

CANADA

*(From April 1, 2000 through March 31, 2001)***Table of contents**

Executive Summary	2
Introduction	2
I. Changes to Competition Laws and Policies, Proposed or Adopted.....	2
A. Summary of New Legal Provisions of Competition Law and Related Legislation	2
B. Other Relevant Measures, Including New Guidelines	3
C. Proposals to Change Competition Laws, Related Legislation or Policies	4
a) Competition Act and Competition Tribunal Act	4
b) Shipping Conferences.....	5
c) Banking.....	6
D. International Cooperation Developments.....	6
II. Enforcement of Competition Law and Policies	6
A. Actions Against Anti-competitive Practices	6
a) Summary of Enforcement Activities for Fiscal Year 2000-2001	6
b) Summary of Significant Cases	7
i) Abuse of Dominant Position.....	7
ii) Conspiracy.....	8
iii) Alternative Case Resolution	9
iv) Discontinued Cases	11
B. Mergers and Acquisitions	12
a) Statistics on number, size and type of mergers notified and/or controlled under Competition Act	12
b) Summary of Significant Cases	12
C. Misleading Advertising and Deceptive Marketing Practices.....	16
a) Civil.....	16
b) Criminal.....	16
c) Voluntary Compliance.....	17
d) International Co-operation.....	17
III. The Role of the Bureau in the Formulation and Implementation of Other Policies	18
A. Canadian Radio-Television and Telecommunications Commission- Telecommunications and Broadcasting.....	18
a) Telecommunications.....	18
b) Broadcasting.....	19
B. Canadian International Trade Tribunal - Anti-Dumping	19
C. Gas	20
D. Transportation.....	21
E. Electricity	22
F. Other	22
IV. Resources of the Bureau	23
A. Annual Budget	23
B. Number of Employees	23
C. Application of Human Resources to Bureau Activities	23

CANADA

Executive Summary

1. Three major issues occupied the Canadian Competition Bureau (“Bureau”) during fiscal year 2000-2001.

2. The first involved proposed amendments to the *Competition Act* brought forward in four Private Members’ Bills. The amendments dealt with a range of issues, including deceptive mail contests, the dispute resolution process and the powers of the Competition Tribunal. Following public consultations relating to the proposed amendments, Bill C-23, *An Act to Amend the Competition Act and the Competition Tribunal Act*, was drafted.¹ The second issue concerned the abuse of dominance in the airline industry. During 2000-2001, the Bureau continued its efforts to promote competition in the domestic airline industry. However, concerns about abuse of dominance in the airline industry remain. The Bureau received several complaints that Air Canada had abused its dominant position through predatory or exclusionary behaviour. Two of these complaints have resulted in formal inquiries under the *Competition Act* and applications to the Competition Tribunal. Third, the Bureau was involved in a major merger case, the acquisition of ICG Propane Inc. by Superior Propane, which has important implications for the use of the efficiency defense in merger reviews. The case went before the Competition Tribunal in early 1999, and in August, 2000, the Tribunal found that the merger would prevent or lessen competition in Atlantic Canada and in many local markets across Canada, but found that the companies had successfully raised the efficiency defence and, thus, should be allowed to merge. The Bureau then asked the Federal Court of Appeal to review the Competition Tribunal’s decision. The appeal was heard in January, 2001, and the Court’s decision was pending at the end of the fiscal year 2000-2001.

3. In addition to these issues, the Bureau pursued a range of criminal and civil cases, some of which had international dimensions and resulted in a marked increase in cooperation with competition agencies in other countries. The Bureau also released guidelines on intellectual property, abuse of dominant position and notifiable transactions, and information bulletins on the *Immunity Program* and the *Conformity Continuum*, to continually promote and maintain fair competition, and increase public awareness of competition policies in Canada. Finally, to facilitate and enhance cooperation, the Bureau, along with competition agencies in Australia and New Zealand, signed a trilateral cooperation arrangement.

4. Public documents, including more detailed descriptions or full texts of many of the matters referred to in this report are available in English at <http://competition.ic.gc.ca> or in French at <http://concurrence.ic.gc.ca>.

Introduction

5. This report describes competition law and policy developments in Canada and summarizes the enforcement activities of the Bureau for the fiscal year April 1, 2000, through March 31, 2001 (“Fiscal Year 2000-2001”).

I. Changes to Competition Laws and Policies, Proposed or Adopted

A. Summary of New Legal Provisions of Competition Law and Related Legislation

6. Following the acquisition of Canadian Airlines by Air Canada, the Government introduced new legislation, Bill C-26, *An Act to amend the Canada Transportation Act, the Competition Act and Air Public Participating Act and to amend another Act in consequence*, which came into force July 5, 2000. Among

other things, Bill C-26 added a new section 104.1 to the *Competition Act*, which provides that the Commissioner of Competition, who is responsible for the administration and enforcement of that Act, may issue a temporary order prohibiting a person from operating a domestic service (as defined by the *Canada Transportation Act*) when parties have met certain preconditions concerning anti-competitive activity.

7. Along with Bill C-26, the subsequent enactment of Regulations Respecting Anti-Competitive Acts of *Persons Operating a Domestic Service*, on August 23, 2000, established that certain acts or conduct of a person operating a domestic service are anti-competitive acts under section 78 of the *Competition Act* and, thus, provided the Commissioner with new legislative tools to address concerns related to the conduct of a dominant carrier in the airline industry.

B. Other Relevant Measures, Including New Guidelines

8. Periodically, the Bureau releases bulletins and draft guidelines on various measures for public comment and consultation. The drafts, in conjunction with the related consultations, are part of the Bureau's overall commitment to developing enforcement and educational tools through an open and transparent process.

9. In May of 2000, the Bureau released its draft guidelines on the labelling and advertising of pet foods and sought public comment. The guidelines set out voluntary codes that incorporate best practices in labelling and advertising in this area. It also reflects the approach the Bureau intends to take when evaluating allegations of false or misleading advertising under the *Consumer Packaging and Labelling Act* and the *Competition Act*. The guidelines provide a set of general principles for pet food labelling, guidance on using specific claims, and examples of acceptable claims.

10. The Bureau released its "Notifiable Transactions and Advance Ruling Certificates Under the *Competition Act*: Procedures Guide" on May 2, 2000, which is designed to provide an overview of the relevant provisions of the *Competition Act* and the Notifiable Transactions Regulations. The Procedures Guide also addresses matters under sections 102 and 103 of the Act regarding the issuance of Advance Ruling Certificates ("ARCs"). In addition, in April 2000, the Bureau released a series of ten Interpretation Guidelines relating to various matters under the merger notification provisions of Part IX of the *Competition Act*.²

11. On May 18, 2000, the Bureau released its draft Abuse of Dominance Guidelines for public consultation and comment. The Bureau developed the Guidelines to provide the business and legal community, as well as the public, with a clear understanding of the enforcement approach the Bureau takes when examining allegations of abuse of dominance in the Canadian market place. The enforcement approach outlined in these guidelines draws upon Competition Tribunal, Federal Court of Appeal, and Supreme Court of Canada jurisprudence, as well as economic theory.³

12. On June 16, 2000, the Bureau released its *Conformity Continuum Information Bulletin*. The Bulletin describes the Commissioner's general approach to administration and enforcement of the *Competition Act*, *Consumer Packaging and Labelling Act*, *Textile Labelling Act* and *Precious Metals Marking Act* to ensure maximum conformity with the law. Since the Bureau observes various degrees of compliance under the requirements of these statutes, the Bureau uses a continuum of diverse tools and resources ranging from inquiries and investigations to criminal enforcement in order to maintain conformity. The Bulletin also explains the Bureau's considerations, such as the principles of transparency, fairness, predictability, timeliness, and confidentiality, that guide the selection and use of the instruments that comprise the *Conformity Continuum*.

CANADA

13. On September 21, 2000, the Bureau finalized its *Information Bulletin on the Immunity Program*. The Bulletin explains the policy and procedures involved in granting immunity from prosecution for criminal offences under the *Competition Act* and reflects current practices jointly employed by both the Bureau and the Attorney General. It provides an explanation of the distinct roles of the Commissioner and the Attorney General, and the conditions under which the Commissioner would consider recommending immunity to the Attorney General. It also outlines the process through which parties must agree to cooperate in order to obtain immunity.

14. The Bureau's *Intellectual Property Enforcement Guidelines* were released in September 2000. The Guidelines explain how the Bureau determines whether conduct involving intellectual property raises a concern under the *Competition Act*. They also describe how the Bureau distinguishes between those circumstances that warrant a referral to the Attorney General of Canada for an examination under the criminal provisions of the *Competition Act* (section 32), and those that warrant an examination under the general provisions. The Bureau released the draft guidelines in April 2000 to stakeholders for comment. On both occasions, the Bureau held roundtable discussions across Canada to take into account stakeholders views when finalising the guidelines.

15. On February 8, 2001, the Bureau released the Enforcement Guidelines on the Abuse of Dominance in the *Airline Industry*, which outline the approach taken when enforcing the new legislation and regulations pertaining to the airline industry and reflect the Bureau's determination to ensure that new entrants have a fair opportunity to compete in this period of ongoing restructuring of the Canadian airline industry. The Guidelines instruct airline industry participants about the type of conduct the Bureau is likely to challenge. Through the issuance of these guidelines, the Bureau seeks to facilitate compliance by airline industry participants to minimise the need for enforcement under the abuse of dominance provisions contained in sections 78 and 79 of the *Competition Act* and the regulations enacted under 78(2) pertaining to the airline industry. The Guidelines clarify those practices likely to be challenged and the methodology for calculating avoidable costs, such as costs for fuel, pilots and crew, that are associated with operating flights and that would be avoided if the service was not provided. The Bureau will be reviewing the Guidelines in light of the comments provided by interested parties as well as the jurisprudence which will arise from the case currently before the Competition Tribunal (see Abuse of Dominance section below). The Bureau will be posting comments it has received on its website.

C. *Proposals to Change Competition Laws, Related Legislation or Policies*

a) Competition Act and Competition Tribunal Act

16. As part of its broader mandate to ensure that Canada's competition law is modern and responsive to current business trends and enforcement requirements, the Bureau reviews the *Competition Act* on an ongoing basis. On April 17, 2000, the Commissioner asked the Public Policy Forum, a neutral, non-profit organisation dedicated to strengthening public policy and management through multi-sectoral dialogue, to hold public consultations on amendments to the *Competition Act* and *Competition Tribunal Act* proposed in four Private Members' Bills tabled in Parliament. To make the consultation process as open and meaningful as possible, and to solicit the public's views, the Public Policy Forum developed an interactive website linked to the Bureau home page.

17. A broad range of stakeholders, including small, medium and large businesses, consumer groups, parliamentarians, academics and legal experts were invited to submit their views electronically through the website or via traditional methods. The purpose of the consultations was to determine the level of support

for the underlying principles found in the four Private Members' Bills. The consultations sought comment on the following issues in relation to the *Competition Act* and the *Competition Tribunal Act*:

- prohibiting deceptive contests sent through the mail and deceptive prize notices;
- providing for international co-operation among competition authorities when enforcing civil competition law;
- improving the dispute resolution process by allowing individuals to take action before the Competition Tribunal on their own behalf for cases involving refusal to deal, exclusive dealing, tied selling and market restriction (private access);
- clarifying what constitutes anti-competitive behaviour in abuse of dominance, especially in retail markets;
- broadening the powers of the Competition Tribunal to manage cases more effectively (cost awards, summary dispositions and references);
- introducing new temporary orders;
- modernising the conspiracy provisions to avoid discouraging strategic alliances.

18. The Public Policy Forum submitted its final report, *Amendments to the Competition Act and the Competition Tribunal Act: A Report on Consultations*, to the Commissioner on December 21, 2000. The outcome of the consultations showed a consensus for all proposals, with the exception of two: clarifying the list of anti-competitive behaviours to illustrate abuse of dominance, and modernising the conspiracy provision. With respect to conspiracy, the Forum concluded that the proposal was attractive to the majority of participants, but more discussion and analysis was needed. Concerning the proposal for private access to the Competition Tribunal, the Forum concluded that a consensus might be possible if some changes were made to the proposal and strategic litigation could be prevented. The recommendations were referred to the Minister of Industry and resulted in Bill C-23, *An Act to amend the Competition Act and the Competition Tribunal Act*.

b) *Shipping Conferences*

19. In 1999, Transport Canada invited comments on the *Shipping Conferences Exemption Act*, 1987, which exempts shipping conferences from the provisions of the *Competition Act*. In its comments, the Bureau said that instability in rates and services was no longer a valid rationale for the exemption and recommended that it be revoked. However, in the event this proposal was not accepted, the Bureau recommended a number of other changes to the *Shipping Conferences Exemption Act*.

20. Transport Canada prepared a consultation paper in later 1999 containing various options for change, which it provided to the Bureau for comments. While not endorsing the option Transport Canada proposed, the Bureau indicated that retaining the exemption from the *Competition Act* while introducing pro-competitive options was acceptable. This option provided for a shorter notice period for independent action, the mandatory right of a member of a conference to offer an individual service contract, an end to tariff filing, and electronic filing of documents. The Bureau also addressed a number of issues concerning the definition of a conference, the complaint mechanism, and the need for a sunset provision. Subsequently, on March 1, 2001, Transport Canada introduced into Parliament Bill C-14, *An Act Respecting Shipping and Navigation and to amend the Shipping Conferences Exemption Act, 1987*.

CANADA

c) *Banking*

21. The proposed Bill C-8, An Act to establish the Financial Consumer Agency of Canada and to amend *certain Acts in relations to Financial Institutions* was introduced in Parliament in February 2001. The legislation is aimed at promoting efficiency and growth of the sector, foster international and domestic competitiveness, empower and protect consumers of financial services, and improve the regulatory environment. Among the provisions in the proposed legislation, is a transparent review process for merger proposals between large banks with over \$5 billion in equity that will include a formal mechanism for public input. In addition to reviews by the Bureau and the Office of the Superintendent of Financial Institutions, merger proponents will be required to prepare a Public Interest Impact Assessment which will be reviewed by both the House of Commons Standing Committee on Finance and the Senate Standing Committee on Banking, Trade and Commerce. The Bill will be addressed in the House of Commons and Senate Standing Committees during the summer of 2001.

D. *International Cooperation Developments*

22. On October 25, 2000, the Canadian, Australian and New Zealand competition agencies signed an interagency co-operation arrangement on the application of their competition and consumer laws. The arrangement sets out a framework for notification, co-operation and co-ordination with respect to enforcement activities, exchange of information and avoidance of conflict, and fully incorporates measures to counteract deceptive marketing practices. This arrangement will promote enhanced co-operation and co-ordination between the Bureau and its counterparts in Australia and New Zealand.

23. In the latter part of 2000 and the first part of 2001, the Bureau led the Canadian delegation in negotiations on competition policy in the Canada-Costa Rica Free Trade Agreement. The competition chapter of the Agreement will promote greater transparency and certainty in both Canada and Costa Rica, and enhance the effectiveness of enforcement activities by competition agencies in both countries through the establishment of a concrete framework for co-operation and consultation.⁴

II. **Enforcement of Competition Law and Policies**

A. *Actions Against Anti-competitive Practices*

24. The types of behaviour the Bureau addresses are set out in four separate statutes: the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Precious Metals Marking Act* and the *Textile Labelling Act*. The Bureau works with businesses to assist them in avoiding conduct that might breach these statutes.

a) *Summary of Enforcement Activities for Fiscal Year 2000-2001*

25. In terms of court actions, the 2000-2001 fiscal year witnessed charges laid under the deceptive telemarketing provisions of the *Competition Act*, as well as charges of false or misleading advertising against corporations in various industries. Civil matters have involved consent orders from the Competition Tribunal requiring the prohibition of a conduct and monetary penalties. Criminal inquiries also resulted in fines and jail sentences for false or misleading advertising, deceptive telemarketing and conspiracy cases, as well as co-operation with the US under the *Mutual Legal Assistance Treaty*.

b) *Summary of Significant Cases*

26. The following examples of significant cases in the area of enforcement demonstrates the range of issues addressed by the Bureau involving both criminal and civil matters (for mergers matters, please see the Mergers section below).

i) Abuse of Dominant Position

27. Since January 2000, the Competition Bureau has received approximately 50 complaints about the airline industry. Many, which were from consumers concerned about excessive airfares and deteriorating levels of service, did not raise any concern under the *Competition Act*. However, the Bureau also received and examined complaints from nine airlines alleging that Air Canada abused its dominant market position through predatory or exclusionary behaviour. Two complaints resulted in inquiries under the *Competition Act*. The Bureau launched the first in June 2000, following a complaint from WestJet that Air Canada responded to its entry into the Atlantic Canada market by adding significant capacity and matching or undercutting WestJets fares. The second inquiry concerns CanJets complaint that Air Canada abused its dominant market position in its pricing response to CanJets entry in September 2000 by reducing its fares in an anti-competitive fashion. CanJet filed for an inquiry under section 9 of the *Competition Act*. The Bureau began its investigation on September 28, and on October 12, 2000, the Commissioner of Competition issued a temporary order against Air Canada, requiring it to withdraw certain discount fares on five routes in eastern Canada. On October 30, the Commissioner extended the order for an additional 30 days, but limited its scope to three routes. This was the first instance the order was used by the Bureau under the new legislation.

28. In response, Air Canada initiated two legal challenges. The first was a motion filed on October 12, 2000 in Québec Superior Court seeking a declaratory judgement to the effect that the new temporary order power of the Commissioner under section 104.1 of the *Competition Act*, was unconstitutional. The decision on this motion will be rendered on July 12, 2001.⁵ Another motion filed on October 19, 2000 by Air Canada seeking suspension of the temporary order until resolution of the constitutional challenge was dealt with by the Court. The second challenge was an application to the Competition Tribunal on November 2, 2000 to have the temporary order set aside or varied. On November 24, the Tribunal upheld the Commissioner's order, extending it to December 31. Air Canada appealed this decision on November 4, to the Federal Court of Appeal, which is expected to hear the case beginning August 29, 2001.

29. During January and February of 2001, the Bureau conducted oral examinations of Air Canada representatives, authorised by the Québec Superior Court. As a result of information obtained from the WestJet and CanJet inquiries, the Commissioner filed an application before the Competition Tribunal on March 5, 2001, seeking an order prohibiting Air Canada from operating or increasing capacity at fares that do not cover its avoidable cost of providing the service, and from engaging in a policy of matching fares offered by low-cost carriers under certain circumstances. The Tribunal hearing on the Bureau's application will begin in August 2001. The first portion of the hearings will focus on what constitutes 'avoidable costs'. Additional information on these proceedings may be found on the Competition Tribunal's website at <http://www.ct-tc.gc.ca>.

30. The Bureau also inquired into activities of H.J. Heinz Company of Canada Ltd., a manufacturer and importer of food products, including jarred baby food and infant cereal. The Bureau focused specifically on Heinz's anti-competitive practices of making large, lump-sum payments up front to retailers not to stock jarred baby food and infant cereal produced by its competitors, of entering into multi year

CANADA

contracts for exclusive supply, and of providing discounts conditional upon exclusive supply. As the H.J. Heinz Company was the sole supplier of jarred baby food, and the dominant supplier of infant cereal, the inquiry was conducted under the abuse of dominant position provisions of the *Competition Act*. In light of the Bureau's concerns, Heinz provided the Bureau with an undertaking under which it agreed to stop these marketing and selling practices. In the event of non-compliance, the undertaking provides the Bureau with the right to apply to the Competition Tribunal for a consent order to monitor compliance, the violation of which is a criminal offence. Consequently, Heinz abided by its undertaking and the Bureau discontinued its inquiry in August 2000.

ii) Conspiracy

(1) Domestic

31. Under section 45 of the *Competition Act*, anyone who conspires with another to prevent or lessen competition, or unreasonably enhances the price of a given product is guilty of a criminal offence. The Bureau's enforcement of this section focuses on anti-competitive agreements, such as price fixing and market sharing, that prevent or lessen, unduly, competition.

32. In April 2000, the notaries association of Rivière-du-Loup, Québec, pleaded guilty to conspiracy to fix the prices of real estate services offered by notaries in the regions of Rivière-du-Loup and Trois-Pistoles, Québec, and was fined \$25,000. In addition, a prohibition order was imposed on the association and on 19 notaries in the two regions to prevent and prohibit the commission of similar new offences.

33. In April of 2000, Shakemaster Manufacturing Inc., a Calgary-based manufacturer and retailer of pine shakes, pleaded guilty to rigging bids to purchase commercial timber permits at an auction held by the Alberta Land and Forest Service in November 1996. The company was fined \$15,000 and prohibited from agreeing to withhold bids and refrain from competing on purchases of timber from the Alberta Land and Forest Service, and from agreeing on bids without first advising the bidding authority. Evidence showed that, prior to the auction in question, a manufacturer and retailer of pine shakes met and formed an agreement with other pre-qualified participants in an auction category closed to local manufacturers. Some participants agreed to bid only on designated permits, and not to compete with one another.

34. In September 2000, the Competition Bureau laid charges against Les Pétroles Irving/Irving Oil Inc., a major supplier of petroleum products, and two gasoline retailers for having contravened the price maintenance provisions of the *Competition Act*. In October 2000, the case went before the Court of Québec for the preliminary inquiry. The Court ruled that there was insufficient evidence to commit the accused to trial, since the element of threat as defined by the *Competition Act* was not demonstrated by the facts. In November, 2000, the Attorney General of Canada applied to Québec Superior Court to review the decision of the Court of Québec to discharge the accused. The matter is still pending.⁶

35. In October 2000, five snow removal companies and a consulting firm in the Greater Montreal area including La Cie de pavage d'asphalte Beaver, Excavation Loiselle et frères Inc, Giguère et Geoffroy Inc, Nepcon Inc, Roxboro Excavation Inc. and 9014-6135 Québec Inc. were fined \$1 million for conspiring to share the market and unduly lessen competition in snow clearing, removal and transportation. The offence involved an agreement to share snow removal contracts awarded by the Ministère des Transports du Québec for the 1997–1998 season.

(2) *International*

36. In July 2000, SGL Carbon Aktiengesellschaft pleaded guilty to participating in an international conspiracy to fix prices and allocate markets for graphite electrodes. Graphite electrodes are used primarily in the production of steel in electric arc furnaces, the steelmaking technology used by all mini-mills, and for steel refining in ladle furnaces. SGL was fined \$12.5 million, the largest single fine ever levied under section 46 of the *Competition Act*, which deals with the criminal actions of businesses in Canada that implement conspiracies or arrangements with persons or corporations outside Canada. SGL's conviction followed the March 1999 conviction of UCAR Inc. (\$11 million fine) for its participation in the same conspiracy. SGL and the other members of the cartel agreed to restrict their production capacity, to fix the prices they would charge and allocate the volumes they would sell of graphite electrodes in world markets. As a result of the international cartel, a regime of uniform pricing existed between the two main suppliers of electrodes to the Canadian market, UCAR and SGL, and alternative supply sources were eliminated. It is estimated that over the course of this conspiracy, from May 1992 until June 1997, graphite electrode prices in Canada increased by more than 90 percent.

37. In September 2000, Daicel Chemical Industries Ltd. pleaded guilty to an international price fixing and market sharing conspiracy involving sorbates that affected prices for 17 years. The company was fined \$2.46 million. Sorbates are chemical preservatives used primarily as mould inhibitors in many high moisture and high sugar foods, such as cheese and other dairy products, bakery products, fruit, berry and vegetable products, flavors, spices, syrups and pet foods. Takaysu Miyasaka, a citizen of Japan and former Decal executive officer and general manager, pleaded guilty and was fined \$250,000 for his role in the conspiracy, which operated from 1979 until 1996.

38. In January 2001, Freyssinet Limitée pleaded guilty to rigging a 1991 tender for a contract to supply and install a system to reinforce the concrete base of the Hibernia oil platform, and was fined \$800, 000. Another company was granted immunity in this case.

39. In February 2001, Tokai Carbon Co. pleaded guilty to helping its competitors implement the graphite electrode conspiracy and was fined \$250, 000. It was understood by cartel members that Tokai would not supply product to the Canadian market. This conviction demonstrates that the Bureau will hold even firms with little or no commerce in Canada accountable for illegal conduct affecting Canada.

40. In March 2001, Carbone of America Industries Corp. pleaded guilty to fixing the prices of isostatic graphite in semi-machined and non-machined or block form, and was fined \$300,000. Carbone was a member of an international cartel that agreed to fix prices and divide world markets for the product, which is primarily used for electrical discharge machining and in the continuous casting and semi-conductor industries.

iii) *Alternative Case Resolution*

41. In terms of alternative case resolutions, the Bureau inquired into the competitive impact of a covenant that was part of the sale of Come By Chance Refinery to its current owners, North Atlantic Refining. The covenant in its original form was part of the sale by Pedro-Canada of the refinery in the late 1980s and was further modified when North Atlantic Refining purchased the refinery. The Bureau was concerned that the covenant, which specified that sale of products from the refinery, could not be sold anywhere in Canada except Newfoundland, without the necessary compensation paid to Pedro-Canada, was a market restriction that was or was likely lessening competition substantially. The Bureau presented its concerns to the parties to the covenant, who in turn negotiated a modified covenant that replaced the

CANADA

required compensation clause with a profit-sharing arrangement. This arrangement allows North Atlantic Refining to market the Come By Chance products throughout Canada.

42. During the spring of 2000, the Bureau examined a proposed e-commerce program for dealer automobile sales that appeared to raise price maintenance issues under the *Competition Act*. A key concern was that a “dealer price” was quoted to consumers without an accompanying up front price disclaimer that “dealers may sell for less.” As a result of Bureau interventions, the website was revised to include this disclaimer and to notify consumers that the quoted pricing was negotiable.

43. In July 2000, the Bureau examined an allegation that the merchant agreement of a large credit card company contained a binding clause prohibiting businesses from offering discounts to customers who pay by some means other than credit card. On confirming this was the case, Bureau staff met with senior officials of the credit card company to point out how this clause could raise concerns under the price maintenance provisions of the *Competition Act*. As a result of these discussions, the credit card company removed the clause from the merchant agreement and immediately informed its merchants of the change.

44. In September 2000, a local retailer and installer of satellite dishes complained that smaller private installers were able to buy identical products at lower prices from his supplier, even though their volume of purchases was smaller. The Bureau contacted the supplier, who acknowledged that the smaller installers were previous employees who were receiving a special employee discount. The supplier agreed to limit the quantities sold at special prices to previous employees.

45. In October 2000, the Bureau received a complaint that a Québec coffee machine distributor had discontinued supplying one of its customers because of that customer’s low pricing policy. As any such behaviour is illegal under section 61, price maintenance, of the *Competition Act*, Bureau officials met with the distributor, who subsequently offered to supply his machines to the complainant.

46. In November 2000, the Bureau investigated a complaint that a supplier of quilting fabrics had indicated that the complainant would have to raise prices in order to continue receiving supplies. In December, the Bureau informed the supplier that this alleged conduct was contrary to the price maintenance provisions of the *Competition Act*. The Bureau provided the supplier with information on the price maintenance provision. There have been no further complaints in this matter.

47. An insurance broker refused to provide project insurance to engineers and architects unless they charged in accordance with a suggested fee schedule issued by the association for engineers and architects. This condition may have contravened the price maintenance provision of the *Competition Act*. This matter was reviewed with the insurance broker in December 2000 and the broker agreed to take the offending condition out of its policy.

48. In March 2001, the Bureau investigated a situation in which a small retailer of wood tools was not receiving the same discount as his competitors from a particular supplier, even though he was buying the same quantity of tools. After the Bureau informed the retailer of the price discrimination prohibition in the *Competition Act*, he contacted the owner of the wood tool company, who agreed to provide him with the same discounts.

49. On September 8, 2000, the Competition Tribunal issued a variation of the consent order between the Bureau and the members of the Interac Association, which included the Bank of Montreal, originally approved on June 25, 1996. The amendment means that the Interac Association is no longer obliged to approach the Competition Tribunal on an ad hoc basis for non-compliance issues related to association rules. Prior to this change, with the exception of monetary penalties for failure to meet Interac performance policy, the Interac Board could only expel members who did not comply with association rules. The

amendment allows the Interac board to levy monetary penalties for a range of offences, provided the discipline meets rational business objectives and does not discriminate. This policy, which applies to all members, is without competitive significance, and is consistent with policies and practices of other major North American networks. The variation of the consent order in no way affects the possible application of the *Competition Act* to the activities of the Interac Association or its members. The Bureau consented to this variation and expects that the amendment will permit the Interac Board to manage its business affairs in a flexible and measured manner.

50. The Bureau also developed a conformity strategy for the retail jewellery industry in response to concerns from consumers, competitors and industry associations about certain marketing practices of jewellery retailers. During Fiscal Year 2000-2001, the Bureau concentrated its efforts on the second component of the strategy for monitoring jeweler's marketing practices, including visits to clarify the application of the law and give retailers the opportunity to voluntarily undertake corrective actions to ensure compliance. The Bureau completed its monitoring on March 31, 2001, having examined the marketing practices of more than 350 corporate entities representing 1049 retail locations. Concerns under the *Competition Act* were identified in relation to 163 corporate entities representing 946 jewellery locations. By the end of the fiscal year, the Bureau had resolved 73 files using information letters, 54 corporate entities had committed to correcting their marketing practices to ensure conformity with the law, and 36 corporate entities continued to be subject to examination. Retailers showing signs of non-compliance will be subject to enforcement actions.

iv) Discontinued Cases

51. During 2000, the Bureau continued its inquiry into a complaint alleging that Monsanto Canada Inc., a major producer of glyphosate-based herbicides, was engaging in tied selling and exclusive dealing by tying the sale of its herbicide-tolerant seeds to the sale of its herbicide. The complaint also alleged that Monsanto had entered into exclusive contracts with major distributors. The Bureau advised Monsanto of its concerns with these practices and as a result, Monsanto introduced a new marketing program that removed restrictions on the ability of farmers to use any brand of glyphosate-based herbicide with the herbicide-tolerant seeds. In addition, Monsanto's revised volume-based distributor and dealer discounts will increase the opportunity for competitive suppliers of glyphosate to gain access to channels of distribution serving the agricultural industry. As these changes resolved the Bureau concerns, it discontinued the inquiry on April 4, 2000.

52. The Bureau also initiated an inquiry on January 21, 2001, into alleged refusal to deal and abuse of a dominant position in the sale of mobile railcar movers and the respective replacement parts. With regard to allegations of refusal to supply, the Bureau found that supply had been resumed through one of the authorised distributors in Canada. However, the complainant further claimed that there had been a significant delay in the resumption of supply. The Bureau monitored the matter for six months and received no information about further refusal to supply. As well, the Bureau obtained no evidence to substantiate the complaint that other independent parts suppliers were approached about having no further dealings with the complainant. As to the allegation of anti-competitive action through the use of litigation or the threat of litigation to damage the company, the Bureau found that the criteria under which this would be deemed an anti-competitive act had not been met. In view of the above, the Bureau discontinued the inquiry.

53. On December 20, 2000, the Bureau announced its conclusion that the practices of two importers of electricity into Alberta did not constitute bid-rigging under the *Competition Act*, and closed its inquiry. The inquiry was the result of the Power Pool of Alberta's recommendation that the bidding behaviour of the British Columbia Power Exchange Corporation and Enron Canada Corp. to supply power to the Power

CANADA

Pool of Alberta appeared to be consistent with criminal bid-rigging. After a thorough investigation, it was concluded that the companies were not colluding on bids.

B. Mergers and Acquisitions

a) Statistics on number, size and type of mergers notified and/or controlled under Competition Act

54. During the 2000-2001 fiscal year, the Bureau's Mergers Branch examined 373 mergers, excluding assets and asset securitisation transactions. Of the mergers examined, 20 had international implications. For those mergers, the Bureau actively worked with other agencies through discussions, the exchange of information or consultations with counsel.

b) Summary of Significant Cases

55. The year 2000B2001 was a particularly active one for the Bureau in the area of cross media transactions. Highlighted below are the Bureau's inquiries concerning the CanWest-Hollinger and Québecor-Vidéotron mergers. The Bureau also reviewed several mergers with international dimensions, such as Dow Chemical and Union Carbide, and Blue Circle and Lafarge S.A. International co-operation has been an increasingly important factor in facilitating merger reviews.

56. The Competition Tribunal delivered judgements this year on two litigated merger cases, one involving propane and the other waste, and negotiated consent orders in two acquisition cases filed by the Commissioner. These judgements have provided a great deal of insight into a number of issues, including product market, geographic market, barriers to entry, the prevention of competition and the efficiency defence. Other industries with transactions that raised competition concerns included pulp and paper, food processing and broadcasting.

57. Canadian Waste Services and Browning Ferris Industries Ltd.: On April 26, 2000, the Commissioner filed an application with the Competition Tribunal challenging Canadian Waste Services Inc.'s acquisition of the Ridge landfill in southern Ontario from Browning-Ferris Industries Ltd., a subsidiary of Allied Waste Industries Inc. The Commissioner made the application following an inquiry beginning in 1999 of the full merger of Canadian Waste Services and Browning-Ferris Industries, which resulted in a voluntary restructuring of the transaction. While other competition concerns arising from the full merger had been resolved voluntarily between the parties, the effects of the acquisition of the Ridge landfill remained in dispute. Canadian Waste Services, the largest waste management company in Canada, already owned six landfills in southern Ontario.

58. The Commissioner concluded that the acquisition of the Ridge landfill would likely prevent or substantially lessen competition in the provision of disposal services in the Greater Toronto Area and in the Chatham-Kent area due, in part, to high barriers to entry and a lack of effective remaining competition. Although Canadian Waste Services acquired the Ridge landfill, the Commissioner obtained an interim consent order from the Competition Tribunal to ensure that the operations of the Ridge landfill remained separate from the business operations of Canadian Waste Services pending final resolution of the application.

59. Prior to commencement of the hearing, Canadian Waste Services and the Commissioner jointly submitted a detailed statement of agreed facts to the Competition Tribunal, the first time this approach was used in a contested proceeding. This resulted in a shorter hearing time and the need for fewer witnesses. In

addition, the Commissioner and Canadian Waste Services participated in an electronic filing pilot project with the Competition Tribunal, in which the parties presented all the documentary evidence at the Tribunal hearing in electronic format. The hearing took place in November 2000. The Tribunal rendered its decision on March 28, 2001. The Tribunal allowed the Commissioners application, ruling that the acquisition of the Ridge landfill by Canadian Waste Services would substantially lessen or prevent competition in both the Greater Toronto Area and in Chatham-Kent. The Tribunal will decide on the appropriate remedy at an upcoming hearing.⁷

60. Lafarge Warren and Kilmer Can Nostrand Co. Ltd.: On July 25, 2000, Lafarge Canada Inc. and Kilmer Van Nostrand Co. Limited (KVN) announced the acquisition of KVN's wholly owned subsidiary, the Warren Paving & Materials Group Limited by Lafarge. Lafarge is an indirect subsidiary of Lafarge S.A. of France, one of the world's leading producers of construction materials. Lafarge has significant aggregate, paving and asphalt operations throughout Canada. Warren produced aggregates and operated an asphalt business in Ontario, Alberta, Saskatchewan and British Columbia.

61. After a thorough review of the proposed merger, the Bureau concluded that it would likely substantially lessen or prevent competition in the supply of aggregates to the Edmonton area and in the Fraser Valley in British Columbia. Lafarge provided the Bureau with undertakings to divest a significant portion of Warren's aggregate operations in the Edmonton area and to terminate a marketing agreement between Warren and another competitor. Lafarge also agreed to divest Warren's aggregate business in the Fraser Valley. These undertakings provided the Bureau with the right to monitor Lafarge's compliance and to apply to the Competition Tribunal for a consent order, the violation of which is a criminal offence.

62. Superior Propane Inc. and ICG Propane Inc.: In December 1998, the Bureau applied to the Competition Tribunal to challenge the acquisition of ICG Propane Inc. by Superior Propane Inc. Hearings were held before the Competition Tribunal in fall 1999 and early 2000. A Hold Separate Consent Order was put into effect, pending the Tribunal's decision.

63. On August 30, 2000, the Tribunal found that the merger would cause a substantial prevention of competition in Atlantic Canada, and a substantial lessening of competition in many local markets across Canada, as well as for national customers. However, while it acknowledged that the appropriate remedy would be the total divestiture of ICG Propane, a majority of the Tribunal concluded that the two companies successfully raised the efficiency defence and thus should be allowed to merge.⁸ The Tribunal applied what economists refer to as the total surplus standard and concluded that the efficiency gains from the merger could only be compared with the merger's negative impact on the economy's use of resources. Under this standard, other effects of the merger, notably that consumers would pay higher prices, to the benefit of the merging parties, could not factor in the balance.

64. In light of this decision, the merging Parties filed a motion with the Tribunal to dissolve the Hold Separate Order. The Tribunal agreed, on the basis that it lacked jurisdiction to uphold the Order, and the Bureau failed in its attempt to stay that decision. Subsequently, the Bureau asked the Federal Court of Appeal to review the Tribunal's decision concerning both the principal question of the efficiencies defence and the dissolution of the Hold Separate Order. It also asked that a Hold Separate Order be reinstated during the appeal process, but this was refused. The appeal was heard in January 2001. At that time, the Federal Court reserved judgement on the efficiencies defence but rejected the Hold Separate appeal.⁹

65. Dow Chemical Company and Union Carbide Corp.: In a world-wide transaction announced on August 4, 1999, the Dow Chemical Company entered into an agreement to buy Union Carbide Corporation, potentially merging two of the largest chemical companies in the world, with combined operations in 168 countries. The merger review involved multiple products and geographic markets, and required extensive co-operation among the Bureau, the US Federal Trade Commission and the European

CANADA

Commission. Following a thorough investigation, the Bureau identified significant anti-competitive effects with respect to a number of product markets, including the technology for the production of new consumer plastic products made from polyethylene. As a result of competition concerns expressed by the agencies, in February 2001 the Parties agreed to divestitures of important polyethylene technology assets and intellectual property as well as Dow's global ethyleneamines, ethanolamines, and methyldiethanolamine-based gas treating products businesses.

66. Lafarge S.A. and Blue Circle Industries PLC: In a case with significant international components, Lafarge S.A. of Paris, France, made an unsolicited offer in February of 2000 through the London U.K. stock exchange to acquire all the shares of Blue Circle Industries PLC of the UK Under the terms of the London stock exchange, this bid had to be accepted by the majority of Blue Circle shareholders by May.

67. During the course of its bid, on April 19, 2000, Lafarge S.A. acquired just under 20% of Blue Circle's shares. At the same time, Lafarge entered into an option arrangement with Dresdner Bank AG ("Dresdner") to purchase Dresdner's 9.6% interest in Blue Circle. Dresdner is a large German financial institution which acted as banker and financial advisor to Lafarge S.A. during its takeover bid for Blue Circle. Lafarge's bid lapsed on May 3, 2000. Subsequently, Lafarge S.A. and the Bureau entered into negotiations to address the competition concerns stemming from Lafarge S.A.'s acquisition of a significant interest in Blue Circle.

68. In June 2000, the Commissioner and Lafarge S.A. announced that Lafarge S.A. agreed to immediately terminate its option agreement with Dresdner and to reduce its shareholdings in Blue Circle to less than 10% within a specified time frame. In addition, Lafarge agreed to not participate on the Blue Circle Board of Directors. The agreement also provided that certain limitations were to be placed on Lafarge S.A.'s voting rights with respect to shares in excess of 10% by way of a trustee who would vote the shares.

69. In January 2001, Lafarge S.A. announced that it had reached an agreement to buy the 77.4% of shares in Blue Circle that it does not already own. At the end of the 2000-2001 fiscal year, the Bureau and Lafarge S.A. were concluding the terms of the asset divestitures to be contained in a consent order application to the Canadian Competition Tribunal required under the terms of the agreement struck on April 28, 2000.

70. Abitibi Consolidated Inc. and Donahue Inc.: In February, 2000, Abitibi Consolidated Inc., the world's largest newsprint producer, announced its intention to acquire Donahue Inc. The Bureau concluded that the transaction would likely result in a substantial lessening or prevention of competition in the supply of newsprint in Eastern Canada. As a result of these competition concerns, in February 2001, Abitibi provided an undertaking to divest its Port-Alfred newsprint mill in Ville-de-la-Baie, Québec, along with all the assets necessary for the continued and effective operation of the mill. The mill has an annual newsprint production capacity of approximately 400,000 tonnes. This undertaking also gives the Bureau the right to apply to the Competition Tribunal for a consent order to formalise the agreement if the mill is not sold following Abitibi's sale process. The terms of the consent order would be subject to the Tribunal's approval.

71. CanWest Global Communications Corp. and Hollinger Inc.: In July 2000, CanWest Global Communications Corp. announced its intention to acquire the majority of Hollinger Inc.'s Canadian media interests, including its large metropolitan daily newspapers, community newspapers, a 50 percent share of The National Post, and Internet assets such as Canada.com. The Bureau reviewed the proposed transaction and concluded that, since there was no evidence that newspapers, the Internet and television compete directly for retail advertising normally found in newspapers, the transaction would not substantially lessen competition in those markets for advertisers.

72. The Bureau expressed competition concerns about the impact of the resulting connection between Canada's two principal business newspapers, *The Globe and Mail* and *The National Post*, through the business-oriented speciality channel, ROBTv, in which both CanWest (affiliated with *The National Post*) and *The Globe and Mail* had interests. As a result of these concerns, CanWest agreed to the Bureau's request to place its entire investment in ROBTv in trust, pending resolution of the partnership situation between CanWest and *The Globe and Mail*. As the undertakings took effect at the time of the closing of CanWest's acquisition of Hollinger's assets, CanWest also agreed to ensure that Hollinger did not share confidential information with ROBTv and *The Globe and Mail*. The undertakings further provided the Bureau with the right to monitor CanWest's compliance and to apply to the Competition Tribunal for a consent order to formalise the agreement.

73. Québecor Inc. and Groupe Videotron Ltée.: In a public offer made on September 27, 2000, Québecor Inc., through its subsidiary Québecor Média Inc, proposed acquiring all the outstanding shares of Groupe Vidéotron Ltée. This would have given Québecor control, in viewership terms, of the first- and third-largest French-language television networks in Québec, TVA and TQS. As a result, Québecor would control more than half of all the French-language television advertising revenues in the province.

74. The Commissioner concluded that this proposed merger would likely prevent or substantially lessen competition in the sale of French-language advertising air time in Québec for three reasons: first, that it was unlikely that a new conventional television network would be licensed in the near future under the current regulatory framework; second, that French-language speciality channels could only contest a limited share of the television advertising market, and third, that other media were very poor substitutes for television as far as advertisers were concerned.

75. On November 10, 2000, the Bureau filed an application for a consent order with the Competition Tribunal to require Québecor to sell TQS. On January 15, 2001, the Tribunal issued the order, directing Québecor to sell TQS by December 31, 2001 or via a trustee thereafter if the CRTC approved Québecor's acquisition of TVA. Following its review of other aspects of the transaction, on March 13, 2001, the Bureau announced that competition would remain vigorous in the other markets it had examined, including access to high-speed Internet services, and the supply of advertising space in magazines, on Internet sites and in other French-language media in Québec.

76. Trilogy Retail Enterprise L.P. and Chapters Inc.: In November 2000, Trilogy Retail Enterprises L.P., in a hostile takeover attempt, announced an offer to acquire a majority share of Chapters Inc., with the purpose of merging Chapters with Indigo Books & Music Ltd. In February 2001, Trilogy was successful in this bid.

77. Chapters is the dominant book retailer in Canada, owning 76 book superstores, the World's Biggest Bookstore in Toronto, and 231 mall-based bookstores operating under the Coles, Smithbooks, Library Smith, Classic Books and The Book Company names. Chapters also owns a majority share of Chapters Online Inc., one of the two key Canadian-based book retailing Internet sites. Indigo is the only other significant owner of book superstores in Canada, with 15 locations in southern Ontario, Alberta, British Columbia and Québec. It also has the only other significant Canadian-based book retailing site, Indigo.ca.

78. The Bureau's review determined that the proposed transaction would be problematic for both consumers and publishers and could substantially lessen or prevent competition in both upstream and downstream markets. The Bureau was concerned that the high concentration in book retailing would increase with the merger, as would the ability of the merged entity to impose anti-competitive terms of trade on publishers. The Competition Tribunal issued a consent order agreed to by Chapters and Indigo, which includes divestiture of 13 large-format book superstores, 10 mall stores, certain of Indigo's online

CANADA

assets, and up to three store brands (Smithbooks, Classic Books and Prospero). In addition, the merged entity agreed to a code of conduct setting minimum terms of trade between the merged company and publishers for five years. Potential breaches of this code of conduct will be resolved through arbitration.

C. *Misleading Advertising and Deceptive Marketing Practices*

79. A dual enforcement regime for addressing misleading advertising and deceptive marketing practices is available under the *Competition Act*. A general criminal prohibition exists to deal with the most egregious matters, and a civil regime has been established to address most instances of misleading advertising and deceptive marketing practices.

a) Civil

80. In September 2000, the Bureau registered a consent order with the Competition Tribunal against Gestion Professionnelle (électroprotections) Inc. (GPI) to cease the marketing of the ML-10, an electronic anti-corrosion device. Under the terms of the order, obtained under the misleading advertising and deceptive marketing provisions of the *Competition Act*, GPI agreed to stop selling the device and to refrain from marketing it, or any other similar device, until appropriate tests took place.

81. In March 2001, the Bureau filed an application with the Competition Tribunal for an order against P.V.I. International Inc. and two corporate officers with respect to the promotion of a fuel-saving device, the Platinum Vapor Injector. The application alleges that certain claims about the device's ability to save fuel and reduce harmful emissions were false or misleading and not based on adequate and proper tests. It also alleges that false or misleading representations were made in the promotion of the device that gave the impression it had been approved by the US governments and tested by the Canadian Government.

b) Criminal

82. In August 2000, 3181731 Canada Inc., doing business as Direct Health Organization, Columbus Health Centre, New Opportunities Publications and Canadian Shipment Centre, pleaded guilty to false or misleading advertising and was fined \$500,000. The company had urged consumers through mail samples to purchase various weight-loss products and to get involved in a get-rich-quick program. Subsequent investigation determined that these representations had not been based on adequate or proper tests.

83. In September 2000, 35 criminal charges under the deceptive telemarketing provisions of the *Competition Act* were laid against F.D.G. Fortune One Group and F.N.G. First National Galleries, their principal director and five telemarketers. The charges allege that the companies' telemarketers, who persuaded consumers to buy promotional products on the understanding they would then receive valuable prizes, misled those consumers about the value of the prizes and the conditions and restrictions required to collect them. The trial is scheduled for 2001B2002.

84. In November 2000, three individuals and two companies were charged under the false or misleading advertising provisions of the *Competition Act* for allegedly invoicing businesses for unsolicited Internet directory listing services. Documents mailed to more than 500,000 businesses and charitable organisations under the names Yellow Business Pages and Yellow Business Directory asked recipients to mail in money for an Internet directory listing. The charges allege that the mailings appeared to be invoices or bills, when they were in fact solicitations, and that recipients were mistakenly led to believe they were existing customers of the Internet directory service. The trial is scheduled for 2001B2002. On February 5,

2001, the Bureau issued a warning to businesses to be careful before paying invoices for products and services.

85. On December 4, 2000, the director of S.S. Viking Industries, S.C. Canadian Clearing Centre Inc. and Exclusive Premium Distribution Centre S.C. Corporation, three Montreal-based telemarketing companies, pleaded guilty to three criminal charges of misleading advertising and was sentenced to pay \$300,000, the highest fine ever imposed against an individual for deceptive telemarketing under the *Competition Act*. The Bureau obtained assistance from the US Correctional Services under the *Mutual Legal Assistance Treaty* in order to gain evidence from the US. The charges related to company promises to consumers in Canada and the US that they would receive valuable awards or 'premiums' if they bought promotional products, such as pens and coins, that the company was selling at what were subsequently determined to be inflated prices.

86. Also on December 4, 2000, C.S.R.H. Heritage Group Inc. was fined \$700,000, and its manager sentenced to a six-month conditional jail term, for promising consumers valuable awards if they bought promotional products at what were determined to be inflated prices.

87. Additionally in December of 2000, a charge of misleading advertising was laid against Dial America Teleservice Corporation and its director related to telemarketing activities through which the company sold U.S. consumers credit card protection. The Bureau alleged, first, that consumers were mistakenly led to believe the company was calling on behalf of, or was affiliated with, their credit card issuer, and, second, that the product did not offer any additional credit card protection.

c) Voluntary Compliance

88. The Bureau also resolved a number of cases through voluntary compliance. During an inspection of imported caulking compounds, sealants and adhesives, a total of 30 lots of various caulking compounds and sealants were found to be in violation of the labelling requirements under the *Consumer Packaging and Labelling Act* and regulations. These labelling infractions included the lack of a bilingual common name, and an incorrect declaration of net quantity (the imperial unit of measure was not declared as being in US fluid ounces, and the metric net quantity declaration was shown in brackets). The corrective actions included trader correction of the bilingual common name before these products were shipped to clients, with a commitment by the Canadian wholesaler that future shipments will be labelled properly and display the correct net quantity declaration.

89. An inspection of a cat litter company revealed that 4 kg packages of cat litter were marked as a product of Canada, when the product did not meet the Bureau's *Made in Canada Guidelines*. Following a meeting with Bureau officials, the company agreed to remove the AProduct of Canada@ claim and replace it with APackaged in Canada.@

90. Another inspection, of 10K gold bracelets, revealed that the gold content of the items was less than declared, contrary to the *Precious Metals Marking Act* and Precious Metals Marking Regulations. The company returned the bracelets in question to the distributor, and the items were destroyed.

d) International Co-operation

91. To promote the OECD Guidelines for Consumer Protection in the Context of Electronic Commerce, the Bureau conducted a domestic Internet Sweep to see whether the requirements of the

CANADA

guidelines were being met. During August 2000, the Bureau assessed 292 Canadian websites to assess what information was made accessible to consumers before they entered into a transaction.

92. In February 2001, the Bureau participated in a similar sweep organized by the International Marketing Supervision Network (IMSN). Members include consumer protection authorities from 29 countries and representatives from the European Commission and the OECD. The IMSN's main purpose is to find ways of co-operating on tackling consumer problems connected with cross-border transactions in both goods and services, and to help ensure exchanges of information among the participants for mutual benefit and understanding.

III. The Role of the Bureau in the Formulation and Implementation of Other Policies

93. The Bureau plays an active role in promoting a pro-competitive marketplace and developing competition policy and legislation through making formal interventions before federal and provincial boards and tribunals pursuant to sections 125 and 126 of the *Competition Act*. Furthermore, the Bureau advocates competition through written and oral representations to other government representatives and bodies.

A. Canadian Radio-Television and Telecommunications Commission- Telecommunications and Broadcasting

94. The Canadian Radio-Television and Telecommunications Commission (CRTC), is the agency responsible for regulating broadcasting and telecommunications in Canada. As an independent public authority that aims to ensure Canadians have access to telecommunications services, the CRTC works closely with the Bureau to ensure effective competition for the benefit of consumers.

95. In November 1999, the Bureau and the CRTC concluded an Interface Agreement which describes the authority of the CRTC and the Bureau during the period of transition of the telecommunication and broadcasting industries from regulated monopolies to competitive markets. Under this agreement, the CRTC is responsible for technical issues related to interconnection and network access, and to promote the social policy goals of affordability and service. Both agencies are responsible for reviewing mergers. *The Competition Act* is applicable to a broad spectrum of anti-competitive behaviour, including denial of access to essential facilities, exclusive dealing, abuse of dominance, and other practices tending to have exclusionary effects or which limit competition. As a result, the Bureau is well placed to address future challenges for competition policy in the communications industry.

a) Telecommunications

96. Local Telephone Service New Contribution Regime: CRTC Telecom Decision 2000-745: A CRTC decision in November 2000 created a new contribution regime effective January 1, 2001, for funding local telephone service in high-cost areas in Canada (i.e. rural and remote areas). The Bureau supported the CRTC's decision to broaden the base for collecting contributions and made its recommendations to ensure competitive and technological neutrality, equity, economic efficiency (limiting marketplace distortions) and administrative simplicity. The decision is expected to foster and develop competition in local telecommunications markets so that Canadians will benefit from a greater choice of services and service providers.

97. **Sunset Clause for Near-Essential Facilities:** CRTC Telecom Decision 2000-96: The CRTC initiated a proceeding to consider whether the five-year sunset rule requiring the unbundling of near-essential facilities should be extended, and to decide on the criteria for determining the appropriate extension period. The Bureau recommended that the sunset rule be extended until such time as the CRTC determines that sufficient competition exists in the supply of these facilities; and that the CRTC apply the *A sufficient competition@* test and procedures that it applies to forbearance applications under the *Telecommunications Act* when determining the appropriate time period. In March 2001, the Commission accepted the Bureau's recommendations. The CRTC concluded that the near-essential facilities were critical inputs required by new entrants, and that the incumbent local exchange carriers (ILEC) were the only source of such facilities.

98. **Telephone Companies (Telcos) Forbearance Outside Traditional Territories:** 2000-98 The CRTC initiated a proceeding on conditional forbearance from the regulation of current and future wireline services offered by the major incumbent telephone companies operating outside their traditional operating territories. The Bureau agreed with the companies that they lack market power outside of their traditional geographic markets and that existing safeguards limit the companies' abilities to engage in anti-competitive activity in other services and geographic markets by leveraging their dominant position within their own territories. The Bureau supported conditional forbearance which would reduce the regulatory burden on incumbent telephone companies and enhance their ability to compete in geographic areas outside of their traditional operating territories. As of March 31, 2001, the CRTC decision was pending.

b) Broadcasting

99. **Ownership of Speciality Programming Series:** CRTC Public Notice 2000-165: The Canadian Cable Television Commission (CCTA) asked the CRTC to change its cross ownership rules to permit cable companies to acquire discretionary analog program undertakings. The Bureau supported the CCTA proposals on competition and economic efficiency grounds and recommended the establishment of safeguards to protect the public interest in a competitive television broadcasting market by limiting the number of channels that cable companies could acquire. The Bureau also recommended that the CRTC review all of its broadcasting distribution undertakings, access rules and rules governing exclusionary behaviour to ensure their consistency and comprehensiveness for both analog and digital programming.

100. The Bureau further suggested that CCTA members with an ownership interest in a discretionary programming service publicly adopt the undertaking; that the CCTA be required to broaden its undertaking to include non-affiliated analog programming services; and that the CRTC initiate a proceeding to review its policies and regulations on access by programming distribution undertakings to analog and digital cable broadcasting distribution undertaking networks. The process is ongoing.

B. Canadian International Trade Tribunal - Anti-Dumping

101. The Canadian International Trade Tribunal (CITT) is an independent quasi-judicial body that conducts inquiries into imports that may threaten to cause, or cause, material injury to Canadian industries. The Bureau often intervenes in significant CITT proceedings as an advocate for competition to, for example, prevent unnecessary costs for consumers.

102. **Sugar Review:** In 2000, the CITT reviewed its 1995 finding of a threat of material injury to domestic producers due to dumping in Canada of refined sugar from the U.S. and certain European countries, and the subsidising of refined sugar from the European Union. The review was initiated to determine whether to extend or remove the duties on imports.

CANADA

103. The Bureau supported the elimination of duties, arguing that the industry was well positioned to meet import competition if duties were allowed to expire. It was argued that the insulated market allowed domestic refiners to exercise market power and set prices above competitive levels, and that while the removal of duties would have a negative impact on prices, this was not synonymous with material injury or its threat to domestic refiners. On November 3, 2000, the CITT issued its decision to continue the finding, concluding that there was likely to be material injury to the domestic industry if the duties were not continued for another five years.

104. *Appliance Inquiry*: The CITT also launched an inquiry to determine whether the dumping in Canada of certain refrigerators, dishwashers and dryers originating in or exported from the US had caused or was threatening to cause injury to the Canadian industry. In support of its position that no duties be imposed or that proposed duties be reduced, the Bureau submitted the following: first, that any injury caused by the domestic producers failure to rationalise production or its inability to compete on non-price factors could not be attributed to dumping; second, that there was no material injury with respect to dishwashers and dryers since the domestic producers production had increased while average prices had remained relatively flat over the inquiry period; and finally, that goods not produced in Canada should not be subject to duties. On August 1, 2000, the CITT issued its finding of material injury with respect to the subject appliances. However, it granted certain exclusions from the imposition of duties largely consistent with the recommendation of the Bureau and other parties. Following receipt of representations by interested persons, the CITT determined that there was no public interest issue that warranted further investigation.

105. *Public Interest Investigation into Contrast Media*: On May 1, 2000, the CITT found that dumping into Canada of certain iodinated contrast media originating in or exported from the US (including the Commonwealth of Puerto Rico) caused material injury to the domestic industry. Iodinated contrast media are primarily used by hospitals as diagnostic tools. The Bureau argued that the imposition of dumping duties would eliminate competition in the Canadian market by the creation of a monopoly, adversely affect competition in the distribution channels, increase prices, raise health and safety risks to patients, and generally have a negative effect on economic welfare. On August 29, 2000, the CITT filed a report with the Minister of Finance recommending that imposing anti-dumping duties in the full amount would not be in the public interest. The Minister of Finance accepted the CITT's recommendation and significantly lowered the duties as a result.

C. Gas

106. The Bureau has been an effective advocate of pro-competitive reforms in Canada's natural gas sector. The following summaries illustrate the Bureau's interventions in provinces which focus on creating the right conditions for competition between utilities and others to supply gas to customers, as well as the need for consumer protection measures and their relation to competition law. Such interventions have been welcomed by provincial regulators, with important impacts on regulatory and market structure frameworks being implemented.

107. *Nova Scotia Gas Licenses Hearing*: The Competition Bureau provided advice on establishing the general requirements for the issuance of licences to sell natural gas to residential and small commercial customers in Nova Scotia, including a code of conduct for relations between the gas distributor and its competitive affiliates. The goal of the Bureau's submission was to help the Nova Scotia Utility and Review Board (NSURB) promote effective and efficient competition in the marketing and sale of natural gas in Nova Scotia. The submission discussed Canadian competition law and policy, as well as the appropriate roles and responsibilities of the NSURB and the Competition Bureau in the Nova Scotia natural gas

market. It also presented competition principles for the Board to consider, and commented on licensing and code-of-conduct matters, including structural separation, cost allocation, and the need for effective consumer protection against deceptive marketing practices.

108. On September 15, 2000, the Board decided some issues and deferred others to an industry working group and subsequent initial tariff hearing. Among other things, the Board adopted core marketer and distribution affiliate code of conduct provisions, which the Bureau supported, and accepted the Bureau's recommendation that marketers obtain written approval from customers to renew contracts for more than one year.

109. *Sempra Atlantic Gas Initial Tariff Application*: The Bureau's intervention before the NSURB during hearings in January 2001 supported open and effective competition in the emerging Nova Scotia natural gas market, particularly at the household level. The Bureau made nine recommendations designed to create a level playing field for competition among all gas marketers as well as gas and equipment providers in Nova Scotia. Areas covered by the recommendations included preventing potential cross subsidisation between Sempra and its affiliates, the granting of promotional allowances in the emerging market and the appropriate approach to cost allocation. Sempra, as well as other key hearing participants, endorsed all nine of the Bureau's recommendations which were adopted by the Board.

D. Transportation

110. The Bureau has played an important role in bringing about regulatory reform in transportation. Its advocacy efforts in his area have included interventions in relation to air, highway, rail and water transportation. Its recent undertakings in the airlines industry are examined above, and the following summarises submissions to the Canada Transportation Act Review Panel, which continually reviews recommendations made in other transportation areas.

111. The Bureau's advocacy efforts in relation to transportation are mainly concerned with ensuring that the economic regulations which harm or prevent competition, such as compulsory price cartels, are removed to promote effective competition. Its interventions and submissions include proposals aimed at legislative reform, such as those presented to Transport Canada on the *Shipping Conferences Exemption Act* seeking options for improvement.

112. On September 7, 2000, the Competition Bureau made a presentation to the Canada Transportation Act Review Panel. The presentation reviewed the role of the Commissioner and the interface between the *Competition Act* and regulation, and examined the concerns of the Commissioner with regard to the effectiveness of the competitive access provision pertaining to rail in the *Canada Transportation Act*. The Bureau's concerns about the current restructuring of the airlines were also addressed.

113. The Bureau's October 2000 submission to the Panel examined matters related to rail captive shippers, differential pricing and rail viability, final offer arbitration and competitive access, with particular emphasis on running rights. The Commissioner's submission included six recommendations: ensure the effectiveness and application of all of the competitive access provisions; repeal the substantial commercial harm test required when applying for extended interswitching and competitive lines rates; 3) remove the statutory requirement in the competitive line rate provision requiring agreement of rates beyond the interchange point with the connecting carrier; 4) amend the running rights provisions to allow any person to apply for running rights upon passing a fitness test; 5) retain the competitive objectives of the national transportation policy together with existing provisions on the level of services, final offer arbitration, and 6) retain regulated interswitching.

CANADA

114. On July 21, 1998, Transport Canada requested the Competition Bureau's views on Canada's policy on international charter passenger air services. The Bureau supported a review of Canada's policy in this area on the grounds that liberalising the approach to international charter air passenger service could benefit the travelling public through lower prices and more choice. Further, the Bureau held that existing fences, such as pre-booking and minimum-stay requirements, were not appropriate in the current environment. The Bureau also indicated that rules designed to protect Canadian charter carriers from price competition should be eliminated. On April 4, 2000, the Minister of Transport released a new policy for international passenger charter air service that included a number of the Bureau's proposals. In response, the Canadian Transportation Agency revised its proposed Air Transport Regulations and submitted them to the Bureau for comments on December 7, 2000. In its comments, the Bureau proposed ways of further liberalising the international charter market.

E. Electricity

115. The Bureau has been active in promoting competitive reforms of provincial electricity markets. In particular, the Bureau has played an important role in the restructuring process which fully opened Alberta's electricity market to wholesale competition in January, 2001, and in preparation for the opening of Ontario's market in the future. The Bureau's submissions have covered a range of competition policy issues, including vertical and horizontal market restructuring, regulatory reform, and the relationship of competition law to electricity regulations. The Bureau's work in this area is ongoing.

116. On March 5, 2001, the Bureau filed evidence in a hearing to consider Nova Scotia Power's application for approval of a process for the rapid acceptance of Energy Solutions packages. On March 26, Bureau staff appeared before the Nova Scotia Utility and Review Board, and the Bureau filed its final argument in April. The Board will issue its decision in August of 2001.

F. Other

117. In March 2000, the Bureau participated with the Federal Domestic Emissions Trading Working Group, during which time the Federal Ministers of Energy and Environment endorsed continued analytical work to support future international and domestic environmental policy decisions, including wide ranging policy instruments, such as emissions trading. The Bureau has identified certain broad competition policy issues, such as market concentration and pricing behaviour, and the administration and enforcement of the *Competition Act* in relation to emission permits markets, which would promote developmental work on Domestic Emissions Trading.

118. In July 2000, as part of an initiative to create a framework permitting the competitive operation of traditional stock exchanges and alternative trading systems (ATS), the Canadian Securities Administrators (CSA) republished for comment its revised Alternative Trading System Proposal. The Bureau submitted a number of comments in response to the proposal about who should provide market regulation for ATS. The Bureau believes that a regulatory environment allowing for competition among stock exchanges and ATS would stimulate innovation and encourage securities markets to be more responsive to the needs of participants.

IV. Resources of the Bureau

A. Annual Budget

119. In Fiscal Year 2000-2001, the operating budget for the Bureau was \$26.5 million including carryforward.¹⁰ In addition, \$3.321 million in supplementary estimates was provided for additional operational requirements. The Bureau also generated \$8.5 million in fees¹¹ of which \$7.5M was accessible by the Bureau. A major portion of the budget, \$22.3 million, was allocated to salaries.

120. During 2000-2001, \$18,735,000 in fines was imposed.

B. Number of Employees

- a) Economists: 13;
- b) Lawyers: 16 hired and paid by the Department of Justice;
- c) Other Professionals: 223 competition law officers, 24 executives;
- d) Informatics, Administrative Services and Support Functions: 123;
- e) Full Time Bureau Employees: 383.

C. Application of Human Resources to Bureau Activities

- a) Enforcement against Anti-competitive practices: 317;
- b) Merger review & enforcement: 44;
- c) Advocacy efforts: 22.

NOTES

1. Bill C-23 was tabled in the House of Commons in April 2001.
2. The ten interpretation guidelines are as follows: 1) Section 108. Definition of "operating business"; 2) Section 114. Number of Notices - Multiple Step or Continuous Transactions; 3) S. 112. Exemption for Combinations that are Joint Ventures; 4) Subsection 110(3). Acquisitions of Non-Voting Shares and Convertible Securities; 5) Subsection 110(4). Amalgamation Interpretation Guideline; 6) Paragraph 111(d). Creditor Acquisitions; 7) Section 103. "Substantially Completed" and Section 119."Completed"; 8) Shareholder Agreements; 9) Notifiable Transactions Regulations – Transactions and Events in Section 14; 10) Corporate Spin-Offs
3. The final Guidelines on Enforcement of “Abuse of Dominance Provisions” of the *Competition Act* were released August 1, 2001.
4. The Canada-Costa Rica Free Trade Agreement was signed in April, 2001.
5. The Québec Superior Court released its judgment on July 12, 2001 upholding the constitutional validity of section 104.1 of the *Competition Act*, which provides that the Commissioner of Competition may issue a temporary order prohibiting a person from operating a domestic service when parties have met certain preconditions concerning anti-competitive activity. Air Canada has appealed that decision to the Québec Court of Appeal.
6. The Québec Superior Court heard the application for review in April, 2001 and reserved judgment.
7. The remedy hearing took place on June 20-22, 2001 and a decision is pending.
8. Section 96 of the *Competition Act* provides an efficiency exception to the provisions of section 92 of the *Competition Act* if the proposed merger is likely to bring about gains in efficiency that will be greater than, and will offset, the effects of any prevention or lessening of competition as a result of the proposed merger.
9. On April 5, 2001, the Federal Court of Appeal accepted the Bureau’s appeal on the merits and ordered that the matter be remitted to the Competition Tribunal. The Court agreed with the Bureau that the Tribunal had interpreted the *Competition Act* too narrowly. It ruled that the relevant effects against which the efficiencies had to be contrasted were broader than those the Tribunal had accepted. These effects included the harm to consumers of paying higher prices as well as any other effects that ran counter to the objectives of competition.
10. The Bureau can carry forward into the budget for the next fiscal year an amount not exceeding 5 percent of the operating budget that was left unspent during the current fiscal year.
11. Fees include Pre-Merger Notifiable Filings, Advance Ruling Certificates, Advisory Opinions and photocopies.

Appendix

Selected Activities of the Competition Bureau	1997-98	1998-99	1999-00	2000-01
Number of Complaints, Examination, Inquiries and Advisory- Opinions				
Total Complaints/Information Requests	6 939	10 009	13 803	16 570
Examinations (Two or More Days of Review)	870	601	655	711
Applications for Inquiries under Section 9	11	11	13	8
Inquiries in Progress at Year End	40	48	48	35
Written Advisory Opinions	235	75	51	40
Disposition of Inquiries				
Inquiries Formally Discontinued	29	21	18	11
Matters Referred to the Attorney General of Canada	8	8	12	14
Matters Referred Where Further Action is Not warranted	2	0	1	0
Prosecutions or Other Proceedings Commenced	6	8	9	14
Applications to the Competition Tribunal	8	5	4	6
-Mergers	4	5	3	3
-Other Reviewable Practices	4	0	1	3
Representatives Before Regulatory Bodies	14	15	7	13

Civil Matters - Selected Activities	1997-98	1998-99	1999-00	2000-01
Number of complaints, examinations, inquiries and advisory opinions				
Total complaints/information requests	503	819	613	618
Examinations (two or more days of review)	41	29	43	43
Applications for inquiries under section 9	3	4	5	4
Inquiries in progress at year end	5	8	10	11
Written advisory opinions	0	0	0	3
Disposition of inquiries				
Inquiries resolved by alternative case resolution	4	3	5	3
Applications to the Competition Tribunal	4	0	0	1
Discontinuances	11	6	5	6
Interventions				
CRTC	9	8	2	4
Provincial	3	5	3	3
CITT	2	1	1	3
Policy Work	2	1	1	3

CANADA

Criminal matters- Selected Activities	1997-98	1998-99	1999-00	2000-01
Number of Complaints, Examinations and Inquiries				
Total Complaints/Information Requests	1 285	937	1 945	966
Examinations Commenced	39	49	37	57
Applications for Inquiries under Section 9	4	7	4	3
Inquiries in Progress at Year End	20	26	22	24
Disposition of Inquiries				
Matters Referred to the Attorney General of Canada	3	7	9	8
Matters where charges were laid	3	6	6	8
Matters where Attorney General declined to proceed or withdrew charges (may include matters referred during previous years)	1	0	1	0
Matters before the Courts (may include matters referred during previous years)	8	6	7	8
Disposition of prosecutions (findings of guilt, guilty pleas, acquittals, stay of proceedings, orders of prohibition - may include matters orders of prohibition - may include matters referred during previous years)	48	16	21	14
Other activities				
Examinations resolved by information contacts	13	11	6	12
Written advisory opinions	12	8	7	2
Mutual Legal Assistance Treaty (MLAT) requests	0	0	1	1
Searches	1	5	5	5

Mergers	1997-98	1998-99	1999-00	2000-01
By Business Line				
Pre-Merger Notification Filing*	90	109	92	73
Advance Ruling Certificate Request	285	226	273	255
Other Examinations	17	26	60	45
Total Mergers**	392	361	425	373
Asset securitisation Transactions ***	72	52	64	0
Total Minus Asset Securitization Transactions	320	309	361	373
*Excludes notification when an advance ruling certificate was requested				
**Total mergers include the total number of examinations commented during the fiscal year.				
*** In January, 2000, an exemption for notification of asset securitization transactions came into force. As a result, asset securitization transactions have been removed for comparative purposes.				
Examinations Commenced				
Examinations commenced (two or more days of review; including notifiable transactions, advance ruling certificates and examinations commenced for other reasons; some examinations commenced may arise from notifications and advance ruling certificate arise from notifications and advance ruling certificate requests in relation to the same transactions)	392	361	425	373
Notifiable Transactions	196	191	198	206
Advance Ruling Certificate Requests	285	226	273	255
Full Investigation (Inquiries under section 10 of the <i>Act</i>)		12	10	10
Examinations Concluded*				
No Issue under the <i>Competition Act</i>	406	346	392	381

Mergers (continued)	1997-98	1998-99	1999-00	2000-01
Examinations (continued)				
Minor Issue only	2	0	0	1
Mergers Approved Subject to Divestiture or Remedial Order or Undertaking (Total)	4	3	9	6
- With Pre-Closing Restructuring	0	0	2	0
- With Post-closing Restructuring/Undertakings	3	1	6	5
- With Consent Order	1	2	1	1
Through Contested Proceedings	0	2	0	0
Parties Abandoned Proposed Mergers in Whole or in Part as a Result of Commissioner's Position	0	3	1	2
Total Examinations Concluded (Includes Advance Ruling Certificates and Advisory Opinions Issued and Matters Which Have Been Concluded or Withdrawn before the Competition Tribunal)	412	354	402	389
Advance Ruling Certificates Issued (Included in "Total Examinations Concluded")	189	238	191	215
Advisory Opinions Issues (Included in "Total Examinations Concluded")	3	7	3	2
Examinations Ongoing at Year End	40	47	70	54
Examinations During the Year	452	401	472	443
Applications and Notices of Application before the Competition Tribunal and the Courts				
Concluded** or Withdrawn	2	4	2	1
Ongoing	2	1	1	2***
Cases involving cooperation with other agencies		10	20	12
*If a transaction has a notification as well as an advance ruling certificate, it is only counted once. ** "Concluded" means an order or decision of the Competition Tribunal or the Courts was issued. ***The Commissioner v. Superior Propan Inc. et al. Was concluded in fiscal year 1999-2000. In the 2000-2001 fiscal year, a decision of the Federal Court of Appeal referred the case back to the Competition Tribunal.				

Misleading Representations and Deceptive Marketing Practices - Selected Activities	1997-98	1998-99	1999-00	2000-01
Number of Complaints, Examinations and Inquiries				
Total Complaints Received (<i>Competition Act</i>)	5 148	8 253	11 240	14 851
Total Complaints Received (Labelling Acts)	452	477	N/A	135
Applications for Inquiries under Section 9	4	0	4	1
Inquiries Commenced	9	4	13	12
Disposition of inquiries				
Completed Examinations/inquiries (<i>Competition Act</i>)	397	163	140	238
Completed examinations/inspections (Labelling Acts)	2 368	2 012	2 316	433
Information Contacts (Includes Only Written Contacts)	208	137	110	198
Undertakings (Terms Signed Off) (<i>Competition Act</i>)	2	3	9	3
Undertakings (Labelling Acts)				122
Inquiries Formally Discontinued*				
Cases Involving Undertakings	2	3	2	1
Inquiry Discontinued - No Further Action Required	7	4	2	1
Matters Referred to Attorney General of Canada	5	1	3	6
Matters where further action is not warranted (May include matters referred during previous years)	1	0	0	0

CANADA

Misleading Representations and Deceptive Marketing Practices - Selected Activities	1997-98	1998-99	1999-00	2000-01
Inquiries Formally Discontinued*(continued)				
Prosecutions commenced (may include matters referred during previous years)	3	2	2	6
*(Discontinued inquiries involving undertakings are reported for the fiscal year in which they were discontinued; accordingly, these may not coincide with the actual number of undertakings received in any given fiscal year)				
Prosecutions Concluded (Many Include Matters Referred During Previous Years)				
Convictions	7	5	2	3
Non-convictions (includes conditional and Non-convictions (includes conditional and absolute discharges, withdrawals, stays of proceedings, etc. It should be noted that charges against some of the accused are often withdrawn after other accused in the same case have pleaded guilty. Accordingly, there is some overlap)	0	0	1	0
Applications to the Competition Tribunal (Consent Orders Filed)				
Consent Orders Filed	N/A	N/A	1	2
Contested Applications	N/A	N/A	0	1
Request Advisory Opinions (Written Options Given)				
Advisory Opinion Provided	201	40	39	33
Total Fines (\$,000)				
<i>Competition Act</i>	573.3	1 402.5	1 190	1 000
Labelling Acts				3