



Broadcasting Circular CRTC 2007-9 Telecom Circular CRTC 2007-18

Ottawa, 21 December 2007

Notification of a temporary increase to CRTC Part I Broadcasting Licence Fees and Telecommunications Fees

Purpose

1. The purpose of this circular is to: a) inform the telecommunications and broadcasting industries that the Commission has received authority to increase its operating budget for a period of two years starting this fiscal year; and b) to explain to CRTC fee payers the estimated impact and the anticipated timing of invoicing for this additional budget authority.

Background

2. The Commission is funded through fees assessed under the authority of the *Broadcasting Act* and *Telecommunications Act* and the regulations made pursuant to these acts, namely the *Broadcasting Licence Fee Regulations, 1997* and the *Telecommunications Fee Regulations, 1995*. These fees are assessed to recover 100 per cent of the Commission's operating costs.
3. In June and July 2007, Commission staff conducted a series of consultations with industry stakeholders. During these consultations, staff indicated that the Commission was seeking an increase to its operating budget for a period of five years. It was explained that these additional resources would be used to respond to government priorities and non-discretionary regulatory responsibilities. Specifically, the Commission would use such resources to address items such as:
 - accelerating service delivery to the broadcasting and telecommunications industries;
 - managing the transition in the telecommunications sector toward increased de-regulation;
 - transforming the regulatory frameworks to lighter regulation in broadcasting, with more free play for market forces, while at the same time achieving the objectives of the *Broadcasting Act*;
 - implementing new legislated responsibilities, e.g. the National "Do Not Call List" (DNCL);
 - updating the Commission's aging information technology infrastructure and systems to enhance client services and reduce the reporting burden;

- addressing workload and inflationary pressures associated with public processes (e.g. the timely processing of ownership transactions) and regulatory issues including new media research; and
 - reviewing internal processes to streamline and enhance service delivery.
4. An outcomes report of the stakeholder consultations on CRTC budgetary requirements and fees is on the Commission's website at the following address:
<http://www.crtc.gc.ca/eng/BACKGRND/ppf2007.htm>.

Impact on fee payers and timing of billing

5. In November 2007, Treasury Board approved a two-year increase to the Commission's budget for fiscal years 2007-08 and 2008-09. The full cost of this resource request, which will be recovered from CRTC fee payers, is \$8,505,238 (\$4,453,309 Broadcasting, \$4,051,929 Telecommunications) and \$10,461,399 (\$5,503,988 Broadcasting, \$4,957,411 Telecommunications) for the two fiscal years, respectively.
6. The Commission's broadcasting and telecommunications fee regulations have a provision whereby the Commission is able to adjust the annual fees (Part I Broadcasting Licence Fees and Telecommunications Fees) to take into account the Commission's actual expenditures on both Broadcasting and Telecommunications activities during the fiscal year. The adjustments represent the difference between the estimated costs initially billed in a previous fiscal year and the actual costs incurred.
7. The Commission's actual expenses associated with this resource increase will be recovered as part of the annual billing adjustments for the telecommunications industry in 2008-09 and 2009-10 and for broadcasting licence fee payers in 2009-10 and 2010-11. Further details of this increase will be provided in the covering letter that will accompany the annual broadcasting Part I licence fee invoice and annual telecommunications fee invoice.

Secretary General

Related documents

- *Broadcasting Licence Fee Regulations, 1997*
<http://laws.justice.gc.ca/en/showtdm/cr/SOR-97-144>

- *Telecommunications Fee Regulations, 1995*
<http://laws.justice.gc.ca/en/showtdm/cr/SOR-95-157>
- Consultations Outcomes Report - *CRTC Budgetary Requirements and Fees*
<http://www.crtc.gc.ca/eng/BACKGRND/ppf2007.htm>

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<http://www.crtc.gc.ca>