



## Broadcasting Public Notice CRTC 2004-99

Ottawa, 23 December 2004

### **Request by Vidéotron to rescind a mandatory order issued pursuant to section 12(2) of the *Broadcasting Act***

*The Commission calls for comments on a request by Vidéotron for the Commission to rescind a mandatory order related to the use of inside wire.*

#### **Background**

1. On 8 February 2002, Vidéotron ltée, CF Cable TV Inc., Videotron (Regional) Ltd., Vidéotron (RDL) ltée and Télé-Câble Charlevoix (1977) inc. (collectively referred to as “Vidéotron”) entered into an agreement with Câblage QMI inc. (CQMI) under which Vidéotron contracted to sell to CQMI the inside wire it owned in multiple unit dwellings (MUDs) that had 20 units or more. CQMI is a subsidiary of Quebecor Media Inc. and an affiliate of Vidéotron. Vidéotron and CQMI entered into a further agreement under which Vidéotron would pay CQMI \$5.00 per month for each unit served by Vidéotron for the right to use the inside wire that was the subject of the agreement. On 12 February 2002, CQMI notified in writing all other broadcasting distribution undertakings (BDUs) competing with Vidéotron and that provided service to subscribers in Vidéotron’s serving areas in Quebec that CQMI would make inside wire available to each of them on the same terms and conditions that it made its inside wire available to Vidéotron.
2. Subsequently, the Commission received complaints alleging breaches by Vidéotron of sections 9 and 10 of the *Broadcasting Distribution Regulations* (the Regulations)<sup>1</sup> from Cable VDN Inc., Bell ExpressVu Limited Partnership and Look Communications Inc., also licensed BDUs. All three complainants requested that the Commission issue a mandatory order that would compel Vidéotron to comply with its regulatory obligations not to give itself an undue preference or subject its competitors to an undue disadvantage, and to provide access to the inside wire at a just and reasonable fee.

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<sup>1</sup> These sections of the Regulations read as follows:

9. No licensee shall give an undue preference to any person, including itself, or subject any person to an undue disadvantage.
10. (1) A licensee that owns an inside wire shall, on request, permit the inside wire to be used by a subscriber, by another licensee, or by a broadcasting undertaking in respect of which an exemption has been granted, by order under section 9(4) of the Act, from the requirement to obtain a licence.  
(2) The licensee that owns an inside wire may charge a just and reasonable fee for the use of the wire.  
(3) The licensee that owns an inside wire must not remove it from a building if a request for the use of the wire has been made and is pending under subsection (1), or while the wire is being used in accordance with that subsection.

3. On 3 September 2002, the Commission issued *Cable inside wire fee*, Broadcasting Public Notice CRTC 2002-51, 3 September 2002 (Public Notice 2002-51). In Public Notice 2002-51, the Commission found that \$0.52 per subscriber per month was a just and reasonable fee for the use of inside wire in MUDs.
4. On 9 October 2002, the Commission issued *Mandatory Order issued pursuant to subsection 12(2) of the Broadcasting Act against Vidéotron ltée and its subsidiaries*, Broadcasting Decision CRTC 2002-299, 9 October 2002 (Decision 2002-299). Appendix I to Decision 2002-299 set out a mandatory order pursuant to subsection 12(2) of the *Broadcasting Act* against Vidéotron and its subsidiaries. The mandatory order provided that Vidéotron and its affiliates, including CQMI, could not use the inside wire, ostensibly owned by CQMI, for the delivery of broadcasting services unless Vidéotron and its subsidiaries and/or CQMI offered third parties in competition with Vidéotron for such delivery, the use of that wire at a monthly fee not exceeding \$0.52 per subscriber per month. The mandatory order also directed that no other fee was to be charged.

### **The current request**

5. On 7 July 2004, the Commission received a request from Vidéotron asking that the Commission rescind the mandatory order set out in Appendix I to Decision 2002-299.
6. In its request, Vidéotron informed the Commission that, on 23 December 2003, it repurchased the inside wire that it had sold to CQMI on 8 February 2002. According to Vidéotron, following the repurchase of this wire, it obtained the liquidation of CQMI on 27 December 2003. In light of these and other circumstances, Vidéotron argued that it is no longer necessary for the Commission to maintain the mandatory order.
7. In support of its request, Vidéotron provided documents to the Commission as evidence of its reacquisition of the inside wire and of the winding up of CQMI.

### **Call for comments**

8. Interested parties may file comments with the Commission concerning Vidéotron's request. Parties that submit comments should also provide a true copy of those comments to Vidéotron at the following address:

6<sup>th</sup> Floor  
300 Viger Avenue East  
Montréal, Quebec  
H2X 3W4  
Fax: (514) 380-4664  
E-mail: [trepanier.edouard@quebecor.com](mailto:trepanier.edouard@quebecor.com)

9. Proof that comments have been sent to Vidéotron must accompany the original of the comments sent to the Commission.
10. Comments must be received by the CRTC and by Vidéotron on or before **28 January 2005**.
11. Vidéotron may file a written reply to any comments received concerning its request. Such replies should be filed with the Commission, and a copy sent to the person who submitted the comments, by no later than **7 February 2005**.
12. The Commission will not formally acknowledge comments. It will, however, fully consider all comments and they will form part of the public record of the proceeding, provided that the procedures for filing set out below have been followed.

### **Procedures for filing comments**

13. Interested parties can file their comments to the Secretary General of the Commission by using ONE of the following formats:
  - Intervention/Comments form  
available from the Commission's web site by indicating and selecting the public notice number under the *Decisions, Notices and Orders* section

OR

  - **by electronic mail to**  
[procedure@crtc.gc.ca](mailto:procedure@crtc.gc.ca)

OR

  - **by mail to**  
CRTC, Ottawa, Ontario K1A 0N2

OR

  - **by fax at**  
(819) 994-0218
14. Submissions longer than five pages should include a summary.
15. Please number each paragraph of your submission. In addition, please enter the line **\*\*\*End of document\*\*\*** following the last paragraph. This will help the Commission verify that the document has not been damaged during transmission.

16. The Commission will make comments filed in electronic form available on its web site at [www.crtc.gc.ca](http://www.crtc.gc.ca) but only in the official language and format in which they are submitted. Such comments may be accessed in the *Public Proceedings* section of the CRTC web site. Copies of all comments, whether filed on paper or in electronic form, will also be placed on the public examination file.
17. The Commission encourages interested parties to monitor the public examination file and the Commission's web site for additional information that they may find useful when preparing their comments.

**Examination of public comments and related documents at the following Commission offices during normal business hours**

Central Building

Les Terrasses de la Chaudière  
1 Promenade du Portage, Room G-5  
Gatineau, Quebec K1A 0N2  
Tel: (819) 997-2429 - TDD: 994-0423  
Fax: (819) 994-0218

Metropolitan Place

99 Wyse Road  
Suite 1410  
Dartmouth, Nova Scotia B3A 4S5  
Tel: (902) 426-7997 - TDD: 426-6997  
Fax: (902) 426-2721

205 Viger Avenue West

Suite 504  
Montréal, Quebec H2Z 1G2  
Tel: (514) 283-6607

55 St. Clair Avenue East

Suite 624  
Toronto, Ontario M4T 1M2  
Tel: (416) 952-9096

Kensington Building

275 Portage Avenue  
Suite 1810  
Winnipeg, Manitoba R3B 2B3  
Tel: (204) 983-6306 - TDD: 983-8274  
Fax: (204) 983-6317

Cornwall Professional Building  
2125 - 11<sup>th</sup> Avenue  
Room 103  
Regina, Saskatchewan S4P 3X3  
Tel: (306) 780-3422

10405 Jasper Avenue  
Suite 520  
Edmonton, Alberta T5J 3N4  
Tel: (780) 495-3224

530-580 Hornby Street  
Vancouver, British Columbia V6C 3B6  
Tel: (604) 666-2111 - TDD: 666-0778  
Fax: (604) 666-8322

Secretary General

*This document is available in alternate format upon request and may also be examined at the following Internet site: <http://www.crtc.gc.ca>*