



House of Commons
CANADA

Standing Committee on Canadian Heritage

CHPC • NUMBER 042 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Wednesday, March 14, 2007

—
Chair

Mr. Gary Schellenberger

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

Standing Committee on Canadian Heritage

Wednesday, March 14, 2007

• (1405)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): Before we start, I'll take a minute or two to introduce myself. I am Gary Schellenberger, the chair of the Standing Committee on Canadian Heritage.

I welcome you here this afternoon.

We have a couple more members we hope to get seated around this table. We don't want to hold people too long.

Ms. Bourgeois and I can handle things here if we have to, can't we?

[Translation]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Chairman, we are a two-member committee.

[English]

The Chair: I'm quite sure that our other two members will be here very quickly.

There has been a bit of a change in the order here. Who do we have here?

There is British Columbia Film, and we have Save Our CBC Kamloops and the Citizens' Coalition for the Protection of Canadian Films for the first round

Maybe the thing to do is to introduce yourselves and give us a little background. Hopefully we'll have our other two members here by that time, because it is very important.

First, we have British Columbia Film.

Mr. Michael Francis (Chair, British Columbia Film): My name is Michael Francis. I am the chairman of the board of B.C. Film. I have been in that position for several years.

B.C. Film and the CBC have had a very, very productive relationship over that time.

We're very happy to be here today.

I'm a chartered accountant and businessman in Vancouver.

The Chair: Have we met? Did you speak to our committee when we were doing the feature film industry?

Mr. Michael Francis: Yes.

The Chair: I thought you looked familiar, sir.

Mr. Richard Brownsey (Executive Director, British Columbia Film): My name is Richard Brownsey. I'm the executive director of British Columbia Film. I will be making the presentation this afternoon.

The Chair: Thank you.

Ms. Pam Astbury (President, Save Our CBC Kamloops): My name is Pam Astbury. I'm the president of Save Our CBC Kamloops. With me is David Charbonneau, who is also a member of our group.

We are here today to speak on the loss of over-the-air CBC in Kamloops, which is the first city in Canada, as we understand it, to have lost over-the-air CBC, in a progressive program of the CBC—

The Chair: I think I received a letter from you folks some time ago. I did read it.

I'm very pleased you're a guest here.

Mr. David Charbonneau (Save Our CBC Kamloops): My name is David Charbonneau. I'm a retired instructor of electronics at what is now Thompson Rivers University in Kamloops.

I've had a life-long interest in public broadcasting and broadcasting in general.

I'm here to present with Pam about the loss of over-the-air broadcasting of CBC television in Kamloops.

The Chair: Great. Thank you.

Mr. Carl Bessai (Chairperson, Citizen's Coalition for the Protection of Canadian Films): My name is Carl Bessai. I'm the chairman of the Citizen's Coalition for the Protection of Canadian Films. I'm a film director and a film producer.

Our group is really a coalition of people from all kinds of backgrounds. It's partly industry. It's partly people who work in film. It's partly people who just care about preserving Canadian feature films.

My presentation today is quite specifically about the role the feature film could and should play at the CBC.

The Chair: Thank you.

I think we will go forward. Hopefully, we will be joined quickly by our other colleagues.

Mr. Brownsey, you have the floor, sir.

Mr. Richard Brownsey: Thank you very much, Mr. Chairman.

I would like to thank the Standing Committee on Canadian Heritage for this opportunity to appear before you today, and I welcome you to Vancouver on what is, for us, a pretty typical spring day.

British Columbia Film is a not-for-profit society that was established in 1987 by the Government of British Columbia, with the mandate to expand and diversify the film, television, and digital media sectors in British Columbia.

We acknowledge the importance of reviewing the role of Canada's public broadcaster, CBC/Radio-Canada. Canada, like many other countries, is faced with the challenge of redefining the role of its public broadcaster in a rapidly changing national and global media environment. Given our geography, diversity, and proximity to the largest producer of entertainment product in the world, Canada's public broadcaster has a unique and essential responsibility to the Canadian public. Given these challenges, British Columbia Film supports maintaining a strong national public broadcaster and supports the existing mandate of the CBC as set out in the Broadcasting Act.

Our comments this afternoon will focus on those questions posed by the standing committee in framing this review that are of particular relevance to British Columbia Film, and it will be made primarily in the context of English language television.

Television, private and public, is faced with profound change in the years to come. The proliferation of cable and specialty television channels, the decrease in foreign market financing, the impact of audience fragmentation, the emergence of multi-platform content delivery systems, and the looming cost of high-definition television will all affect what has been a relatively stable broadcast sector. Above all, there is the continuing challenge to create and produce high-quality, distinctively Canadian television that can attract audiences and compete against the juggernaut of American television programs that are so readily available to Canadian audiences.

Yet in light of all these challenges and the rapid pace of technological change and innovation that the broadcasting industry is experiencing, the mandate of the CBC remains remarkably relevant. The mandate speaks to the central role of the public broadcaster while allowing for flexibility and adaptation to changing circumstances. It is our view that it is fundamentally important, as a first step, to review, clarify, and affirm the mandate of CBC/Radio-Canada. Issues and questions pertaining to governance, management, and operational delivery can only be addressed in the context of an affirmed mandate.

We believe a balance between the mandate of the public broadcaster and the resources that are available to support its purposes must be found. Finding this balance is at the heart of mapping a direction for the CBC in the decades ahead.

As Canadians, we have choices in this regard, but with choices there are implications. A broad and expansive mandate without the resources to support it is little more than rhetoric. Conversely, a narrow and restrictive mandate, while perhaps more affordable, may fail to meet the expectations that Canadians have for their public broadcaster.

The Canadian broadcasting system, public and private, is supported by a range of federal and provincial policies and programs that provide direct and indirect economic support to broadcasters and Canadian television programming. The Canadian Television Fund, Telefilm Canada, labour-based tax credits, the funding programs of provincial agencies, and other programs established to preserve, promote, and develop Canadian culture all contribute to the sector.

Our broadcast system is composed of privately owned conventional broadcasters that are accountable to their shareholders and derive significant public benefit directly or indirectly as a matter of federal and provincial public policy and a public broadcaster that derives significant revenues through commercial transactions that are normally associated with the private sector. It is our perspective that the distinction between public and private broadcaster has become blurred to a considerable degree.

• (1410)

All parties in the broadcasting sector—specialty, conventional, public, and private—have access to benefits created by public policy.

In the context of these public policy benefits and the fiscal challenges facing CBC/ Radio-Canada, as outlined in our submission, we believe that finding the balance between mandate and resources will serve to establish the foundation for the future. Coming to an agreement on the blend of public and private funding, as well as identifying the most effective and efficient mechanism for providing these resources, stands at the core of this review. We believe that finding this balance is achievable and that finding it is quintessentially Canadian. Further, we believe that support for CBC/ Radio-Canada should be provided on a multi-year basis that at a minimum reflects the three-year industry planning cycle.

The committee has also invited comments on the adequacy of services that reflect Canada's regional and linguistic diversity. It is our view that the time has come to move beyond the talk of regions, as though most of Canada exists at some geographic and intellectual distance from the centre. We take issue with the notion that British Columbia or Vancouver is a region in relation to a centre that is located elsewhere.

If the public broadcaster is to succeed, it is essential that it move beyond the concept of regions and focus on serving the distinct needs of communities across Canada. In this regard, the responsiveness of the public broadcaster to local and linguistic diversity is an ongoing concern. CBC/Radio-Canada must redouble its efforts to root itself in local communities throughout the country and ensure that Canadians, regardless of where they live, can have their voices heard in framing the priorities of their public broadcaster.

Vancouver is a striking example of the growing diversity in Canadian communities, and it is becoming increasingly important for CBC/Radio-Canada to connect with and reflect the cultures and customs of our multicultural and multi-ethnic communities.

The emergence of new technology poses numerous challenges for conventional television broadcasters. Consumers now have significantly expanded opportunities to choose how and where they watch video content. Many of the new platforms are on-demand services, which enable consumers to view programming not available on television, and some provide content in a different format from traditional television, offering a new viewing experience. For broadcasters, meeting these challenges by developing viable content and revenue models is critical to future success.

We believe that CBC/Radio-Canada has been a leader in the development of multi-platform programming for Canadian audiences. The website cbc.ca has established itself as a pre-eminent site for news and information. CBC has also been a pioneer in the development of user-generated content for television broadcast purposes. The now cancelled *Zed* was an innovative web-based program that invited the creation of user-generated content, including video uploads for television broadcasts. *Zed* was a new kind of television program that had an impact in the television and new media communities reaching far beyond the limited measures of audience and advertising. It is our view that new media is included in the existing mandate of CBC/Radio-Canada, and it is appropriate and necessary for the public broadcaster to exploit new platforms in fulfilling its mandate.

CBC/Radio-Canada must offer news, information, and entertainment content to Canadians in a manner that is consistent with the changing viewer preferences of our citizens. To do this, it must embrace new delivery platforms. The committee has also questioned whether the CRTC should regulate the new media sector. This is a significant question, and it may be that the CRTC should revisit its 1999 new media ruling. However, as CBC/Radio-Canada is subject to CRTC review, we believe its new media initiatives will fall within the existing regulatory framework.

While acknowledging the importance of new media, we do want to emphasize the resiliency and the adaptability of television. Television will continue to be the dominant platform for content delivery for the foreseeable future.

• (1415)

In conclusion, British Columbia Film supports maintaining a strong public broadcaster, a public broadcaster that is equipped to meet the challenges and opportunities of the 21st century and one that connects to the hearts and souls of Canadians.

We agree that this review is of fundamental importance, that solutions can be found, and that a uniquely Canadian balance can be struck. This is the genius and the promise of Canada. A reaffirmed mandate for CBC/Radio-Canada is an essential first step. Finding the balance between mandate and resources is achievable—a balance between what Canadians want and what CBC/Radio-Canada can deliver, between public and private funding, between popular and populous programs—and can create a public broadcasting service that Canadians will take pride in.

And finally, with this mandate review behind us, we expect CBC/Radio-Canada to proceed with its business of serving Canadians across all platforms and to provide periodic reports on its performance to assure Canadians that the mandate is being met.

Thank you for your time and for your attention.

The Chair: Thank you.

Next is Save Our CBC Kamloops.

Ms. Pam Astbury: I'd like to take this opportunity to express our delight to be presenting to you this afternoon. My name is Pam Astbury. I am a civil engineer and president of Save Our CBC Kamloops. With me is David Charbonneau, a retired electronics instructor from Thompson Rivers University in Kamloops and our group's secretary-treasurer.

Our reason for attending this mandate review today is to share with the Standing Committee on Canadian Heritage our extreme disappointment at having lost our over-the-air CBC television service, and also to provide for you a citizens' vision for the CBC in the 21st century. We are a non-partisan group, and we are also not-for-profit. The presentation today has been compiled by dedicated Kamloops volunteers who have been directly affected by recent changes to CBC television service.

In February 2006, as Canadians recovered from the excitement of the Torino Olympics, Kamloops transmitters stopped broadcasting the CBC television service over the air. The day after the Olympic flame was extinguished, so was our access to CBC television. It was a surreal experience to realize that something we had all taken for granted—free access to CBC television—was no longer available. Letters to the editor of our local paper appeared, as residents expressed their dismay that despite paying their portion of taxes slated for the CBC—approximately \$33 each per year—they would be forced to pay upwards of \$360 annually to be able to watch it on cable, that is if cable was even available.

A group of citizens from Save Our CBC Kamloops formed in an effort to understand how we'd come to lose the CBC, determine the scope of the problem nationally, and identify what it would take to get it back. Historically, as we understand it, our local broadcaster, CFJC, had carried approximately nine hours of CBC on its daily schedule. In a decision based on finances, CFJC applied to the CRTC to drop the more expensive CBC content for less expensive CH/Global content.

Our group first approached CBC CEO, Robert Rabinovitch, to reinstate the lost signal to our city. In response, his office explained that analog technology was being systematically phased out right across Canada. Only those in 44 of the largest urban centres would be able to access free over-the-air CBC television in digital form. The letter supporting that statement is attached to your handout.

By 2012, all Canadians will be forced onto cable or satellite as a means to access their public broadcaster, unless they live in a big city. For Canada, not having equal access to the CBC, whether on radio or television, presents a number of concerns. Urban areas already enjoy an abundance of television channels—in many cases upwards of 10—over the air. However, small areas may have only one. To lose CBC television in these communities is to leave them with little to draw upon for Canadian perspectives. Each of us contributes to the finances of the CBC via our tax dollars. To obligate residents of Canada's small and medium-sized communities to buy cable or satellite in order to access the public broadcaster is shameful. Undoubtedly, these are the very communities that are the largest supporters of the CBC.

Let us not forget that cablevision is not a privilege that all Canadians can afford. Seniors on fixed incomes often rely on over-the-air television and radio for their information and companionship, especially those who may be housebound. Teachers who have used CBC programs such as *Canada: A People's History* and *The Greatest Canadian* as home-teaching resources can no longer ensure that all students have access to them. We also must consider the single-income families who may rely on *Hockey Night in Canada* or the *Rick Mercer Report*, for example, to share quality nights together. This is the reality for many struggling to make ends meet.

Over the past seven months, our group has reached thousands of Kamloops residents. We have circulated a city-wide petition on which we have collected more than 2,000 signatures and on which we are still collecting. It is our plan to have this document presented to the House shortly after March 31. We've asked hundreds of people two questions: "Why is the CBC important to you?" and "Should all Canadians have equal access to it?" The following are selected responses from Kamloops residents.

Ginny Ratsoy says: "Even more important than individual programs is the collective that is the CBC. It has historically been about showcasing Canada to Canadians. Particularly in this global and technological age, this emblem of our nation is vital. CBC television has historically been available to all Canadians, and to make it available only to those who can afford cablevision is unconscionable."

Lori Schill says: "I have lived in many parts of this country and having the C.B.C. to listen to has always made me feel at home."

Anne-Marie Hunter says: "The CBC provides down-to-earth, out of the ordinary drama that was not dependent on stereotypes but rather, worked outside society's common views of life."

• (1420)

Bronwen Scott says: "The CBC is literally the only show in town in isolated areas of the province and country. It helps us to maintain a Canadian identity in the face of a flood of US programming."

Connie Alger says: "It's the Children's programming that we miss the most at our house. We choose not to have cable for lifestyle and economic reasons...lifestyle being that we want a small amount of quality programming available to our children, not a 24 hr supply of endless distraction. KidsCBC was just right for us, a few really good shows that my children could choose for entertainment, and education."

Jim Fornelli says: "The CBC's reporters and interviewers are of the highest quality and bring credibility and integrity to the broadcasting profession. The international flavour of reporting of world events whether athletic, political, economic or social broadens the boundaries of Canadian audiences to include the world stage not just the protective North American world-view."

The remedy to this cultural crisis may be technology itself. As you might know, the U.S. will have completed its national conversions from analog transmitters to digital three years ahead of Canada, by 2009. A solution to keep as many as possible connected to broadcasting is an \$80 set-top box that over-the-air viewers can redeem for free using federally funded rebates. The U.S. is touting the system as the biggest revolution for over-the-air television in 50 years. Wireless TV is seen as a hip and practical new face for television.

In Canada, it would mean replacing all analog transmitters with digital, instead of just the urban ones, as the CBC is currently proposing. The model would allow Canadians to continue to stay connected to their beloved CBC without the cost and negative impact of full-fledged cable connection.

In looking to the 21st century, our group considers the CBC has a strong future in this age of media infestation. As a selection of the CBC's national audience, our vision for the CBC is quite simple: access to CBC radio and television for all Canadian communities, large and small, continued high-quality and intellectual Canadian content, and increased and reliable federal funds to ensure that our national treasure is strong and vibrant in the 21st century.

In closing, I would like to thank all the members of the Standing Committee on Canadian Heritage for acknowledging that there are serious problems festering within the CBC. There is a strong sense that television and radio, still a mainstay in our media world, is increasingly becoming an offensive intruder in our homes. In the 21st century, the CBC must strive to exceed this norm and continue to provide the exceptional intellectual television and radio services it is known for. Undoubtedly, a reliable financial commitment from the federal government is badly needed to ensure that infrastructure is in place to deliver CBC to all our communities. The high-quality programming that is synonymous with the CBC cannot be appreciated if the people for whom it is intended can no longer access it.

From the city of Kamloops, B.C., we look to this committee to provide guidance to get CBC television back on the air in our community and keep it on the air for all small and medium centres from coast to coast to coast.

• (1425)

The Chair: Thank you.

David.

Mr. David Charbonneau: Thank you, Mr. Chair.

I have two brief points to make. First of all, I don't think I'm being overly dramatic to say that the loss of CBC TV over-the-air television in Kamloops is the death of a canary in a mine. The loss foreshadows what will happen to tens of thousands of Canadians who don't live in major centres. I say this because the CBC executive has told our group in the letter that has been attached to our handout that only 44 centres will continue to have CBC television broadcast to them. I haven't seen who is on this list, but I suggest that members of this committee find out if their ridings have been excluded, and if so, you will hear from hundreds of constituents who will wonder what happened to the reception of their national broadcaster.

The second point I want to make has to do with the mandate of the CBC, which is to be available throughout Canada by the most appropriate and most efficient means as resources become available for the purpose. What's happened in Kamloops is the reverse. We had CBC television in Kamloops and it's been lost. The justification has been that we've lost it because the CBC can no longer provide over-the-air signals. I would argue that this is one of the most efficient and most democratic ways of distributing television in Canada, and I hope the CBC will reverse its decision.

• (1430)

The Chair: Thank you.

We'll go on to our next presenter.

Mr. Carl Bessai: My turn. Thank you for putting me in the third spot, because these folks are talking about the big picture, which I think is really important, and I applaud both of your presentations, as it means a lot to me to listen to them.

We come here to speak in very specific terms about the feature film. We presented to you when you did the standing committee on features. That was our big-picture presentation. This is a little more of an intimate presentation.

Right off the bat, the fact that the CBC exists is not the point of this presentation. We deeply believe in the importance of the CBC. But specifically regarding feature film in Canada and the role it could play in the CBC, in terms of the content of the CBC, as a filmmaker particularly, it shocks me how little a role the CBC, in English Canada particularly, plays in feature film.

I've broken it down into three topics, so we're going to touch on them: the program itself, the programming of the CBC; notions around promotion and what the CBC could do for cinema; and then I just want to talk about pre-licensing.

I do want to make it clear that a lot of what I'm about to say and the criticism I'm making does not actually have anything to do with Radio-Canada, which has an amazing relationship with the Quebec film industry. I actually believe these policies are probably already in place at the CBC, but somehow the English Canadian side of the CBC has overlooked the importance of cinema—and by cinema, I mean the movies in the theatres.

We all know that you can't find a Canadian film in the theatres. Okay, we can talk about that another day, but we should be able to find Canadian movies on CBC television, God help us.

I think it was the year the hockey strike was on, the CBC decided to run something called *Movie Night in Canada*. *Movie Night in*

Canada was their big way of drawing a big audience, getting ad revenue—and we understand the need for that. And *Movie Night in Canada* had the gentleman who does the commentaries in between games.... You know. Help me out here.

The Chair: Ron MacLean.

Mr. Carl Bessai: Right, Ron MacLean.

So Ron MacLean would go around to different communities, and during commercial spots he would talk to the audience about the great film they were watching. All of us, a little group of us Canadians who are going to watch movies tonight...what are we watching? We're watching American blockbusters. I can get American blockbusters at every theatre in Canada, on every broadcaster in Canada—everywhere. Yet the CBC's *Movie Night in Canada* is basically promoting American blockbusters. That seems absurd.

Secondly, when you look at how they program Canadian feature films currently—and again, respectfully, I am speaking about the English programming because I know that Radio-Canada does a great deal—they have a lousy middle-of-the-night block where they play ancient Canadian films or films that have been around for so long there's no longer the sense that they connect to what's out there.

Why is that important? Why is it important for the CBC to play a role in celebrating what's currently happening in the cinema scene, the feature film scene? I think it's an important cultural issue. I think film is an internationally respected cultural medium and it has a role to play with our national broadcasters. So the first point is let's get them programming Canadian feature films.

Another thing that could happen, which would be amazing and I think would really help everyone.... I had a conversation in Paris with the woman who was running Radio-Canada in Quebec at the time—I can't remember her name and I can't remember the specifics, but it gives you a sense of what the CBC in French Canada is doing—and she said to a panel in Europe, “Yes, we have discretionary funds to promote Quebec cinema on Radio-Canada, and we work closely with distributors to lay the groundwork for promoting films that are currently playing in the theatres.” When I heard this, I was the biggest fan. I thought, what country is this and when can I move there?

We have a really hard time on English Canadian CBC affording ad space for current feature films. There's a movie opening this Friday called *Fido*. It's the first film I've seen in 10 years with a prime-time advertising placement. It was on Global, in the middle of the show 24.

Why is it that the CBC cannot be mandated to at least work with the distribution community to create better placement for the promotion of a Canadian feature film? The reason they don't do that is the biggest point I'm going to make today. The CBC plays no role at all in pre-licensing the movies. This is an important point.

When you're a producer making a feature film in Canada, this is what you do. I'll give you the layman's "how to". You run around the country and meet with all the broadcasters. Why? Because broadcasters have a CRTC mandate to pre-buy your movie. Without even reading the script, The Movie Network, Movie Central, which is Corus Entertainment, and all the CHUM channels will give you a piece of paper that says when you deliver this movie they'll give you \$100,000 or \$150,000 or \$250,000, whatever they think it's worth.

You take that paper, which is the thing you need to get your movie in the theatre, and you run off to your distributor, who says okay, what do you have in licences? You say you have The Movie Network over here, Movie Central over here, and CHUM television over here. And just so you understand, that means you go theatrical, home video, and then it goes right to TV. In Canada, it goes first to pay TV for a six-month window.

Am I going too fast? You are following, right? Okay.

So it goes for a six-month window on pay TV, and then it goes to conventional TV, which, in the case of Canada, is CBC, CTV, Global, CHUM. The second window is on the cable channels like Showcase and so on. You use these licences to finance your movie.

Now you go to a distributor like Alliance Atlantis or TVA or whatever, and you say, "Guys, I have all these letters that say I'm going to get x for this movie." They say, "Fine. You assign all those broadcast rights and we'll give you a minimum guarantee. We'll give you an advance." Basically, they'll give you money that you use to make your movie.

The reason you give them your licences and take their money is that you need the money quickly to make a movie. A television licence is only good when you deliver to television. If I'm a conventional broadcaster, I'm only putting it on the air after it has been in the theatres, after it has been on DVD, and after it has been to pay TV, if you follow what I'm saying.

•(1435)

So you can't really use the money. No bank is going to give you interim financing on that money, because it's prolonged. It takes three years sometimes to get the money on it. So the distributor swoops in and plays the role as a kind of guarantor, a sort of interim financier of your movie.

Anyway, I'm getting to the point.

What happens is they give you about 50¢ on the dollar currently. Their rationale is, "Look, Canadian films don't make any money—we all know that—so why should I buy your movie?" You go, "But I have licence fees." And they say, "Fine. If you have a dollar worth of licence fees, I'll give you 50¢. Take it or leave it." And what do you do? You take it, because you can't defend the case that your film is going to make a lot of money theatrically. You can't. So you need licence fees in order to push distributors to advance you money to get the movies made.

Now, in Quebec, it's a totally different story, right, because in Quebec the films are making money theatrically, the licences aren't discounted by the distributors to the same degree, and Radio-Canada is also involved.

Now, what I'd like to know is, why can't the CBC be a part of this food chain? We've been making...all of us in my group, but me in particular.... I'm starting my sixth movie right now, a feature film. Not one of my movies has ever had a dollar of CBC financing in advance. They may have ended up on the CBC at some point—maybe. Why is that? Why is the Canadian Broadcasting Corporation not interested in getting involved in the business of making feature films?

I asked Slawko Klymkiw, when he was the head a few years ago, when he was at the Halifax film festival promoting the mini-series about the Halifax explosion—which seems a little ironic to me, but anyway.... I said, "Why don't you guys ever get involved in feature films?" He said, "Oh, it's not our thing. It's not something we're mandated to do; it's not something we want to do. We're going to put drama on television as series, as TV movies, whatever."

The reason this is important is if the CBC were mandated to pre-license films, we would have a lot more money going into the making of these films. My partner is one of the producers on the show *Intelligence*. It's a great CBC show. The amount of money that CBC puts into that show is quite significant, and the amount of money that the CBC puts into all feature films in English Canada is nada. They don't put any in.

And if they did, see how it would work hand in glove with promotion. If I were the head of the CBC and I pre-licensed your film, Jacques, then I would have a vested interest in making sure your film got promoted. I would still charge the distributor to advertise on my network because I need the revenue, but why not give him a little better deal? Because it's my program, too, and it behooves all of us to get the audience to show an interest in this stuff.

When I was asked about whether I had something to bring to the committee, I was feeling, well, this is really about broadcast, it's not about feature films; we should just stay out of this. Then I thought about it a little more, and I thought, no, the CBC could play a really significant role. The end result is going to be that more Canadian feature films get made, more Canadian feature films get promoted, and more Canadian feature films get seen by the public.

Why should we bother? Because we're spending a hell of a lot of money making these movies. Every taxpayer in this room has contributed to all of my films, and everyone else I know and work with. But can we name the films?

We can argue about exhibition and distribution till we're blue in the face, but the exhibitors and the distributors don't care. They're making lots of money selling American movies back to Canadians. They're happy.

The CRTC and the mandate to show Canadian content is the only way we can help the Canadian feature film. And they know this in Quebec. They do. I think we should start paying attention to what they're doing in Quebec and start doing a little more of it here.

Thank you.

•(1440)

The Chair: Great. Thank you for that.

Now we'll go to some questions.

Ms. Fry.

Hon. Hedy Fry (Vancouver Centre, Lib.): Well, I suppose I could start with a question to the last witness first.

You say that CBC has said they won't put money into feature film because it's not in their mandate. Subparagraph (iii) of the mandate says the CBC must "actively contribute to the flow and exchange of cultural expression". Isn't a film cultural expression? I would put to you that it is.

Mr. Carl Bessai: I agree, Madam.

Hon. Hedy Fry: And if the French CBC understands that to be their mandate, there is no language difference here in what I just read

Mr. Carl Bessai: Absolutely.

Hon. Hedy Fry: —but English CBC doesn't see it.

Now, that said, we come back to the same question all the time about the CBC, and that is resources. Does the CBC have resources? Does it have sufficient resources to be able to do what it is mandated to do? That's the second question. So you might want to comment on that.

But I also want to comment on the Kamloops issue. Given that subparagraph 3(1)(m)(ii) of CBC's mandate is that it must "reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions", I don't understand why it is that the CBC.... I understand the technological problem with moving from analog to digital, but given that it is a huge part of the CBC's mandate and it's not doing it is of great concern to me, especially when it says under subparagraph 3(1)(m)(vii) that all of this Canadian programming must "be made available throughout Canada by the most appropriate and efficient means".

Obviously we have a problem again. I read the letter where CBC is telling you, yes, it knows what it must do with it and it doesn't have resources with which to do it. While resources are only one big part of the problem—it is a huge part of the problem, obviously, that CBC is facing—the second part of the problem is that you can give people as many resources as you want, but if the will isn't there to do the right thing and if no one wants to understand that Canada is vast in terms of its regions, its demographics, its people, its cultures, its diversity, then obviously it's going to be harder for us to do it; and the CBC is going to need the funding, with just 32 million people rattling around in this big and difficult geographical terrain. So we have to see how the CBC does that, but they must commit to doing it. That's the second piece.

Those are basically the two things I wanted to comment on and maybe get your feedback. But I also want to speak to Richard.

I would like to ask you a question, and perhaps you could all answer. What would happen if, tomorrow, the CBC was cancelled and there was no more CBC? What would that mean to you? I would like you to answer that.

• (1445)

Ms. Pam Astbury: In answer to that question about what would happen if the CBC was gone tomorrow, it is gone in our community. What we have now, if we drift past the television and we turn it on, is a constant barrage of Botox, liposuction, gunfights, things that aren't

part of my community or most communities. You instantly turn it off, if you're repulsed by that, which many of the members of our group are.

The news is shallow. It has a tendency to be very fear-mongering. It doesn't have the depth and the research that we're accustomed to with the CBC. In essence, you start to slide into the American umbrella. We don't like to point a finger, but that's the reality of not having that Canadian content. All we get are *Entertainment Tonight* and American dramas all night long. There is very little Canadian content. The Canadian content is *Entertainment Tonight Canada*. Great. That's it, in our town of 82,000 people.

The Chair: Mr. Charbonneau.

Mr. David Charbonneau: To address your question about the technology, the CBC argues that it isn't viable, it isn't feasible, to have transmitters installed in Kamloops to build this service, but I would argue that eventually all of Canada is going to be converting to digital technology. What that digital technology does is allow you to take a number of channels and compress them and put them into one previous analog channel. It's possible to put five digital channels onto one analog space. So what I would suggest is that the CBC should start looking at partnerships, as it does with affiliations, which we lost, with the private broadcasters, and say to them, "Look, eventually your analog transmitters are going to be obsolete. We're following Europe and the United States in the conversion to digital television. Why not partner with us and put our CBC with your local channels?"

You could stack up a number of others, perhaps Newsworld. We have a large native community in Kamloops; it could include the native channel. It could include Knowledge Network.

So the CBC should be looking to partnerships with the local broadcaster and say, "Look, we'll help you get into the digital age, and in the process help ourselves and restore the faith of our viewers."

Mr. Michael Francis: This is in answer to Ms. Fry's question about the instantaneous demise of the CBC and what that would mean to our interest group, which is the production community in British Columbia. There actually could be mechanisms that replace it, through CRTC requirements for the private broadcasters and whatnot, that would be just as beneficial. And there have been times in the history of the relationship between this community and the CBC when it really wouldn't have made very much difference at all whether it was a private broadcaster or the CBC.

That's why we're stressing the importance of regional presence, as opposed to a centre and satellites. If the CBC's mandate is reaffirmed to be having responsibility for having a major presence in all regions of the country, big and small, then it makes a huge difference, because it is the only agency in the country that has that mandate. And that's just crucial for the future of cultural development, in our view.

The Chair: Did you want to respond?

Mr. Carl Bessai: Madam Fry made the point about the mandate being the same in French and English Canada, so really, what's the problem? I'm just going to say that I agree with you that the mandate should be there. I think it is there. Your question is really about the resources. How can we do all, be all? I'm not too sure. Will, I think, is more the issue.

To get a movie like *Gladiator* in prime time on the CBC on Saturday night and call that *Movie Night in Canada* costs a heck of a lot of money for the network. Their justification, of course, is ad revenue. To me, it's shameful. The mandate should prevent that kind of nonsense. What would be so terrible about having an Academy-Award-nominated film like *Water* play, shortly after its theatrical run, in prime time on the CBC for every Canadian to see? How many of you have seen that movie? Raise your hands. See? Come on, it's an Academy-Award-nominated Canadian film.

This is one of the problems we have. A culture is the thing we all share. What is that thing? How do you define it? It's really hard in Canada to define it. Quebec has it figured out, and their language helps a great deal. But I really think it's about will. It's about will and it's about perception.

To me, the fact that the CBC doesn't behave like a private broadcaster is excellent, is very good, because when you look at private broadcasters in Canada, they all have the same CRTC mandate. Go on prime time; look at CTV and Global in prime time in English Canada. What do you see? American shows. They use the CRTC mandate to create protectionism, which allows them to flow exclusively American products, and they pay a little lip service to the entertainment show or whatever they need to fulfil Canadian content. Meanwhile, CBC is hanging out there on a limb making great shows, like *Intelligence*, which go out in prime time.

I'd rather see the abolishment of Canadian content legislation for the crooks who work at Global and CTV and put all that money into making CBC genuinely representative of the Canadian interest. Because, excuse my language, they're screwing us anyway with the private broadcasters. If HBO or NBC or whomever could sell directly into Canada, and they didn't have to go through a Global or whatever, then what would Global and CTV play? What would they play? They wouldn't have any programming. They would have to buy like everyone else, and they would be sitting here saying, "Oh, we have to make programs. What are we going to make?" Meanwhile, the CBC is genuinely out there making programs.

There's no question that it's will. Sorry, my language is terrible.

•(1450)

Hon. Hedy Fry: Thank you.

The Chair: We'll go to Ms. Bourgeois.

[Translation]

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

Good morning, gentlemen, madam.

There is so much that I would like to discuss with you. I'll begin with your comments about Quebec. I don't know if Quebec film producers make any money. However, I can assure you that we have tried everything to protect our culture and our artists, whether by appealing to broadcasters or to film producers. We have decided to

organize ourselves before someone else does it for us. That's the approach we have taken in Quebec.

We face another threat that you have not mentioned. Cable companies plan to introduce U.S. productions. You alluded briefly to this. Nevertheless, as I see it, this represents a very real threat for the film industry in English Canada.

I'll start with a question for Mr. Charbonneau and Ms. Astbury, and then I'll come back to your opening remarks.

Ms. Astbury, do you believe that a cable broadcaster and the CBC reached an agreement or conspired in some way to take your television channel off the air?

[English]

Ms. Pam Astbury: The reality is that when the CBC went off the air, a significant number of people had to buy cable packages in order to access the CBC. It's entirely possible that the CBC felt it could get away with dropping over-the-air service to Kamloops—without any sort of objection from Kamloops—as a test case in their plan to decrease their annual expenditures on infrastructure for broadcasting, which in Canada's huge territory would be very expensive. So to reduce the cost of these transmitters in Kamloops, Quesnel, or Prince George would also be a great service.

I think there were a number of groups that benefited from that decision. If the decision can be furthered to all small and medium-sized communities across Canada, cable companies right across Canada will certainly be reaping greater revenue from increased cable subscriptions. The CBC will have a big load taken off their shoulders, that is, of having to pay not only for the replacement cost of transmitters but for the maintenance, including the personnel living in these communities to maintain transmitters.

I hope I've answered your question.

•(1455)

[Translation]

Ms. Diane Bourgeois: What was the cost of keeping this television channel on this air? Was it more cost-effective for the CBC to...?

I would imagine that you have quite a file on this matter. Could you possibly share the information you have with us?

[English]

Ms. Pam Astbury: At this time I'll make reference to.... Two hours south of Kamloops is the city of Kelowna. At the same time that Kamloops lost its CBC over-the-air because of a disaffiliation application from the local broadcaster, Kelowna experienced the same disaffiliation application from its broadcaster. The area affected is much larger than Kamloops. It includes Penticton, Vernon, Sicamous, quite a number of communities. The CBC agreed to replace the transmitters with CBC transmitters at a cost of \$10—I believe the quote was—to cover a much larger area than Kamloops. That's the only figure we have. Due to our size, I would estimate maybe \$3 million.

[Translation]

Ms. Diane Bourgeois: My next question is directed to all of the witnesses.

I get the feeling that in light of your respective mandates, you would like not just to be consulted, but also to work toward expanding “Canadian” culture, to distinguish this from Quebec culture.

Mr. Brownsey, would I be wrong to say that you would like to work with the CBC?

[English]

Mr. Richard Brownsey: Absolutely, we would. The business we're in is closely aligned with the mandate the CBC has. It is a largely cultural mandate, which is part of our mandate.

I think it's instructive, too.... A report that was done for the federal government called “Our Cultural Sovereignty” quoted a survey that had been done by the McKinsey & Company of 26 public broadcasters around the world. One of the things they found was that where there was a strong public broadcaster in the country, it raised the quality bar for all programming. The public broadcaster used the public funds and the quality went up. Private broadcasters, for very good sound commercial reasons, increased the quality for competition, for competitiveness purposes. So I think there's a role there.

Of course, we want to work with the CBC. Our interests are aligned with the CBC. But I think the result is that it raises the bar of all programming, and that is something we want.

•(1500)

The Chair: Thank you.

We'll move to Ms. Savoie.

Ms. Denise Savoie (Victoria, NDP): Thank you.

I apologize for being late, but I had an emerging issue in my riding. I do have the brief.

I'd like to ask two questions around the need to stand up for Canadian drama in English Canada—assuming they're doing it.

Mr. Carl Bessai: Yes.

Ms. Denise Savoie: In 1999 the CRTC policy allowed private broadcasters to increase their profits by basically directly feeding American films to Canadian audiences. You made a suggestion about one way the CBC could help, or maybe become better partners, in supporting drama.

Do you have any other thoughts on what the CBC could do? That's assuming financing, which will be my next question around this.

Mr. Carl Bessai: In a perfect world, the CBC wouldn't behave like a commercial broadcaster, right? In a perfect world, it wouldn't need to buy ads; it wouldn't need to sell ads. It would be able to program high-quality stuff for Canadians. It would be the way radio is, a fantastic alternative to all the noise. I'm a huge CBC Radio guy, because it's the one place on the busy dial where it's always great. It's always great. There's never anyone hawking diapers, things like that.

But I know it's not a perfect world. Unfortunately, CBC is torn between having to behave in some way like a private broadcaster and having to provide all the things that no one else is providing. And I think that's really important. The criticisms and the points I'm making are based on the belief that we can work hand in glove with

the CBC. We love it. The CBC is important. I wouldn't be sitting here for a hearing on Global or a hearing on CTV, because they do nothing; for Canadian feature film certainly, there's absolutely nothing being done.

It's interesting to me—I'm speaking about the movies here, the cinema—that Showcase does so much for the Canadian feature film, that the CHUM brand has done so much for the Canadian feature film. CHUM is basically a commercial network, but they understand the benefit of working with people in the film community to get the word out. When you go to the Toronto film festival, who's throwing all the big parties and making all the big splash? It ties into their *Entertainment Tonight*-style broadcasting. They're very smart. Why is the CBC invisible—invisible—when it comes to cinema?

The CBC was the first place to put an Atom Egoyan film on the air, the first place. You can say the same for all of the great directors in Canada. It was in some ways the NFB of broadcasting. And yet what happened? Where did it go? In my lifetime, I won't even bother knocking on the door. There's just no point. When it comes to cinema, the CBC is a door that is closed. I think that's wrong.

We have a division between television drama and feature film drama, but let's be honest, drama is drama. And 99.9% of English Canadian feature films appear on television, so for most of us, that's how we know these films. We don't know them from their great performance theatrically.

Ms. Denise Savoie: Thank you.

That segues into the next part of my question, around the need for CBC to act as a private broadcaster, relying on and competing for advertising and subscriptions and whatnot. I think there's a misunderstanding about the funding. Even during a luncheon discussion, I know....

In your brief on page 3 you refer to the funding. In 1985 the Canadian government operating funding was worth \$1.3 billion, and today CBC funding is worth \$335 million less, so just under \$1 billion. As well, 50% of its funding comes from the commercial operations, etc., that we've already talked about. Some of the funding is not permanent, and I guess it makes me wonder.... It's almost like it's doing an incredible job despite the underinvestment that we're seeing or that I'm reading about; it's really shocking.

So I'd like to hear your comments. This morning we heard about the need for CBC to get involved, to spread its activities even thinner, to the Internet and a number of other things. I'm just wondering how much we can squeeze out of our public broadcaster when it's already so underfunded.

•(1505)

Mr. Richard Brownsey: We believe that's probably the essence of what you have to decide. We have a difficult situation here, with a very broad mandate to serve a country and with very limited resources. Attempting to reconcile that is one of the tasks before you.

Can you continue to have a broad mandate without the resources to support it? If you do, it is bound to fail; it's inevitable. If you believe the mandate should be broad, with educational, cultural, communication, and nation-building responsibilities, it must be resourced accordingly. I think that's the essential dilemma that faces the CBC, and why one could come in here and criticize much of what it does, because it is expected to do too much with the resources it has. With that kind of situation, you either reduce the expectations or increase the resources.

Mr. Carl Bessai: I totally agree with what Richard is saying.

We're talking about choice in what to put our money into. I would love to see the CBC have a stronger brand presence in this country, like the BBC. The BBC has such a strong national presence in the U.K. It has a whole wing called BBC Films, which actually makes money.

The CBC, with its mandate, has the opportunity to really make choices. One of the most embarrassing recent choices was the ridiculous idea to imitate the American show *The One*, when they had that lovely guy from *The Hour* go down and do some damn talent thing. You know the show, right? Everyone laughed about it, but there are huge amounts of money that go...and choice. Let's imitate what's working really well for some lame private broadcaster. That just smacks of a bad choice, a bad decision. It is about choice.

The Chair: Thank you.

I thank everyone for their presentations here today. If we have any more questions, I'm quite sure we can get them to you for your responses.

We'll recess for a few minutes while we get our next presenters here.

• (1505) _____ (Pause) _____

• (1515)

The Chair: Welcome.

I know some of you have been sitting patiently in your seats. We are running a little bit behind. We had a little longer morning session than we had planned, but we wanted to make sure everyone had an opportunity to make their presentations and answer the questions that were put to them.

In our second session this afternoon, I welcome the Canadian Film and Television Production Association, the Union of BC Performers, and, as an individual, David W.C. Jones.

Welcome to our afternoon session. We start off with a presentation from the Canadian Film and Television Production Association.

Ms. Trish Dolman (Producer, Vancouver Branch, Canadian Film and Television Production Association): Thanks for having us. I hope we'll be entertaining. I know you guys have listened to a lot of people.

My name is Trish Dolman. I'm on the national board of the Canadian Film and Television Production Association, which represents producers across the country in film, television, and new media.

I'm also joined today by my colleague, Brian Hamilton, from Omni Film Productions. Why don't you introduce yourself?

Mr. Brian Hamilton (Vice President/Executive Producer, Omni Film Productions Limited, Canadian Film and Television Production Association): Good afternoon. I'm Brian Hamilton. I'm on the B.C. board of the CFTPA. I'm the vice-president of a company called Omni Film Productions, which is one of B.C.'s busiest independent producers.

We've been in business for 27 years. I think we're one of CBC's most prolific production partners. We have six projects under way with them right now in the genres of documentary, family drama, late-night serious drama, children's and youth, and online.

Ms. Trish Dolman: I come to you as both a representative of the CFTPA and an independent producer. I'm president and founder of a local company called Screen Siren Pictures. This is our tenth year in business. I have produced drama, feature films, documentary, and performing arts programming with the CBC in my 10 years in business. So I want to talk from both those perspectives.

For me, the greatest importance of a public broadcaster is its contribution to our sense of a shared national identity. In the last presentation, Carl cited the BBC, and I wanted to use the BBC as an example of what I consider to be a very successful public broadcaster. They've created a brand that works and is recognized within the U.K. and also internationally. It has three basic pillars: one is news; the second is nature programming or what they would call natural history; and the third is drama.

For me, the CBC, if I can use an analogy, is sort of like someone you're in a relationship with, who you love a lot, but who is not quite living up to their potential. When I think of my relationship with the CBC and how I have seen the CBC in my career, it's something I love and very much want to work. I think it's very important in Canadian culture, as is CBC radio, but I always feel that it could be more effective. I think there has been some progress made recently. I think the CBC has done a lot to live up to its mandate, but it could be doing more. I think it's an essential component of the Canadian broadcasting system, and it's really an integral partner—if you look at companies like Brian's—to independent producers.

As you know, television is facing a lot of challenges. There's fragmentation. The industry is changing. There's a lot of new media directionality. We don't know where television itself is really headed. Anyone who professes to know exactly how it's going to shake down, I would say, doesn't know what they're talking about at all. It's theoretical at this stage.

Really, we think that in order for the CBC to do its job and fulfill its mandate, it does need adequate long-term funding. I think it's always a challenge when everything comes up for renewal, and there's always the new discussion about the viability and what CBC should be doing. It does need stable long-term funding.

Secondly, the CBC is important because it reflects the need for a national public broadcaster that showcases 100% Canadian content. That's what I personally believe, and that's what the CFTPA believes. Really the role of the CBC is to be a reflection of Canada for Canadians, and that means Canadian content. That doesn't mean American content, and it doesn't mean other kinds. We can do co-productions, but it should be primarily a reflection of Canadians first.

Contrary to what people like Jim Shaw say, Canadian audiences actually do want to watch Canadian television. You can see that with public and private broadcasters. CTV has done, for example, a number of TV movies that have garnered over two million viewers. They have a television series that garners more than two million viewers, and CBC has had its share of successes—for example, *Little Mosque on the Prairie* recently. They promoted a show, and they got the viewers they were looking for. To me that just proves it's a global trend. And it's not just in Canada. It seems to be a product of globalization that as the world becomes more globalized, people want to see a reflection of their own culture. This is true in Canada just as it is true in Germany.

Brian.

● (1520)

Mr. Brian Hamilton: Omni works for all the main broadcasters, and we also treasure our relationship with CBC. We believe that as a broadcaster, through its mandate, it should carve out its own unique identity and niche. That's a challenge, and it's certainly part of what it's looking to this committee for in terms of guidance. It should trigger the production of programming that is unique and that would not otherwise be made. I have a couple of examples.

We produced a series that aired in January called *Dragon Boys*. It was a four-hour miniseries set in Richmond, starring an Asian-Canadian cop who was fighting crime that was both coming from within his community and related to Hong Kong triads. It's a story we would not see on CTV. It's a story that is uniquely Canadian, and it's both ripped from the headlines and relevant. That's the kind of programming we believe CBC should continue to do, and to do more of.

Another example is a series we did called *Make Some Noise*. *Make Some Noise* is a half-hour music activism series showcasing Canadian youths who are making a real difference in all sorts of causes around the world, from environmentalism to child prostitution. This series was recently awarded the Japan Prize, in recognition of its excellence on a world scale, and it's now being presented in Johannesburg at the World Summit on Media for Children and Youth. Again, this is a program that speaks to Canadian values and makes us all proud of our new generation. Without the CBC it would not exist.

We believe the CBC should strengthen its relationship with the independent production sector. That involves the CBC leading in how it deals with each producer. It should lead by example. The private broadcasters are asking for more and more rights, and the new media issues are coming up. Those are also clearly concerns for CBC, but CBC should establish terms of trade that govern its relationships with producers. Many producers are a lot smaller than Omni. They don't have the negotiating experience, and they need to be assured that the public broadcaster will treat them fairly and not

strip away all their rights and make it next to impossible to do the next project. Every independent producer wants this project to go so much that they may well mortgage everything on the current project to make it happen.

Trish, you had some comments to make about different genres of programming that are particularly important for the CBC to pay attention to.

● (1525)

Ms. Trish Dolman: Yes.

Brian and I just talked before about specifically which genres we feel the CBC should be addressing. We wanted to bring them up based on both our own personal business experiences and how we've worked with the CBC.

I know you heard Carl Bessai speak very passionately about feature films, so I'm only going to speak very briefly and make a point. Five years ago, at the CBC's licence renewal, they made a promise—it wasn't a condition of licence but a promise—to spend \$30 million on the marketing and licensing of Canadian feature films. This was at a time when Heritage brought forth the Canadian Feature Film Fund. I'm a big believer that if government is going to make a decision, there had better be harmony. Why isn't there harmony? If you're going to spend the money, let's get all of the agencies and institutions involved in meeting the objectives of the Canadian theatrical box office.

Simultaneously, SRC committed \$20 million to the marketing and licensing of Canadian feature films. They followed through, and I have to say that has to be a contributing factor to the success of the Quebec box office. There are many other factors, but that has to be one of them.

The CBC did not fulfill its \$30-million promise on feature films, and I think it should have. I made a feature film that the CBC licensed at the time—I think they paid \$75,000 or \$100,000 for the licence, around 2000—and that film went on to premiere at the Berlin International Film Festival. It won the Claude Jutra Prize for best first feature film. It sold to the Sundance Channel in the United States. It broke a major Canadian talent onto the scene. That was partially because the CBC participated in a licensing fashion, which they don't do at all anymore, or very infrequently.

In terms of art, it's very much a concern to me that recently the performing arts giant called *Opening Night* has essentially been obliterated. One of the most talented people at the CBC in terms of staff is a man named Robert Sherrin, who runs the arts programming section.

I believe strongly that it's the role of a public broadcaster to reflect the art and culture of society, and it is important that the CBC make some kind of commitment to arts programming or a reflection of the arts in Canada. If it doesn't, the only place Canadians will have will be Bravo. The future of Bravo is under question right now, given the purchase of CHUM by CTV.

We made a film that was an adaptation of a play locally, called *The Score*, for *Opening Night*. It went on to become the only Canadian dramatic television film nominated at the Banff television awards last year for best television movie. It was in a global competition against hundreds of other films submitted from around the world, and it would not have been made if it wasn't for *Opening Night*.

The third genre I want to speak about is documentary. Obviously documentary is a realistic reflection of our culture, and it is something that Canada has a long history with. We're known around the world for documentaries because of institutions like the NFB and the CBC, and I think the CBC needs to make a very clear commitment to documentary. They currently have *The Doczone* on Thursday night, but what is unclear to us as independent producers is how much will be produced in-house and out-of-house, and there needs to be a very clear commitment to the documentary form.

If you read this, you'll note how much the CBC depends on sports for its audience share, and I think that could be problematic if the NHL goes to another network.

Those are my thoughts on genres.

Brian, did you want to say more?

Mr. Brian Hamilton: Yes. Just to back up Trish's point about sports, from the last year that statistics are available, the figures are that 48% of CBC viewing was for sports.

One genre that is very close to our hearts is children and youth. We made the series *Make Some Noise*, and it was a resounding success. Yet the CBC is unable to commission a second season because they've made the decision to not have any time slots on television that are aimed at teenagers or youth. It's a dilemma, because of course it's a circular problem. If we observe that most teenagers don't watch CBC television now, how do we encourage them to come to the network? If we don't attract them as loyal viewers now, how does CBC build up an audience in the future?

So we are working with CBC to forge an experiment entirely in the online domain, where we're taking the content and the spirit of the show and making it available on CBC's online service.

I think CBC has to make many difficult choices in terms of where to put their resources on CBC television. Maybe it is the right decision to not have a youth time slot, but if they don't have a youth time slot, then they need a youth web presence that's very powerful, because that constituency looks to online media much more than to television. It needs to be properly funded and it needs to have some contribution from the independent production sector, because as it stands, CBC online is one of the most popular websites in Canada. Most of its content is created in-house, and that model could certainly see more independent production and producers contribute.

• (1530)

Ms. Trish Dolman: If I can just inject something to back that up or to wrap up....

The Chair: Yes, your time is almost up.

Ms. Trish Dolman: If you look at Brian's concept that if you attract an audience when they're young, you retain them, if you look at George Stroumboulopoulos and *The Hour*—and I'm just bringing this up to say that I think CBC is doing some things that are right—

that brought a lot of viewers back to the CBC who knew George from when he was a VJ on MuchMusic.

I do a lot of TV watching for work, to see what's on, and I watch *The Hour* for pleasure. It's the right time for me. I like what he does, etc., but it's just an example of how you need to have something that draws a young audience that they recognize from before that brings them back.

Mr. Brian Hamilton: The last, very short point I would like to make is that the regional office here in Vancouver is scarcely relevant to a larger production company like us because they do not have financial authority. All of our conversations regarding programming, commissioning, etc., are with Toronto, but their role is to help those producers who cannot afford a plane ticket or who have not dealt with the corporation before to allow them an entree. I'm not saying that's not valuable. That's valuable, but it's a little bit nonsensical to me that the people who are our friends and colleagues who work in the Vancouver office don't have a role in deciding how our programs get made or in developing them. We go directly to Toronto.

Ms. Trish Dolman: When CTV and Global both have representatives on the ground who can make decisions, as an example.

The Chair: Thank you very much for that presentation.

We have to remember we only have a little over an hour here, and if we want to get some questions in, we're going to have to keep to the time schedule.

Our next presenters, please.

Ms. Mercedes Watson (Chief Executive Officer, ACTRA - British Columbia, Union of B.C. Performers): Hello. My name is Mercedes Watson. I'm the chief executive officer of the Union of BC Performers. I'm here today with two of my colleagues: our president, Howard Storey, who is a performer, and my colleague, Thom Tapley, who is our director of operations—film, television, and digital media.

We know that you have spent a great deal of your day listening to a heck of a lot of people, and our approach, for that reason, will be slightly different. You will be hearing from our national organization in a fulsome way. They will provide to you a full brief on all the issues that have been outlined in the mandate review. So we will not take your time going through them again, because you will hear from them directly on those points.

We will touch on some of the issues that we think are key to our jurisdiction here in B.C. and on issues we have been dealing with as an organization and that we feel could be further developed through the mandate and through initiatives the CBC could take up for itself.

Just to give you a bit of a sense of how we have come here, I have almost 20 years' experience in the industry. I started with one of the very small independent production companies in Toronto and have had the benefit, over my years within this industry, to work with Alliance Atlantis, when it was still Atlantis, and then more frequently, or certainly for a longer period of time, at Showcase Television. And I was one of the members of the team that launched Showcase Television.

From there I moved to ACTRA and became a member of that organization, working specifically with performers with regard to their rights—copyright specifically—and the introduction of the new rights that legislate remuneration for performers in sound recordings. After that time, I came and joined the UBCP. My involvement within this industry spans quite a breadth of experience, from television production to broadcasting to distribution to legal issues and copyright legislation. So that is the basis from which I'm going to be presenting to you.

I will allow my colleague, Thom Tapley, to do an introduction as well.

What we wanted to say today is that the Union of BC Performers represents 5,100 performers in the province of British Columbia and the Yukon. That remains our jurisdiction. Over the past year, we have been negotiating our collective agreement. So regrettably, the submission we are making to you today is not necessarily one that we would have spent as much time on as we would have liked. But we think the points we will be making will be significant and meaningful for your continued foray into the area of the review of the CBC.

As I mentioned, you will be hearing from our colleagues nationally, specifically on the issues of the current mandate of the CBC.

We have elected today to provide to the committee thoughts on how the CBC can re-vision itself. We think this has probably been a day when you have heard how everything should be changed and how everything should be different, and we thought perhaps we would give you an idea of how that change or difference might be brought about.

We think the CBC can re-vision itself to serve the cultural needs of the vast array of Canadian viewers and listeners who are drawn to it every day. In fact, we believe that its current viewership can continue to grow exponentially in a global manner.

We'd like to provide to the committee and to the CBC our expertise within the film and entertainment industry, specifically in the areas of distribution, copyright, and digital media, to allow for a return of the CBC to its rightful place. We believe that place to be the pre-eminent launching pad for Canadian talent and for digital Canadian products. We believe that the CBC can assist this country in branding itself and its culture through a Canadian-branded digital distribution portal, and that portal would blend marketing with access. These are the two critical elements that have prevented Canadians from seeing our own stories on our own airwaves.

It's a three-step process. It's straightforward: enlist experts, dialogue in order to address the new digital media realities with a view to investigating new modes and how those can best be used to serve the needs of the CBC, focus on branding the content to make it proudly Canadian, and create a model that remunerates all rights holders and makes it possible to have access to all content.

• (1535)

We have had discussions about the limited resources of CBC. It has continued to stretch itself more thinly in order to achieve everything that everyone feels the CBC needs to be for all the people of Canada. We believe that a digital module could assist in those

costs. It is cost-effective and has a wide reach for not only the youth—as Brian mentioned earlier—who are no longer drawn to television and are concentrating their energies on the Internet, but also others.

The trend is that most people are no longer drawn to television and are accessing content, information, music, and entertainment through the Internet and digital distribution. We believe there is an opportunity to use those methods to expand the reach and make better use of what is already a very well-known and successful Canadian brand, and that is the CBC.

My colleague Thom Tapley will continue with our thoughts.

Mr. Thom Tapley (Director, Operations and Communications - Film, Television and Digital Media, ACTRA - British Columbia, Union of B.C. Performers): My name is Thom Tapley and I'm the director of operations. My career spans one year less than Mercedes' through all facets of the industry.

I think we might be able to provide the most assistance through a discussion on digital media. We've been seeped in that world for quite some time now.

I'm concerned when I hear the comment made earlier today that perhaps the CBC shouldn't spread itself too thin. The implication is that "too thin" might be the Internet aspect of things. We believe that the Internet is where it should be moving. The CBC will be able to reach the most consumers globally, but also be the voice of Canadians. It will enable a two-way dialogue between Canadians and the public broadcaster.

We've had a number of thoughts on how to go about that. We think who we discuss the changes with is very important—how the changes will take place and how to best address them. Although dialogues like these are very important, it might be useful to broaden them to include people who typically might not belong to or take part in these discussions—people like Chris Anderson, who wrote a book called *The Long Tail*. There are countless other theorists out there right now who have some interesting ideas.

Chris is particularly interesting, because we often refer to Canadian content as niche content. Part of *The Long Tail* study was that niche content wasn't able to make the return on investment that the hit model or Hollywood model was producing. So through the years they developed a hit model, where you put a whole bunch of marketing into a small number of films. Those films were hopefully very successful and created enough revenue to continue on with your business.

That didn't serve Canadian film very well, in particular film promotion, because we don't have the money Hollywood has to market films. Trish made the point earlier that if \$100 million or \$125 million is spread over all Canadian films for production and distribution, and now marketing, it's a very small amount of money to spend on marketing. However, if you took that \$125 million and spent it to market one film, it would have a real opportunity in the international market.

We're not able to do that because the system is set up to individually market each project. But when you take an example like the CBC, if you start promoting that brand instead of the individual projects that are going to be produced, we think there are ways to leverage that to actually be competitive internationally and bring not just viewers in Canada to Canadian content, but global consumers to Canadian content.

There are a number of discussions we can have to sort of suss out ideas in that area, so we will close our presentation and hopefully be able to answer any of your questions on the subjects we talked about.

● (1540)

The Chair: Great. Thank you very much.

We'll move on to Mr. Jones.

Mr. David W.C. Jones (As an Individual): Thank you, Mr. Chairman.

In comparison with what I've heard today—and I've been here all day—which has been quite in depth, my presentation is very basic, straightforward. I hope you'll bear with me.

I have a British heritage. In 1965 I had the opportunity to apply to Canada for landed immigrant status and was privileged to be granted full Canadian citizenship in 1971.

One of the attractions of becoming a Canadian at that time was having the opportunity to view and listen to genuine Canadian productions by the Canadian Broadcasting Corporation. Coming from Britain, where the British Broadcasting Corporation held sway and produced outstanding programs and documentaries of a very high standard, I was encouraged to enter an environment where a similar organization beamed its programming nationwide, thus helping to unite, inform, solidify, educate, and give identity to a young and growing nation. In those early days I felt that the CBC was the glue that held the nation together and promoted unity, just as in earlier years the national railway provided the links for this great country.

Today, it seems to me, the fabric of the CBC is being undermined for a number of reasons: underfunding, political interference, and too few high-calibre employees. There is a deliberate attempt to make it impossible to meet the goals laid down in the CBC mandate, which is to make the service national, regional, and local, to be shared throughout the land.

The standard of programs has also deteriorated. The quality and content in both artistry and taste has seriously diminished. The one major failing of the structure of the CBC is the method of selection of board members and governors of this very important organization. Why should any elected Prime Minister have the power to appoint key members of the corporation, including the president and members of the board? This is absolutely ludicrous.

Some of the best television and radio is provided by public broadcasting through personal and corporate donations. The beauty of this type of programming is the absence of incessant advertising and constant propaganda. To compete with this, there needs to be adequate funding, superior management, and dedicated, capable workers to show the world what Canadians can produce without the hype and gross secularism that sponsorship is bound to encourage.

Only in this way can Canada put its name to an independent service that the world can admire and of which Canadians can be truly proud.

Thank you, Mr. Chairman.

● (1545)

The Chair: Thank you for that presentation.

We'll move to Ms. Fry for the first question.

Hon. Hedy Fry: I will tell Mr. Jones that he may have had a short presentation, but it was succinct and he said it all in that short presentation.

I want to ask a couple of questions.

We've gone through this. Everyone has agreed that everyone loves the CBC, that the CBC must maintain its uniqueness and that it does have a real mandate. Some people have said it is spreading itself too thinly. Others have said that its expectations are too high for the resources it has been given, so obviously the question is resources. The question is what is the CBC going to do.

You have given some very good ideas of what you thought the CBC should do. You've said it all very nicely: documentaries, feature films, etc., and programming for children, etc. You've talked about the digital world, and I want to question Thom about that later on.

For me, the question is basically this. We've all established, at least from the people here today, that the CBC should remain and should be resourced appropriately. We've heard Mr. Jones say, as many others have said before him, that it's obvious the CBC needs to be very independent and needs to actually have as little political interference as possible, but that it needs to be accountable.

My main question is this. You've identified this as well, Brian—and I have always found this very disconcerting—that the CBC doesn't cater to youth at all. It has ignored that market. How do we develop a future for the CBC? We know resources is one factor, but let's talk about the nitty-gritty of developing a future for the CBC where it could build a new generation of CBC advocates, people who listen to or watch the CBC. How could it do so in the digital media, and, as Thom said earlier, brand itself so that CBC looks at niche content as opposed to the old hip model content?

I would like to hear from you on how you see the CBC moving into the future. We've heard about regionalization, but I would like to ask you if you really believe that the CBC represents the racial and multicultural reality of this country as it could.

Ms. Trish Dolman: I'll just briefly answer your question. No, it does not represent the racial and cultural diversity of the country.

Mr. Brian Hamilton: Boy, that's the big question. I think in the area of youth programming I am encouraged by the fewer restrictions on CBC online than on CBC television in terms of how they can derive revenue. I'm also encouraged by the people they are hiring within the online world who think differently, who aren't long-time CBC television people. They are coming from the outside.

I think the big-picture challenge is to make CBC cool. There are certainly parts of the CBC that are cool, George Stroumboulopoulos being one of them. I think it's a matter of bringing the right people into the organization and reaching out to independent producers as well who are already in contact with those viewers.

• (1550)

Ms. Trish Dolman: Could I add to that? Further to what Mr. Jones so eloquently said, I think you need people at the helm with vision. You need a visionary. Someone needs to re-vision what the full potential of the CBC could possibly be, completely blue sky, not let's shove some American programming on or let's try to compete with private broadcasters. It's never going to be able to do that; let's just admit that. But it needs a visionary, and I don't believe it has that right now.

The Chair: Mr. Tapley.

Mr. Thom Tapley: Some direct examples would be time-shifting. It's utilizing the technology to make it so that Canadians have better access to the Canadian content through the CBC. For example, there's lots of programming I'd like to watch, but I'm not able to because I'm not at home at that given time, or whatever. If you're utilizing the Internet or digital media, you can time-shift content, and then when you get home you can watch a program that you normally couldn't. Actually, I think that one step alone would be helpful.

It is about vision, and one of the concerns I have is that we continue to look at existing models or how things have been and how to improve what we already have, as opposed to perhaps looking at it in a completely different manner.

Brian mentioned making it cool and relevant. I think another way the technology would be useful there is if you can actually allow for, facilitate, a two-way dialogue. So how about channels within the Internet—or let's just call it, to make this example clearer, CBC online, and then channels within CBC online? How about having young Canadian kids dictate what kinds of channels they want on that? You can have that type of feedback. I don't think we've utilized that, the full potential of the technology in a manner that could actually aggregate Canadian consumers and global consumers in ways that other services that are the media darlings now, such as YouTube, have done. What made them so successful is that they were able to amass large audiences because they gave audiences a role in deciding what it was, what content was going to be on that platform. The CBC could do the very same thing.

Hon. Hedy Fry: Could you just talk about what you meant by branding—CBC branding?

Mr. Thom Tapley: Sure.

Obviously there are the underlying economics of production. That's just the cold hard facts. You have to try to make a return on the cost to make a production. Traditionally what we call niche programming has struggled to recoup the money it takes to produce it.

When you look at the music world, they have found that traditionally.... And again, if anyone has had a chance to read Chris Anderson's book, *The Long Tail*, it would be useful. You see the graph for the successful traditional business model was this. Where the vast majority of the revenues were predominantly made in this area, they didn't worry so much about this part of the graph. What they found was that because of the decreased cost in distributing

music, which does apply and will continue to apply to all types of media, including film and TV programming, people could all of a sudden access it if it sat there.

You might have 3,000 or 5,000 or 100,000 people who really, really like *The Beachcombers*. Well, they could be anywhere in the world, and they could access that. The economics behind that type of model is radically different from the model where you set a time schedule and broadcast *The Beachcombers* at eight o'clock in Canada for someone to watch it. It may be such that there are millions of people who want to watch *The Beachcombers*, as an example, in all parts of the world, and they can now access that through digital technology.

If we keep referring to the existing model and how we can improve it, I think we're doing ourselves a disservice. That goes back to Trish's point that we need a new vision. That's why in Mercedes' opening statement she said we're really talking about revisioning the CBC. We actually think it can be in a much better position to reach people than it has traditionally been.

• (1555)

The Chair: Okay, thank you.

Ms. Bourgeois.

[*Translation*]

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

I'm tempted to set the cat among the pigeons. You've presented all kinds of nice solutions to show us how on the ball and up to date you are. Yet—and please don't throw any brickbats at me—when we met with Mr. Shaw, he told us that artists and producers who receive funding from the Canadian Television Fund do not produce quality programming and that English Canadian programs were boring.

How do you respond to that statement?

[*English*]

Mr. Thom Tapley: Actually, these two people do produce content, and I can tell you there is quality in their content.

The interesting dilemma is that in other parts of the world people recognize our films as being quality. Sometimes we have a harder time, as Canadians, accepting that. If you look at the track record, the reality is that our content, our film from TV, and specifically our films do very well. The problem is the restrictions they have. The challenge is having people have access to that content. You can build it, but they won't necessarily come, because people have to find a way of getting to that content. I think the issue is not one of quality, it's more of being able to access the content once it's produced.

Ms. Mercedes Watson: If I can add to what Tom said, I wholeheartedly believe in Canadian content and obviously in the performers who produce it. I think we do ourselves a complete disservice by describing ourselves as dull and not trying to find better ways to have our products seen.

Quebec has done a sensational job of making that possible, over many, many years. People fail to see that it has taken a great deal of time to get their product to a place where everyone respects it, not just in Quebec, but across Canada and throughout the world. English-speaking Canada has stayed in the shadows of the U.S., trying to mimic something that to many of us hasn't been done that well to begin with.

I think it's time for us to take a leap and believe more in ourselves and the quality of what we can produce and what we have produced. We need to find, as Tom mentioned earlier, that place online where we can be our own distributors, both nationally and internationally, of the content we create here and to provide that access of viewership, which exists in the millions, not only in Canada, but throughout the world.

Mr. Howard Storey (President, Union of B.C. Performers): I think those tomatoes should be thrown at Mr. Shaw, who has profited very greatly from the generosity of Canadians and apparently doesn't respect it.

[Translation]

Ms. Diane Bourgeois: Careful now. Don't say that the member from Quebec asked you to throw brickbats at Mr. Shaw. Don't put words in my mouth.

[English]

Ms. Trish Dolman: I think Mr. Shaw engaged in a smear campaign against Canadian television to suit his own purposes, and to be frank, I think he's full of it. I think you were not in the room at the beginning of my presentation when I cited a number of examples of quality Canadian television that regularly get over two or three million viewers. Those are high numbers in a country with our population.

You can go from *Corner Gas* to *Degrassi* to *Little Mosque on the Prairie* to numerous television movies that regularly get high audiences, that Canadians love, and if they weren't of quality then he's calling down Canadian audiences, and I think he's full of BS.

He did that to suit his own purposes, and he has a monopoly in the Canadian marketplace that serves him very well, thank you very much. So he can throw tomatoes at himself as far as I am concerned. It's just not true. It's not even that we get recognition outside Canada; we get recognition inside Canada. The telltale sign is that private broadcasters see they can make money on Canadian content, because in this business, money means audience share. CTV is making money from Canadian content and so is Global. The only reason they ever did it was that they were mandated to do so in the first place, and now they're making money. You know what? They're not going to stop, because they are making money.

• (1600)

Mr. Howard Storey: I simply wanted to say that the list Ms. Dolman made of successful programming, exciting and interesting programs that are actually working, these programs were put together by creative Canadians against considerable odds. As we know, it's very difficult in English Canada to get any damned thing produced.

It is good quality produced against considerable odds, better quality produced with the blessing of the government and the

Canadian population, rendered cool, I would suggest, by the niche markets that appreciate whatever the product is. With Internet distribution, the possibility is that we can get those programs that suit this niche market to that market. And whoever is advertising to underwrite it now has a fabulous opportunity to preach to the converted, because they already want to see, they already want to be there, so the product can be appropriate to the programming. It's much more economically viable too.

The Chair: I am going to go to Mr. Jones and then Mr. Tapley.

Mr. David W.C. Jones: I just wanted to know, did Mr. Shaw withdraw his contribution to the CTF before or after his remarks to you?

The Chair: I can probably answer. I think he made those remarks after he restored his funding.

Mr. David W.C. Jones: Yes, thank you.

The Chair: Mr. Tapley.

Mr. Thom Tapley: I just thought of an interesting thing. Having lived a chunk of my life in and certainly having shuttled back and forth to and from Los Angeles a great deal, I always felt it was remarkable that a little café I would always go to was usually populated at any given time about 50% by Canadians.

The Canadian creative community in Hollywood is enormous. So it's not an issue of Canadians not having the ability to create quality content; the issue is that the resources aren't here. It's shameful that they have to leave. Often it's only those real soldiers who don't leave, such as the two people at the end of this table and others like them, who actually commit to staying here. It is a tough job to produce content in Canada. It is not about quality. It's not about talent. We have it here, and the problem is that sometimes they have to leave to continue their careers.

[Translation]

Ms. Diane Bourgeois: To redeem myself, I'd like to make the following comment.

Ms. Dolman, I believe you were the one who spoke of the three pillars needed to resolve the broadcasting issue. Mention was made of news programming, natural history, the environment and knowledge of our community. Finally, mention was made of dramatic productions that mirror people's day-to-day lives. In all instances, programming of this nature targets people at the grassroots level.

I believe members of the public want television programming to reflect their reality. People like yourself who work with the public can help make that happen.

Have I redeemed myself a little?

Thank you.

[English]

Mr. Brian Hamilton: There is an enormous residual desire on the part of Canadian audiences to see their own stories, as we have seen. When the CBC put enough marketing power behind *Little Mosque on the Prairie*, people knew about it. They came in droves. From people everywhere who see our programs, when they find out about them, when we are able to reach out and give them our programming at a time that suits them, etc., there is fantastic response. We Canadians don't brag about our successes nearly enough, but our programs are world class.

There is a financial component, and marketing is extremely important. The paradox that CBC television has is they don't have too many programs that have two million viewers during which they can advertise the next show, or the show that's on tomorrow. What the private broadcasters use... CTV uses *American Idol* to promote *Corner Gas*. Or our series, *Robson Arms*—we had three quarters of a million viewers on Monday night because we were promoted within other large programs. Global owns newspapers, and they put ads in their newspapers, for free, to promote their own programming.

So the CBC does have these disadvantages, but I think that online, they have an advantage.

• (1605)

The Chair: Thank you very much for that.

Ms. Savoie.

Ms. Denise Savoie: Thank you.

Thank you for your presentations. They've been very compelling, with lots of creative ideas, providing solutions to some of the issues we're looking at, from timeshifting—which really appeals to me, because there are constantly shows that I'd like to see—to better marketing techniques.

I'm curious about the online issue. My own kids are testimony to what you've been saying in terms of how they want to access media. There was an earlier discussion around stretching the mandate too thin, and I think what we're talking about is the lack of resources for CBC and expecting it to be everything for everybody. I think that's the crunch.

Do you think some of the suggestions you outlined or brought forward can be done within the existing budget? Are we talking more resourcing? I happen to believe we are, but I'd be interested in your thoughts. There's also the need to keep this creative capital here—all these people who are moving south. How do we make it easier to keep them here, and how do we do the kind of job to attract the kinds of audiences you're talking about?

Mr. Thom Tapley: These opportunities are wonderful, but I think they should be the starting point of the discussion, because these are complex issues. As Trish mentioned in the beginning, no one is absolutely certain where all of this is going. Some of the things we are certain of, through consumer trends, are where people are turning to, and your children, as you say, are an example of that. People are absolutely turning to these new devices in order to enjoy their content. The economics behind those models are different from traditional TV and film production. The cost of distribution is different, and it will continue to change as the technology changes. We're entering into a phase—some people call it Internet 2 and some

people call it Internet 3—where the cost of delivery content through that pipe to the home is different.

To be very on point with your question with respect to resources, I think more money is always better, because it will allow us to address those more quickly and in a better fashion. However, long term, it might be that they'll need fewer resources as we go forward, depending on how those models suss out. We're not there yet, and it's not us. The industry is not there yet because it's still unclear as to how those business models will eventually suss out. But the indications are, certainly with respect to distribution, that the cost will continue to drop.

The answer would be two parts. Right now, more money would be good. Long term, it might be a readjustment that there's not. There could be a decrease in the money required because we could have set up a model that is more efficient.

Ms. Denise Savoie: In terms of the economics of this, nobody knows exactly how that works. Does it compromise in any way what has been termed Internet neutrality or the democratic side of the Internet?

Mr. Thom Tapley: Well, I think—

Ms. Denise Savoie: I ask because that's another really serious facet, it seems to me, of how it could play out.

Mr. Thom Tapley: I'm not sure if I totally understood your question. Could you say it again? I was going to respond, but I think before I do so, I want to make sure I understand your question, because it might take us in another direction.

Ms. Denise Savoie: Because I don't understand the economics of what you're proposing, I'm wondering if that is a way to corporatize the Internet.

Mr. Thom Tapley: There's no doubt there's a global fight on right now for doing just that. There are many books: *Darknet* by J.D. Lasica is a book I would suggest you read; it talks about how the large corporate interests are absolutely trying to lock down the Internet. That's why I think now would be a very interesting time to build that brand, especially a global brand, and we can do it. CBC is already a global brand, but it can be made more of a global brand. I think it's harder to lock down once it's established, and that's why I think there's a timeframe over the next few years to do that.

I fear that at some point in the future, the system—the model that's in place right now—will try to replicate itself, meaning very few interests control the pipe into your home, and it's a one-way dialogue: you receive content, not the two-way dialogue that is currently available through the Internet.

• (1610)

Ms. Denise Savoie: Why is it harder to lock down? I don't understand that.

Mr. Thom Tapley: Right now it's still what people term “the wild, wild west” with respect to the Internet. I'll give you an example: peer-to-peer technology, which is Napster. People talked a lot about Napster and how harmful it was to the industry, but those very companies that were fighting through litigation to stop Napster from existing are now using that very technology to help get their content out, so I think we're in an interesting period of time.

Can you lock down the Internet? The answer is yes, you can, and anyone who thinks you can't is mistaken. You can lock it down. It's a form of distribution. It's not yet, but it may be in the future, and my fear is that it will be.

Ms. Trish Dolman: I would like to make a couple of points to answer your question. Obviously making the CBC an Internet destination is really important if it is the first choice for all Canadians for news. Canadians have a huge subscribership, for example, to *The New York Times* online. I think they do use CBC as an online destination, but anything that can help....

Currently, the CBC receives \$1 billion from Canadian Heritage.

Is that correct?

Ms. Denise Savoie: It's less.

Ms. Trish Dolman: In terms of funding, if we're talking about making.... The CBC is mainly becoming commercial-free; obviously, then, there needs to be a new financing model. I don't imagine this government is particularly sympathetic currently to increasing the funding to the CBC, so I think there needs to be a hard look at other revenue models and at how the CBC is spending its money and at how much it spends on sports. It gets a lot of viewers—is that worth it? It's losing the Olympics; I think that's significant. But what are the other revenue models?

My fondness for CBC comes from *Mr. Dressup* and *The Friendly Giant*. Is the CBC exploiting its resources adequately? Is it providing *The Beachcombers* and all these shows online so that you can download them? That's a practical reality now; it's not even a couple of years from now.

There are other ways that the CBC.... It's very hard in this kind of atmosphere to just throw out recommendations, but I think it certainly warrants study. I personally think that in order for the CBC to survive in the modern world, it could benefit from more money, but I also think there needs to be harder scrutiny of the management and how those funds are allocated. A lot of things could be done differently. There's a lot of money invested in odd places—real estate, for example—that don't need to be there to make the CBC what it is, places where you could squeeze money out of it.

The Chair: Go ahead, Mr. Jones.

Mr. David W.C. Jones: I definitely think more money should be invested in the CBC. When I was in England—that's more than half my life ago—we were contributing by a licence. We had a radio licence and a TV licence, and anybody who had a machine had to pay. It maintained the quality of the programming, it seemed to me.

I don't know whether they still have the same sort of licensing, but it always seemed to have a high standard, and you can't do that without money. They seemed to have very high-standard management and personnel looking after the system. I would hope that would be possible here as well.

Ms. Trish Dolman: The BBC still does have that. Anyone who has a TV set in the U.K. pays a fee that goes directly to the BBC.

The Chair: I have a couple of statements I'd like to make, and if anyone would like to reply to them, you can get me the answer later. I'd just like to confirm some of the things that have been said here today.

About three weeks ago I had dinner with the Barenaked Ladies. They were playing in Ottawa. Mr. Angus was there. There were four of us from our committee. They spoke so enthusiastically about the new media, about being online, and about how business has to be done differently. They said that in the recording industry the big giants used to just pillage the artists. Today there's freedom, and they can get their music out, and not just them—they're established—but the new people coming along. So I agree that with regard to the new media, the way they talked about it, we're just scratching the surface. What can happen is just immense.

Here's another example. I was flying here yesterday from Edmonton, and we were in a newer plane. On the back of every seat there was a television screen. I know that within the area I was able to see, there were people watching six different things. You used to have one television screen up every so often, and everybody had to watch the same thing. I've been on some of those flights and have watched the penguins go on there for what seemed like days.

I think that choice has to be there. Again, it's been mentioned at different times: promotion, promotion, promotion. I heard this during the feature film review that we had a few years ago. You can make the greatest film, and if it's not promoted, if no one knows about it, no one sees it. Who knows it's a great film?

So I think those are things you're right on with, about how some of these programs are brought forward. You could be watching the news, and in with the advertisements or in the break time when that little promotion comes on, it doesn't matter whatever the program is, if you see it enough times, you're going to at least go there once.

I appreciate the things you've said here today. I thank you for making your presentations.

We can have one little one at the end.

• (1615)

[Translation]

Ms. Diane Bourgeois: I have a question, Mr. Chairman.

[English]

The Chair: You can have one very small one.

[Translation]

Ms. Diane Bourgeois: I just want to reassure people. Although there are few members seated at this table, the minutes of proceedings will be taken into consideration. Rest assured that your testimony will be submitted to the other members and we will review it together.

[English]

The Chair: Thank you.

We'll just take a five-minute recess.

• (1615)

_____ (Pause) _____

• (1625)

The Chair: Order.

Welcome to our next presenters.

Before we start, I will mention that Ms. Savoie has had to leave to catch a heli-flight. I think she has a meeting coming up very shortly. I'd like to let you know that although we're diminished in numbers around the table, all of the questions and answers are being kept track of here, and they will go back to the rest of our committee. There will be a report made and everything. So you're just as important as the first people who were here this morning.

Again, I apologize for Ms. Savoie having to leave, and I welcome you here.

We will start off with Catherine Murray from Simon Fraser University. Then Mr. Norman Hill will be speaking as an individual, and Pedro Mora on behalf of the Vancouver Community Television Association.

Your presentation, please, Ms. Murray.

Dr. Catherine Murray (Associate Professor, School of Communication, Simon Fraser University): Thank you very much, Mr. Chairman and honourable members of the committee.

I also bring regrets. My colleague Dr. Druick is quite ill today and unable to be here.

I'm speaking to you as an associate professor of communication from Simon Fraser University, and I have the remarkable distinction of having served as a member of the mandate review committee with Mr. Juneau, which released a report, *Making Our Voices Heard*, in February of 1996.

I'm also a member of the Graham Spry Foundation, affiliated with SFU, which together with the University of Montreal offers an annual lecture on the future of public broadcasting. I would commend that website to you for further research.

I teach in the area of broadcasting policy, and I'd like to acknowledge today the students of Communications 333, "Broadcasting Policy in the Global Context", who have been with you this afternoon and watching in a fascinated manner. I'd also like to indicate that I research in the area of cultural diversity, civil society groups, and changing forms of media governance.

I'm going to take the liberty of leaving behind with your secretariat an article I've written on the CBC, which is entitled "Wellsprings of Knowledge: Beyond the CBC Policy Trap". I wrote it in 2002, partly debriefing my experience of 1996, and many of the recommendations in it are as salient today as they were then.

In the interests of the presentation this afternoon, I thought what might be interesting would be to direct my observations to what has changed since 1996 in the dilemma facing the mandate review of the CBC at that time, and what has remained the same.

1996 marked a time that was widely perceived as a crisis point in public broadcasting around the world, and the specific crisis of budget cuts at that time, brought about by Mr. Martin, which led to the appointment of the Juneau committee, caused major concerns then about the scope of the CBC's mandate and its very sustainability.

There were many faces to that crisis. The first face was the political aspect of the crisis. Then, it was probably defined in terms

of Quebec nationalism. Our report was written at the time of the Quebec referendum, and much of its text can be read in that light.

Now, the crisis is determined and defined in terms of our international obligations in Afghanistan, through the multi-lateral NATO. I note that after 9/11 we have seen a remarkable politicization of government communications policies around the world in the name of the war on terror. We have seen a close-down on security access to information in public journalism, and even disputes and resignations forced upon chairs of public broadcasters such as the BBC, or of the president of the BBC, because of problems of disclosure around allegations that there was faulty intelligence concerning weapons of mass destruction.

I note that the head of the Corporation for Public Broadcasting in the United States is under attack for partisan appointments. Our own past chair of the CBC resigned because of inappropriate remarks construed as offensive to some.

Certainly what has changed since my time on the watch in 1996 is the scope and news culture in which crises embroil our public broadcaster. But I think there is good news here. Public opinion and quality ratings indicate a high degree of public trust in CBC news, and there has not been the same meltdown of partisan meddling as has been seen at the BBC, for example. The CBC has built its foreign news bureau and in a very important move has repositioned CBC International away from hard news to more general life information, I think in part to fly under the radar of other better financed and more propagandistic international radio sources. But I think the CBC has grown beyond its current role in self-regulation of news quality and news standards.

I served as the chair on a national ombudsman process during the federal election in 2004, and while I can say I attest to the general validity of the process, it is no substitute for two elements that are necessary to protect the editorial independence and excellence of CBC news standards; that is, taking the office of the CBC ombudsperson outside the CBC; and secondly, restructuring all press councils and broadcast standards councils into a single news body more publicly accountable to citizens, journalists, and editors and more accessible in the adjudication of news disputes and promulgating better news standards.

• (1630)

In a world where CanWest Global's news coverage comes under fire from Reuters for inappropriate stereotyping of terrorists in an imbroglio in 2004, preserving a space for public debate over ethics of the media is never more important, and the CBC has a lead and large role to play.

The news environment in which the public broadcaster functions has never been more supercharged. In terms of meeting its international and national news functions, the CBC continues to outspend on a head-to-head basis on news gathering, do more high-value investigative reporting, which is measured by peer awards or in databases that have to do with access to information requests, and so forth, and has never been more open in submitting its news standards to high levels of public scrutiny and sustaining more foreign news bureaus.

Its value has been defended by the Senate committee on the future of the news media. The CBC's role is never more important in a news environment fraught with dangers in reporting in a world increasingly divided by ethnic, national, and religious fundamentalism, promoting, as Graham Murdock, a past Graham Spry chair, has indicated, inaccessible or uncrossable lines between us and them.

I want to rewind once again and say that then the crisis was technological. Few foresaw in 1996 the competition over 100 Canadian digital channels or over 100 international imported channels in Canada, or few saw the growth of the Internet and the challenges that podcasts and online media content through social sites like YouTube would pose. At the time, our committee was of the view that these were interesting developments, but I think it is fair to say that we did not predict they would grow as quickly as they have. At the time, we made a recommendation to amend the Broadcasting Act of 1991 to ensure that the CBC could make its services available on the Internet and make the most innovative new uses of new media as possible.

In light of a subsequent decision by the CRTC not to regulate new media or the Internet, nothing in the 1991 act precluded the CBC subsequently from developing its own Internet portal. Today, cbc.ca, as many have mentioned earlier, is among the top three in Canada, attracting more than two million hits a week. Studies of its performance during the recent election, especially in providing more accessible election coverage to younger voters, two in three of whom choose not to vote during our federal elections, have been largely positive.

The drive to develop new media was pioneered by Radio 3, which was based here in Vancouver, and we're very proud of the team that developed it. A study of Radio 3 that was done by one of our graduate students, who I believe is here today, Anu Sahota, argues that it is precisely this kind of innovation in new media that a public broadcaster must do.

I am tremendously impressed by the contribution that the new and indie music sites available on cbc.ca are making to the Canadian soundscape, and I applaud the corporation for creating this musical digital commons with shareware. The fact that Radio 3 moved to the commercial digital stereo satellite radio network is unfortunate, in my view, and it diluted the record of innovation at the corporation.

On the whole, the new media opportunities are not as well developed as they are or could be at the CBC. I would argue that the CBC needs to embrace the idea of a TV 3 or TV 4 or TV 5, as you've heard this afternoon, on the web, providing a portal for indie documentary and other emerging TV producers to share their work and rival YouTube for the post-first privilege.

Certainly few foresaw that the CBC could embrace new media, but it needs to do far more to be the pivot of the digital commons. I believe, too, that our committee, and especially the Lincoln report, saw the CBC as absolutely basic to the idea of preserving a public space on the digital commons. I believe the Lincoln report went further than we did, that the CBC must work together on the public Internet with the not-for-profit and community broadcast sectors of the new environment, something that the CBC has not yet done at all.

● (1635)

One of the most important calls the standing committee can make is upon the Minister of Canadian Heritage to coordinate a strategy to protect community, independent, and alternative media, with the CBC as its hub, on Canada's emerging digital commons. In my vision, CBC TV 3 would link campus TV, community TV, and a number of other not-for-profit program providers, as the hub across Canada.

To flash back again, then the crisis was fiscal. We were faced with over \$300 million in cuts. By the year 2000, I note, Minister Copps did reinstate an annual \$60 million a year for special-purpose broadcasts, and then the Canadian Television Fund emerged and earmarked some proportion of its holdings derived from public tax money and cable subscriber funds. These moneys were directed at independent productions licensed to the CBC slate.

I would say that today we do not face quite the same level of public debt or fiscal crisis of the state. In fact, given the unprecedented surpluses facing government today, there is a possibility existing for reinvestment in public broadcasting. The CBC has been faced with year-to-year uncertainty. Its appropriation of about \$1 billion is diminishing under inflation, and in constant dollars, as many have commented, we have a corporation that is about one-third smaller than it was about ten years ago.

More to the point, today we have far better data comparatively about the rate of public investment around the world. It seems to me that a number of different sources have now confirmed that Canada is among the lowest of all OECD countries in its investment on a per capita basis, at a time when we are experiencing among the highest rates of population growth. This does not compute.

Even adding in provincial spending on educational broadcasting does not change the overall picture. What I would argue is that in a federal state like Canada, where there is a bifurcation of jurisdictions between culture and education, the data around the world, from the Mackenzie Group, from the Nordicity Group, indicate that culture does not do well.

The CBC is Canada's largest institution. It is a cultural institution, and it is not given enough to do its job. I have seen the need for stable long-term funding, and I support the continuous and repeated refrain over many public inquiries such as your own, for a long-term charter and stable long-term funding. I further support an annual increment to the base of parliamentary appropriation, because we have seen what the lack of certainty on public moneys can do.

Over the past ten years, the CBC has increased its reliance on advertising. You've already heard today how sports viewing as a proportion of CBC's share went from just over 30% at my time in 1996, to almost 50% today. In recent years, however, we've seen a cataclysmic drop of \$90 million—almost 40%—in CBC ad revenues. Since the merger of CTVglobemedia, the CBC has been outbid for major sports properties like the Olympics by a three-to-one margin.

Our committee argued for a reduced reliance on sports properties like the Olympics, and economic necessity and the loss of market power vis-à-vis these new concentrated private sector sources is really doing for the CBC by default what public policy should. What has happened is that media mergers and consolidations are undercutting the CBC's right to negotiate major properties. It will get out of sport by default and may now reframe sports to the cultural pursuit, or focus on amateur and less popular sports in North America, possibly like soccer.

Its hemorrhaging of ad money will deeply continue to wound it. I stand behind the mandate review committee and the Lincoln committee's recommendations that the CBC step further back from ads if the requisite public money is in place to replace ad money.

In terms of critical mass, ad revenues today provide almost 50% of the operating costs of CBC TV. That is far too high. A quantum of around 20% to 30% in the period of transition to buying back our public broadcaster is probably more sustainable.

The drive to replace revenues has led to what I call a “creeping privatization of policy” mindset at the CBC. In recent hearings about the future of private broadcasting, the CBC has intervened before the CRTC to support the private broadcasters' opportunistic case to get cable subscriber revenues from basic cable—that is, a fee for carriage of local CTV and Global signals, for example—because of the lack of ad certainty.

• (1640)

The CBC, if this fee for carriage of local signals is introduced, stands to make anywhere from \$12 million to \$30 million, which is nowhere near what it needs. But it is driven by desperation, I think. The fact that local retransmission rights raise issues of copyright reform and issues of universality and raise problems of access for those 12% of Canadians who do not get digital cable is completely lost on the CBC policy perspective. In this case, self-interest, in light of a declining revenue base, won out over public policy interests in the framing of their position.

I support stable, long-term funding for the CBC. I simply point out that the last crisis facing us in 1996 is the same crisis facing us today. It was a crisis with respect to public transparency and public governance. The picture was bleaker in 1996, to be sure. A lot has been done to modernize systems at the CBC and bring in more transparency. I note that there have been two recent external audits of the CBC by the Auditor General of Canada, and the CBC has undertaken major reforms of the type that were identified in our report in 1996. Collective bargaining arrangements have been rationalized, internal efficiencies have been realized, and significant gains have been made from the rationalization of real estate. And certainly the renovations here, for example, to the CBC in Vancouver

will make it a hub of a cultural district and will realize large community spinoffs.

My sense is that the efficiency gains to be realized by modernizing the corporation and streamlining it have now almost come to a close. There is not much more fat to be wrung from the animal. But the Auditor General, in her largely positive review, notes in the report of 2005 a continued need to establish corporate-wide performance and management targets and indicators and to communicate better with external stakeholders. And that the CBC must do. I only note that a similar charge was made to the Minister of Canadian Heritage and Status of Women in a later study of cultural industry programs that are also administered.

While the financial house at the CBC may be in better public order, warranting, I would argue, a serious re-conceptualization of public reinvestment in our public broadcaster, one main impediment remains. As we stated in our *Making Our Voices Heard: Canadian Broadcasting and Film for the 21st Century*, and as the Friends of Canadian Broadcasting has so ably argued over the past ten years, it is imperative to ensure that the process for appointment to the board of the CBC is less partisan so we do not get into the same trap President Bush got into with PBS. And I would suggest that your own committee has a role to play in this.

We must see the board become more broadly representative of all scientific, cultural, creative, technical, and business leadership in this country. The board must have the right to appoint the president and to insulate her or him from the partisan spin and pressure cookers of the day. Despite major changes in the federal political scene in this country, I am reminded that Parliament has, and continues to have, a consistent multi-party voice in support of the CBC, which is also supported by public opinion polls across this country.

What has changed since 1996 is the emergence of a neo-conservative press that is driving elite discourse on policy issues in this country, one in which CBC-bashing has become quite common. What has also changed is the breathtaking convergence of private ownership in the mediascapes in this country, which is something the CRTC will be examining in a new hearing. In such a converged landscape, the need for the CBC to provide local services, as they become victim to decisions made by central offices outside this province, has never been higher. What is odd is that public interest advocates—those who want a more democratic communication sphere protecting the rights of our citizens—have been relatively silent.

What the parliamentary committee can do is instruct the minister to ask the CRTC to review, for example, the public-benefit policies in place during this merger and acquisition binge and provide an account of exactly where these moneys go and how effective they have been. In the forthcoming news about the sale of Alliance Atlantis to a U.S. investment consortium in partnership with CanWest, for example, who is challenging the disposition of the specialty channel? Why would one channel, patently the heart of a renewed public broadcaster as a central hub of Canada's digital commons, not be given back to the Canadian taxpayers who subsidized its launch? Perhaps it is time for a discussion on the public benefit of reinvesting the History Television back to the CBC, where it belongs. The CBC, after all, is Canada's largest audio-visual archive of record in this country, and it only makes sense.

• (1645)

What has not changed, quite simply, is that Canada needs to build public institutions that foster a sense of citizenship, a citizenship that is cosmopolitan, that values diversity, that is committed to address problems through deliberation rather than force. The CBC is one such institution, and the challenges facing it have never been more enormous but its opportunities never more unrivalled.

Thank you very much.

The Chair: Thank you.

Mr. Hill.

Mr. Norman Hill (As an Individual): Mr. Chairman, committee members, thank you very much for inviting me to appear on this panel. I'm a great CBC supporter, and I welcome the opportunity to present my views to you today.

There's no question that the CBC is in crisis and that it desperately needs major reform. For years now, the CBC has been chronically underfunded by government. In fact, the CBC has suffered massive cuts to its funding and it has been deprived of the reliable long-term funding essential to planning its operations. As a result, the CBC has been forced to increasingly rely on advertising revenue to survive. Depending on private corporate advertising has compromised the CBC's objectivity and its ability to protect the public interest. At the same time, the CBC has drifted towards a private sector style of management, which is totally inappropriate for a public broadcaster.

In my youth, the CBC was a proud institution that produced quality Canadian programming. Today it is a pale shadow of its former self. Much of the CBC's current programming consists of American or other foreign TV programs. Recently we've even seen

American so-called "reality" TV shows bumping *The National* from prime time. Programming of this sort, American pop culture programming of any kind, clearly violates the mandate of the CBC. It is inexcusable that CBC management has allowed this to happen, and it is even more outrageous that the Government of Canada has been so wilfully negligent in its treatment of the CBC.

Critics may argue that the CBC has outlived its usefulness, or that we should privatize it, but the fact is that the CBC is more relevant now and more essential to Canadian unity and independence than ever before. In a world of corporate globalization and increasing U. S. regional dominance, we need a revitalized CBC to protect the public interest, to promote Canadian culture, and to foster Canadian unity and independence. In order to reform and reinvigorate the CBC, I believe that the following actions are essential.

First, Parliament must ensure that the senior leaders of the CBC, its board of directors and president and CEO, are not appointed based on partisanship or patronage. Therefore, the CBC leadership should not be appointed by the Prime Minister or the government. Instead, perhaps the CBC leadership could be chosen by an all-party House of Commons committee made up of an equal number of MPs from each party represented in the House of Commons. This way we could make sure that the CBC better reflected the priorities of all Canadians, not just those of the governing party.

Second, Parliament should give the board of directors of the CBC the power to hire and, if necessary, fire the CBC's president and CEO. The CBC's board of directors should always include a majority of people with Canadian public sector broadcasting experience. The CBC president and CEO should always come from the ranks of the CBC staff. This way we could be sure that they have the necessary depth of experience and commitment to the organization.

Third, Parliament must provide the CBC with sufficient stable long-term funding so that it can fulfil its mandate, including revitalizing grassroots programming and vastly improving Canadian content. No matter what the fiscal circumstances of the government, the CBC plays a vital role in our culture, and it should always be protected as a priority for government funding. But now in this age of massive multi-year budget surpluses, it is disgusting that the CBC has suffered crippling funding cuts so that it even has had to shut down its costume department. In a prosperous society like ours, this simply cannot be tolerated.

• (1650)

Fourth, Parliament should ensure that if it increases government funding, the CBC will simultaneously phase out private advertising. There's no place for private advertising revenue at a public broadcaster, and if the CBC were properly funded by the government, there would be no need for it.

Fifth, Parliament needs to strengthen the CBC's mandate from one of being "predominantly and distinctly Canadian" to one of being "overwhelmingly and distinctly Canadian". Only this kind of crystal-clear mandate will ensure that the CBC focuses on broadcasting almost exclusively quality Canadian programming.

Sixth, Parliament must ensure that the CBC fulfills its mandate "to contribute to Canada's shared national consciousness and identity". To achieve this, the CBC should make large increases to arts and cultural programming, for example, by producing more contemporary Canadian dramas, historical documentaries, and TV movies. Canadians need to see and hear uniquely Canadian stories in order for our culture to thrive.

Seventh, Parliament should direct the CBC board of directors to give high priority to the instructions of the Broadcasting Act that the CBC "reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions". The CBC needs to build its programming capacity at the grassroots level in communities all across Canada, so that it serves the needs of those communities and is at the same time representative of Canada as a whole.

Eighth, Parliament must prohibit the CBC from becoming involved in partnerships with private broadcasters. Canadian private broadcasters are an absolute disaster in cultural terms. The level of corporate concentration of broadcasting and media in Canada is appalling. A few massive corporations have unprecedented influence on Canadian culture, and they project a corporate neo-liberal agenda of privatization, deregulation, and destruction of government and the public good. If the CBC were to become involved with them, it would be a terrible conflict of interest. The CBC's role is to serve the public interest; the private broadcaster's goal is to maximize the profit of its shareholders and to further its agenda of corporate control. The CBC must remain true to its mandate of serving the Canadian public interest, and it can only do that by preserving its independence and integrity.

Ninth, Parliament needs to ensure that the CBC maintain its focus on news and current affairs programming. In this world of increasingly concentrated corporate media, Canadians need the CBC more than ever to inform us about what is really happening across the country and to provide us with thoughtful, in-depth analysis. This is one area that, tragically, has seriously deteriorated in recent years. A number of events of great significance to the independence and integrity of Canada have transpired in the last ten years, but have been largely unreported or only superficially reported by the CBC. For example, the coverage of the security and prosperity partnership of North America, which I believe will result in submerging Canada in an anti-democratic, U.S.-dominated North American entity, has received only a passing mention on the CBC. Yet this is precisely the kind of pressing threat to Canadian sovereignty that the CBC has a unique responsibility to provide meaningful coverage of.

Tenth, Parliament should direct the CBC to continue coverage of major Canadian sports, such as hockey. There's no question that hockey is a significant part of the Canadian identity.

I urge the committee to recognize the perilous state the CBC is in now, and to follow the recommendations above in order to save the

CBC. If you do not act now to save the CBC, Canada will lose a great institution, which has played a vital role in building and preserving our nation.

Once again, thank you very much for having me here today, and thank you for considering my recommendations.

• (1655)

The Chair: Thank you, Mr. Hill.

Mr. Mora.

Mr. Pedro Mora (Vancouver Community Television Association): Thank you.

I think I'm just going to repeat for the third time the same message. I happen to agree with them almost 100%. I have just two pages here.

My opinion is the CBC relative to all private stations has been the most balanced in presenting regional and cultural information as well as in reporting news.

The CBC, as mandated, has contributed to a distinctive Canadian identity, and because of its independence from for-profit ownership it has to a greater extent contributed to a national social consciousness rather than to promoting consumerism. However, with the global event of Internet starting in the nineties, the traditional diffusion of information has gradually evolved at least on two fronts. First, the CBC hierarchical top-down one-way traditional system has increasingly become outdated and replaced by a non-hierarchical horizontal independent media where ordinary lay people are interacting in the diffusion of news and information.

Second, the issues prioritized by a few CBC professional reporters and producers are not necessarily accepted as the same as the issues concerning most citizens. In other words, the limited choice of issues from one team of professional broadcasters needs to be expanded to more public participation. Therefore, I suggest that one of the organic ways for CBC to keep up with the evolving communication trends is to include in the Broadcasting Act a CBC mandate to open some community access programming to non-profit, non-religious, non-partisan, local independent media producer groups.

A precedent to this suggestion is the CRTC's regulation in 2002 that required privately owned cable television stations to grant community groups up to 25% access on television. This CRTC requirement, which includes more public participation, should be extended to CBC as well.

In reference to the governance structure, the hierarchical corporate governance of CBC and Radio-Canada needs to democratize itself by having an elected board of directors. I don't mean it has to be elected by every citizen in the country. I would accept an election by all 309 legislators, but there should be some form of election rather than just appointments by one person. And that should be for each local station. Furthermore, the access to programming should have an advisory board composed of all its participants.

If the Canadian heritage committee and the democratically elected ministers have in mind a democratization of information and communications, a fundamental principle to keep in mind should be to democratize the governance structure of CBC, because, after all, that is what democracy is all about.

In regard to partnerships between CBC and private broadcasters, the uniqueness of CBC is precisely its public ownership, which theoretically at least may not be influenced by privately owned interests. Selling a proportion of CBC to for-profit partners is effectively dismantling that original uniqueness.

• (1700)

For-profit partners would impair CBC from carrying out its present mandate, and eventually the for-profit partners would transform CBC into another commercially efficient enterprise. This simple prognosis is based on the ancient fact that the main interest of any business is to make profit. The present mandate of CBC of providing a public service is not in the least concerned with profit.

I suggest that we adequately maintain CBC's uniqueness as a democratic medium for information and keep it separate from the for-profit broadcasters, who may continue advertising their products and services on their own.

With respect to the new media, if CBC were fully funded by taxes, the emergence of new media would have no financial implications for CBC/Radio-Canada's overall budget.

With regard to regulating the new media, CRTC, in conjunction with local municipal governments, should extend its transmission regulations to municipal wireless networks. We have traffic bylaws to avoid chaos. We also need regulations for low-frequency networks to avoid abuse.

Thank you very much.

The Chair: Okay. Thank you for that.

I turn now to Ms. Fry for the first questions.

Hon. Hedy Fry: First of all, I want to ask Catherine Murray whether she has a printed presentation.

Dr. Catherine Murray: Yes, I have Ms. Fry. I've tried to make it available in the form I presented today. Furthermore, I've undertaken to provide footnoted, appropriately cited comments later.

Hon. Hedy Fry: Okay, good. Thanks. I was very interested in all of the things you had to say.

I am as concerned as you about the almost monolithic private media. They're all beginning to merge to the extent that they're now one medium. Of course, that's not good for journalistic reporting or for any form of information that is democratic or relevant.

I'm saying this here, but I'm sure I'm going to get heck for it. The fact that CHUM is now merging with Global and CTV concerns me. At least we knew that CHUM had a huge strength of Canadian content and culture. It did in fact present a very distinct type of programming. That's of concern to me.

The more and more this happens, you're absolutely right, the more and more CBC must survive. CBC must therefore take on this unique role.

I've heard everyone talk about a new governance model. That makes a lot of sense. I think you're absolutely right about all of those things.

There was something that Mr. Mora said. I read your thing, and I'm sorry I was out of the room when you did most of it. You're the second person today to talk about this interactive concept, based on digital media, of the CBC opening itself up to others feeding into that kind of programming. That sounds great. I would think that is how the whole of broadcasting should move forward.

My question is, who would look at standards for that? Should there be standards, and if so, who would look at it? What are the ethics of that?

We have seen that the Internet... I mean, I read the article recently about how the guy who's head of Wikipedia suddenly found out on Wikipedia that he liked chess when he didn't even play chess. So the accuracy of reporting...the fact that you can at least see it and know it has been well researched and accurate is a concern in terms of that kind of interactivity, plus ethical standards and various other standards with regard to programming.

I would like to know how you could do that. How would one do that and have the CBC...? The CBC would have branded those things, as we heard some talk earlier. If the CBC's going to become a brander and open up channel three and channel four and channel five, and if we will now be in the digital world, how do you do that? That's something that is really baffling me at the moment, and I'd like to hear about it.

• (1705)

Mr. Pedro Mora: They already exist. I've been doing community programming for the past twenty years through Rogers Cable, and now through Shaw cable. Shaw cable has a list of criteria taken from the CRTC, and they won't broadcast something that is not within those criteria. They are more strict than the CBC right now. For instance, if I'm reporting a rally where there are some abusive signs, sometimes with my camera I just take the whole crowd, and I don't even notice what the signs say. But Shaw cable will censor that and say, "You have to cover that sign because it's not acceptable."

Hon. Hedy Fry: But Mr. Mora, that's traditional television broadcasting. My thing about the Internet as an interactive forum—and I know Catherine is dying to answer this—will make it far more difficult to set those standards. Am I wrong?

Mr. Pedro Mora: You can always put some criteria or some framework people have to abide by, but it gives more access to everyone to participate. It doesn't come in the hierarchical way of "I am the news reporter and this is what happened in the world today"—there are a hundred topics out there, but just a few elite reporters choose the topic. So by having this interactive, having access to community television—

Hon. Hedy Fry: I understand the rationale for it; I was just concerned about the standards.

Catherine, you were dying to speak.

Dr. Catherine Murray: I think it's a very exciting question, actually. I think the CBC is already experimenting somewhat in this regard. It always invites comments from its listeners and posts them on the web. It has a minimal policy of editorial interference with those posted comments. The problem is that they're not then interactive in a fundamental way. But it's designed its Canada.ca so that you can go out into another zone and then return back, so you identify different spaces where different rules are in play.

I would simply state that Mr. Stephen Ward, at the University of British Columbia's Sing Tao School of Journalism, has been fascinated by the blogging world and the new standards that are evolving in social communities. It seems to me that we aren't completely there yet, but there seem to be evolving protocols, much like the protocol in Wikipedia, where instead of objectivity, there are protocols with respect to balance and fairness in representation of views that seem to be emerging. Certainly my point would be that the CBC is one of these news organizations in a dialogue with its citizens, so it needs to be on the front line of researching and articulating what these evolving social standards are and when they are offended, so that we have a better system of ethical regulation in this country, more responsive to our needs as citizens.

• (1710)

Hon. Hedy Fry: Thank you.

The Chair: Thank you.

Ms. Bourgeois.

[Translation]

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

Good morning, madam, gentlemen.

I have some questions for each one of you. I'd like to take this opportunity to pass along a message to our chair. Since there are so few of us in attendance, perhaps we will have more time to ask questions.

I'd like you to come back again, Ms. Murray. I also would have liked to get a copy of your submission. If I understood correctly, you worked on the Juneau Committee. You also mentioned the Lincoln Committee. I'd like our researchers to obtain for us any and all information connected with these committees. Your expertise is rather unique.

You have piqued my curiosity. Why was the famous Juneau Committee set up in 1996 following the Quebec referendum? Can you tell us about the Juneau Committee and what connection it bears with the referendum crisis in Quebec? What was going on at the time?

[English]

Dr. Catherine Murray: We were writing the final chapter of the report and the recommendation about the time the referendum was held. We released the report in January; I believe the referendum was in November. In the report, we made the recommendation to close down Ottawa and move the CBC to Montreal. In particular, we argued for a much more robust bilingual set of program exchanges and development of new types of content, culturally, in news, in documentary production, and so on. We argued for a special

envelope to be set aside. My understanding is that the CBC has not been able to pursue its exercise in bilingual television reporting.

For example, shows like the very popular *Bon Cop, Bad Cop* are not being shown on the CBC with subtitles as necessary. We had hoped for a programming zone experimentally set aside for that within the CBC, but not all of this was possible within the time. We also were quite concerned whether there was the perceived editorial independence of the CBC, both in SRC and in CBC English networks, in the coverage of the referendum campaign at the time. Subsequently, my thinking has evolved quite considerably on how you better protect editorial independence and impartiality at the CBC. I have reluctantly come to the idea that the current system of the ombudsperson and their system for monitoring within the corporation is no longer sustainable in today's political environment.

[Translation]

Ms. Diane Bourgeois: History later showed that the CBC and the SRC were extremely biased when it came to covering events in Quebec, particularly those related to the referendum. Would you agree with that statement?

I'm not trying to put you on the spot. Nevertheless, how you answer is extremely important, given what Mr. Norman Hill has told us about the CBC's control. I'm interested in hearing your views on this.

At the time, the SRC and the CBC were very particular about the kind of coverage provided to Quebecers of the Quebec referendum. Would you agree with me? Yes or no.

[English]

Dr. Catherine Murray: Let me state that I believe that editorial opinion of some of the elite press in Quebec was unanimous that the CBC was biased at the time. Internal studies were conducted, which were rigorous, and found that on balance Quebecers themselves felt the CBC had done not a bad job, but that is not a good enough standard.

In my view, each public broadcaster in every era will be faced with major political imbroglios that will have allegations of bias, political preference, and so on. This is part of what a public broadcaster does. If it is taking risks in news coverage, we expect this kind of political controversy. We need a system in place where we manage this controversy and debate its coverage, and that cannot be within the corporation only.

• (1715)

[Translation]

Ms. Diane Bourgeois: Before I get to Mr. Hill, I have another question for Ms. Murray.

You spoke of four requirements: an ombudsman's office outside the CBC, a debate on ethics in the media, reporters... I can't recall the fourth one. My memory isn't as good as yours.

Could you help me out? I believe you listed four requirements. What was it you said exactly about journalists?

[English]

Dr. Catherine Murray: Mr. Hill.

[Translation]

Ms. Diane Bourgeois: Was it Mr. Hill who brought this up? I thought it was Ms. Murray.

[English]

Mr. Norman Hill: Sorry. I thought you were asking her.

[Translation]

Ms. Diane Bourgeois: Ms. Murray, when you spoke earlier, you listed a number of requirements, including an ombudsman's office outside the CBC. You also talked about a debate on ethics in the media. You stated that the CBC should provide better quality reports. Finally, you also mentioned journalists.

What exactly did you have to say about journalists?

[English]

Dr. Catherine Murray: I believe that reporters and journalists should assess their current press council system. The Canadian Broadcast Standards Council and the regional press councils are not well enough known to Canadians. I think that the manner in which they make their deliberations is hidden and not particularly well communicated to citizens, and that we need a more integrated, rational, and accountable system.

Thank you.

[Translation]

Ms. Diane Bourgeois: I have a question for Mr. Hill, but I'll try to keep it short.

Mr. Hill, in point 9 of your submission to the committee, you state the following:

[...] Canadians need the CBC more than ever to inform us about what is really happening across the country, and to provide us with thoughtful, in-depth analysis.

In your opinion, is the CBC biased? Does it lack objectivity?

[English]

Mr. Norman Hill: One thing I've noticed over the years in watching the CBC—and I have been watching it for many years—is that increasingly in recent years the CBC has tended to shy away from controversial topics. It simply hasn't covered them. The example I gave was that of the security and prosperity partnership of North America. It's received barely a mention by the CBC, and this is of huge consequence to the future of Canada. It's about merging us with Mexico and the United States in a North American entity. For something of this magnitude to take place without our national broadcaster's bringing it up for discussion and analysis is, to me, inexcusable.

[Translation]

Ms. Diane Bourgeois: My last question, Mr. Chairman, is for Mr. Mora.

Sir, you stated that you would like to see the State radio and television network share the power it enjoys.

Are you saying then that the CBC wields too much control over news and information in Canada?

[English]

Mr. Pedro Mora: Yes, that's correct. I think there's too much power concentrated in the professional reporters and not enough

listening for what's important to the public in general. That's why the Internet is so successful: a lot of young people prefer to go to blogs and other websites because they can reply, and in some cases they can add their news. I think the CBC is missing a way for people to express their own interests rather than just being told what is news today.

It is possible, because community television is doing it. If community television, which is basically privately owned, is doing it, why is it that the CBC cannot do it? I have several times brought in my tapes to the CBC. I phone them and they say yes, just drop it at the front desk, direct it to some reporter, and I never hear back from them. I feel disempowered. CBC is like God talking from above.

• (1720)

[Translation]

Ms. Diane Bourgeois: Thank you very much.

[English]

The Chair: Hearing that answer, I must say that I am amazed when you talk about calling someone, or putting tapes in at the door, and they say they'll get back to you but they never return your call. Since I've been a member of Parliament, I've phoned many people back. I phone everyone back who requests my phone call, and so many of them say to me, "I didn't expect to hear from you". I think it's very important. It's courtesy, number one, whether the answer is yes, no, or maybe. It's nice to know where you stand. So I understand that one very well.

I have one question. In 2004 the CBC adopted eight strategic directions to reflect the corporation's mission-related role and responsibility. Do you think that the reporting of the results of CBC is adequate? Could reporting of results be improved, and if so, how?

Who would like to answer that one?

Mr. Pedro Mora: I'm not familiar with that report. Professor Murray might be.

Dr. Catherine Murray: It's a step in the right direction, but I think they're measuring the wrong things. One of the most fundamental measures is performance in delivering a share of viewing of Canadian programs, in particular a share of viewing of original programs. One of the paradoxes of our very carefully created broadcasting system is that we have no system to follow original production or how much new creativity is being inserted into the broadcasting system. We need the equivalent of a digital watermark on intellectual property to understand exactly how viable and sustainable the system is.

I think the CBC should be reporting more effectively its share of viewing of Canadian programs rather than the commercial share overall. Secondly, it should be reporting something that's very important, and that's reach, reach to all citizens. Finally, I believe it will be needing to be brought into alignment internationally under the new UNESCO convention for cultural diversity. There will be some diversity indicators that it will be compelled to answer.

On the finance side, I will always defer to the honourable Ms. Fraser. But in terms of the causal costs associated with the CBC's many ventures, particularly ventures within which it is involved as an equity partner with a private entity, there is not nearly enough financial transparency.

Thank you.

The Chair: Thank you.

That brings this session to a close. I must thank everyone who did come out to our hearings here in Vancouver. I found it to be very educational, and I'm quite sure our people who will help to bring this report together found your answers intriguing. Again, thank you for attending and making our trip here worth while.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.