

Quarterly Survey of Telecommunications Reporting Guide

This reporting guide provides some background information on the survey and definitions for the data items it collects. It is meant to help you understand the survey context and help you complete the survey. Every attempt was made to make the guide as clear as possible but only you can tell us if it is. Please do not hesitate to contact us should you have any questions about the survey, or suggestions on how to make the reporting guide more useful. Contact information is provided on the cover page of the questionnaire.

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Who completes the survey?

The Quarterly Survey of Telecommunications (QTS) is sent to the largest providers of telecommunication services in Canada. For the purpose of this survey, an organization is considered a telecommunication services provider if it is classified in industry group 517 (Telecommunications) of the North American Industry Classification System (NAICS).

The QTS has been conducted since 1999, but two significant changes are introduced for the 2006 reference year:

- Cable operators are now part of the survey universe. This change reflects the growing importance of these enterprises in traditional telecommunication markets and a change in the definition of the telecommunication industry in the North American Industry Classification System.
- The concepts and questions are aligned on those of the annual data collection on telecommunication markets conducted by the Canadian Radio-Television and Telecommunications Commission (CRTC). This will allow for a better integration of annual and sub-annual statistics for this sector and will hopefully facilitate your task of completing the survey.

Is the survey mandatory?

The survey is conducted under the authority of the *Statistics Act* and is mandatory, as are most surveys of businesses. Please refer to the cover page of the questionnaire for more detailed information, including information on the confidentiality and data sharing provisions of the Act.

We appreciate your contribution. Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

Do all questions apply to my organization?

The QTS includes a total of fifty questions on four topics: revenues by type of service provided (13 questions), subscribers by type of service/network connection (18 questions), volume of usage by type of service (18 questions), and capital expenditures (1 question).



Although it is not common at this time, organizations that are active in all telecommunication services markets need to answer all questions. However more and more organizations deliver a wide variety of services, sometimes through more than one operating division. If that is the case and it is not clear which part of your organization is targeted by the survey, please contact us for clarification.

As a general rule, our intent is to be consistent with the CRTC annual data collection, including the way in which entities are defined. That being said, in the event that reporting on the same basis on a quarterly and annual basis is difficult for your organization, we are open to a different reporting arrangement. That includes divisional or consolidated reporting.

How is the information used?

The main uses are:

- The data are aggregated to produce national estimates of activity generated by the telecommunication services industry. They become part of the system of national accounts, the accounting system used to measure the amount of activity and wealth generated by the Canadian economy.
- The aggregated data are used to inform Canadians of developments in this industry. Short articles are published on-line in the *Daily*, the vehicle with which Statistics Canada provides highlights from its various surveys and studies to the media and Canadians at large.
- The aggregated data are used by industry and policy analysts to monitor developments in telecommunication markets.

Concepts and definitions

For the most part, the concepts and definitions for the quarterly survey of telecommunications are the same as those used for the annual telecommunications data collection by the CRTC. Where the definitions are identical, reference is made in this guide to the relevant CRTC form from the 2008 data collection.

The following conventions apply in the case of financial (revenue) variables:

- Reporting should be in accord with generally accepted accounting principles (GAAP) as set out in the Canadian Institute of Chartered Accountants (C.I.C.A.) Handbook. Please report all accounts on an accrual basis.
- Revenue reported should exclude taxes collected for government (e.g., GST, HST) and should be net of discounts, promotional offers and rebates.
- The Other operating revenue category excludes the following: interest and dividends, gains on the sale of capital assets, unrealized gains as a result of asset revaluation, gains on the translation of foreign currency and any other extraordinary revenue.

Operating revenues

- | | |
|-----------------------------|-------------------------------------|
| a.) <u>Local and access</u> | e.) <u>Internet</u> |
| b.) <u>Long distance</u> | f.) <u>Wireless</u> |
| c.) <u>Data</u> | g.) <u>Video</u> |
| d.) <u>Private line</u> | h.) <u>Other operating revenues</u> |

1. Telecommunications operating revenues

a.) Local and access -

Revenues from the provision of unlimited access to make wireline calls within a free-calling area. This category also includes revenues from the provision of related retail and wholesale services such as optional features, service charges, inside wiring, terminal equipment rental, switching and aggregation, local interconnection, co-location, transit and bill-and-keep trunk settlement, unbundled network components well as revenues received from the contribution regime. Both access dependent and access independent services are covered by this category [CRTC form 211, line 17, "Total" column].

b.) Long distance -

Revenues for carrying outgoing or incoming calls between local calling areas. This category includes flat or measured outbound or inbound services (e.g., 1-800, 877, etc.), operator handled calls (e.g., collect calls), overseas calling, card or coin long distance payphone telephony, long distance directory assistance and settlement. **[CRTC form 221, line 8, "Total" column].**

c.) Data -

Provision of data protocol (X.25, ATM, Frame Relay, Ethernet, IP-VPN) and related services such as network management and equipment sales to end-users (individual, commercial and institutional customers), and other telecommunication service providers – **[CRTC form 231, line 12, "Total" column].**

d.) Private line -

Provision to end users and other telecommunication service providers of a dedicated terrestrial or satellite network segment on which no control or signalling is performed. **[CRTC form 241, line 7, "Total" column].**

e.) Internet -

Provision of Internet access and non-access services (such as modem rental, e-mail accounts and web hosting), to residential customers and commercial and institutional end users and the provision of transport services to commercial and institutional end users as well as other Internet services providers. **[CRTC form 252, line 18, "Total" column].**

f.) Wireless -

The provision of telecommunications services via wireless access facilities to end users and other telecommunication service providers. This category is the total of **Wireless – Retail** and **Wireless – Wholesale**. **[CRTC form 271, line 19, "Total" column].**

Retail -

The provision of telecommunications services via wireless access facilities to end users (individuals, commercial and institutional customers). Wireless services include mobile telephone, mobile data messaging (text, photos, audio and video), mobile Internet access and paging services **[CRTC form 271, line 19, "Retail" column]**. This category also includes roaming, mobile interconnection and equipment sales. The provision of telecommunications services via wireless access facilities to other telecommunication service providers is classified to **Wireless – Wholesale**.

Wholesale -

The provision of telecommunications services via wireless access facilities to other telecommunication service providers. **[CRTC form 271, line 19, "Wholesale" column]**. This category also includes equipment sales.

g.) Video -

The provision of analog and digital video and audio entertainment services (in service tiers, à la carte, pay-per-view or on-demand) to residential customers' homes and commercial and institutional customers' place of business **[CRTC form 101, line 9, "Total" column (Broadcasting distribution revenues)]**. The provision of audio and video entertainment services to mobile communications devices is classified to **Wireless – Retail**.

h.) Other operating revenues -

Include all other revenues not falling into the above categories earned as part of your organization's core operating activities. Please **exclude** the following revenues: interest and dividends, gains on the sale of capital assets, unrealized gains as a result of asset revaluation, gains on the translation of foreign currency and any other extraordinary revenue.

Network and subscribers

2. Fixed network lines by market – Access dependent and independent
3. Number of wireless subscriptions
4. Number of Internet subscriptions
5. Multi-channel video services subscriptions

2. Fixed network lines by market – Access dependent and independent

A network segment between two fixed nodes connecting customer equipment or premise and your equipment OR a network segment that provides an on-site interface for connecting customer equipment or customer premise equipment to your equipment. ***Please report owned lines, leased lines and re-billed lines in voice grade equivalents.***

a.) Residential -

A network segment connecting a residential customer's equipment or premise with your equipment. [CRTC form 212, line 3, "Total" column].

b.) Business -

A network segment connecting a retail business customer's equipment or premise to your equipment OR that provides an on-site interface for connecting customer equipment or customer premise equipment to your equipment. [CRTC form 212, line 11, "Total" column].

c.) Wholesale -

A network segment provided to another telecommunication service provider for resale or for its own use. [CRTC form 212, line 20, "Total" column].

d.) Lines for internal use (OTS) -

Active lines connected to the PSTN used by your organization and for which you do not receive payments. [CRTC form 212, line 22, "Total" column].

3. Number of wireless subscriptions

The number of separate phone numbers with service billed to the customer for usage. Note that this is different than the number of accounts since an account can include many subscribers.

a.) Retail (Residential and business) -

The number of wireless subscribers who are billed directly by your company. Include the number of internal wireless subscribers whose service is paid for by your company. [CRTC form 271, line 24, "Retail" column].

b.) Wholesale -

The number of wireless subscribers of a service provider that resells your services. [CRTC form 271, line 24, "Wholesale" column].

c.) Total wireless subscriptions -

The total number of retail and wholesale subscribers [CRTC form 271, line 24, "Total" column].

4. Number of Internet subscriptions

An IP connection to an end-user which allows the end-user to exchange applications traffic with Internet hosts and other end-users.

a.) Dial-up -

An IP connection using a dialed PSTN connection to initiate and effect a switched communications link with another computer terminal. [CRTC form 253, line 1, "Total" column].

b.) High speed – Cable modem -

An IP connection using a cable modem termination system (CMTS) to initiate and affect a dedicated communications link with another computer terminal. [CRTC form 253, line 2, "Total" column].

4. Number of Internet subscriptions (cont.)

c.) High speed – Digital Subscriber Line (DSL) -

An IP connection using a digital subscriber line technology to initiate and affect a dedicated communications link with another computer terminal. Includes ADSL (Asymmetric DSL), and VDSL (Very high data rate DSL). [CRTC form 253, line 3, "Total" column].

d.) High speed – Other -

An IP connection using an access technology not described above. Examples would include; ISDN, fibre, fixed wireless, WiFi (802.11). [CRTC form 253, Sum of lines 4 to 8, "Total" column].

e.) Total number of Internet subscribers -

The total number of Internet subscribers serviced by your company. [CRTC form 253, line 10, "Total" column].

5. Multi-channel video services subscriptions

Video services subscribers -

The number of households, institutions and businesses that subscribe to basic video services billed directly by your company. Include individual apartments where the service is included in the rent. Count each institutional subscriber only once, regardless of the number of individual users, (i.e., hospitals, hotels, nursing homes, other institutional or commercial ventures).

a.) By phone line -

The number of subscribers to video services who receive their service by phone line (DSL, ADSL or VDSL).

b.) By cable -

The number of subscribers to video services who receive their service via co-axial cable.

c.) By satellite -

The number of subscribers to video services who receive their service via satellite.

d.) Other -

The number of subscribers to video services who receive their service through means not listed above. Please indicate the technology.

e.) Total multi-channel video services subscribers -

The total for all types listed above.

Volume

6. Long distance minutes – Fixed

The elapsed period of time in minutes a respondent's switch, circuits, lines or groups of lines are in use for any call, for which the customer is billed (wholesale or retail). This includes calls which terminate outside the local calling area and are billed to the customer, as well as those calls which are received by the customer from outside the local calling area and are billed to the customer (toll-free calls). Domestic and international (USA and Overseas) long-distance calls are also included in this value. For resellers this is the actual conversation time their customers used for calls and messages. Long distance connections are sometimes called toll calls or trunk calls. [CRTC form 221, line 12, "Retail", "Wholesale", and "Total columns].

7. Short Messaging Service (SMS)

A wireless messaging service that permits the transmission of a short text message from and/or to a digital mobile telephone or terminal, regardless of whether the transmission originates and terminates on a mobile telephone, originates on a mobile telephone and terminates on a computer, or originates on a computer and terminates on a telephone.

a.) To mobile devices -

The number of messages which terminate on the mobile devices of your customers regardless of point of origin for transmission. [CRTC form 277, line 3, "Subtotal" column].

7. Short Messaging Service (SMS) (cont.)

b.) From mobile devices -

The number of messages originating on the mobile devices of your customers, regardless of destination of message. **[CRTC form 277, line 3, "Subtotal" column]**.

8. Mobile voice minutes

Minutes of air time used, whether the subscriber pays a flat, fixed or measured rate (in thousands of conversation minutes). If billing increments or pulses are used to measure customer usage (the discrete time intervals telecommunication service providers use to bill customers), please convert to conversation minutes and report the traffic accordingly.

Do not include minutes paid or available through service plans, but not used.

Do not report official telephone activity – unbilled telecommunications usage by telecom service providers for their internal communications or systems operations.

a.) Toll minutes -

The number of long distance minutes used, that is, where the connection originates outside the mobile device local calling area and/or which terminates outside the mobile device local calling area. One and only one minute of long distance communication is counted for each billed minute during which that connection is active, even where the call involves two long distance segments **[CRTC form 273, line 2, "Total" column]**.

b.) Non-toll minutes -

The number of local minutes used, that is, where the connection originates and terminates inside the mobile device local calling area **[CRTC form 273, line 1, "Total" column]**.

Capital Expenditures

9. Capital Expenditures

The cost of procuring, constructing, and installing new durable plant and machinery and equipment, whether for replacement of worn or obsolete assets, as additions to existing assets, or for lease or rent to others **[CRTC form 104, line 23, "Total" column]**.