"Imperial's submission also points out that, as a result of the improvements in the efficiency of refining and marketing of gasoline, the real price of gasoline in Toronto in 1980, excluding crude costs and federal and provincial taxes, was less than in 1961."

CRTC SATELLITE DECISION VARIED BY GOVERNMENT

The federal government, in a decision announced by Communications Minister Francis Fox on December 10, has confirmed much of CRTC Decision 81-13 of July 7, 1981, but has modified some of the provisions relating to the leasing of satellite services.

The issues relating to satellite services which are complex, have a bearing upon extent to which some competing users are to have unequal access to such services.

Telesat was created by the Telesat Canada Act of 1970 to establish satellite communications services on a commercial basis. Users of satellite services include members of the Trans Canada Telephone Systems, CN/CP Telecommunications, broadcasting companies including cable TV companies, and other suppliers of communications services to business. The federal government holds three million of Telesat's shares, the common carriers hold another three million and the mangement of Telesat holds two shares.

Telesat became a member of the Trans Canada Telephone System (TCTS) by virtue of a 1976 connecting agreement, one effect of which was to transfer much of the control over satellite channel services from Telesat to the board of Management of TCTS. In 1977 the CRTC turned down an application for approval of the agreement, partly on grounds of competition policy. That decision was reversed by the Cabinet, largely on the ground that Telesat should be a complement to rather than a competitor of other telecommunications carriers.

Decision 81-13 was the first occasion for the CRTC to review the conditions and rates under which satellite channels were being leased to users under the 1976 connecting agreement. The conditions were found to include the following:

- Telesat leases only whole and not partial channels, and only to common carriers including the telephone companies and CN/CP.
- Other users, including broadcasters and business users must

purchase from the common carriers and they can only lease whole channels. CN/CP, while it can lease from Telesat, must lease whole channels even when it only needs partial channels.

- Telesat gives discounts to bulk users which it serves, and the CBC gets a bulk discount by virtue of an agreement with TCTS.

The CRTC decided, inter alia:

- Telesat should henceforth lease directly to all users and should offer partial as well as whole channels.

- The rates set by the CRTC ruled out the bulk discounts for large users.

The government's decision of December 10 has the effect, inter alia of modifying the CRTC decision in the following ways:

- Telesat must deal directly with broadcasting undertakings as well as with the common carriers in leasing whole channels, but other users must continue to deal with the common carriers.

- Telesat must offer partial channels, but only to common carriers; other users will be able to lease partial channels from the common carriers.

The decision placed the telephone companies in a somewhat weaker position than they enjoyed prior to CRTC Decision 81-13 but in a better position than under Decision 81-13. The needs of the broadcasting undertakings and of CN/CP are largely met; other business users will have to continue leasing from their competitors, but partial channels will be available to them.

In his press release of December 10, Communications Minister Francis Fox stated in part:

> "The Governor in Council decision responds to the needs and expectations of broadcasters and potential business users of satellites. Broadcasters will now be able to lease from Telesat whole channels as was the case prior to the connecting agreement, and in accordance with CRTC Decision 81-13. Business users, for their part, will now be able to lease services based on partial satellite channels from approved common carriers, in increments suited to their needs, according to a filed tariff. This approach is expected to foster competition between members of TCTS and

CN/CP, and thus encourage the increased use of satellite technology, thereby making satellite-based services available to Canadians at the lowest possible cost. This approach is also consistent with the government's view that the public interest is well served by an element of competition in the provision of telecommunications services and facilities that clearly fall outside the family of monopoly telephone services."

CRTC Decision 81-13 dealt with a number of other matters as well and the rulings on these matters have not been varied by the government. One relates to revenue settlement arrangements whereby revenues received by member telephone companies for long distance calls are shared with the TCTS. The CRTC has been concerned that Bell and B.C. Telephone, which fall under its juridiction, may be paying too much to the TCTS, thereby affecting rates paid by subscribers. For example, Bell makes payments to the TCTS even on long distance calls between poits entirely within the Bell network. The CRTC has directed Bell and B.C. Telephone to seek to renegotiate their arrangements with the TCTS, and public hearings on the matter will be held in due course.

REPRESENTATIONS TO BE INVITED AFTER INTRODUCTION TO COMPETITION BILL

Consumer and Corporate Affairs Minister André Ouellet, in an address before the Financial Post Conference on Competition Policy in Toronto on November 20, indicated that time would be provided for the submission of representations after the introduction of the competition bill and before its enactment. He hopes to introduce the bill early in the next session of Parliament, and it will go before the House of Commons Standing Committee on Finance, Trade and Economic Affairs after second reading. He also pointed out that government or other amendments could be proposed just before third reading.

FOOD PROCESSORS SEEK HALT IN SPREAD OF SUPPLY MANAGEMENT FARM MARKETING BOARDS

The Grocery Products Manufacturers of Canada, representing 140 food processors, has called on the federal government to declare a moratorium on the creation of any additional farm marketing boards having supply management powers enabling them to set production quotas and prices. It also expressed support for a recommendation of the Economic Council of Canada that the quota powers of existing supply management marketing boards be phased out over the next four to five years.

The recommendations are contained in the Interim Report GPMC Task Force on the Impact of Government Policies on Grocery Product Marketing which was released in October.