August 18, 2003

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Commission des valeurs mobilières du Québec
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Newfoundland and Labrador Securities Commission
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

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Dear Sirs/Madams:

Re: Request for comments – Proposed National Instrument 51-102 entitled "Continuous Disclosure Obligations" ("NI 51-102")

This letter is in response to the request for comments made by the Canadian Securities Administrators (the "CSAs") regarding NI 51-102. We appreciate the opportunity to comment on NI 51-102.

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BCE Inc. ("BCE") is Canada's largest communications company. It has 25 million customer connections through the wireline, wireless, data/Internet and satellite services it provides, largely under the Bell Canada brand. BCE's media interests are held by Bell Globemedia Inc., including CTV Inc. and the Globe and Mail. As well, BCE has e-commerce capabilities provided under the BCE Emergis brand.

BCE and its principal subsidiary, Bell Canada, are reporting issuers in all Canadian provinces and are foreign private issuers under U.S. securities laws. BCE has twelve public subsidiaries or associated companies that are reporting issuers in Canada. Accordingly, BCE and its public subsidiaries and associated companies will be subject to the new proposed requirements set out in NI 51-102.

The following are BCE's comments regarding NI 51-102.

1. Effective Date

In the Request for Comments, the CSAs indicate that "The requirements in the Instrument will not apply before 2004. As such, the filing deadlines for financial statements, MD&A and AIFs in the Instrument will not be mandatory for financial years beginning before January 1, 2004."

We understand this to mean that in the case of reporting issuers with a financial year beginning on January 1, the proposed accelerated filing deadlines would only become mandatory starting with the filing in 2005 of 2004 annual documents.

With respect to the statement that the requirements in the Instrument will not apply before 2004, we submit that such requirements should not apply until the filing in 2005 of a company's annual documents for the financial year ended in 2004 as it would not be desirable to start applying the new requirements to a company's quarterly filings (i.e., a quarterly MD&A should only update the disclosure contained in an annual MD&A). This should be clarified.

2. Delivery of Financial Statements and MD&As to Securityholders

Sections 4.2(a)(i) and 6.1(2) of NI 51-102 would require reporting issuers (other than venture issuers) to file their annual financial statements, auditor's report and related MD&A at the latest by the 90th day after year-end. Section 4.6(3) of NI 51-102 would require reporting issuers to send to securityholders (having requested to receive them) their annual financial statements by the later of the filing deadline (i.e., 90 days from year-end) and 10 calendar days after the issuer received the securityholder's request for the documents. In turn, sections 4.6(4) and 6.7 of NI 51-102 would require reporting issuers to send their annual MD&As to securityholders within the same timeframe.

We agree that Canadian public companies should make their financial information available to their shareholders and the investment community as soon as possible and, accordingly, we do not contest the proposed accelerated deadlines for the filing of the annual and quarterly financial statements and MD&As.

However, due to its large number of shareholders, it takes BCE approximately three to four weeks to print, package and mail its annual proxy-related documents that contain BCE's annual MD&A and financial statements. In order to accommodate this fairly lengthy process, we respectfully submit that the deadline for the delivery of annual financial statements, auditor's report and related MD&A to a reporting issuer's securityholders should be extended by an additional 30 calendar days following the expiry of the 90 calendar day deadline for the filing of the annual documents.

We respectfully submit that securityholders and the investment community would not be prejudiced by this proposal as a company's annual documents would be publicly available on SEDAR and on such company's website on or prior to the 90th day following year-end. In addition, securityholders would receive such documents well in advance of a company's annual general meeting as per the minimum deadlines required under corporate laws and National Instrument 54-101.

In addition, we understand that although U.S. securities laws require the filing by U.S. domestic public companies of Form 10-K, which includes the annual financial statements and MD&A, within a specific deadline[1], U.S. securities laws do not require the mailing to shareholders of the Form 10-K. Furthermore, we understand that U.S. domestic companies making a solicitation related to an annual meeting of shareholders must furnish each shareholder with a proxy statement which must be accompanied or preceded by an annual report (Rule 14a-3(a) and (b)) which must include financial statements and MD&A discussion. We are not aware of any mandatory deadline prescribed by U.S. securities laws for the mailing to shareholders of such annual report. However, one relevant timing constraint is that U.S. securities laws permit certain information relating to directors and officers and executive compensation to be incorporated by reference in Form 10-K from the proxy statement within 120 days after year-end[2]. Accordingly, U.S. companies have much more than 90 days after year-end to print and mail their annual report to shareholders.

3. **Business Acquisition Reports ("BARs")**

The CSAs are requesting comments as to whether the proposed BAR requirement should be reformulated as a subset of the material change reporting requirement governed by the same trigger, the occurrence of a material change.

From a timing perspective, should the BAR requirement become a subset of the material change reporting requirement, the deadline for meeting the BAR requirement should not be made shorter than the proposed 75 days. In other words, reporting issuers should continue to have 10 calendar days to file material change reports and business acquisition reports should not be required to be filed prior to the proposed 75 calendar day deadline.

As far as the trigger is concerned, we suspect that in most cases an acquisition meeting one of the significance tests set out in section 8.2 of NI 51-102 would, in general, also constitute a material change. However, it may be preferable to provide specific significance tests in the case of BARs to ensure clarity as to the

[1] See General Instruction A of the Rule as to the use of the Form 10-K.

[2] See General Instruction G(3) of the Rule as to the use of Form 10-K.

circumstances that will require issuers to satisfy the more onerous BAR requirement.

4. Auditor Review of Interim Financial Statements

We agree with the proposals set out in sections 4.3(3) and 6.5 of NI 51-102 to the effect that:

a) if an auditor has not performed a review of an issuer's interim financial statements, the issuer should disclose that fact; and

b) if an auditor performed a review and expressed a qualified or adverse communication or denied any assurance, then the issuer should include a written review report from the auditor accompanying the interim financial statements.

However, we do not agree that, if a review of interim financial statements was performed and an unqualified report was provided, a reporting issuer be required to disclose this fact and file the review report. We do not see what material additional benefit securityholders would gain by requiring this type of compliance.

5. MD&A – Incorporation by Reference

We submit that Part 1 – General Instructions and Interpretation of Form 51-102 F2 – Management's Discussion and Analysis ("MD&A") should be modified to permit the incorporation by reference in an MD&A of information contained in the notes to the financial statements delivered to securityholders with the related MD&A provided that the excerpts of the notes to the financial statements incorporated by reference in the MD&A shall be clearly identified in the MD&A. This would avoid the useless repetition of information in the MD&A already contained in the notes to the financial statements, facilitate the drafting of such documents, reduce paper waste and decrease printing costs. We submit that securityholders and other readers of the MD&A would not be prejudiced by this as the financial statements will always accompany the MD&A.

In addition, section 6.4 of NI 51-102 should be modified to specifically permit the incorporation by reference of information on outstanding share data contained in the notes to the financial statements if that information has not changed since the date of the financial statements and if this is specifically indicated in the MD&A.

6. Material Contracts

Section 12.1(1)(e) of NI 51-102 would require a reporting issuer to file contracts, excluding contracts entered into in the ordinary course of business, creating or materially affecting the rights or obligations of securityholders when the class of security is held by more than 50 securityholders, if those contracts can reasonably be regarded as material to an investor in securities of the reporting issuer.

In addition, Item 5.1(1)(j) of Form 51-102 F1 (Annual Information Form) would require issuers to describe in their annual information forms ("AIFs") any contract upon which the issuer's business is substantially dependent.

Finally, Item 15.1 of Form 51-102 F1 (AIF) would require issuers to provide particulars of every contract, other than a contract entered into in the ordinary course of business, that can reasonably be regarded as material to an investor of securities entered into within two years before the date of the AIF. Item 15.1 would also require issuers to state a reasonable time and place at which executed contracts or copies of them may be inspected.

As Items 5.1(1)(j) and 15.1 of Form 51-102 F1 would have the effect of requiring companies to describe the important clauses of all of their "material contracts", we question the need of requiring companies to file contracts under section 12.1(1)(e) of NI 51-102 and especially of making contracts available for inspection under Item 15.1 of Form 51-102 F1.

In any event, we respectfully submit that it is essential that section 12.1(1)(e) of NI 51-102 and Item 15.1 of Form 51-102 F1 be modified to specifically provide that issuers will not be required to file, or make available for inspection, portions of any contract containing competitive or commercially sensitive information. Clearly, NI 51-102 should not impose requirements which could unfairly advantage competitors of an issuer and adversely affect the issuer and its securityholders.

7. **Social and Environmental Policies**

Item 5.1(4) of Form 51-102 F1 (AIF) proposes to require companies to describe in their AIF their social and environmental policies and the steps being taken to implement them. Due to the large number of policies of this nature adopted in particular by senior issuers, we do not believe that they should automatically be required to provide this disclosure in an AIF. Instead, the general principle of materiality should apply and issuers should only be required to provide this type of disclosure if they conclude, with respect to any particular policy, that it could have an impact on a reasonable investor's decision whether or not to buy, sell or hold securities of the issuers. We believe that requiring issuers to automatically provide this information for all social and environmental policies, even if not deemed material, would result in a waste of management time and would unnecessarily lengthen AIFs.

8. **Ratings**

Item 7.3 of Form 51-102 F1 (AIF) would require companies to provide in their AIF substantial disclosure concerning ratings received from rating organizations. We agree with the disclosure that would be required except for Item 7.3(e) requiring a description of "any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities". We believe that requiring issuers to provide this type of disclosure would not be appropriate as the factors and considerations identified by a rating organization reflect the rating organization's own views and perception of certain aspects of a company's business with which a company may not necessarily agree. In addition, the factors and considerations taken into account by a rating organization would normally be publicly disclosed in the rating organization's press release.

Therefore, as this information would already be publicly available we fail to see the need to repeat it in the AIF.

In addition, there would be value in clarifying the nature of the disclosure sought by Item 7.3(d) by the words "an explanation of what … attributes, if any, of the securities are not addressed by the rating".

9. Legal Proceedings

Item 12.1 of Form 51-102 F1 (AIF) proposes to require an issuer to disclose specific information concerning any legal proceedings to which such issuer is a party or of which any of its property is the subject. Item 12.1 would exclude any legal proceeding which does not exceed 10% of the current assets of the company and its subsidiaries on a consolidated basis. We submit that Item 12.1 should be modified to clearly provide that legal proceedings which are deemed to be frivolous and without merit by both the company and its outside counsel should not have to be disclosed. Requiring issuers to disclose frivolous claims that exceed the above-mentioned 10% benchmark could incite plaintiffs to claim damages in excess of such benchmark in order to seek public attention.

10. Off-Balance Sheet Arrangements

The CSAs seek comments as to whether it would be helpful to include a definition of "off-balance sheet arrangements" to the MD&A and, in the affirmative, what should the definition capture. Foreign private issuers, like BCE and Bell Canada, will be subject to the SEC Final Rule on Disclosure in Management's Discussion and Analysis about Off-Balance Sheet Arrangements and Aggregate Contractual Obligations starting with fiscal years ending on or after June 15, 2003. This Rule contains a definition of the term "off-balance sheet arrangement" which essentially captures guarantees, retained or contingent interests, derivative instruments and interests in unconsolidated entities. Foreign private issuers will, for U.S. purposes, need to comply with this definition for purposes of MD&A disclosure.

Accordingly, if the CSAs choose to include a definition of off-balance sheet arrangements in NI 51-102, it would be important that such definition be consistent with the SEC's definition. Any variations should only be justified by differences between U.S. and Canadian GAAP. Adding such a definition to NI 51-102, that would be harmonized with the SEC's definition, would also have the positive effect of ensuring that Canadian public companies that are not foreign private issuers provide disclosure concerning off-balance arrangements that would be consistent with the disclosure provided by foreign private issuers.

11. Related-Party Transactions

Item 1.8 of Form 51-102 F2 (MD&A) would require issuers to discuss all transactions involving related parties as defined by the CICA Handbook. This item should be modified to only require disclosure of material related-party transactions.

12. **Statement of Executive Compensation**

We have noted that the current form of disclosure of executive compensation (e.g., OSC Form 40) would be modified to include certain portions of the guidelines on executive compensation previously issued by the CSAs. This raises two questions. First, as the adoption of NI 51-102 provides the opportunity to update the current forms of disclosure on executive compensation, are there other portions of guidelines previously issued by the CSAs which should be reflected in new Form 51-102 F6. Second, NI 51-102 and/or Form 51-102 F6 should be modified to clarify the status of the guidelines that were issued prior to the adoption of NI 51-102 (i.e., are they still all applicable?).

The undersigned would be pleased to answer any questions which you may have in connection with this submission.

We thank you for your consideration.

Yours truly,

BCE INC.

By: *(Signed)*
Ildo Ricciuto
Assistant General Counsel, Compliance