

Railway Act

The May Budget stressed the Government's intention to introduce new cost recovery methods to reduce the federal deficit. More specifically, the May Budget announced that starting in 1986-87, new cost recovery measures at the Department of Communications will include the recovery of costs incurred by the Canadian Radio-television and Telecommunications Commission in regulating telecommunications carriers under federal jurisdiction.

Mr. Speaker, we have therefore been consistent. We announced that it was necessary to put public finances on a sound footing, we suggested how this could be done, we were elected on a platform that included those suggestions and now we are trying to implement them, with the authority of the House. As is the case with other public services, the telecommunications industry has been subject to regulations almost since its inception, and the plethora of regulations indicates these services are essential to the social and economic well-being of Canadians. In recent years, certain areas of telecommunications have been given an opportunity to compete with each other, and I am sure this trend will continue with our new technology. However, I believe I am right in saying that for the time being, services such as basic local telephone services will continue to be provided under a monopoly system.

Mr. Speaker, the Government must therefore be vigilant. The Minister must protect the consumer while allowing telecommunications carriers to develop and expand. Consequently, although the Government fully expects that telecommunication services which may be offered on a competitive basis will eventually be deregulated, it does intend to recover from the industry the cost of regulating services provided by a monopoly.

Mr. Speaker, the Bill introduced today will amend the Railway Act to enable the CRTC to set fees and collect them from carriers under its jurisdiction. Once the Bill becomes law the CRTC, as usual with the approval of the Treasury Board, will then be in a position to impose a fee schedule to telecommunication carriers regulated by the federal Government. Such fees will make it possible to recover costs directly related to the regulations.

● (1120)

[English]

The collection of these fees will not have a significant financial impact on the industry. For example, a levy of less than 1/4 of 1 per cent, which this Bill would impose, on the 1984 operating revenues of these industries would have yielded around \$15 million. As we know, the telecommunications industry is a multimillion if not multibillion dollar industry. At present, the CRTC collects licence fees from Canadian broadcasters and cable operators. These fees, which are collected pursuant to the Broadcasting Act, are sufficient to cover costs incurred in the regulation of the broadcasting industry.

One result of Bill C-4 will be to place federally-regulated telecommunications carriers on the same footing as the broadcasting industry. Therefore—

[Translation]

Therefore, Mr. Speaker, it is a question of equity as well.

[English]

The legislation will permit the Government to recover approximately \$6 million in revenue annually beginning in 1986-87. There are six telecommunications carriers regulated by the CRTC under the Railway Act. Those companies are Bell Canada, the British Columbia Telephone Company, CNCP Telecommunications, Telesat Canada, NorthwestTel and Terra Nova Tel. Together they account for more than 70 per cent of Canadian telecommunications assets, revenues and subscribers. The \$6 million to be recovered in 1986-87 therefore represents less than .1 per cent of the annual operating revenue of the six carriers.

[Translation]

So, Mr. Speaker, the CRTC will consult the public and the industry with a view to ensuring equitable fees and establishing a fair formula to set the fees to be paid by each company. Both the formula and the fee schedule will require prior CRTC approval.

This cost recovery measure is similar to the one which several Canadian provinces have already implemented. Therefore, Mr. Speaker, this is nothing new, but for the federal Government it amounts to a major step towards sounder national finances. As I said earlier, both the formula and the fee schedule are subject to Treasury Board approval, and they will shift the cost of regulations from the Canadian taxpayer to the company involved.

Mr. Speaker, we know full well that Canadian taxpayers are carrying a heavy burden and that middle-income earners are particularly hard hit. Indeed these are the people who create jobs because, fortunately for them, they are the ones who perhaps are in a better position to invest in job-creating projects. As we have heard, Mr. Speaker, in the past three years small- and medium-sized businesses created almost 70 per cent of all new jobs in Canada.

We also know that major companies have to deal with structural problems and, in some cases, international marketing difficulties. They are no longer in the best position to create the jobs we need to reduce unemployment even further. The unemployment rate is going down, Mr. Speaker, but unfortunately not fast enough to create a sufficient number of job opportunities for our growing labour force.

The CRTC was established by Parliament in 1968 under the Broadcasting Act and, on April 1, 1976, the power to regulate telecommunication companies was transferred from the Canadian Transport Commission to the CRTC. It was on that date that the Canadian Radio-television and Telecommunications Commission Act—the CRTC as the agency is commonly