Canadian Radiotelevision and Telecommunications Commission

Fees Report Fiscal year 2020–21

The Honourable Pablo Rodriguez, P.C., M.P. Minister of Canadian Heritage

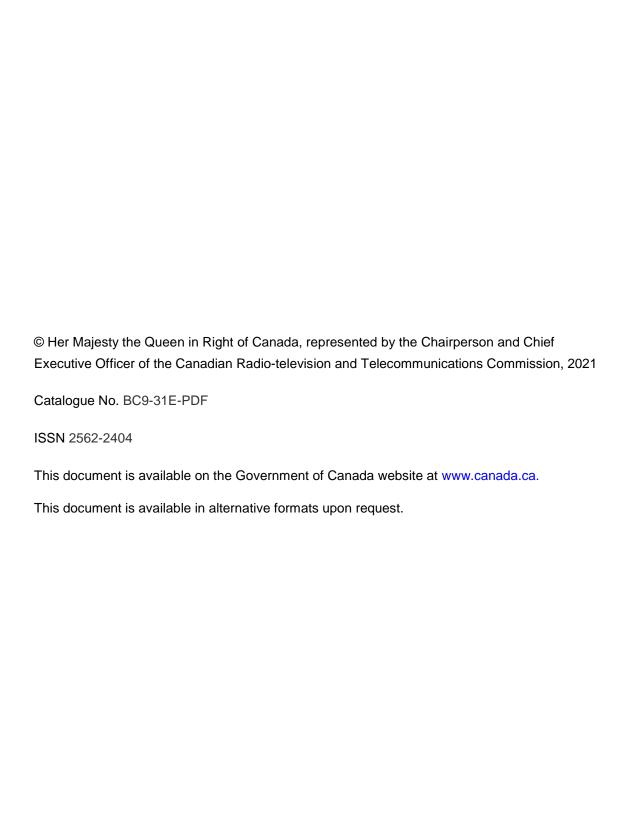


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Minister's message

On behalf of the Canadian Radio-television and Telecommunications Commission (CRTC), I am pleased to present the 2020–21 Fees Report.

The *Service Fees Act* provides a modern legislative framework that enables cost-effective delivery of services, as well as improved transparency and oversight through enhanced reporting to Parliament.



I am pleased that the CRTC is continuing its transition to the reporting regime provided under the *Service Fees Act*.

The Honourable Pablo Rodriguez, P.C., M.P. Minister of Canadian Heritage

About this report

This report, which is tabled under section 20 of the Service Fees Act, including the Low-Materiality Fees Regulationsⁱⁱ and subsection 4.2.8 of the Directive on Charging and Special Financial Authoritiesiii, contains information about the fees that Canadian Radio-television and Telecommunications Commission (CRTC) had the authority to set in 2020–21.¹

Government of Canada departments may set fees for services, licences, permits, products, the use of facilities, for other authorizations of rights or privileges, or to recover, in whole or in part, costs incurred in relation to a regulatory scheme.

For reporting purposes, fees must be categorized under the following three fee-setting mechanisms:

- 1. Act, regulation or fees notice
 - An act of Parliament delegates the fee-setting authority to a department, minister or Governor in Council.
- 2. Contract
 - Ministers have the authority to enter into contracts, which are usually negotiated between the minister and an individual or organization, and which cover fees and other terms and conditions. In some cases, that authority may also be provided by an act of Parliament.
- 3. Market rate or auction
 - The authority to set these fees is pursuant to an act of Parliament or regulation, and the minister, department or Governor in Council has no control over the fee amount.

This report contains information about all fees that are under CRTC's authority.

The information covers fees subject to the *Service Fees Act*.

For fees set by act, regulation or fees notice, the report provides totals for fee groupings, as well as detailed information for each fee.

Although the fees that the CRTC charges under the Access to Information Activwere subject to the Service Fees Act, they are not included in this report. Information on CRTC's access to information fees for 2020–21 can be found in our access to information report, which is posted on our Web page: CRTC's website^v.

^{1.} All years presented in this manner refer to fiscal years.

Remissions

This report does not include remissions issued under the authority of the *Service Fees Act*, since this requirement took effect on April 1, 2021. Remissions issued under the *Service Fees Act* will be reported for the first time, as applicable, in the 2021–22 Fees Report, which will be published in 2022–23.

The *Service Fees Act* requires departments to remit a fee, in part or in full, to a fee payer when a service standard is deemed not met. Under the *Service Fees Act* and the *Directive on Charging and Special Financial Authorities*, departments had to develop policies and procedures for determining:

- whether a service standard has been met
- how much of a fee will be remitted to a fee payer if a service standard is deemed not met

As the CRTC's fees are not subject to sections 4 to 7 of the *Service Fees Act* related to service standards, no remission policy nor procedures were established.

The "Overall totals for 2020–21, by fee-setting mechanism" presents the total remissions by fee-setting mechanism. The "Totals, by fee grouping, for fees set by act, regulation or fees notice" provides further details related to remissions that were issued under the authority of the *Financial Administration Act* in 2020–21.

In response to the crisis caused by the COVID-19 world pandemic, two remission orders were granted pursuant to subsection 23(2.1) of the *Financial Administration Act* in 2020-21 to provide support to the broadcasting industry and to Canada's broadcasting system:

- P.C. 2020-0338 granted a remission of the Part I broadcasting licence fees paid or payable by all licensees under paragraph 3(a) of the *Broadcasting Licence Fee Regulations*, 1997^{vii}, in respect of the fiscal year 2020–21; and
- P.C. 2020-1060 granted a remission of the Part II broadcasting licence fees paid or payable to eligible local television and radio stations under the *Broadcasting Licence Fee Regulations*, 1997, in respect of the fiscal year 2020–21.

Overall totals, by fee-setting mechanism

The following table presents the total revenue, cost and remissions for all fees that the CRTC had the authority to set in 2020–21, by fee-setting mechanism.

Overall totals for 2020-21, by fee-setting mechanism

| Fee-setting mechanism | Revenue (\$) | Cost (\$) ^{1,2} | Remissions (\$) ³ |
|--|--------------|--------------------------|--|
| Fees set by contract | 0 | 0 | Remissions do not apply to fees set by contract. |
| Fees set by either market rate or auction | 0 | 0 | 0 |
| Fees set by act, regulation or fees notice | 122,351,386 | 74,422,548 | 68,820,713 |
| Total | 122,351,386 | 74,422,548 | 68,820,713 |

¹The CRTC has changed its methodology to report on costs related to fees beginning in 2020-21. As a result, costs are not comparable to previous fiscal years.

²The CRTC has no cost associated with Part II broadcasting licence fees, which is part of fees set by act, regulation or fees notice grouping.

³These remission figures resulted from remission orders made by the Governor in Council under the authority of the *Financial Administration Act* in the context of the COVID-19 pandemic.

Totals, by fee grouping, for fees set by act, regulation or fees notice

The following section presents, for each fee grouping, the total revenue, cost and remissions for all fees that the CRTC had the authority to set in 2020–21 that are set by any of the following:

- act
- regulation

A fee grouping is a set of fees relating to a single business line, directorate or program that a department had the authority to set for those activities.

Broadcasting Licence Fees: totals for 2020-21

Fee grouping

Broadcasting Licence Fees

| Revenue (\$) | Cost (\$) ^{1,2} | Remissions (\$) ³ |
|--------------|--------------------------|------------------------------|
| 82,329,672 | 33,199,824 | 68,820,713 |

¹The CRTC has changed its methodology to report on costs related to fees beginning in 2020-21. As a result, costs are not comparable to previous fiscal years.

²The CRTC has no cost associated with the Part II broadcasting licence fees, which is part of the broadcasting licence fees grouping.

³These remission figures resulted from remission orders made by the Governor in Council under the authority of the *Financial Administration Act* in the context of the COVID-19 pandemic.

Telecommunications Fees: totals for 2020-21

Fee grouping

Telecommunications Fees

| Revenue (\$) | Cost (\$) ¹ | Remissions (\$) |
|--------------|------------------------|-----------------|
| 36,721,714 | 38,020,842 | 0 |

¹The CRTC has changed its methodology to report on costs related to fees beginning in 2020-21. As a result, costs are not comparable to previous fiscal years.

Unsolicited Telecommunications Fees: totals for 2020-21

Fee grouping

Unsolicited Telecommunications Fees

| Revenue (\$) | Cost (\$) ¹ | Remissions (\$) |
|--------------|------------------------|-----------------|
| 3,300,000 | 3,201,882 | 0 |

¹The CRTC has changed its methodology to report on costs related to fees beginning in 2020-21. As a result, costs are not comparable to previous fiscal years.

Details on each fee set by act, regulation or fees notice

This section provides detailed information on each fee that the CRTC had the authority to set in 2020–21 and that was set by any of the following:

- act
- regulation

Fee grouping

Broadcasting Licence Fees

Fee

Broadcasting Licence Fee – Part I

Fee-setting authority

Broadcasting Act^{viii}, section 11(1)c); Broadcasting Licence Fee Regulations, 1997 (SOR/97–144)

Year fee-setting authority was introduced

1991

Last year fee-setting authority was amended

2020

Service standard

Sections 4 to 7 of the *Service Fees Act* do not apply to this fee.

Performance result

Sections 4 to 7 of the *Service Fees Act* do not apply to this fee.

Application of Low-Materiality Fees Regulations

Not subject to section 17 of the Service Fees Act

2020–21 fee amount (\$)

The fee is determined by a formula that can be found in the *Broadcasting Licence Fee Regulations*, 1997.

2020–21 total fee revenue (\$)

0

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Fee adjustment date in 2022-23

Not applicable

2022-23 fee amount (\$)

The fee is determined by a formula that can be found in the *Broadcasting Licence Fee* Regulations, 1997.

Fee grouping

Broadcasting Licence Fees

Fee

Broadcasting Licence Fee – Part II

Fee-setting authority

Broadcasting Act, section 11(1)c); *Broadcasting Licence Fee Regulations*, 1997 (SOR/2010-157)

Year fee-setting authority was introduced

1991

Last year fee-setting authority was amended

2020

Service standard

Sections 4 to 7 of the Service Fees Act do not apply to this fee.

Performance result

Sections 4 to 7 of the *Service Fees Act* do not apply to this fee.

Application of Low-Materiality Fees Regulations

Not subject to section 17 of the Service Fees Act

2020-21 fee amount (\$)

The fee is determined by a formula that can be found in the *Broadcasting Licence Fee Regulations*, 1997.

2020–21 total fee revenue (\$)

82,329,672

Fee adjustment date in 2022-23

Not applicable

2022–23 fee amount (\$)

The fee is determined by a formula that can be found in the *Broadcasting Licence Fee Regulations*, 1997.

Fee grouping

Telecommunications Fees

Fee

Telecommunications Fees

Fee-setting authority

Telecommunications Actix, section 68(1); Telecommunications Fees Regulations, 2010^x (SOR/2010-65)

Year fee-setting authority was introduced

1993

Last year fee-setting authority was amended

2019

Service standard

Sections 4 to 7 of the *Service Fees Act* do not apply to this fee.

Performance result

Sections 4 to 7 of the *Service Fees Act* do not apply to this fee.

Application of Low-Materiality Fees Regulations

Not subject to section 17 of the Service Fees Act

2020–21 fee amount (\$)

The fee is determined by a formula that can be found in the *Telecommunications Fees* Regulations, 2010.

2020–21 total fee revenue (\$)

36,721,714

Fee adjustment date in 2022–23

Not applicable

2022–23 fee amount (\$)

The fee is determined by a formula that can be found in the *Telecommunications Fees* Regulations, 2010.

Fee grouping

Unsolicited Telecommunications Fees

Fee

Unsolicited Telecommunications Fees

Fee-setting authority

Telecommunications Act, section 41.21(1); *Unsolicited Telecommunications Fees Regulations*^{xi} (SOR/2013-7)

Year fee-setting authority was introduced

2012

Last year fee-setting authority was amended

2019

Service standard

Sections 4 to 7 of the *Service Fees Act* do not apply to this fee.

Performance result

Sections 4 to 7 of the Service Fees Act do not apply to this fee.

Application of Low-Materiality Fees Regulations

Not subject to section 17 of the Service Fees Act

2020–21 fee amount (\$)

The fees are determined by a formula that can be found in the *Unsolicited Telecommunications Fees Regulations*.

2020–21 total fee revenue (\$)

3,300,000

Fee adjustment date in 2022-23

Not applicable

2022–23 fee amount (\$)

The fees are determined by a formula that can be found in the *Unsolicited Telecommunications Fees Regulations*.

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Endnotes

- Service Fees Act, https://laws-lois.justice.gc.ca/eng/acts/S-8.4/FullText.html
- ii Low Materiality Fees Regulations, https://laws-lois.justice.gc.ca/eng/regulations/SOR-2019-109/index.html
- Directive on Charging and Special Financial Authorities, https://www.tbssct.gc.ca/pol/doc-eng.aspx?id=32502
- iv Access to Information Act, https://www.laws-lois.justice.gc.ca/eng/acts/A-1/
- CRTC's Access to Information report, https://crtc.gc.ca/eng/about/atip/
- vi Financial Administration Act. https://laws-lois.justice.gc.ca/eng/acts/F-11/index.html
- vii Broadcasting Licence Fee Regulations, 1997, https://laws-lois.justice.gc.ca/eng/regulations/SOR-97-144/FullText.html
- viii Broadcasting Act, https://laws.justice.gc.ca/eng/acts/B-9.01/FullText.html
- ix Telecommunications Act, https://laws.justice.gc.ca/eng/acts/T-3.4/FullText.html
- ^x Telecommunications Fees Regulations, 2010, https://laws-lois.justice.gc.ca/eng/regulations/SOR-2010-65/FullText.html
- xi Unsolicited Telecommunications Fees Regulations, https://lawslois.justice.gc.ca/eng/regulations/SOR-2013-7/FullText.html