

BROADCASTERS OVERCHARGED \$82M A YEAR

Federal fees practice
may be illegal,
committee warns

BY IAN JACK

OTTAWA • Canadian broadcasters are overcharged to the tune of \$82-million a year by the federal government and the practice may be illegal, a Parliamentary committee warned yesterday in a report calling for an urgent review of the fees.

It's the latest push by Parliamentarians against the government's recent habit of raising money for general revenue by charging fees for services that business argues in many cases are either substandard or non-existent.

In this case, the committee objects to part of the broadcast licence fees. The government collected \$92-million in these fees last year, and says it spent \$10-million to manage the radio frequency spectrum on behalf of broadcasters. The remaining \$82-million disappeared into the government's consolidated revenue fund, where it can be used for any government program.

The huge difference between the charge and the cost of the service brings the fee perilously close to being a tax, and that could make it illegal, the Joint Committee for the Scrutiny of Regulations said in a report tabled yesterday. Taxes must be

approved expressly by Parliament, while departments are frequently delegated the authority to set fees.

The industry and Sheila Copps, the Minister for Canadian Heritage, have been lobbying to cap or reduce the fee but the Department of Finance told Ms. Copps she would have to make up the lost revenue out of her own budget.

The committee called on the government to respond to its report within 30 days rather than within the usually much longer period, a sign of its displeasure.

"Leaving aside the issue of whether or not the ... licence fees constitute an unlawful tax, the committee is of the opinion that the size of the general revenues that accrue to the government from the imposition of these fees discloses an urgent need for adjustments to the current fee structure," the report said.

It also warned that in general, "Parliamentarians need to exercise caution when granting fee charging authority and ... efforts to develop a better legal framework of accountability for the exercise of fee charging authority should be pursued."

The government also collects \$23-million in broadcast licence fees to fund the operations of the communications regulator, the Canadian Radio-television and Telecommunications Commission, and the committee found no fault with that.

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