
| 18 Total Operating Expenses | \$1,284,392 | \$0 | \$7,878 | \$1,292,270 |
| 17 Operating Income | \$5,821 | \$541 | \$54,308 | \$60,670 |
| 19 Depreciation | | | | \$454,661 |
| 19 Profit before interest and tax (PBIT) | | | | (\$393,991) |
| 20 Interest | | | | \$13,781 |

38 This presentation enabled interested parties to calculate the operating profit margins obtained by large BDUs. In 2019, for instance, Bell's terrestrial BDUs

¹⁵ *Let's Talk TV: A World of Choice - A roadmap to maximize choice for TV viewers and to foster a healthy, dynamic TV market*, [Broadcasting Regulatory Policy CRTC 2015-96](#) (Ottawa, 19 March 2015).



enjoyed an overall operating profit margin of 4.5%. Although its non-programming services accounted for 4.6% of its revenues, they accounted for just 0.6% of Bell's BDU expenses: all remaining expenses were allocated to its basic and non-basic programming services - Table 3.

Table 3 BCE's 2018/19 terrestrial BDU revenues, expenses and operating profits

| BCE, 2018/19 terr'l BDUs | Basic & non-basic | Exempt programming | Non-programming | Total |
|---------------------------------|------------------------------|---------------------------|------------------------|--------------|
| Revenues | \$1,290.31 | \$0.54 | \$62.19 | \$1,352.94 |
| % of revenues | 95.4% | 0.0% | 4.6% | 100.0% |
| Expenses | \$1,284.39 | \$ - | \$7.88 | \$1,292.27 |
| % of expenses | 99.40% | 0.00% | 0.60% | 100.00% |
| Operating profit margin | 0.50% | 100.00% | 87.30% | 4.50% |
| % of op'g profit | 9.60% | 0.90% | 89.50% | 100.00% |

- 39 In 2020, however, the CRTC dropped the public reporting of BDUs' non-programming revenues and expenses from the Aggregated annual return form: Figure 7.

[Remainder of page left intentionally blank]



Figure 7 BCE's 2020/21 terrestrial BDU revenues, expenses and operating profits

Ownership group : BCE

| Summary of revenues and expenses | | | |
|---|----------------------------------|-----------------------------------|--------------------|
| <i>Public version</i> | | | |
| For year ended August 31, 2021 | | | |
| Aggregate (exempted and non-exempted systems) - Canada | | | |
| TOTAL SUBSCRIBERS: BASIC AND NON-BASIC SERVICES (amount reported on line 6 of page ii) | | | 1,885,164 |
| (\$000) | | | |
| | Basic and Non- Basic Services | Exempt Programming Services | Total |
| Broadcasting revenue and expenses | | | |
| 1 Subscription | | | |
| 2 Connection (installation & reconnect) | | | |
| 3 Community channel sponsorship | | | |
| 4 Community channel facilities rental | | | |
| 5 Set-top Box - Rental | | | |
| 6 Set-top Box - Net Sales | | | |
| 7 Channel placement/carriage | | | |
| 8 Other revenue (specify) | | | |
| 9 Total Revenue (equal to page iii - Total (\$)) | \$1,311,111 | \$540 | \$1,311,651 |
| Operating Expenses | | | |
| 10 Community programming | | | \$9,260 |
| 11 Locally reflective news programming | | | \$13,680 |
| 12 Affiliation payments (amount reported on line 3 of page ii) | | | \$605,603 |
| 13 Technical | | | \$159,252 |
| 14 Sales and promotion | | | \$145,744 |
| 15 Administration and general | | | \$395,261 |
| 16 Total Operating Expenses | \$1,328,801 | \$0 | \$1,328,801 |
| 17 Operating Income (loss) - Broadcasting | (\$17,690) | \$540 | (\$17,149) |
| Non-Programming Services (telecom) | | | |
| 18 Total revenue - non-programming services | | | |
| 19 Total expenses - non-programming services | | | |
| 20 Operating income (loss) - Non-Programming | | | \$56,416 |
| 21 Operating income (loss) - Total | | | \$39,266 |
| 22 Depreciation | | | \$354,814 |
| 23 Profit before interest and tax (PBIT) | | | (\$315,548) |
| 24 Interest | | | \$2,599 |

40 The CRTC's revised form mean that the data provided by Bell imply that its terrestrial BDUs are losing money, and that 100% of their expenses are generated by the basic and non-basic services they offer: Table 4.

Table 4 BCE's 2020/21 terrestrial BDU revenues, expenses and operating profits

| BCE (\$ millions) | Basic and Non- basic programming services | Exempt programming services | Non- programming services | Total |
|-------------------|---|-----------------------------------|--|------------|
| Revenues | \$1,311.11 | \$0.54 | | \$1311.651 |
| % of revenues | 99.96% | 0.04% | CRTC has dropped public reporting requirement | 100.00% |
| Expenses | \$1,328.80 | \$0.00 | | \$1328.801 |
| % of expenses | 100.00% | 0.00% | | 100.00% |
| Operating profit | -\$17.69 | \$0.54 | | -\$17.15 |
| % of op'g profit | -1.35% | 100.00% | | -1.31% |

41 FRPC’s point is that changes in the CRTC’s reporting forms now yield potentially misleading results. Consequently our position is that the CRTC should determine the ‘true’ state of revenue and expense allocation between BDUs’ regulated and unregulated services: it would obviously be unreasonable to make basic BDU service less affordable if BDUs are transferring to it the expenses of their non-basic and non-programming services. For example, Bell’s 2018/19 aggregated financial summary for its terrestrial BDUs and IPTV show that its exempt programming services, such as classified advertising, earned \$541,000 with no expenses whatsoever: Figure 8 (next page).

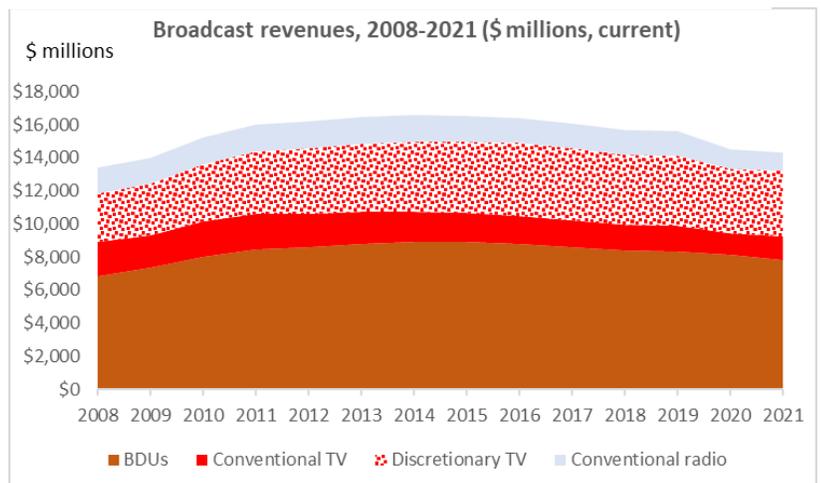
Figure 8 Bell, Aggregated Annual Financial Summary for BDUs (Cable & IPTV), 2018/19

Ownership group : _____

| Summary of revenues and expenses Public version For year ended August 31, 2019 | | | | |
|--|--|---------------------------------|---------------------------------|-----------------------|
| Aggregate (exempted and non-exempted systems) - Canada | | | | |
| TOTAL SUBSCRIBERS: BASIC AND NON-BASIC SERVICES = | | | | 1,777,119 |
| (\$000) | | | | |
| | Exempt Basic and Non- Basic Services | Non- Programming Services | Non- Programming Services | Total All Services |
| Revenue | | | | |
| 1 Subscription | | | | |
| 2 Connection (installation & reconnect) | | | | |
| 3 Community channel sponsorship | | | | |
| 4 Community channel facilities rental | | | | |
| 5 Set-top Box - Rental | | | | |
| 6 Set-top Box - Net Sales | | | | |
| 7 Channel placement/carriage | | | | |
| 8 Other revenue | | | | |
| 9 Total Revenue | \$1,290,213 | \$541 | \$62,186 | \$1,352,940 |
| Operating Expenses | | | | |
| 10 Community programming | | | | \$8,534 |
| 11 Locally reflective news programming | | | | \$21,508 |
| 12 Affiliation payments (amount from line 3 on page iii) | | | | \$572,288 |
| 13 Technical | | | | \$156,783 |
| 14 Sales and promotion | | | | \$120,331 |
| 15 Administration and general | | | | \$412,826 |
| 16 Total Operating Expenses | \$1,284,392 | \$0 | \$7,878 | \$1,292,270 |
| 17 Operating Income | \$5,821 | \$541 | \$54,308 | \$60,670 |
| 18 Depreciation | | | | \$454,661 |
| 19 Profit before interest and tax (PBIT) | | | | (\$393,991) |
| 20 Interest | | | | \$13,781 |

Figure 9 Broadcast revenues, 2008-21 (\$ millions current)

42 Overall, Canada’s BDUs continue to obtain the bulk of the regulated broadcasting system’s revenues: Figure 9. That said, BDUs’ subscription levels and revenues are decreasing, and at an accelerating rate. It is unclear what impact this is having on the majority of BDUs, however, as





many of these companies also sell Internet service. In other words, even if a company's BDU revenues are decreasing, its ISP revenues may well be growing.

| Total basic & non-basic subscribers (millions) | 2019 | 2020 | 2021 |
|--|-------|-------|------|
| BCE | 2.82 | 2.80 | 2.77 |
| Bragg | 0.29 | 0.28 | 0.27 |
| Cogeco | 0.65 | 0.62 | 0.60 |
| SaskTel | 0.11 | 0.11 | 0.11 |
| Quebecor | 1.44 | 1.38 | 1.32 |
| Rogers | 1.61 | 1.51 | 1.45 |
| Shaw / Corus | 2.26 | 2.11 | 1.95 |
| Telus | 1.13 | 1.12 | 1.18 |
| Subtotal | 10.31 | 9.93 | 9.65 |
| Canada, total subscribers | 11.62 | 10.22 | 9.91 |

Source:
CRTC, *Aggregated Financial Returns*, various BDUs
OpenData, Tab U-T8

II. The applicants' arguments, evidence and requested outcome

- 43 The CRTC's procedural rules require applicants to clearly and concisely state relevant facts, grounds for the application and the requested outcome: Figure 10.

Figure 10 CRTC Rules

[Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure](#)
(CRTC Rules)

22(2) An application must ...

...

(d) identify the statutory or regulatory provisions under which the application is made;

(e) contain a clear and concise statement of the relevant facts, of the grounds of the application and of the nature of the decision sought;

- 44 The applicants set out their arguments and evidence in their 7 ½ page application and in their often-redacted answers to the CRTC's questions of 25 February 2022, 21 March 2022, 28 September 2022.

A. Arguments

- 45 In their January 2022 application the four companies offered a variety of arguments in support of their application. Based on their seven bolded and underlined headings, they say that

- 1 "An inflationary adjustment is required" (paras. 9-13), because while the CRTC rejected arguments in 2015 for annual inflationary increases (paras. 10-

- 11) if the small basic service rate does not increase, it will decline in real terms over time (para. 9). The CRTC grants inflationary adjustments when fees are capped, as in 2012 when it limited increases in the amounts that BDUs allocate for local expression (para. 12). It also uses changes in annual inflation to determine the prices of ILECs' telecommunications services (para. 13)
- 2 ILECs regulated telecommunications services have pricing constraints set most recently in 2020 and their rates are therefore just and reasonable under the *Telecommunications Act* (para. 14)
- 3 There are pricing constraints for large ILECs' regulated basic residential local voice services (para. 15)
- 4 ILECs' primary exchange services are regulated to provide consumer safeguards but the services may rise by inflation each year (para. 16)
- 5 There are two measures of inflation (Consumer Price Index – CPI and Gross Domestic Product Price Index – GDP-PI) (paras. 17-18)
- 6 The CRTC should increase the small basic service maximum rate to reflect inflationary increases in the CPI) (paras. 19-24), and
- 7 The CRTC would have to amend BDU licences by adding a condition of licence to permit an annual CPI-based increase (paras. 25-27).
- 46 In a more formal setting FRPC would have asked that paragraphs 14, 15, 16 and 19 be struck from the application as they argue that the CRTC's decision about the application should be made under the 1993 *Telecommunications Act*, a statute that is not relevant to the CRTC's responsibilities under the *Broadcasting Act*. Moreover, apart from suggesting that the CRTC's BDU rate regulation regime should be consistent with its rate regulation regime for telecommunications service providers (para. 19), the applicants do not even state why they believe the CRTC should – essentially – apply Parliament's telecommunications policy to broadcasters. These four paragraphs are irrelevant to a BDU amendment application and to a broadcasting consultation.
- 47 Rather than ask that the four paragraphs be struck and given the less formal nature of CRTC broadcasting proceedings, FRPC respectfully submits that the Commission remind the applicants in its decision and/or regulatory policy that they are applying to change the conditions of their broadcasting licences that were issued under the 1991 *Broadcasting Act* in which Parliament clearly states that the CRTC must

implement Parliament’s broadcasting policy subject not to the *Telecommunications Act*, but to the *Broadcasting Act*.¹⁶

B. Evidence

- 48 As mentioned earlier the CRTC’s BNoC 2022-267 provided no additional evidence for the public record, despite the fact that the Commission is considering making a determination that could affect all BDUs in Canada. As a result, the CRTC’s decision will be based on the limited information provided by the applicants and that of interveners.
- 49 The applicants described their evidence as “sufficient and appropriate”.¹⁷ They pointed to the CRTC-approved increases in the monthly subscriber rates of mandatory or 9(1)(h) programming services that must be distributed as part of the small basic service: these wholesale fees increased by 18.5% in the English-language market and by 13% in the French-language market (para. 20), and that inflation has increased by 13.1% since the CRTC set the small basic service monthly rate (paras. 22-23 and Table 1).

C. Requested outcome

- 50 The applicants then propose wording for a condition of licence that they want the CRTC to add to their BDU licences (para. 25) and to the CRTC’s general permissions for BDUs (paras. 25-26). They also provide draft wording for amending section 17.1 of the CRTC’s BDU regulations (para 26).
- 51 The applicants conclude by stating their belief that their application provides the CRTC with their supporting arguments:

We respectfully submit that we have provided the Commission with sufficient and appropriate evidence to support our requests set out in this Application, and urge the Commission to approve those requests as expeditiously as possible.¹⁸

¹⁶ *Broadcasting Act*, s. 5(1): Subject to **this Act and the Radiocommunication Act and to any directions to the Commission issued by the Governor in Council under this Act**, the Commission shall regulate and supervise all aspects of the Canadian broadcasting system **with a view to implementing the broadcasting policy set out in subsection 3(1)** and, in so doing, shall have regard to the regulatory policy set out in subsection (2).
[bold font added]

¹⁷ Bell et al application at para. 28: “We respectfully submit that we have provided the Commission with sufficient and appropriate evidence to support our requests set out in this Application, and urge the Commission to approve those requests as expeditiously as possible.”

¹⁸ Bell et al. application, DM#4143591, para. 28.

III. The Forum's response

A. Fatal flaws in the applicants' arguments and evidence

52 The arguments and evidence presented by the applicants are seriously flawed in two ways: they ignore broadcast law and are based on misleading evidence.

1. *Applicants have ignored Parliament's broadcasting policy*

53 While the CRTC is bound to implement Parliament's broadcasting policy, the applicants' 5 January 2022 application does not explain how its approval furthers the CRTC's implementation of subsection 3(1) of the 1991 *Broadcasting Act*.

54 The application instead describes the applicants' request, the small basic service, telecommunications regulation¹⁹ and inflation. Specifically the application's 28 paragraphs (6.5 pages) address the following issues:

| | |
|-------------|---|
| Paras 1-4 | The applicants' request |
| Paras 5-8 | Background and description of the small basic service |
| Paras 9-12 | Inflationary adjustments to the small basic service and BDUs |
| Paras 13-16 | How the CRTC regulates telecommunications services |
| Para 17 | How inflation is measured |
| Para 18 | Inflation measures in telecommunications |
| Para 19 | CRTC's rate regulation in broadcasting should coincide with its rate regulation in telecommunications |
| Para 20 | Rates of 9(1)(h) services have increased by 18.5% in English-language markets and by 13% in French-language markets |
| Paras 21-24 | Inflation measures for the small basic service |
| Paras 25-27 | Regulatory request – licensing and regulatory amendments |
| Para 28 | Conclusion |

55 While the applicants' decision to devote 6 (21%) of their 28 paragraphs to telecommunications issues is merely puzzling, their decision to ignore the implications of their request with respect to Parliament's broadcasting policy is fatal, as Parliament specifically requires the CRTC to implement broadcasting policy when it comes to broadcasting licences, not telecommunications policy.

56 Specifically, in 1991 Parliament declared in the *Broadcasting Act* that "distribution undertakings ... should provide efficient delivery of programming at affordable rates,

¹⁹ The application in fact makes one reference to the *Telecommunications Act*, but none to the *Broadcasting Act*.

using the most effective technologies available at reasonable cost....” (see Figure 3, above). In fact, the CRTC reminded broadcasters of this point one month after the applicants filed their submission:

18. In exercising its regulatory authority under the *Broadcasting Act*, the Commission is required, pursuant to subsection 5(1), to have regard to the Canadian broadcasting policy objectives set out in subsection 3(1).

19. Like the objectives of the *Telecommunications Act*, these objectives are varied, and pursuing them entails balancing competing interests. They include an emphasis on the public nature of the broadcasting system and the role it can play in social and economic development. They also indicate that **distribution undertakings should provide their services at affordable rates, using the most effective technologies available at reasonable cost.**²⁰

[bold font added]

57 The applicants have not explained why they believe a monthly \$3 increase in all BDU subscribers’ bills is affordable for all or whether, if it is not affordable, who would be most affected.

58 FRPC therefore addresses the issue of affordability in section B, below.

2. Applicants’ evidence is misleading

59 As noted earlier, the only evidence submitted by the applicants describes the percentage increase in the CRTC-regulated wholesale rate of 9(1)(h) services that must be distributed in the small basic service.

60 FRPC notes first, that the applicants’ emphasis on the percentage increase in the 9(1)(h) rates creates the impression that BDU costs have soared due to the increase. Yet the applicants have failed to provide any actual evidence that their costs have soared due to their carriage of the 9(1)(h) services.

Application
20. Furthermore, the wholesale fees of the 9(1)(h) services were a factor that the Commission considered in setting the maximum \$25 price for the small basic service in BRP 2015-96. Since the time that decision was issued, the wholesale fees of these services have increased by 18.5% in the English-language market and by 13% in the French-language market (with the potential for the increase to be 21% and 18%, respectively, if CBC/SRC’s rate requests are approved).

61 Second, FRPC notes that according to the CRTC’s 2015 BDU policy and the applicants’ evidence, the actual dollar value of the increase in 9(1)(h) amounts to 23 cents in English-language markets and 19 cents in French-language markets. This

²⁰ [When and how communications service providers must provide paper bills](#), Telecom and Broadcasting Decision CRTC 2022-28 (Ottawa, 10 February 2022).

increase is calculated by multiplying the 9(1)(h) rate information set out by the CRTC in 2015, by the percentage increase in the rates provided by the applicants:

Table 5 Increase in regulated wholesale rates of 9(1)(h) services from 2015 to 2022 and proposed BDU rate increase

| Combined wholesale costs of 9(1)(h) services (Broad'g Reg'y Policy 2015-96, para. 22) | English-language markets | French-language markets |
|--|---------------------------------|--------------------------------|
| 9(1)(h) rates in 2015 | \$1.24 | \$1.45 |
| Percentage increase noted by applicants | 18.5% | 13.0% |
| Amount of increase | \$0.23 | \$0.19 |
| Applicants' proposed increase | \$3.00 | \$3.00 |
| Proposed \$3 increase relative to 9(1)(h) increase | 13 times (\$3.00 % \$0.23) | 15 times (\$3.00 % \$0.19) |

- 62 Based on the CRTC's and applicants' information, therefore, the applicants are asking the CRTC to raise the small basic service rate by an amount that is 13 to 15 times the size of the increase in 9(1)(h) services' wholesale rates.
- 63 Third, the available public evidence about the small basic service is contradictory. According to 2022-267-2, the four applicants said that just 174,934 of their subscribers paid only for the small basic service in 2020/21. The Aggregated Annual Returns filed by Cogeco and Quebecor for 2020/21, on the other hand, report that more than a quarter million of their subscribers – 271,236 subscribers – paid only for the small basic service

Table 6 Discrepancies between \$25-only subscribers reported in 2022-267-2 and the Aggregated Annual BDU returns of Cogeco and Quebecor

| Cogeco, Aggregated Annual Return for BDUs, 2020/21, p. ii | | |
|---|------------------|--------------------------------|
| Informations complémentaires sur les abonnés - par facture mensuelle moyenne (hors taxes et équipements) | Nombre d'abonnés | Revenus de base et non de base |
| 13 25 \$ ou moins | 43740 | 558 \$ |
| 14 25,01 \$ à 50 \$ | 223499 | 8,412 \$ |
| 15 50,01 \$ à 100 \$ | 305182 | 20,620 \$ |
| 16 Plus de 100 dollars | 23043 | 2,781 \$ |
| 17 Total - abonnés et revenus par facture mensuelle moyenne | 595464 | 32,371 \$ |
| Veuillez utiliser l'espace ci-dessous pour inscrire tout commentaire, explication, note méthodologique, mention ou autres renseignements importants concernant les données fournies dans le présent formulaire. | | |
| | | |
| Quebecor, Aggregated Annual Return for BDUs, 2020/21, p. ii | | |



| Informations complémentaires sur les abonnés - par facture mensuelle moyenne (hors taxes et équipements) | Nombre d'abonnés | Revenus de base et non de base |
|--|------------------|--------------------------------|
| 13 25 \$ ou moins | 227496 | 146,737 \$ |
| 14 25,01 \$ à 50 \$ | 419349 | 270,483 \$ |
| 15 50,01 \$ à 100 \$ | 653860 | 421,746 \$ |
| 16 Plus de 100 dollars | 24108 | 15,550 \$ |
| 17 Total - abonnés et revenus par facture mensuelle moyenne | 1324813 | 854,516 \$ |

Veillez utiliser l'espace ci-dessous pour inscrire tout commentaire, explication, note méthodologique, mention ou autres renseignements importants concernant les données fournies dans le présent formulaire.

| | |
|----------------------------|---------|
| Cogeco | 43,740 |
| Quebecor | 227,496 |
| Total, Cogeco and Quebecor | 271,236 |

64 FRPC submits that the application must be denied because the applicants presented no relevant arguments to support their request – in particular failing to show how granting the request implements Parliament’s broadcasting policy and its affordability objective – and presented evidence that at best was incomplete and at worst misleading.

65 Having addressed the specifics of the four companies’ application, the Forum now addresses the general issue of permitting all BDUs to raise the small basic service rate.

B. Why the CRTC should not allow BDUs to increase the small basic service rate

66 Of the 315 interveners whose submissions were posted by end of day on 27 November 2022, 311 (98.7%) opposed the rate and inflation-based increases proposed in BNoC 2022-267. More than half of the opposing interventions (179 of 315, or 57.6%) originated in Quebec. FRPC agrees with the overall position of the interveners.

67 We submit that the CRTC should not allow BDUs to raise the price that subscribers pay for the small basic service for the following four reasons:

- 1 The increase will make small basic service unaffordable for some subscribers
- 2 The benefits of the increase flow solely to BDUs,
- 3 Subsidizing BDUs’ loss of subscribers contravenes the CRTC’s commitment to competition in broadcasting generally and in the BDU sector in particular and
- 4 BDUs are free to change their business models to adapt to their changing circumstances.

1. The increase will be unaffordable for some subscribers

68 The applicants January 2022 application did not address affordability. FRPC’s survey found that four out of five (81.4%) BDU subscribers pay for additional programming services or packages of programming services, and that subscriber income is linked to decisions to or not to pay for additional television services.

n=1027, p<.001

| Income | Q4 Pay for extra channels or packages of TV services | | | |
|-----------------------|--|--------------|-------------|---------------|
| | Yes | No | Not sure | Total |
| Very low < \$20K | 3.0% | 1.9% | 0.3% | 5.2% |
| Low \$20K up to \$60K | 19.4% | 6.0% | 0.6% | 26.0% |
| \$60K up to \$80K | 10.4% | 2.3% | | 12.8% |
| Above median > \$80K | 32.7% | 3.5% | 1.2% | 37.4% |
| Prefer not to answer | 15.9% | 2.1% | 0.7% | 18.7% |
| Total | 81.4% | 15.9% | 2.7% | 100.0% |

69 Specifically, in November 2022 BDU subscribers whose 2021 household income before taxes was less than \$60,000 were twice as likely to not subscribe to extra channels and programming packages as those with higher incomes. FRPC submits that this evidence supports the conclusion that raising lower-income BDU subscribers’ costs may lead them to cancel the small basic service altogether.

| Pearson Chi-Square Asymptotic Significance (2-sided) p < .001 | Pay for extra channels | Do not pay for extra channels | Not sure | Total |
|---|---------------------------|----------------------------------|---------------|---------------|
| Very low < \$20K | 3.7% | 11.7% | 10.7% | 5.2% |
| Low \$20K up to \$60K | 23.8% | 38.0% | 21.4% | 26.0% |
| \$60K up to \$80K | 12.8% | 14.7% | 0.0% | 12.8% |
| Above median > \$80K | 40.2% | 22.1% | 42.9% | 37.4% |
| Prefer not to answer | 19.5% | 13.5% | 25.0% | 18.7% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

70 This past August researchers at the University of Toronto published research showing that in 2021 in Canada, one in seven people experienced some form of food insecurity:

About 5.8 million people in Canada experienced some form of food insecurity in 2021, according to a new study released on Wednesday by University of Toronto researchers.

That number includes 1.4 million children.

The study, Household Food Insecurity in Canada, 2021, says the total number equates to 15.9 per cent of households across all 10 provinces. The study looked at food insecurity rates in the provinces throughout the pandemic and up until the current period of record inflation.

The researchers found the problem hasn't gotten any better in the last three years.²¹

- 71 In June 2022 that “three in four Canadians reported that rising prices are affecting their ability to meet day-to-day expenses such as transportation, housing, food, and clothing. As a result, many Canadians are adjusting their behaviour to adapt to this new reality, including adjusting their spending habits and delaying the purchase of a home or moving to a new rental” (
- 72 Few interveners in the BNoC 2022-267 proceeding supported the proposal of permitting BDUs to raise BDU rates by \$3 per month. Sylvanne Dubé (Québec, Quebec), for example, pointed out that their salary had not increased in three years, and inflation means that employed people living alone are already on the point of cutting their spending on essentials such as food.
2. *Benefits flow solely to BDUs*
- 73 FRPC submits that a second reason for not permitting the rates for the small basic service to increase is that the benefits of this increase will flow one way – to BDUs.
- 74 FRPC estimates that over a 12-month period beginning in 2023 the CRTC’s decision to permit BDUs to raise the small basic service rate by \$3 would generate more than a quarter of a billion dollars (\$330 million) in additional revenues for these companies, of which \$322 million would accrue to the 8 BDUs made parties to this proceeding: Table 7. This additional revenue would come from small basic service-

Intervention 268, Sylvanne Dubé (Québec, QC)
Je m'oppose à cette augmentation. L'inflation fait mal pour les salariés qui vivent seuls au point de couper sur des dépenses essentielles comme la nourriture principalement. Le services de base n'est déjà pas fourni ce qui me paraît déjà trop cher pour ce que l'on reçoit comme service parce que je suis francophone. Plus ça va et plus on coupe l'information à ce type de salariés, car les plateformes d'information demandent un abonnement financier pour avoir accès à leurs informations. Voilà donc à quoi sert le service de base télé. Laissez-nous un peu d'air financier svp. Ça fait trois ans que mon salaire n'a pas eu d'augmentation salariale. Merci d'être sensibles aux circonstances que l'inflation cause aux petits salariés.

²¹ CBC News, “[Nearly 6 million people in Canada experienced food insecurity in 2021, U of T study says](#)”, (17 August 2022), last updated 18 August 2022.

only subscribers as well as subscribers to additional programming services and packages of programming services.²²

Table 7 Estimated new BDU revenue accruing from a \$3/month increase the small basic service

| BDU subscribers and subscription revenues in \$ millions current | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 Estimated | Est 2023 Estimated |
|--|---------|---------|---------|---------|---------|-------------------|-----------------------|
| All BDUs | | | | | | | |
| Subscribers (millions) | 10.90 | 10.82 | 10.55 | 10.21 | 9.91 | | |
| Annual % change | -1.72% | -.072% | -2.48% | -3.22% | -2.97% | -3.5% | -4.0% |
| Est'd subscribers | | | | | | 9.56 | 9.18 |
| Revenues (\$ millions) | \$8,581 | \$8,424 | \$8,364 | \$8,099 | \$7,829 | | |
| Subscribers x \$3 x 12 months | | | | | | \$344 | \$330 |
| Large BDUs | | | | | | | |
| BCE | 2.74 | 2.81 | 2.82 | 2.80 | 2.77 | 2.67 | 2.56 |
| Bragg | 0.28 | 0.29 | 0.29 | 0.28 | 0.27 | 0.26 | 0.25 |
| Cogeco | 0.72 | 0.69 | 0.65 | 0.62 | 0.60 | 0.57 | 0.55 |
| SaskTel | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 |
| Quebecor | 1.54 | 1.49 | 1.44 | 1.38 | 1.32 | 1.28 | 1.23 |
| Rogers | 1.76 | 1.71 | 1.61 | 1.51 | 1.45 | 1.40 | 1.34 |
| Shaw / Corus | 2.53 | 2.42 | 2.26 | 2.11 | 1.95 | 1.88 | 1.81 |
| Telus | 0.97 | 1.04 | 1.13 | 1.12 | 1.18 | 1.14 | 1.10 |
| Subtotal, large BDUs | 10.66 | 10.56 | 10.31 | 9.93 | 9.65 | 9.31 | 8.94 |
| Subscribers x \$3 X 12 months | | | | | | \$335 | \$322 |

75 Neither the applicants' 6 January 2022 application nor the unredacted portions of the BDU add-parties' answers to the CRTC's questions state that BDUs will work to improve the quality of the small basic service²³ or any other aspect of their business.

76 According to the available evidence, therefore, granting a \$3/month rate increase would deliver nothing new or additional to those paying the increase. As Nikolas Baksi (Intervention 457) wrote, "... these companies make HUGE money and should not be burdening Canadians while their profits soar. This is corporate greed at it's [*sic*] finest."

²² Under ss. 5 and 6(1) of the CRTC's current BDU regulations, BDUs must provide their subscribers with the small basic service when they provide the subscribers with discretionary programming services (excluding on-demand or exempted discretionary services).

3. *Granting the competition effectively subsidizes BDUs' current business model*

- 77 The January 2022 applicants and BNoC 2022-267 each raise the proposal that in addition to an estimated additional \$322 million in subscriber revenues from a \$3 increase in the monthly small basic service rate, the CRTC grant BDUs an annual inflationary increase in this beginning, presumably, the first 1 April after the \$3 increase is granted.
- 78 FRPC begins by noting that the CRTC has not granted any of the mandated 9(1)(h) services – except for the ethnic service owned and controlled by Rogers – annual inflation-based increases. The CRTC apparently expects that the cost of 9(1)(h) services' programming will either remain flat over time, or that the services will be able to find operating efficiencies should they wish to agree to increased programming prices.
- 79 Second, FRPC notes that the January 2022 applicants have provided no evidence that their small basic service business faces annual inflation-based increases. In fact, their administrative expenses are arguably decreasing in line with the decreases in their subscription levels. Nor did they demonstrate that the costs of the small basic service had grown specifically due to inflation.
- 80 Third, the Forum's survey found that Canadians disagreed with the idea of granting inflation-based annual increases for the small basic service BDU package – overall (80.4% disagreed) and when they themselves subscribed to additional discretionary services, opposition was slightly higher (82.7%):

| Asymptotic Significance (2-sided) < .000 | Q3 Agree/disagree that basic TV package should increase by annual rate of inflation | | | |
|--|---|----------|----------|--------|
| Q4 Pay for extra channels or packages of TV services | Agree | Disagree | Not sure | Total |
| Yes | 10.3% | 82.7% | 7.1% | 100.0% |
| No | 11.1% | 72.2% | 16.7% | 100.0% |
| Not sure | 17.9% | 60.7% | 21.4% | 100.0% |
| Total | 10.6% | 80.4% | 9.0% | 100.0% |

- 81 The Forum submits that the true effect of granting BDUs annual inflationary increases is to protect BDUs going forward from systemic-level changes to their business models. In other words, granting either the \$3/month increase or annual inflation protects BDUs from the financial impact of competition from online distributors. Where traditional economic theory assumes that prices will decrease as demand decreases, BDUs are asking the CRTC to raise prices for their decreasing numbers of subscribers – the exact opposite of the CRTC's thinking in 2015 and also just a year ago in the context of Rogers' acquisition of Shaw's BDU and discretionary programming services:

Pursuant to section 3(1)(t)(ii) of the Broadcasting Act, distribution undertakings should provide efficient delivery of programming at affordable rates, using the most effective technologies available at reasonable cost. The Commission's general approach to promoting affordability and subscriber choice in broadcasting services for Canadians has been through its support of a vigorous wholesale market. **In Broadcasting Regulatory Policy 2015-96, the Commission noted that a healthy and dynamic wholesale market is one in which broadcasting distribution undertakings (BDUs) have the flexibility to package and set retail prices for discretionary services in the manner that they consider will best respond to customer demand and enable them to compete on an equitable basis with other BDUs.**²⁴

- 82 In fact, FRPC agrees with Michel Arpin who pointed out in his intervention (5), that the small basic service rate should not be raised but reduced, as BDUs have fully amortized the costs of this service:

Michel Arpin, Intervention 5 :

Le tarif de base ne devrait pas être augmenté mais plutôt réduit à 20 \$. Les infrastructures de distribution des canaux hertziens sont déjà amortis. ces canaux hertziens ne coûtent rien aux distributeurs qui peuvent les capter sans frais à leurs sites d'antenne. Les nouveaux investissements réalisés par les distributeurs le sont pour la distribution de service Internet et pour du transport de contenus sans fil. Or, ces tarifs sont augmentés allègrement par ces opérateurs.

4. *Alternatives to raising small basic service rate:*

- 83 FRPC submits that BDU services have several alternatives to raising the rates paid by their small basic service subscribers. To begin with, BDUs could ensure that they are operating their exempted and non-programming services efficiently: as noted previously (apparently none of the four January 2022 applicants has attempted to find any operating efficiencies.
- 84 Seven years ago Cogeco itself pointed out that the CRTC ought to impose more discipline on the larger, vertically integrated BDUs, rather than apply new requirements to their much smaller counterparts in the sector:

9118 [Cogeco]: Ceci nous amène à aborder un élément fondamental de notre mémoire. Compte tenu du niveau sans précédent d'intégration verticale atteint dans les secteurs de la radiodiffusion et des télécommunications canadiennes, **le Conseil doit recentrer son cadre de**

²⁴ CRTC, Reply to CMAC Procedural Request, (

réglementation sur l'imposition d'une discipline aux groupes intégrés verticalement afin d'atteindre les résultats souhaités dans l'intérêt des consommateurs canadiens, au lieu de faire des règlements d'application générale qui s'appliquent donc également à toutes les entreprises de programmation ou les EDR indépendantes, qui, pour leur part, n'ont aucun pouvoir de marché.

9119 En tant qu'EDR indépendante ayant moins de 7 p. cent du marché de la distribution de radiodiffusion et n'ayant aucun intérêt financier dans quelques entreprises de programmation télévisuelle, Cogeco Câble n'a ni l'occasion ni l'avantage de tirer profit du système aux frais des consommateurs canadiens.

(CRTC hearing transcript, [11 September 2014](#), bold font added)

- 85 Second, the CRTC should assure itself that BDUs are properly allocating costs in relation to revenues. At present large BDUs' small basic service and discretionary service subscribers bear the majority of BDU service costs, as their exempted and non-programming services bear a disproportionately low level of BDU service expenses. As Table 8 shows, while large BDUs' basic and non-basic services accounted for 50.5% of their total revenues, they accounted for 72.6% of the BDUs' expenses:

Table 8 Large BDUs' revenues and expenses by type of BDU service, 2018/19

| Type of service reported in Aggregated Annual Returns, 2018/19 | | | | |
|--|-------------------|-------------|-----------------|---------------|
| Owner (\$ millions) | Basic & non-basic | Exempt | Non-programming | Total |
| Revenues | | | | |
| BCE | \$ 2,403.02 | \$2.01 | \$62.19 | \$ 2,467.21 |
| Bragg | \$275.90 | \$0.50 | \$ 423.14 | \$699.55 |
| Cogeco | \$468.64 | \$1.04 | \$ 825.29 | \$ 1,294.97 |
| SaskTel | | | | \$ - |
| Quebecor | \$979.08 | \$0.13 | \$2,380.75 | \$ 3,359.95 |
| Rogers | \$ 1,380.18 | \$3.87 | \$2,112.79 | \$ 3,496.83 |
| Shaw / Corus | \$ 1,792.51 | \$2.18 | \$2,111.00 | \$ 3,905.69 |
| Telus | \$782.31 | \$1.02 | \$ - | \$783.34 |
| Total | \$ 8,081.65 | \$10.74 | \$7,915.15 | \$ 16,007.54 |
| % of total revenues | 50.5% | 0.1% | 49.4% | 100.0% |
| Expenses | | | | |
| BCE | \$ 2,053.34 | \$0.23 | \$7.88 | \$ 2,061.45 |
| Bragg | \$181.77 | \$ - | \$ 117.97 | \$299.74 |
| Cogeco | \$329.08 | \$0.24 | \$ 253.81 | \$583.13 |
| SaskTel | | | | \$ - |
| Quebecor | \$850.14 | \$ - | \$ 810.60 | \$ 1,660.74 |
| Rogers | \$ 1,055.40 | \$ - | \$ 707.05 | \$ 1,762.44 |
| Shaw / Corus | \$ 1,523.16 | \$ - | \$ 624.64 | \$ 2,147.80 |
| Telus | \$698.36 | \$ - | \$ - | \$698.36 |



| Type of service reported in Aggregated Annual Returns, 2018/19 | | | | |
|--|-------------------|--------|-----------------|-------------|
| Owner (\$ millions) | Basic & non-basic | Exempt | Non-programming | Total |
| Total | \$ 6,691.24 | \$0.47 | \$2,521.94 | \$ 9,213.66 |
| % of total expenses | 72.6% | 0.0% | 27.4% | 100.0% |

- 86 Third, BDUs should consider raising rates for their exempted and non-programming services. In September 2014 Bell also addressed the issue of revenues and costs in the context of set-top boxes. It noted the commercial value of set-top box data, for example, and noted that set-top box prices should “at a minimum” recover their costs – implying that the boxes could in fact generate additional revenue:

4739 [Bell] **This data has commercial value, it is clear**, and so, you know, again, back to the overall proposal to try to balance obligations and privileges. And I know the Vice Chair met with members of the industry before this was kick-started and our view was pretty clear in those discussions that **there is commercial value to this**. So, you know, **there ought to be compensation for it**.

4740 **A lot of effort and innovation has gone towards those set-top boxes and gathering that data. So we could have taken that position. We did. We said, we'll come together as an industry and figure this out. There has to be, at a minimum, cost recovery -- at a minimum.**

(CRTC, Public hearing, [10 September 2014](#), bold font added)

IV. CRTC issues

- 87 In this Part FRPC addresses the issues raised by the Commission in BNoC 2022-267.

A. Appropriateness of raising the price cap amount

- 88 As there is no evidence that providing the basic service costs more today than it did in 2015 – and indeed, the small basic service is likely very overpriced – FRPC submits that it would be entirely inappropriate to raise the ‘price cap amount’.

- 89 FRPC also notes that 313 of 318 interveners in this proceeding share our position that raising the small basic service rate is inappropriate: 39.6% of the 313 opposing interveners consider the small basic service price is already excessive, while 11% of the 313 said they would be unable to afford this increase.

- 90 As FRPC has previously noted the \$3/month increase being discussed in this proceeding is 13 to 15 times greater than the one-time (non-inflationary) increase granted to the several 9(1)(h) services licensed to serve the public interest. The Forum believes that BDUs should be required to find efficiencies within their own operation to recover the additional 19¢ or 23¢ increases granted to French-language and English-language market 9(1)(h) services.

B. Appropriateness of implementing any kind of indexing mechanism

- 91 The CRTC should not grant an annual inflation index because it does not routinely grant annual inflation in broadcasting matters. For instance, of the 9(1)(h) services only Rogers' OMNI service has been granted inflation over time.
- 92 It would be entirely inappropriate to index the small basic service rate unless BDUs provide evidence that they have reduced the costs of the small basic service through operating efficiencies, and that the quality of the service has improved for subscribers.
1. *Appropriateness of using, as proposed by the applicants, the CPI as the inflation index for the indexing mechanism, or whether another basis of calculation should be considered*
- 93 FRPC opposes annual indexing of the small basic service rate on the grounds that no evidence exists that its costs have increased and, if they have increased, that BDUs are unable to recover these costs through operating efficiencies.
- 94 If the CRTC were nevertheless to decide to implement an annual inflationary increase, FRPC recommends using the CPI less 2% as an incentive to improve productivity.
2. *Idea of implementing a yearly indexing mechanism in relation to the price cap for the basic service, or to initiate proceedings to this end at set intervals, without yearly indexing*
- 95 Like the majority of Canadians and interveners, FRPC opposes annual indexing of the small basic service rate on the grounds that no evidence exists that the costs of providing this service – and this service alone – have increased and cannot be reduced through operating efficiencies.
- 96 If the CRTC decides nevertheless to implement such a regime, it should require BDUs to submit evidence about the costs of the small basic service. Small basic service subscribers must not be required by the CRTC to pay for inflationary or any other increases related to BDUs exempted or non-programming services.
3. *Appropriateness of 1 April for the yearly adjustments or another date, such as the beginning of each calendar year (1 January), or with the beginning of each broadcast year (1 September)*
- 97 Like the majority of Canadians and interveners, FRPC opposes annual indexing of the small basic service rate on the grounds that no evidence exists that the costs of providing this service – and this service alone – have increased and cannot be reduced through operating efficiencies.



98 If the CRTC nevertheless decides to implement such a regime, such increases should coincide with the broadcast year to enable Canadians and other interested parties to evaluate the impact of the increase on BDUs' revenues and profits.

C. Possibility of increasing the price cap by the dollar amount increase of the wholesale rates paid by the BDUs for the 9(1)(h) services

99 FRPC notes first, that BDUs in this proceeding have acknowledged that they have not attempted to find operating efficiencies in their BDU systems.

100 We note second, that automatically increasing the small basic service rate by the increase in the 9(1)(h) service rates will not encourage BDUs to provide the small basic service efficiently.

101 BDUs should provide evidence that the impact of a 9(1)(h) rate increase will prevent them from providing the small basic service efficiently, and that the rate increase will be affordable to Canadians .

D. Option to increase the price cap to a fixed amount for a set number of years without the inclusion of a yearly indexing mechanism

102 FRPC opposes this option because there is no evidence on the record to show that BDUs require this increase to continue to provide the small basic service.

V. FRPC Recommendations

103 FRPC's recommendations as to the outcome of this proceeding are set out below.

A. Deny BDUs January 2022 application

104 The applicants' failure to provide any arguments or evidence to support their proposal to raise all BDU subscribers' rates effectively requires the CRTC to deny their application.

105 That said, BDUs may always apply to the CRTC for relief from their conditions of licence – if they provide actual evidence to support their application. That evidence is absent in the entire BNoC 2022-267 proceeding.

B. Mandate free local basic service by standard condition of licence

106 The Forum respectfully submits that far from acquiescing to BDUs' self-interest in plumping up their bottom line despite cord-cutting and -switching, the CRTC should begin to study the idea of a small, no-cost Canadian lifeline service for all Canadians. Joel Kempfer (Intervention 447) explained why:

Air tv used to be free and I still have my antenna in hope it will return. I cannot afford the satellite hardware and box and then pay 25 bucks a month. So I do without tv at all.

This is a total money grab by satellite companies and CTRC is allowing this.

- 107 As it happens, the CRTC began to encourage the provision of a free basic service to all subscribers in 2015.

Distribution of a local package

5. **The licensee is authorized to distribute, at its option, a local package without having to provide users of that local package with the full basic service.** The distribution of a local package is subject to the following provisions:

(a) Only local and regional television stations that were available to the subscribers on an over-the-air basis as of 10 November 2010 are to be included in the local package. Stations must provide their signals to broadcasting distribution undertaking (BDU) head-ends or up-link centres, by any means.

(b) Users cannot receive video-on-demand or any other broadcasting services in conjunction with the local package.

(c) BDUs may offer telecommunications services to local package users, but may not offer a local package as part of a bundle or otherwise make receiving this package contingent on purchasing other services.

(d) **No fee shall be charged for the local package, but users may be required to purchase or rent equipment, or pay for service/support calls. In addition, users may choose to pay for the use of an electronic programming guide.**

(e) Any future compensation related to the proposed local television signal compensation regime will not apply to the local package.²⁵

- 108 The service was optional, however, and none of the evidence presented either in BNoC 2022-267-2 or the Aggregated Annual Returns for BDUs asks BDUs if they offer or provide this service.

- 109 FRPC respectfully submits that the need for a mandated lifeline service is greater today than at any other time since 1968. Inflation is extremely high, food precarity is rising and social disaffection is, in the view of many, growing. After analyzing

²⁵ CRTC, *General Authorizations for Broadcasting Distribution Undertakings, Terrestrial (cable, digital subscriber line, multipoint distribution system) and direct-to-home (DTH) satellite broadcasting distribution undertakings*.

public safety and crime data Statistics Canada concluded that the pandemic has affected “social cohesion” in Canada.²⁶

- 110 Meanwhile, the reallocation of television spectrum within the past decade means that free over-the-air television service is no longer available to most Canadians. Canada’s commercial radio stations now rarely provide extensive news, information or other types of programming available on conventional television, which as the CRTC explained in 2007, was particularly important to Canadians:

.... Television is an essential source of information for Canadians, enabling them to involve themselves knowledgably and effectively as members of Canadian society. As a vehicle for entertainment, television also allows Canadians to participate in a shared culture and shared social values.²⁷

- 111 In August 2021 the CRTC again emphasized the importance of audiovisual programming, especially news.²⁸ It explained that

22. Furthermore, local, regional and national news programming ensures that Canadians are informed about issues of concern in a consistently evolving context that is endemic to the current environment. In the Commission’s view, any flexibilities that could be considered in regard to spending or other requirements in relation to news must ensure, to the extent possible, that the same depth and breadth of information currently provided to Canadians by Canadian broadcasters is maintained.²⁹

- 112 In 2019, the CRTC briefly addressed proposals for a free lifeline-type BDU service, and declined to deal with it because it was a ‘broader policy issue’ that required a different type of proceeding:

38. ... the Commission notes the position taken by several interveners that viewers in rural and remote communities should continue to be offered basic service at no charge. In the Commission’s view, this is a broader policy issue with potential implications for the entire broadcasting system and is, therefore, beyond the scope of the present licence renewal proceeding.³⁰

²⁶ Statistics Canada, [COVID-19 in Canada: A Two-year Update on Social and Economic Impacts](#), Release Date: 10 March 2022.

²⁷ *A new policy with respect to closed captioning*, [Broadcasting Public Notice CRTC 2007-54](#), (Ottawa, 17 May 2007), at para. 6

²⁸ *Call for comments on an application by the Canadian Association of Broadcasters requesting regulatory relief for Canadian broadcasters in regard to the COVID-19 pandemic*, [Broadcasting Notice of Consultation CRTC 2020-336](#) (Ottawa, 17 September 2020).

²⁹ *Regulatory relief for private Canadian broadcasters in the context of the COVID-19 pandemic*, [Broadcasting Decision CRTC 2021-274](#) (Ottawa, 12 August 2021).

³⁰ *Shaw Direct – Licence renewal*, [Decision 2019-388](#) (Ottawa, 29 November 2019).

- 113 In our view, the time has come for the CRTC to develop a framework for such a service and to invite public comment on it.
- 114 A mandatory, no-cost lifeline service would ensure that all Canadians – regardless of financial circumstances or desire to operate online have access to their local television services. Cogeco supported the idea of such a service in 2014:
- 9120 Nous nous préoccupons seulement de ce que souhaitent nos clients d'EDR et cela inclut un petit service de base abordable et des choix de forfaits flexibles pour tous nos clients qu'ils habitent en Ontario ou au Québec.
- 9121 Les deux options pour le petit service de base que vous avez énoncé dans votre document de travail publié il y a trois semaines n'incluent pas celle que nous privilégions, soit un petit service de base à prépondérance canadienne qui peut continuer à inclure également les services des grands réseaux de télévision américains.
- 9122 Ceci ne comporterait aucun coût de programmation supplémentaire pour les EDR ou leurs abonnés pour ce petit nouveau service de base.
(CRTC, Public hearing, [10 September 2014](#), bold font added)
- 115 A free lifeline basic service (with a low, regulated installation fee) ought to be available to everyone in Canada. It should consist of local TV and radio services and the English-language and French-language news services of the national public broadcaster (which Canadians fund and have already largely paid for over the past century).



Appendices

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| Appendix 2 BCE Inc. 2011 Cable aggregated annual return | 2 |
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Appendix 1 Eastlink's answer to the CRTC's question about cost-saving measures

Source: Eastlink, *Re: Application No. 2022-0019-5 – Joint application by Bell Canada, Cogeco Communications Inc., Eastlink, and Sasktel – Request for additional information*, (11 March 2022), CRTC DM#4166950, p. 2 of 3:

Q1. Commission staff notes that inflationary pressures as well as the increased carriage costs of 0(1)h services were highlighted in your application. Please disclose any cost saving measures and/or synergies that have been put in place or that you have benefited from as well as productivity gains since the implementation of the small basic service decision. Please quantify the impact on your costs.

A. ###

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Appendix 2 BCE Inc. 2011 Cable aggregated annual return

https://crtc.gc.ca/public/5040/Bell_PUBLIC_2011_CABLE_BDU-aggregate_FINAL.pdf

| Summary of revenues and expenses | | | | |
|--|---|--|---|----------------------------------|
| <i>Public version</i> | | | | |
| For year ended August 31, 2011 | | | | |
| Please report the aggregate results for all systems (exempted and non-exempted) in Canada. | | | | |
| TOTAL SUBSCRIBERS: BASIC AND NON-BASIC SERVICES = | | | | |
| | Basic and Non-Basic Programming Services (1) (5) | Exempt Programming Services (2) (5) | Non-Programming Services (3) (5) | Total All Services (4) (5) |
| 1. Revenue | | | | |
| 1. Subscription (Including LPIF charge) | | | | |
| 1a LPIF Included In Subscription revenue | | | | |
| 2. Connection (install. & reconnect) | | | | |
| 3. Community channel sponsorship | | | | |
| 4. Facilities rental | | | | |
| 5. Digital Addressable DVC Decoders - Rental | | | | |
| 6. _____ - Net Sales | | | | |
| 7. Other (specify) _____ | | | | |
| 8. Total Revenue | 74,963,335 | 165,880 | 15,893,454 | 91,022,669 |
| 2. Expenses | | | | |
| 1. Programming (community) | | | | 383454 |
| 2. Affiliation Payments | | | | 33,723,573 |
| 3. Technical | | | | 26,888,628 |
| 4. Sales and Promotion | | | | 20,549,266 |
| 5. Administration and General | 52,683,963 | | 425,949 | 53,109,912 |
| 6. Total Expenses | 131,739,224 | - | 2,915,609 | 134,654,833 |
| 3. 1. Operating Income (loss) | - 56,775,890 | 165,880 | 12,977,845 | - 43,632,165 |
| 2. Less: Amortization and Depreciation | | | | 63,970,034 |
| 3. Local Programming Improvement Fund | | | | 92,293 |
| 4. Profit before Interest and tax (PBIT) | | | | - 137,343,638 |
| 5. Interest | | | | 24,797,167 |



Appendix 3 BCE Inc. 2011 Direct-to-home (DTH) aggregated annual return

https://crtc.gc.ca/public/5040/Bell_PUBLIC_2011_DTH_BDU-aggregate_FINAL.pdf

| Summary of revenues and expenses | | | | |
|--|--|---------------------------------------|------------------------------------|---------------------------|
| <i>Public version</i> | | | | |
| For year ended August 31, 2011 | | | | |
| Please report the aggregate results for all systems (exempted and non-exempted) in Canada. | | | | |
| TOTAL SUBSCRIBERS: BASIC AND NON-BASIC SERVICES = | | | | 1968540 |
| | Basic and Non-Basic Programming Services (1) | Exempt Programming Services (2) | Non-Programming Services (3) | Total All Services (4) |
| | (\$) | (\$) | (\$) | (\$) |
| 1. Revenue | | | | |
| 1. Subscription (including LPIF charge) | | | | |
| 1a LPIF included in Subscription revenue | 26507854 | | | |
| 2. Connection (install. & reconnect) | | | | |
| 3. Community channel sponsorship | | | | |
| 4. Facilities rental | | | | |
| 5. Digital Addressable DVC Decoders - Rental | | | | |
| 6. _____ - Net Sales | | | | |
| 7. Other (specify) _____ | | | | |
| 8. Total Revenue | 1,799,246,816 | 2,273,259 | - | 1,801,520,074 |
| 2. Expenses | | | | |
| 1. Programming (community) | | | | |
| 2. Affiliation Payments | | | | 574,259,740 |
| 3. Technical | | | | 263,779,756 |
| 4. Sales and Promotion | | | | 222,613,242 |
| 5. Administration and General | 367,531,093 | 154,539 | | 367,685,632 |
| 6. Total Expenses | 1,424,317,975 | 366,268 | | 1,428,338,371 |
| 3. Operating Income (loss) | 374,928,841 | 1,906,991 | | 373,181,704 |
| 2. Less: Amortization and Depreciation | | | | 294,470,659 |
| 3. Local Programming Improvement Fund | | | | 26,672,646 |
| 4. Profit before interest and tax (PBIT) | | | | 52,038,399 |
| 5. Interest | | | | 68,990,739 |



Appendix 4 BDU rate increases announced by Shaw from 1999 to 2007

| Shaw Annual Reports | # of increase | Year rate changed | Service | Increase |
|----------------------------|---------------|--|---|----------|
| 1999 Annual Report, at 46 | 1 | 01-Jul-97 | Full Cable service | \$1.20 |
| | 2 | 01-Jun-98 | Full Cable Service | \$1.04 |
| | 3 | 01-Jan-98 | Basic cable | \$0.21 |
| 2000 Annual Report, at 44 | 4 | Monthly basic and extended tier rate increases implemented during the year generated approximately 20% of the increase in revenue in the 2000 fiscal year. | | |
| 2001 Annual Report, at 8-9 | 5 | 01-Jan-01 | Basic cable | \$0.08 |
| | 6 | 01-Jan-01 | Tier I | \$0.75 |
| | 7 | 01-May-02 | Basic cable | \$2.00 |
| | 8 | | Tier 1 | \$3.00 |
| | 9 | | Tier 2 | \$3.00 |
| | 10 | | Tier 3 | \$3.00 |
| 2003 Annual Report, p. 26 | 11 | 01-Jan-03 | "Effective May 1, 2003 Shaw increased its monthly charge on certain packages affecting approximately 550,000 customers which generated approximately \$1 million of additional monthly revenue." | |
| | 12 | 30-Jun-03 | "... Effective June 30, 2003, Shaw increased its monthly charge on its unbundled basic and FCS bundled packages. This affected approximately 1.1 million customers and generated additional monthly revenue of approximately \$2 million when it was fully implemented by August 31, 2003." | |
| 2004 Annual Report, p. 30 | 13 | 01-Jun-04 | "Commencing in February 2004, Shaw applied rate increases of \$1 to \$2 per month to most of its packages. The increases generated additional monthly revenue of approximately \$1.5 million when they were fully implemented at the end of May 2004." | |
| 2005 Annual Report, p. 32 | 14 | 2004 | "Effective November 26, 2004, Shaw introduced rate increases of approximately \$1 per month on most of its packages. The increases generated additional monthly revenue of approximately \$2.0 million per month when they were fully implemented at the end of January 2005." | |
| 2006 Annual Report, p. 33 | 15 | 2005 | "Commencing in October 2005, Shaw introduced rate increases on most stand-alone services, packages, and on specialty services. The increases generated additional revenue of approximately 3.8 million per month once fully implemented in November 2005." | |
| Annual Report 2007, at 32 | 16 | 2006 | "The Company implemented rate increases on most stand-alone services, packages, and on specialty services in September 2006 and July 2007. The increases generated additional monthly revenue of approximately \$5.0 million and \$6.5 million, respectively, once fully implemented." | |



Appendix 5 Statistics Canada, “Rising prices are affecting the ability to meet day-to-day expenses for most Canadians” (9 June 2022)

Rising prices are affecting the ability to meet day-to-day expenses for most Canadians

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, June 9, 2022

Over the past year, consumer inflation has steadily increased, reaching a year-over-year increase of 6.8% in April 2022. Heightened consumer demand and challenges to the supply chain are some of the main factors contributing to higher prices.

To understand how rising prices are contributing to financial concerns or influencing the financial decisions of Canadians, Statistics Canada conducted the Portrait of Canadian Society survey from April 19 to May 1, 2022.

It found that nearly three in four Canadians reported that rising prices are affecting their ability to meet day-to-day expenses such as transportation, housing, food, and clothing. As a result, many Canadians are adjusting their behaviour to adapt to this new reality, including adjusting their spending habits and delaying the purchase of a home or moving to a new rental.

Regionally, there was little variation between provinces—most Canadians are feeling the impacts of inflation. Those in lower income quintiles, however, are more concerned about and affected by rising prices.

More than two in five Canadians report being most affected by rising food prices

During the past year (April 2021 to April 2022), the price of food rose by 9.7%. Canadians had to pay much more for basic food staples, such as fresh fruit (+10.0%), meat (+10.1%) and fresh vegetables (+8.2%). With rising costs in other areas such as shelter and transportation, Canadians have also been less able to budget money for food.

When asked in which area they were most affected by rising prices during the six months preceding the survey, 43% of Canadians answered food. After food, the most affected areas were transportation (32%), shelter (9%) and household operations (8%).

Urban residents reported being most affected by food costs (44%). In contrast, transportation costs were of greater concern for rural residents. More than two in five individuals living in rural areas (43%) reported that transportation was how they were most affected.

Irrespective of province of residence, transportation costs were of great concern for the majority of Canadians who buy gasoline. Among Canadians who buy gasoline, 94% reported they are very (67%) or somewhat (27%) concerned about rising gasoline prices.

One in five Canadians expect they are likely to obtain food or meals from a community organization in the next six months

As a result of rising prices, 20% of Canadians reported that their households are very (7%) or somewhat (13%) likely to obtain food or meals from community organizations, such as food banks, community centres, faith-based organizations, school programs or community gardens, over the next six months. A recent study estimated that fewer than 2% of households used a food bank during a three-month period in the early months of the pandemic. However, the latest statistics from Food Banks Canada indicate that the need for and use of food banks has been increasing since June 2020.

Households with at least one child under the age of 18 were almost three times as likely to say that they are very likely to obtain food or meals from a community organization, compared with households without children (13% vs. 5%).

The Daily, Thursday, June 8, 2022

Younger Canadians are more likely than older Canadians to be very concerned about their ability to afford housing or rent

Another major area of concern for many Canadians is housing costs. Around 56% of Canadians are very (30%) or somewhat (26%) concerned about whether they can afford housing or rent. Shelter prices, including rented accommodation, owned accommodation and water, fuel and electricity, rose 7.4% year over year in April 2022, the largest increase since 1983.

Differences between age groups were particularly significant. Younger Canadians aged 15 to 29 (53%) and 30 to 39 (39%) were more than twice as likely as those 40 and above (20%) to report being very concerned about their ability to afford housing or rent. This could be because older Canadians are more likely to have already purchased and paid off their home.

These concerns have led to changes in behaviour among Canadian youth and younger adults. Over the six months preceding the survey, 39% of those aged 15 to 29 and 38% of those aged 30 to 39 said that they wanted to buy a home or move to a new rental but decided not to because of price concerns, compared with 24% of the overall population.

Many Canadians have adjusted their spending habits and lifestyle to cope with inflation

In order to deal with rising prices, half of Canadians said they have sought out sales and promotions in the six months preceding the survey. Meanwhile, 47% have found themselves purchasing cheaper alternatives, brands or items and 45% have delayed making a purchase in response to rising prices.

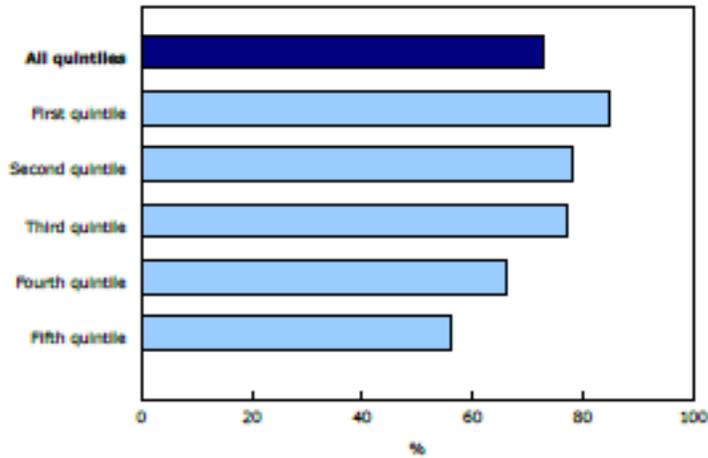
In addition to making changes to their spending habits, more than one-quarter of Canadians (27%) reported that they have had to borrow money from friends or relatives, take on additional debt or use credit to meet day-to-day expenses in the six months preceding the survey. Several groups were more likely to report borrowing money: those in the bottom two household income quintiles; younger individuals (aged 15 to 39); households with at least one child aged 17 or younger; persons with a disability; and individuals belonging to racialized groups.

Rising prices are also affecting Canadians' ability to save. About 24% of Canadians said they have had to draw on their savings in order to pay their expenses. Another 29% said they were saving less, and 19% reported they are no longer able to save each month.

In the coming months, Statistics Canada will continue to monitor the impacts of rising prices on Canadians.

The Daily, Thursday, June 8, 2022

Chart 1
Proportion of Canadians whose ability to meet day-to-day expenses has been affected by a lot or somewhat, by income quintile



Source(s): Portrait of Canadian Society (5352).

Chart 2
Canadians are adjusting their spending habits and lifestyle to deal with rising prices



Source(s): Portrait of Canadian Society (5352).



The Daily, Thursday, June 8, 2022

Note to readers

The data in this release are from the third survey of Statistics Canada's survey series, Portrait of Canadian Society (PCS). The PCS survey series is a brand-new project that consists of short online surveys given to the same respondents over a one-year period. These voluntary surveys use a probability panel based on the General Social Survey – Social Identity and are therefore representative of the Canadian population aged 15 years and older.

The PCS survey series are part of Statistics Canada's modernization efforts and are at a pilot stage. This collection method will be refined over time. For this study, survey weights were adjusted to minimize potential bias that could arise from panel non-response. Non-response adjustments and calibration using available auxiliary information were applied and are reflected in the survey weights provided with the data file. Despite these adjustments, non-response to the panel increases the risk of remaining bias, which may impact estimates produced using the panel data. Users should consult the accompanying guide for data quality guidelines and considerations.

The first survey in the PCS survey series, which looked at perceptions of life during the pandemic, collected data on Canadians' mental and general health, physical activity, life satisfaction and view of the future.

The second PCS survey collected data on employment, employment benefits and training, access to healthcare and intent to vaccinate, perceptions of safety, financial impact of the pandemic and expectations about the future. Respondents are categorized as living in either urban or rural areas based on the population concentration area associated with the respondent's postal code.

The third PCS survey collected information about people's perceptions about the impact of rising costs on their lives, and in some instances the lives of their family, friends and community members. Respondents were asked how they thought the rising cost of basic needs such as food, transportation and housing is affecting their ability to meet day-to-day expenses, their ability to save, and their ability to make large purchases, such as a home. More generally, this survey attempts to capture how individuals' perceptions of rising costs (or inflation) is influencing their behaviours.

The aim of the series is to fully understand the experiences and needs of communities in order to implement suitable support measures for Canadians. Statistics Canada would like to thank all Canadians who took the time to answer these questions during this time of crisis.

Definitions, data sources and methods: survey number 5352.

The Infographic "Impacts of rising prices on Canadians" is available as part of Statistics Canada – Infographics series (11-627-M).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).

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Appendix 6 Applicants' marketing of 'small basic package'

BCE Inc.

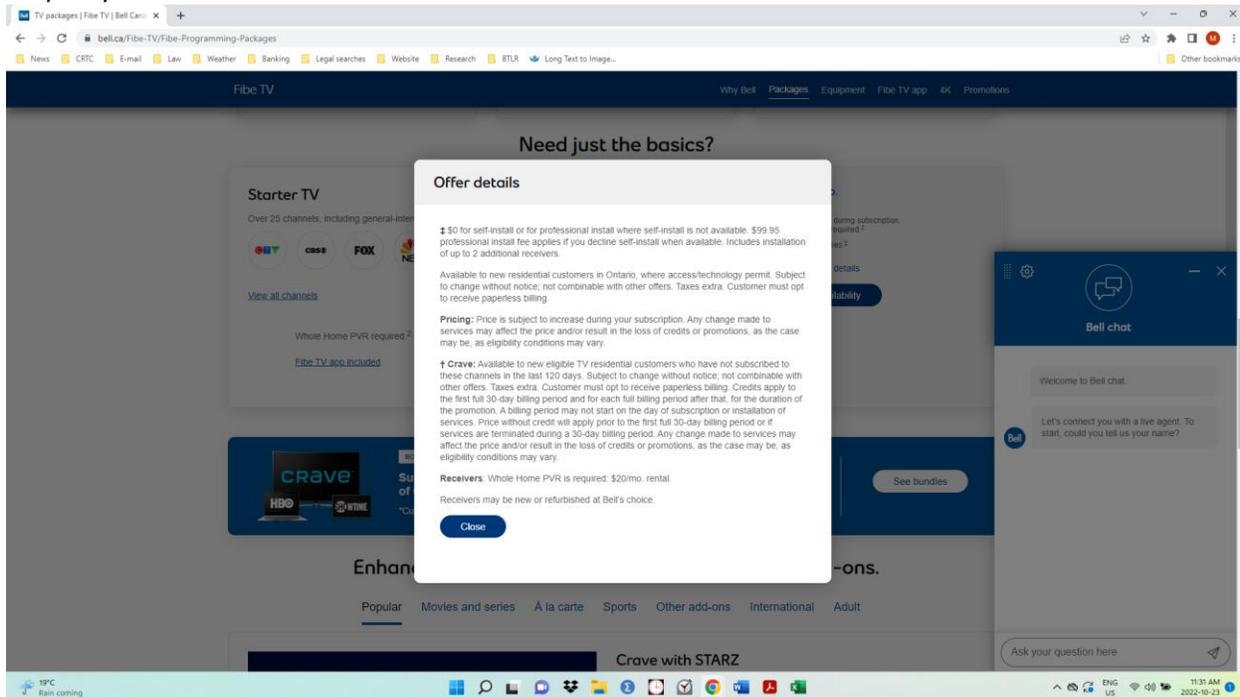
The screenshot shows the Bell Canada website's 'Fibe TV' section. The main heading is 'Need just the basics?'. Below this, the 'Starter TV' package is highlighted, featuring logos for CTV, CBS, FOX, NBC, and Global. The price is listed as \$24.95/mo. A 'Check availability' button is present. Below the package details, there is a promotional banner for 'Crave with STARZ' with a 'See bundles' button. The website navigation includes 'Why Bell', 'Packages', 'Equipment', 'Fibe TV app', '4K', and 'Promotions'. The system tray at the bottom shows a temperature of 19°C and rain coming.

This screenshot shows the same website as above, but with a 'Channel details' pop-up window open. The pop-up is titled 'Channel details' and lists 'Included channels' with a note that they are 'Only available in select areas.' The channels listed include: CBC, CTV, CTV2, CTV News, CTV News Now, CTV News at 5, CTV News at 6, CTV News at 7, CTV News at 8, CTV News at 9, CTV News at 10, CTV News at 11, CTV News at 12, CTV News at 13, CTV News at 14, CTV News at 15, CTV News at 16, CTV News at 17, CTV News at 18, CTV News at 19, CTV News at 20, CTV News at 21, CTV News at 22, CTV News at 23, CTV News at 24, CTV News at 25, CTV News at 26, CTV News at 27, CTV News at 28, CTV News at 29, CTV News at 30, CTV News at 31, CTV News at 32, CTV News at 33, CTV News at 34, CTV News at 35, CTV News at 36, CTV News at 37, CTV News at 38, CTV News at 39, CTV News at 40, CTV News at 41, CTV News at 42, CTV News at 43, CTV News at 44, CTV News at 45, CTV News at 46, CTV News at 47, CTV News at 48, CTV News at 49, CTV News at 50, CTV News at 51, CTV News at 52, CTV News at 53, CTV News at 54, CTV News at 55, CTV News at 56, CTV News at 57, CTV News at 58, CTV News at 59, CTV News at 60, CTV News at 61, CTV News at 62, CTV News at 63, CTV News at 64, CTV News at 65, CTV News at 66, CTV News at 67, CTV News at 68, CTV News at 69, CTV News at 70, CTV News at 71, CTV News at 72, CTV News at 73, CTV News at 74, CTV News at 75, CTV News at 76, CTV News at 77, CTV News at 78, CTV News at 79, CTV News at 80, CTV News at 81, CTV News at 82, CTV News at 83, CTV News at 84, CTV News at 85, CTV News at 86, CTV News at 87, CTV News at 88, CTV News at 89, CTV News at 90, CTV News at 91, CTV News at 92, CTV News at 93, CTV News at 94, CTV News at 95, CTV News at 96, CTV News at 97, CTV News at 98, CTV News at 99, CTV News at 100. The background of the website is dimmed, and a 'Bell chat' window is visible on the right side.

Price of basic package is

“Available to new residential customers in Ontario, where access/technology permit. **Subject to change without notice; not combinable with other offers.** Taxes extra. Customer must opt to receive paperless billing.

Pricing: **Price is subject to increase during your subscription.** Any change made to services may affect the price and/or result in the loss of credits or promotions, as the case may be, as eligibility conditions may vary.



Television Service Provider Code

XI. Notice for changes to programming options

With respect to services subscribed to by a customer, a TVSP must give a customer at least 30 calendar days' notice in the event of changes to:
the price of individual channels or packages of channels;
the packaging of channels; and
the price of equipment.

This notice must clearly explain any change and when it will take effect.

The notice must clearly explain the options should a customer no longer wish to subscribe to any of the TVSP's changed services.

A TVSP may make a change to a customer's programming options during the commitment period without the customer's express consent if it benefits the customer by either:

reducing the rate for a service or package; or
providing a service for no additional fee.



Eastlink (Bragg) – 2022 10 23 - https://my.eastlink.ca/search-results?performSearch=true&q=cost%20of%20basic%20service&support=myeastlink_support

Search Results

my.eastlink.ca/search-results?performSearch=true&q=cost%20of%20basic%20service&support=myeastlink_support

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Internet & WiFi TV Mobile Home Phone Smart Home Billing General

cost of basic service

Results for: All Eastlink Business My Account Support Eastlink TV Results Per Page: 10

We're sorry but your search did not return any results.

Suggestions:

- Make sure all words are spelled correctly.
- Try different keywords.
- Try more general keywords.

We're sorry but an error has occurred. Please try your search again.

About Us My Account Careers Contact Us

Chat

19°C Rain coming 11:24 AM 2022-10-23

Sasktel

Search Results | SaskTel

sasktel.com/store/search_result/?dynamaset=UTF-8&Nty=1&Ntk=Main_Search_Interface&siteScope=ok&D%3AsiteScope=&Ntt=basic+cable*#bshelds=sasktelSite&D%3AsiteId=&D%3Aperform_search_redirect_submit=&D_ARGS=%2Fstore%2...

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HOME SEARCH RESULTS

Search Results

Your search for 'basic cable' returned 0 results.

Products & Services (0) Support (1) About Us (1)

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Wireless
TV
Internet
Home Phone
smartHOME
Deals
Bundles
Business

CORPORATE
About Us
SaskTel Cares
Careers
Company Overview
News
Blog

SUPPORT
Support Answers
Outages
Alerts
Order Status
Accessibility
Find a Store
Contact

OTHER LINKS
Directwest
SecurTel
SaskTel International
Myask411
The Wireless Code
The Internet Code

19°C Rain coming 11:37 AM 2022-10-23



Forum for Research and Policy in Communications (FRPC)
Broadcasting Notice of Consultation CRTC 2022-267
Intervention (28 November 2022)
Appendices, Page 13

The screenshot shows the SaskTel website's 'maxTV Packages' page. The header includes the SaskTel logo and navigation links for Wireless, TV, Internet, Home Phone, smartHOME, Deals, Bundles, About Us, and Blog. The main heading is 'maxTV Packages' with the subtext 'Endless entertainment starts here. Pick your package and then customize with the extra theme packs and channels you want.' Below this is a link to 'View printable maxTV packages and channel line-up (PDF)'. There are two promotional banners: 'Save \$25/mo. with internet' and 'Save at least \$5/mo. with Wireless'. The main content area features four package cards: 'maxTV Standard' (\$65.00/mo.), 'maxTV Must Haves' (\$80.00/mo.), 'maxTV Next Level' (\$95.00/mo.), and 'maxTV Fully Loaded' (\$140.00/mo.). Each card lists included channels and features like HD & PVR. A 'maxTV Deals' pop-up is visible over the 'maxTV Fully Loaded' card, offering a discount for signing up for internet. At the bottom, a note states: 'All maxTV packages include 100 Stingray music channels, one HD and PVR set-top box*, 1 remote control, and free installation. Self-install available in some instances.'

The screenshot shows the SaskTel website's 'maxTV Lite' page. The header is identical to the previous screenshot. The main heading is 'maxTV Lite' with the subtext 'Keep it simple with maxTV Lite. Then add on your favourites. View Channels & Theme Packs.' Below this is a link to 'View Channels & Theme Packs'. The main content area features a single package card for 'maxTV Lite' priced at '\$25.00/mo.'. The card description includes 'A selection of local and regional channels, including CTV, CBC, Global, and Citytv' and '18 channels'. A 'View Included Channels' link and a 'BUY' button are also present. At the bottom, a note states: 'HD is an additional \$10/mo. and multi-room PVR an additional \$9.95/mo. (in addition to set-top box rental charges)'. Below the package card is a section titled 'Not sure what package to pick?' with a 'MAXTV BUILDER' button. To the right, a message says 'We're the only one that lets you bundle your wireless & home services to save.'



Forum for Research and Policy in Communications (FRPC)
Broadcasting Notice of Consultation CRTC 2022-267
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SaskTel

Lite Channels

Standard

5 5 HD 5 HD 2 5 HD 3 5 HD 4 5 HD 5 5 HD 6 5 HD 7 5 HD 8 5 HD 9 5 HD 10 5 HD 11 5 HD 12 5 HD 13 5 HD 14 5 HD 15 5 HD 16 5 HD 17 5 HD 18 5 HD 19 5 HD 20 5 HD 21 5 HD 22 5 HD 23 5 HD 24 5 HD 25 5 HD 26 5 HD 27 5 HD 28 5 HD 29 5 HD 30 5 HD 31 5 HD 32 5 HD 33 5 HD 34 5 HD 35 5 HD 36 5 HD 37 5 HD 38 5 HD 39 5 HD 40 5 HD 41 5 HD 42 5 HD 43 5 HD 44 5 HD 45 5 HD 46 5 HD 47 5 HD 48 5 HD 49 5 HD 50 5 HD 51 5 HD 52 5 HD 53 5 HD 54 5 HD 55 5 HD 56 5 HD 57 5 HD 58 5 HD 59 5 HD 60 5 HD 61 5 HD 62 5 HD 63 5 HD 64 5 HD 65 5 HD 66 5 HD 67 5 HD 68 5 HD 69 5 HD 70 5 HD 71 5 HD 72 5 HD 73 5 HD 74 5 HD 75 5 HD 76 5 HD 77 5 HD 78 5 HD 79 5 HD 80 5 HD 81 5 HD 82 5 HD 83 5 HD 84 5 HD 85 5 HD 86 5 HD 87 5 HD 88 5 HD 89 5 HD 90 5 HD 91 5 HD 92 5 HD 93 5 HD 94 5 HD 95 5 HD 96 5 HD 97 5 HD 98 5 HD 99 5 HD 100

Add additional channel packs and single channels to personalize your experience.

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HD is an additional \$10/mo, and multi-room PVR an additional \$9.95/mo, in addition to set-top box rental charges.

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19°C Rain coming 11:39 AM 2022-10-21



Appendix 7 November 2022 survey of Canadians



Raising the price of the basic BDU package: Canadians' opinions in November 2022

**High-level results from a national survey commissioned by the
Forum for Research and Policy in Communications (FRPC)**

28 November 2022

Contact information:

Monica. L. Auer, M.A., LL.M.

Executive Director

execdir@frpc.net

Ottawa, Ontario

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I Overview

An interactive voice-response (IVR) survey of 1,028 English-language and French-language speaking people across Canada to seek Canadian BDU subscribers' views about a proposal being considered by the CRTC regarding the monthly rate they pay to broadcasting distribution undertakings (BDUs) for the basic BDU package of services.

The CRTC set the monthly rate for the basic BDU package at \$25 in 2015, and the CRTC is considering raising this by \$3/month to \$28. It is also considering whether it should grant annual increases in the rate linked to changes in Statistics Canada's Consumer Price Index (CPI)).

II Purpose of the research

The Forum for Research and Policy in Communications (FRPC) is a non-profit and non-partisan organization established to undertake research and policy analysis about communications, including broadcasting telecommunications. The Forum supports a strong Canadian communications system that serves the public interest.

This report summarizes highlights from a survey commissioned by the Forum in November 2022 about Canadians' views on several issues related to the basic service offered to cable and satellite television subscribers. In 2015 the CRTC required broadcasting distribution undertakings (BDUs) to provide this service to all their subscribers for \$25 per month. In January 2022 four of Canada's larger BDUs – Bell, Cogeco, Eastlink and Sasktel – applied to the Canadian Radio-television and Telecommunications Commission (CRTC) to raise their monthly rate for the basic service to \$28 per month, and for annual increases thereafter tied to the rate of inflation as measured by the Consumer Price Index. On 28 September 2022 the CRTC invited public comments on this application.³¹ Following an extension of the deadline in this proceeding to 28 November 2022 FRPC was able to commission a national survey of English-language- and French-language-speaking Canadians about their views on the proposed rate increase.

Access Research conducted an interactive-voice-response (IVR) survey of people in Canada from 9 to 10 November 2022, using an English-language and French-language questionnaire designed by the Forum which yielded responses from a representative sample of 1,028 people (506 men, 480 women, 8 non-binary or other and 34 who

³¹ Call for comments on an application by Bell Canada, Cogeco Communications Inc., Bragg Communications Incorporated, carrying on business as Eastlink, and Saskatchewan Telecommunications regarding the increase of the maximum retail price of the basic service, [Broadcasting Notice of Consultation 2022-267](#) (Ottawa, 28 September 2022).

preferred not to disclose their gender) over 18 years of age in Canada. A sample of this size yields a margin of error of plus or minus 3.1%, 19 times out of 20. Respondents were limited to people who subscribed or whose households subscribed to cable or satellite TV distribution services. Respondents' (anonymized) answers were subsequently weighted by age, gender and province (territory).

This report presents highlights from the survey results, focussing in particular on BDU subscribers' attitudes towards

- a. Raising the price of basic BDU package by \$3 per month
- b. Raising the price of basic BDU package by inflation each year
- c. A CRTC requirement that BDUs provide a free package of local-only television services, and the
- d. Importance of accessing news from Canadian news sources

Part II, which follows, briefly summarizes the survey results. Highlights from the survey are set out in Part III. The survey method and questionnaires are set out in Part IV.

III Highlights

Of the respondents 742 spoke English at home, 233 spoke French and 41 spoke another language. The survey's results have a margin of error of plus or minus 3.1%, 19 times out of 20. Part IV provides additional information about research methods. Copies of the survey questionnaires are appended.

The Forum analyzed the data to understand Canadian BDU subscribers' views about

- raising their cable and/or satellite TV rates by \$3 per month
- raising their cable and/or satellite TV rates by an amount equal to inflation each year going forward
- interest in the availability of a free small-basic package of services consisting only of local radio and TV services, and
- views on the importance of news.

We analyzed these concepts in terms of demographics: language, gender, age, region (in which respondents live), education and income. Values normally excluded from survey research (respondents answering "Don't know" or "Prefer not to answer") were included in the analysis to provide context for the overall strength of Canadians' positions on the survey's questions.

Tests of statistical significance measure were used to measure the probability that a specific association between concepts was or was not likely to have occurred by chance.³² Results were considered statistically significant when their probability of occurring by chance – using the Pearson’s chi-square test³³– was equal to or lower than five times out of a hundred (*i.e.*, the 5%, or .05 level). Associations between concepts that were not statistically significant may have occurred by chance, and for that reason are not generally reported except when they establish that the entire population shared the same general position. Statistically significant differences in results can be generalized to the population of Canada,³⁴ whom we describe in the remainder of this report as ‘Canadians’.³⁵

A. General results from the survey

Four out of five (81.4%) BDU subscribers subscribe to programming services other than the basic BDU service, implying that roughly 20% of subscribers only buy the small basic service.

Q4 Pay for extra channels or packages of TV services

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------|-----------|---------|---------------|--------------------|
| Valid | Yes | 836 | 81.4 | 81.4 | 81.4% |
| | No | 163 | 15.8 | 15.8 | 97.2% |
| | Not sure | 29 | 2.8 | 2.8 | 100.0% |
| | Total | 1028 | 100.0 | 100.0 | |

More than half of (56.2%) Canadians who subscribe to cable or satellite TV said they subscribed to one of three companies: Bell (25.2%), Rogers (16.7%) or Videotron (14.3%).

Q6 Cable or satellite TV company providing service

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|-----------|---------|---------------|--------------------|
| Valid | Bell | 259 | 25.2 | 25.2 | 25.2 |
| | Cogeco | 61 | 5.9 | 5.9 | 31.1 |
| | Eastlink | 20 | 1.9 | 1.9 | 33.1 |
| | Sasktel | 16 | 1.5 | 1.5 | 34.6 |
| | Videotron | 147 | 14.3 | 14.3 | 48.9 |
| | Rogers | 171 | 16.7 | 16.7 | 65.5 |
| | Other | 297 | 28.9 | 28.9 | 94.4 |

³² In other words, a statistically significant result from these tests does not imply that the results are important (a significant finding), but that the results were unlikely to have occurred by chance.

³³ Two-sided asymptotic significance levels.

³⁴ Results that are not statistically significant may have occurred by chance.

³⁵ As the survey did not ask respondents about their citizenship or nationality, non-Canadians resident in Canada with Canadian telephone numbers may also be included in the results.

| | | | | |
|-------------------|------|-------|-------|-------|
| Do not know | 32 | 3.1 | 3.1 | 97.5 |
| Prefer not to say | 26 | 2.5 | 2.5 | 100.0 |
| Total | 1028 | 100.0 | 100.0 | |

Most (81.4%) Canadians said they paid for additional channels or packages of television services, while 15.8% said they did not:

Q4 Pay for extra channels or packages of TV services

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------|-----------|---------|---------------|--------------------|
| Valid | Yes | 836 | 81.4 | 81.4 | 81.4 |
| | No | 163 | 15.8 | 15.8 | 97.2 |
| | Not sure | 29 | 2.8 | 2.8 | 100.0 |
| | Total | 1028 | 100.0 | 100.0 | |

B. Opinion on raising basic BDU package by \$3 per month

Respondents were asked the following question about the proposed increase to the monthly price of small basic service:

Q2 Seven years ago the CRTC required cable and satellite companies such as Rogers, Bell, Videotron and Shaw to provide a package of basic TV services to all subscribers for a maximum of \$25 per month. This package includes local TV services, several American television networks and other national Canadian services such as the Parliamentary channel and The Weather Channel/ MétéoMédia.

The CRTC is now asking Canadians if it should raise the price that cable and satellite companies can charge for the basic package by \$3, to \$28 per month. Do you agree or disagree that the price of a package of basic TV services should go up by \$3 per month?

Press 1 if you strongly agree

Press 2 if you somewhat agree

Press 3 if you neither agree nor disagree

Press 4 if you somewhat disagree

Press 5 if you strongly disagree

Press 8 if you are not sure

Two out of three (63.6%) of Canadian BDU subscribers disagreed with the rate-increase proposal, and among these more than half – 52.4% - strongly disagreed with the idea:

Q2 Agree/disagree that basic TV package should increase \$3/month

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly agree | 106 | 10.4 | 10.4 | 10.4 |
| | Somewhat agree | 148 | 14.4 | 14.4 | 24.8 |
| | Neither agree nor disagree | 103 | 10.1 | 10.1 | 34.8 |
| | Somewhat disagree | 115 | 11.2 | 11.2 | 46.0 |

| | | | | |
|-------------------|------|-------|-------|-------|
| Strongly disagree | 539 | 52.4 | 52.4 | 98.5 |
| Not sure | 16 | 1.5 | 1.5 | 100.0 |
| Total | 1028 | 100.0 | 100.0 | |

C. Opinion on raising the small basic service price by the annual rate of inflation each year

Respondents were asked the following question about the proposed annual increase in the monthly price of small basic service by the rate of inflation:

Q3 The CRTC is also asking if the price of a package of basic tv services should increase every year by the rate of inflation. Do you agree or disagree?

Press 1 if you agree

Press 2 if you disagree

Press 8 if you are not sure

Four out of five (80.3%) of Canadian BDU subscribers disagreed that the small basic service rate should increase each year by the rate of inflation:

Q3 Agree/disagree that basic TV package should increase by annual rate of inflation

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------|-----------|---------|---------------|--------------------|
| Valid | Agree | 109 | 10.6 | 10.6 | 10.6 |
| | Disagree | 826 | 80.3 | 80.3 | 91.0 |
| | Not sure | 93 | 9.0 | 9.0 | 100.0 |
| | Total | 1028 | 100.0 | 100.0 | |

IV Analysis

A. Who opposes the monthly rate increase?

In brief, nearly all BDU subscribers opposed the idea of raising the small basic service rate:

- 63.2% of men and 62.8% of women disagreed ($p < .001$)
- More than half of all people over the age of 24 years disagreed ($p < .002$)
- While BDU subscribers opposed the idea regardless of their income, the highest level of opposition to the idea (76.1%) came from higher-income subscribers whose household income in 2021 before taxes ranged between \$80,000 to \$100,000 ($p < .001$)

- Two out of three of those who pay for extra channels or packages of services disagreed somewhat or strongly (67.6%), while 41.8% of those who do not pay for extra services disagreed with another 21% neither agreeing nor disagreeing ($p < .001$)
- 63% of those who subscribed to Bell, Videotron or Rogers disagreed ($p < .001$)
- 63% of those who often watch French-language television on Canadian channels disagreed ($p < .001$)
- 64% of Canadians disagreed overall with the idea, with disagreement especially high in Ontario (65.1%) and Quebec (65.4%) ($p < .001$)
- 65.5% of BDU subscribers in Quebec opposed the idea while 63.2% of subscribers in the rest of Canada also opposed it ($p < .004$)
- More BDU subscribers who speak French at home oppose the idea (64.5%) than those who speak English at home (62.8%) or another language (61.8%) ($p < .001$)
- Of the BDU subscribers who live outside of Quebec, 62.9% of those who speak English at home oppose the idea, while 53.1% of those who speak French at home oppose it ($p < .001$)

B. Who opposes the inflationary increase?

In brief, nearly all BDU subscribers opposed the idea of raising the small basic service rate – no differences were observed between people on the basis of gender ($p = .479$), level of education completed ($p = .037$), viewing of French-language television on Canadian channels ($p = .089$) residence within Quebec or the rest of Canada ($p = .106$)

- Eight out of ten (80.4%) of Canadians disagreed overall with the idea, with disagreement especially high in Newfoundland and Labrador and New Brunswick (93.6%) ($p < .001$), with disagreement especially high on the East coast overall (90.2%), and slightly lower in the West (79.4%) ($p < .001$)
- BDU subscribers who speak French (82.1%) or English (81.6%) at home opposed the idea, while fewer people who speak another language disagreed (54.5%) ($p < .001$)
- Of the BDU subscribers who live outside of Quebec, 87.9% of those who speak French at home oppose it ($p < .001$)
- More than two-thirds of all people over the age of 24 years disagreed, with 83.9% of those aged 35-44 in particular disagreeing ($p < .001$)
- While more than three-quarters of BDU subscribers opposed the idea across all levels of income, the highest level of opposition to the idea (87.9%) came from higher-income subscribers whose household income in 2021 before taxes ranged between \$80,000 to \$100,000 ($p < .002$)
- Four out of five (82.7%) of those who pay for extra channels or packages of services disagreed that the price of small basic service should increase by the

annual rate of inflation, while 72.2% of those who do not paid for extra services disagreed (p < .001)

- 84.7% of those who subscribed to Bell, Videotron or Rogers disagreed (p < .001)

C. Who may be affected by the proposed increase?

All BDU subscribers disagreed with the idea that the CRTC should permit the price of the small basic service to increase each year in line with inflation.

- Four out of five (82.7%) of subscribers who pay for extra channels or packages of services – in other words, those who may be able to afford additional costs of BDU services – disagreed that the small basic service should increase by inflation each year (p. < .001)
- Disagreement with the idea of inflation-based annual increases was expressed by a majority of all subscribers, though the percentage of those disagreeing varied depending on who provided their BDU service:
 - Sasktel – 93.3%
 - Videotron – 89.7%
 - Rogers – 83.1%
 - Bell – 83.0%
 - Eastlink – 80.0%
 - Other BDUs – 78.5%
 - Cogeco – 72.6%

(p. < .001)

D. Should CRTC require BDUs to provide a free package of the local TV services?

All BDU subscribers supported the idea of the CRTC’s requiring BDUs to provide a package of local TV services in their area, with the highest level of agreement from those of average income (\$60,000 up to \$80,000), those who graduated from or completed some level of high school (86,.3%),

| Q5 The CRTC allows but does not require cable and satellite companies to provide subscribers with a package of just the local TV services in their area, free of charge. Do you think the CRTC should require cable and satellite companies to provide all subscribers with a free package of the local TV services in their area? | | | | | |
|--|--------------|----------|----------|--------|---|
| By income group | Agree | Disagree | Not sure | Total | Probability of result occurring by chance |
| Less than \$20,000 per year | 73.6 | 3.8% | 22.6% | 100.0% | p. < .001 |
| \$20,000 up to \$60,000 | 86.9% | 7.1% | 6.0% | 100.0% | |
| \$60,000 up to \$80,000 | 87.8% | 7.6% | 4.6% | 100.0% | |

| | | | | | |
|-----------------------|-------|-------|------|--------|--|
| Greater than \$80,000 | 78.1% | 13.8% | 8.1% | 100.0% | |
| Prefer not to answer | 78.8% | 13.0% | 8.3% | 100.0% | |
| Total | 81.5% | 10.6% | 7.9% | 100.0% | |

Support for the idea of a free package of local TV services was highest among BDU subscribers who had not attended college or university (ranging from 82.7% to 86.3%):

| | | | | | |
|--|-------|----------|----------|--------|---|
| Q5 The CRTC allows but does not require cable and satellite companies to provide subscribers with a package of just the local TV services in their area, free of charge. Do you think the CRTC should require cable and satellite companies to provide all subscribers with a free package of the local TV services in their area? | | | | | |
| By highest level of education completed | Agree | Disagree | Not sure | Total | Probability of result occurring by chance |
| Primary school | 82.7% | 9.2% | 8.0% | 100.0% | p. < .005 |
| Some or graduated secondary school | 86.3% | 9.1% | 4.6% | 100.0% | |
| Some or graduated college, CEGEP or BA | 76.1% | 19.4% | 4.5% | 100.0% | |
| Graduate school | 48.0% | 44.0% | 8.0% | 100.0% | |
| Prefer not to answer | 47.1% | 5.9% | 47.1% | 100.0% | |
| Total | 81.4% | 10.7% | 7.9% | 100.0% | |

Support for the idea of a free package of local TV services was highest among BDU subscribers who consider news somewhat unimportant (76.1%), somewhat important (86.3%) or somewhat important (82.7%).

| | | | | | |
|--|-------|----------|----------|--------|---|
| Q5 The CRTC allows but does not require cable and satellite companies to provide subscribers with a package of just the local TV services in their area, free of charge. Do you think the CRTC should require cable and satellite companies to provide all subscribers with a free package of the local TV services in their area? | | | | | |
| Q6New – importance of local, regional, national and international news form Canadian news sources | Agree | Disagree | Not sure | Total | Probability of result occurring by chance |
| Important | 82.7% | 9.2% | 8.0% | 100.0% | p. < .001 |
| Somewhat important | 86.3% | 9.1% | 4.6% | 100.0% | |
| Somewhat unimportant | 76.1% | 19.4% | 4.5% | 100.0% | |
| Unimportant | 48.0% | 44.0% | 8.0% | 100.0% | |
| Not sure | 47.1% | 5.9% | 47.1% | 100.0% | |
| Total | 81.5% | 10.7% | 7.9% | 100.0% | |

Support for a free package of local TV services was high in every part of the country:

| |
|---|
| Q5 The CRTC allows but does not require cable and satellite companies to provide subscribers with a |
|---|

package of just the local TV services in their area, free of charge. Do you think the CRTC should require cable and satellite companies to provide all subscribers with a free package of the local TV services in their area?

| By region of residence | Agree | Disagree | Not sure | Total | Probability of result occurring by chance |
|------------------------|-------|----------|----------|--------|---|
| West | 80.1% | 16.0% | 3.9% | 100.0% | p. < .001 |
| Ontario | 82.2% | 9.2% | 8.6% | 100.0% | |
| Quebec | 81.2% | 6.9% | 11.8% | 100.0% | |
| East | 80.2% | 11.1% | 8.6% | 100.0% | |
| Total | 81.3% | 10.7% | 8.0% | 100.0% | |

Increasing the maximum retail price of the basic service
Highlights of Canadians' views in November 2022

Survey questionnaires

Increasing the maximum retail price of the basic service
Highlights of Canadians' views in November 2022

Survey questionnaire – French-language version

CÂBLE FRPC/SATELLITE SURVEY

FRP5

**n=1 000, RDD, Canada
2022**

7 novembre

INTRODUCTION & SÉLECTION

Bonjour. C'est Access Research qui appelle au nom du Forum pour la recherche et la politique des communications. Nous aimerions vous poser quelques questions sur le prix de l'abonnement aux services de télévision au Canada. L'enquête prendra environ 4 minutes de votre temps. Utilisez simplement le clavier de votre téléphone pour sélectionner la bonne réponse lorsque vous y êtes invité. Si vous avez des questions au sujet de cet appel, vous pouvez communiquer avec notre cabinet, Access Research, au 1-855-561-3603 ou à inquiry@access-research.com

[En français : si vous souhaitez entendre ces questions en français, veuillez appuyer sur le 1 maintenant]

In English : si vous souhaitez entendre ces questions en français, veuillez appuyer sur 1 maintenant]

S1. Tout d'abord, êtes-vous âgé d'au moins 18 ans et vivez-vous au Canada ?

Appuyez sur 1 si Oui

Appuyez sur 2 si Non => Merci et terminez [T1]

T.1 Merci, c'est toutes les questions que j'ai. Passe une bonne journée.

Q1 Est-ce que vous ou quelqu'un de votre ménage êtes abonné ou payez pour des services de télévision tels que le câble ou le satellite ?

Appuyez sur 1 si Oui

Appuyez sur 2 si Non => Merci et terminez [T1]

Appuyez sur 8 si vous n'êtes pas sûr => Merci et terminez [T1]

Q2 Il y a sept ans, le CRTC exigeait que les entreprises de câblodistribution et de satellite telles que Rogers, Bell, Vidéotron et Shaw fournissent un forfait de services de télévision de base à tous les abonnés pour un maximum de 25 \$ par mois. Ce forfait comprend des services de télévision locaux, plusieurs réseaux de télévision américains et d'autres services nationaux canadiens tels que la chaîne parlementaire et The Weather Channel/ MétéoMédia.

Le CRTC demande maintenant aux Canadiens s'il devrait augmenter le prix que les entreprises de câblodistribution et de satellite peuvent facturer pour le forfait de base, à 28 \$ par mois.

Êtes-vous d'accord ou non pour dire que le prix d'un forfait de services de télévision de base devrait augmenter de 3 \$ par mois ?

Appuyez sur 1 si vous êtes tout à fait d'accord

Appuyez sur 2 si vous êtes plutôt d'accord

Appuyez sur 3 si vous n'êtes ni d'accord ni en désaccord

Appuyez sur 4 si vous n'êtes plutôt pas d'accord
Appuyez sur 5 si vous n'êtes pas du tout d'accord
Appuyez sur 8 si vous n'êtes pas sûr

Q3 Le CRTC demande également si le prix d'un forfait de services de télévision de base devrait augmenter chaque année selon le taux d'inflation. Êtes-vous d'accord ou pas d'accord ?

Appuyez sur 1 si vous d'accord
Appuyez sur 2 si vous n'êtes pas d'accord
Appuyez sur 8 si vous n'êtes pas sûr

Q4 Les abonnés à la télévision par câble et par satellite peuvent payer un supplément pour recevoir plus de chaînes ou des forfaits supplémentaires de services de télévision, en dehors du forfait de base. Est-ce que vous ou votre ménage payez pour des chaînes supplémentaires ou des forfaits de services de télévision ?

Appuyez sur 1 si Oui
Appuyez sur 2 si Non
Appuyez sur 8 si vous n'êtes pas sûr

Q5 Le CRTC permet aux entreprises de câblodistribution et de diffusion par satellite, mais n'y oblige pas, de fournir gratuitement aux abonnés un forfait comprenant uniquement les services de télévision locaux dans leur région. Pensez-vous que le CRTC devrait obliger les entreprises de câblodistribution et de satellite à fournir à tous les abonnés un forfait gratuit de services de télévision locale dans leur région ?

Appuyez sur 1 si Oui
Appuyez sur 2 si Non
Appuyez sur 8 si vous n'êtes pas sûr

Q6NEW Le fait de pouvoir accéder aux nouvelles locales, régionales, nationales et internationales à partir de sources d'information canadiennes est-il important, plutôt important, plutôt sans importance ou sans importance pour vous ?

Appuyez sur 1 si important
Appuyez sur 2 si plutôt important
Appuyez sur 3 si plutôt important
Appuyez sur 4 si sans importance
Appuyez sur 8 si vous n'êtes pas sûr

Q6 De quelle entreprise recevez-vous actuellement des services par câble ou par satellite ?

Appuyez sur 1 pour Bell
Appuyez sur 2 pour Cogeco
Appuyez sur 3 pour Eastlink
Appuyez sur 4 pour Sasktel
Appuyez sur 5 pour Vidéotron
Appuyez sur 6 pour Rogers
Appuyez sur 7 pour Autre
Appuyez sur 8 pour Ne sait pas

Appuyez sur 9 si vous préférez ne pas dire
Appuyez sur 0 pour répéter les options de question et de réponse

Q7 À quelle fréquence regardez-vous la télévision en Français sur les chaînes canadiennes ?

Appuyez sur 1 pour Souvent

Appuyez sur 2 pour parfois

Appuyez sur 3 pour Rarement

Appuyez sur 4 pour Pas du tout

Appuyez sur 9 pour Préférer ne pas dire

Q8 Pour que nous puissions regrouper nos données, les prochaines questions concernent vous-même. Vos réponses resteront confidentielles et anonymes. Tout d'abord, veuillez indiquer votre sexe.

Appuyez sur 1 pour les hommes

Appuyez sur 2 pour les femmes

Appuyez sur 3 pour Non binaire ou autre

Appuyez sur 9 si vous préférez ne pas dire

Q9 Quel âge avez-vous ?

Appuyez sur 1 si vous avez entre 18 et 24 ans

Appuyez sur 2 si vous avez entre 25 et 34

Appuyez sur 3 si vous avez entre 35 et 44

Appuyez sur 4 si vous avez entre 45 et 54

Appuyez sur 5 si vous avez entre 55 et 64

Appuyez sur 6 si vous avez entre 65 et 74

Appuyez sur 7 si vous avez 75 ans ou plus

Appuyez sur 9 si vous préférez ne pas répondre

Q10 Quelle langue parlez-vous à la maison ?

Appuyez sur 1 pour l'anglais

Appuyez sur 2 pour le français

Appuyez sur 3 pour autre

Appuyez sur 9 pour Préférer ne pas répondre

Q11 Dans quelle province ou quel territoire habitez-vous ?

Appuyez sur 1 pour Colombie-Britannique

Appuyez sur 2 pour Alberta, Saskatchewan ou Manitoba

Appuyez sur 3 pour Ontario

Appuyez sur 4 pour Québec

Appuyez sur 5 pour Terre-Neuve-et-Labrador ou Nouveau-Brunswick

Appuyez sur 6 pour la Nouvelle-Écosse ou l'Île-du-Prince-Édouard

Appuyez sur 7 pour Territoires du Nord-Ouest

Appuyez sur 8 pour Nunavut

Appuyez sur 9 pour Yukon

Appuyez sur 0 pour répéter les options de question et de réponse

Q12 Quel est le plus haut niveau de scolarité que vous avez atteint ?

Appuyez sur 1 pour la 8e année ou moins

Appuyez sur 2 pour un peu d'études secondaires

Appuyez sur 3 pour un Diplôme d'études secondaires ou équivalent
Appuyez sur 4 pour le Collège ou cégep
Appuyez sur 5 pour un baccalauréat (BAC)
Appuyez sur 6 pour un Master
Appuyez sur 7 pour un Doctorat
Appuyez sur 9 si vous préférez ne pas répondre
Appuyez sur 0 pour répéter les options de question et de réponse

Q13 Laquelle des catégories suivantes décrit le mieux le revenu total de votre ménage en 2021, avant impôt ?

Appuyez sur 1 pour moins de 20 000 \$
Appuyez sur 2 pour 20 000 \$ à un peu moins de 40 000 \$
Appuyez sur 3 pour 40 000 \$ à un peu moins de 60 000 \$
Appuyez sur 4 pour 60 000 \$ à un peu moins de 80 000 \$
Appuyez sur 5 pour 80 000 \$ à un peu moins de 100 000 \$
Appuyez sur 6 pour 100 000 \$ à un peu moins de 150 000 \$
Appuyez sur 7 pour 150 000 \$ et plus
Appuyez sur 9 si vous préférez ne pas répondre
Appuyez sur 0 pour répéter les options de question et de réponse

T.2 Merci beaucoup pour votre aide. Votre avis nous est très précieux. Si vous avez des questions au sujet de cet appel, vous pouvez joindre notre cabinet, Access Research, au 1-855-561-3603 ou à inquiry@access-research.com. Merci.

Increasing the maximum retail price of the basic service
Highlights of Canadians' views in November 2022

Survey questionnaire – English-language version

FRPC CABLE/SATELLITE SURVEY

FRP5

n=1,000, RDD, Canada

November 9, 2022

INTRODUCTION & SCREENING

Hello. This is Access Research calling on behalf of the Forum for Research and Policy in Communications. We would like to ask you some questions about the price of subscribing to TV in Canada. The survey will take about 4 minutes of your time. Just use the touchpad on your phone to select the correct answer when prompted. If you have any questions about this call, you can reach our firm, Access Research, at 1-855-561-3603 or at inquiry@access-research.com.

[In French: if you would like to hear these questions in French, please press 1 now]

S1 First of all, are you at least 18 years of age or older, and living in Canada?

a. Press 1 if Yes

b. Press 2 if No => Thank you, and terminate [T1]

T1. Thank you, that's all the questions I have. Have a great day.

Q1 Do you or anyone in your household subscribe to or pay for TV services such as cable or satellite?

Press 1 if Yes

Press 2 if No => Thank you, and terminate [T1]

Press 8 if Not Sure => Thank you, and terminate [T1]

Q2 Seven years ago the CRTC required cable and satellite companies such as Rogers, Bell, Videotron and Shaw to provide a package of basic TV services to all subscribers for a maximum of \$25 per month. This package includes local TV services, several American television networks and other national Canadian services such as the Parliamentary channel and The Weather Channel/ MétéoMédia.

The CRTC is now asking Canadians if it should raise the price that cable and satellite companies can charge for the basic package by \$3, to \$28 per month. Do you agree or disagree that the price of a package of basic TV services should go up by \$3 per month?

Press 1 if you strongly agree

Press 2 if you somewhat agree

Press 3 if you neither agree nor disagree

Press 4 if you somewhat disagree

Press 5 if you strongly disagree

Press 8 if you are not sure

Q3 The CRTC is also asking if the price of a package of basic tv services should increase every year by the rate of inflation. Do you agree or disagree?

Press 1 if you agree

Press 2 if you disagree

Press 8 if you are not sure

Q4 Cable and satellite TV subscribers can pay extra to receive more channels or additional packages of TV services, apart from the basic package. Do you or does your household pay for extra channels or packages of TV services?

Press 1 if Yes

Press 2 if No

Press 8 if you are not sure

Q5 The CRTC allows but does not require cable and satellite companies to provide subscribers with a package of just the local TV services in their area, free of charge. Do you think the CRTC should require cable and satellite companies to provide all subscribers with a free package of the local TV services in their area?

Press 1 if Yes

Press 2 if No

Press 8 if you are not sure

Q6NEW Is being able to access local, regional, national and international news from Canadian news sources important, somewhat important, somewhat unimportant or unimportant to you?

Press 1 if Important

Press 2 if Somewhat important

Press 3 if Somewhat unimportant

Press 4 if Unimportant

Press 8 if you are not sure

Q6 Which company do you currently receive cable or satellite services from?

Press 1 for Bell

Press 2 for Cogeco

Press 3 for Eastlink

Press 4 for Sasktel

Press 5 for Videotron

Press 6 for Rogers

Press 7 for Other

Press 8 for Don't know
Press 9 if you prefer not to say
Press 0 to repeat the question and answer options

Q7 How often do you watch French-language TV on Canadian channels?

Press 1 for Often
Press 2 for Sometimes
Press 3 for Rarely
Press 4 for Not at all
Press 9 for Prefer not to say

Q8 So that we can group our data, the next few questions are about yourself. Your answers will be kept confidential and anonymous. First, please indicate your gender.

Press 1 for Male
Press 2 for Female
Press 3 for Non-binary or other
Press 9 if you prefer not to say

Q9 How old are you?

Press 1 if between 18 and 24 years of age
Press 2 if between 25 and 34
Press 3 if between 35 and 44
Press 4 if between 45 and 54
Press 5 if between 55 and 64
Press 6 if between 65 and 74
Press 7 if 75 years of age or older
Press 9 if you prefer not to answer

Q10 What language do you speak at home?

Press 1 for English
Press 2 for French
Press 3 for Other
Press 9 for Prefer not to answer

Q11 In which province or territory do you live?

Press 1 if British Columbia
Press 2 if Alberta, Saskatchewan or Manitoba
Press 3 if Ontario
Press 4 if Quebec
Press 5 if Newfoundland and Labrador, or New Brunswick
Press 6 if Nova Scotia or Prince Edward Island
Press 7 if Northwest Territories
Press 8 if Nunavut

Press 9 if Yukon

Press 0 to repeat the question and answer options

Q12 What is the highest level of education that you have completed?

Press 1 if Grade 8 or less

Press 2 if Some high school

Press 3 if High school diploma or equivalent

Press 4 if College or CEGEP

Press 5 if Bachelor's degree

Press 6 if Master's degree

Press 7 if Doctorate

Press 9 if you prefer not to answer

Press 0 to repeat the question and answer options

Q13 Which of the following categories best describes your total household income in 2021, before taxes?

Press 1 if under \$20,000

Press 2 if \$20,000 to just under \$40,000

Press 3 if \$40,000 to just under \$60,000

Press 4 if \$60,000 to just under \$80,000

Press 5 if \$80,000 to just under \$100,000

Press 6 if \$100,000 to just under \$150,000

Press 7 if \$150,000 and above

Press 9 if you prefer not to answer

Press 0 to repeat the question and answer options

T2. Thank you very much for your assistance. Your opinion is very valuable to us. If you have any questions about this call, you can reach our firm, Access Research, at 1-855-561-3603 or at inquiry@access-research.com. Thank you.

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