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Chair

Mr. Gary Schellenberger

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•(0905)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): Good morning, everyone. This morning we welcome our witnesses to this, the 43rd meeting of the Standing Committee on Canadian Heritage, and today, pursuant to Standing Order 108(2), a full investigation of the role of a public broadcaster in the 21st century.

In our first hour, we welcome the Canadian Radio-television and Telecommunications Commission.

Mr. Hutton, I will ask you to introduce your people and make your presentation, please, sir. Thank you.

[Translation]

Mr. Scott Hutton (Acting Associate Executive Director, Broadcasting, Canadian Radio-television and Telecommunications Commission): Thank you and good morning, Mr. Chairman and members of the committee.

[English]

My name is Scott Hutton. I'm the associate executive director of broadcasting at the Canadian Radio-television and Telecommunications Commission. With me today are Peter Foster, manager of conventional television, and Doug Wilson, our director of strategic research and economic analysis.

Prior to making our presentation, on behalf of our chairman, Konrad von Finckenstein, I would like to table some information as a follow-up to the last appearance of the commission at the Standing Committee on Canadian Heritage on March 1, 2007. At that time, Mr. Angus requested some additional information with respect to both our process for handling ownership transactions and details of particular ownership transactions that we had dealt with without public process.

We're tabling this report. I believe copies are being handed out to you right now *par le greffier*. Briefly, I would just outline that essentially our process for share transfers is conducted subsequent to the issuing of a public notice announcing that we would handle certain share transfers, transfers of control, without public process. That public notice is in your package. It outlines the criteria on which we judge whether or not to issue a public process. There is also an explanation of the internal workings that the CRTC goes through in the process of considering such issues. There is an outline of the transactions that have occurred pursuant to this process over the last two years, and in particular, on pages 4 and 5, the specific transactions raised by Mr. Angus in respect to 18 radio stations in the

province of British Columbia. Regarding that particular case, I would just note that although 18 appears to be a large number of transactions, the overall audience figures and revenue figures, as compared to the level for the province, are rather small. You'll see from the details of that transaction that it was, in a way, an introduction of new players to the market, so we considered at the time that it did not raise significant policy considerations that would require a public process.

Thank you for your patience.

We'll now move on to our business of the day. We are pleased to contribute to your study on the Canadian Broadcasting Corporation and to provide our insight on how new technologies have been transforming the broadcasting industry. We have provided you with a deck on our recent report on the future of broadcasting. I won't go through it, but you may want to refer to it in questioning.

[Translation]

In the last few years we have seen the appearance of new technologies to distribute content to consumers, from personal music devices, such as MP3 players and iPods, to Internet-based radio stations. On the television side, the digital universe offers a multitude of pay and specialty channels, many of which are attracting a larger share of viewers. The Internet is also playing a more prominent role. You only have to look at websites such as YouTube for evidence that people enjoy being able to watch and upload short video clips. Meanwhile, conventional broadcasters are contemplating different strategies to manage the transition from analog to digital and high-definition signals.

These innovations, along with many others, are creating a competitive environment that is constantly evolving, one that presents new opportunities and new challenges. It is also an environment that places more power and choice in the hands of consumers.

What effect will it have on Canadian broadcasters, and in particular our national public broadcaster? Before I address this question in more detail, I would like to outline certain elements of the Broadcasting Act that are relevant to your study.

As you know, the CRTC's mandate is to regulate and supervise broadcasting in Canada, as set out in the act, which also describes, under section 3, the Canadian broadcasting policy. Among other things, this section reveals the role of the national public broadcaster. For instance, it states that the CBC should provide radio and television services incorporating a wide range of programming that informs, enlightens, and entertains.

As part of its mandate, the commission is responsible for issuing, amending or renewing broadcasting licences, and the CBC must submit applications like any other broadcaster. It is this activity that brings us to work most closely with the CBC.

Every seven years, the Corporation must file applications to renew the licences of its radio, television and specialty services. This provides us with an opportunity to review the CBC's overall plans and strategies for the next seven years. It tells us in specific terms what programs and services it will offer to Canadians and how it will go about meeting its objectives.

The importance of this exchange cannot be understated. Given our knowledge of the overall broadcasting system, we can draw attention to the aspects of the CBC's proposal that we feel hold the most merit. As well, our proceeding is open to the public. The last time we held a hearing to examine the CBC's licence renewal applications, we received some 4,000 submissions from citizens from one end of the country to the other—a clear indication that Canadians are very interested in the public broadcaster's future.

From time to time, the commission may propose conditions of licence in order to better meet the objectives of the act. The CBC has the option of requesting a consultation over such proposals. It is always possible that despite engaging in a consultation, the CBC will remain convinced the condition we are proposing would unreasonably impede it in the provision of programming services contemplated by the act. In this instance, subsection 23(2) states that the CBC can refer the condition to the minister for consideration within 30 days.

● (0910)

The Broadcasting Act also contains other provisions that explain the powers of the CBC, its financial arrangements and the constitution, mandate and responsibilities of its board of directors.

As I mentioned at the outset, the CBC is operating in an environment that is developing rapidly and that is forcing broadcasters to re-evaluate their business models. In June 2006, the Governor in Council, pursuant to section 15 of the Broadcasting Act, requested that the commission provide a factual report on the future environment facing the Canadian broadcasting system. The areas we were asked to examine are noted on page 4 of the deck.

In response to our public notice, we received 52 submissions from individuals, consumer groups, broadcasters, distributors and industry associations, and we commissioned three independent research studies.

What did we find? While the consumption of new technologies is growing, we observed that it is having minimal impact on the regulated system. Canadians still consume the vast majority of programming through regulated broadcasting undertakings and new technologies. New technologies have played a complementary role up until now.

However, given the emergence of new platforms and technologies over the last five to ten years, the only thing that will remain constant is change, and the speed at which change is occurring. Every day, we are seeing that the expectations and demands of consumers are changing. Consumers want more audio and video programming, and

greater choice in how they access that programming, when they access it and where they access it.

In time, new digital technologies could potentially replace regulated undertakings. This is why it is crucial for broadcasters to explore new opportunities to bring content to consumers.

Canadians, and particularly teenagers and young adults, are increasingly accessing programming through unregulated platforms such as the Internet. In the next decade, these younger Canadians will begin to exert their full influence on the marketplace, although it is too early to predict their future behaviour.

So when can broadcasters expect to feel the impacts of new technologies and the financial ramifications that might be associated with them? We found widespread uncertainty over this question. There was also a lack of consensus over the question of what regulations may be needed or not needed for broadcasters and new media.

Section 5 of the act instructs us that the broadcasting system should be regulated and supervised in a flexible manner so that it may adapt to technological change. This explicitly recognizes that different platforms and technologies contribute to the objectives of the act in different ways. As we move forward, one of the basic considerations will be to ensure that the broadcasting system continues to achieve these same objectives.

At the present time, there is a healthy Canadian presence in new user-generated content as well as in new media programming in short format such as news and sports clips. For the expensive, long-form programming, such as drama and nation-building events, we found that the same challenges exist for Canadian content in new media as in broadcasting.

Given the evidence provided with respect to the speed and acceptance of technological change, the commission concluded that it would prudent for policy-makers to assume that broadcasting undertakings may experience a material impact within the foreseeable future.

• (0915)

[English]

Participants in the study raised a very important question: should new media make an explicit contribution to our social and cultural goals? If you find that the answer is yes, then the next question you must ask is whether or not public policy intervention is necessary. And finally, if public policy intervention is indeed required, what are the most effective tools to ensure that new media does its part in the attainment of our goals?

Participants were also in agreement that the detailed and ongoing monitoring of developments is essential for an informed public policy response.

The commission has already placed a greater emphasis on monitoring the impact of new technologies so that it may contribute to the formulation of the best policy and regulatory response possible. Notably, we have created a new media policy and research group.

As well, we are now in the process of reviewing our principal policies and regulations. We started by publishing, in February 2006, a framework to guide the migration of analog pay and specialty services to a digital environment. Then, this past December, we issued a revised policy on radio and we are now reviewing our policy on over-the-air television. Once we complete this review later this spring, we will be taking a closer look at our policies on discretionary services and broadcasting distribution.

After reviewing the rules for over-the-air television, we will proceed with the renewal of licences of these services, and of course those of the CBC.

Before closing, I wish to underscore the high quality of the submission that the CBC provided to our study. These submissions are available on our website under “Broadcasting, Public Notice CRTC 2006-72”.

We look forward to the results of your study and now welcome any questions you may have.

Thank you. Je vous remercie.

The Chair: Thank you.

We'll turn now to Mr. Scott or Ms. Keeper.

Ms. Tina Keeper (Churchill, Lib.): We're going to share the time.

The Chair: Okay, Ms. Keeper, you share the time.

Ms. Tina Keeper: Thank you, Mr. Chair.

Thank you for the presentation.

I'd like to ask you about a comment you made. You say “...when can broadcasters expect to feel the impacts of new technologies and the financial ramifications.... We found widespread uncertainty...”

On this whole issue of new technology, the impacts, I guess I'd just like to get a sense of what you found in terms of the financial impacts, and also in terms of Canadian content and the social and cultural values. I'd like to have a greater sense of what you found there.

Mr. Scott Hutton: In terms of financial impact, the impact of new media—although new media has grown tremendously—has created a space for itself out of nowhere in the last decade. It has not had a significant impact on our broadcasters. We are beginning to see maybe slower revenue growth, maybe flat growth, but you have not seen a drastic shift away from consumption of our broadcasters' products and away from providing revenue for the broadcasters.

What we found vis-à-vis Canadian content...well, naturally our regulated system continues to provide the levels that we require of it and that the system requires of it, in light of the fact that the revenue picture is still holding there. If we look at what we found in the new media area as a result of our study, we certainly found that any one of us...if you look at YouTube, if you look at short user-content-generated information, Canadians are finding their way onto the platform.

If we look at what we call short news items, news clips, sports clips, current broadcasters or certain players in the newspaper field would be putting news about Canada on their websites. That appears to be making its way through the system. Canadians, just as in radio and television, demand to know about themselves through news and sports, one sport in particular. It's finding its way there.

What is not finding its way to the Internet—and I'd venture to say anywhere on the Internet, but in particular Canadian content—are the more high-end productions. High-end can be deemed to be Canadian drama, for example. The platform isn't quite ready, and that hasn't found itself there. We suspect that as with the key component of some of our exhibition requirements with respect to television, it's hard for our regulated enterprises to provide that or find the financial means to provide such services. We think it will be the same in the new media platforms.

• (0920)

Ms. Tina Keeper: I want to continue talking about new media. I had an interesting meeting recently with a person who has worked with artists for the past 25 years, and in particular with young artists. One of the things she mentioned to me was that youth today—and I know you mention it in terms of what the impacts are going to be in the next decade with this youth population that is using the Internet and is using new media. She talked about it being its own culture almost, and that there's a particular kind of globalization or there's a particular culture being developed, and it's shifting Canadian culture in terms of the arts and in terms of how young people and young Canadians understand their culture as being tied to that, those media. Did you find any of that? Can you talk about that in any sense, and how regulations...or how is it we move forward to address those?

Mr. Scott Hutton: Definitely, younger Canadians are the early adopters in this case. Traditionally, the broadcasting system has catered more toward those who have higher incomes, more disposable incomes, families. The younger Canadians aren't finding what they want on the current broadcasting system. That's something that's been around for many years. If we go back for decades, younger Canadians consume less radio and television than their parents, let's say, for the sake of discussion.

Here we are definitely seeing—and I have to agree with you—probably a shift further away. The gap is greater. They have not abandoned traditional platforms. They are consuming somewhat fewer of them. The reduction, I would say, in the traditional platforms is much smaller than the gain that is being made in the new media. If you look at the hours of consumption of Internet services, hours spent chatting using the chat services are far greater, so that time is either creating itself or it's coming from somewhere, consuming other products that were not broadcasting services.

Certainly it is a much more wide-open environment, and Canadians are finding their way into that wide-open environment. Young Canadians are finding their way. I'd have to agree with you that things are developing on that front, and Canadian stories from these young folks are finding their place on the world wide web, if you want.

The Chair: Thank you.

The next question is from Mr. Kotto.

[Translation]

Mr. Maka Kotto (Saint-Lambert, BQ): Thank you, Mr. Chairman.

Welcome.

I have a series of questions for you, which I hope will be educational for us. I probably will be unable to ask them all, but in case I run out of time, I will ask them all at once and you can always provide me with written responses.

You said that the proliferation of platforms used in Canada means that the crown corporation is *de facto* overstepping the mandate it has under the Canadian broadcasting policy.

In our analysis of the CBC's mandate, should we consider these new platforms? Should the CRTC do so as well, in renewing the CBC's licence?

Mr. Scott Hutton: All broadcasters in this country, including the CBC, have started to explore new platforms. Based on our report, we believe it is their obligation to do so, because Canadians have more choices. They want to exercise this choice and have access to the same programming through various platforms. They also want to exercise this choice from home at times, or on a mobile basis, and when they choose to do so.

For broadcasting products to get to consumers, we are of the view that all broadcasters should explore the various platforms. In the case of private broadcasters their very survival depends on it.

● (0925)

Mr. Maka Kotto: The CBC deals with private companies and offers certain promotions, notably in the case of access to certain material for cell phone users dealing with a company I cannot name.

Do you consider this type of practice to be consistent with the spirit of CBC's mandate? Should this be regulated?

Mr. Scott Hutton: To date, our policy with respect to mobile services offered by cell phone companies is based on exemptions. We have given these new technologies some leeway so as not to impose regulations, which involve costs. These are new platforms. We've decided to give them the freedom to choose the programming they want to offer to Canadians as they see fit. As I stated earlier on, Canadians want services to be available on different platforms.

Our goal is to let things evolve. When it comes to our regulations, it is acceptable for the CBC to offer services through subcontracts with mobile companies.

Mr. Maka Kotto: That is consistent with the spirit—

Mr. Scott Hutton: It's consistent with the spirit of our regulations, yes.

Mr. Maka Kotto: The Société Radio-Canada, but not the CBC, is starting to increasingly resemble private television. Do you believe that its mandate and its vested rights, for instance its guaranteed shares in the Canadian Television Fund, are still needed?

Mr. Scott Hutton: I will reserve my comments on the Canadian Television Fund, because, as you know, we have a team which is currently meeting with the various parties involved in order to try to find the right path with respect to the fund. So, I will try to avoid discussing the matter.

The Société Radio-Canada must, like all private broadcasters, compete on the market and reach its client base, diversify and renew itself in order to provide Canadians with the services they need. So, from either side—I'm not referring to the Canadian Television Fund—it has to go ahead—

Mr. Maka Kotto: You answered my question in part, yet substantially.

Is this not a trap for CBC/Radio-Canada, in that it is unduly focused on good ratings rather than on the very essence of its mission?

Mr. Scott Hutton: When we renew their licence, we also make this value judgment. At the last renewal, we consulted with Canadians, and in the case of the CBC/Radio-Canada there were some shortcomings; some services and some types of programming that Canadians wanted, like music services and that type of programming had been abandoned by the CBC. We did pressure them in that area. So, we do exercise value judgments when it comes to the CBC/Radio-Canada.

Mr. Maka Kotto: Thank you.

[English]

The Chair: Thank you very much.

We'll move on to Mr. Angus, please.

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you very much for coming. It's a fascinating discussion.

I want to know if you've looked at the issue of how we monetize the value of what is being put on these new platforms. Have you looked at some of the models out there, such as the BigChampagne model for peer-to-peer service or other scenarios for monetizing the work artists are putting on there?

Mr. Scott Hutton: We have not done any studies as yet on that domain.

I will indicate that the business models for how to monetize rights and how to monetize product are certainly evolving right now and are in a state of flux. A lot of the changes and a lot of the issues, as our chair mentioned last time when he was here about the CTF, relate to that evolution in the market. We have not studied that matter.

Mr. Charlie Angus: Well, my daughters come home, and my daughters are abuzz about their favourite television show, *Never Mind the Buzzcocks*. Every night they talk about their favourite television show, and they watch their favourite television show on YouTube because the BBC has put their entire catalogue on YouTube. It's created a market around the world. They go on chat lines, and kids all over the world watch this show, and they're part of it. I think it's actually a very exciting model for television.

The question then is this, and it was at the centre of the recent actors strike. If we have such an amazing back catalogue of Canadian product that we could put on for people around the world to watch, what kind of fee can we get to ensure people are paid for their work? Have you looked at that aspect of it yet?

• (0930)

Mr. Scott Hutton: No, we haven't looked at that aspect of it yet. As I indicated earlier, part of our policy, not only with mobile broadcasting but with all of the Internet and Internet broadcasting, is it's an exemption situation that we've chosen not to regulate. We have not monitored it closely.

One of the findings of our report is that it might have been somewhat of *une lacune*. We have certainly reorganized ourselves to pay much closer attention to new media, to how one technology is having an impact, and to how the business models will be developed over the next number of years in order for us to foreshadow what the impact will be on the broadcasters we regulate.

Mr. Charlie Angus: I raised it because I think issues that were theoretical three years ago are suddenly becoming very practical. We're going to start to see a dramatic shift.

In terms of market fragmentation, I hear this a great deal, particularly from private radio broadcasters. It's not that I'm unsympathetic to the issue of fragmentation, but I always say that if you want people to listen to you, you're going to have to put out a product they want to hear. Certainly, in terms of new technologies, people can choose what they want to hear, when they want to hear it, and how they want to hear it. It is going to be the future of broadcasting, whatever medium it is.

I want to go back to CBC, though. It seems to me that at least CBC Radio One and Radio Two are probably in a fairly good position to weather market fragmentation, because it is a product that people know. You can go into people's houses and it's not often that they have easy rock on the radio. They're more likely to have CBC Radio One or CBC Radio Two on, even if they're not listening to it.

There are programs, whether it's on an iPod or whether it's through Internet services, for example, shows such as *Ideas* or *Quirks & Quarks*.

Have you looked at how radio fragmentation is affecting private broadcasts and how it's affecting public broadcasts?

Mr. Scott Hutton: I'd have to agree with you. Spoken-word content is one, and the CBC is quite well placed in that domain, with the changing world.

As recently as last December, we published our revised regulatory framework for private conventional radio. We found that the key to private radio is the localism of the service. They are doing very well right now.

It's to be mindful of the situation that, yes, the Internet, Internet streaming, and different forms of products are certainly being made available, but right now the key to over-the-air radio, primarily FM, is the local content. You hear your local news. It's one of the only or one of the few areas where you can hear the local news, and it is mobile. They are thriving right now in that domain.

Broadcasters are doing very well, both on the balance sheet and on the listenership front, and the same would apply to the public broadcaster.

Mr. Charlie Angus: We have seen in recent years that private broadcast profits have not only stabilized but have increased.

I want to ask one last question. It's the issue on the transformation from analog to digital, because it is an issue I hear a great deal about in my riding, where I have a lot of rural people. They're people who don't have cable, and they watch the public broadcaster through rabbit ears.

They're very concerned that they're no longer going to be able to watch CBC television, which is the one show they might watch. They watch *Hockey Night in Canada*, and they watch it through rabbit ears. They say it's a public broadcaster, but now they're going to have to get an entire cable package to watch the one show they want.

Have you laid out some ground rules for the switch from analog to digital?

Mr. Scott Hutton: The commission is currently in its deliberations on that very issue, in respect primarily to the over-the-air television framework for commercial or private stations. That is a key concern, how one can ensure that Canada remains modern and moves to the digital world without leaving communities behind. So that is front and centre in our deliberations right now.

Mr. Charlie Angus: Thank you.

The Chair: Mr. Fast.

Mr. Ed Fast (Abbotsford, CPC): Thank you, Mr. Chair.

Thank you for attending today. We've had a fairly broad discussion about the new media as they relate to broadcasting in general. However, as you know, this is actually a study of the future of public broadcasting in Canada, so my first question is going to be general. The second one is going to focus more on the CBC.

There's a suggestion in the report that was just finished by the CRTC that there may be a digital gap developing between Canada and the U.S. None of the witnesses expressly stated that, but I tried to connect the dots, and I think what I read was that there was an intention originally to stay about two years behind the U.S. in terms of converting to a fully digital environment in Canada. There's some evidence that came before the CRTC that indicated that gap or that difference in timing may be over four years. I believe it was the Canadian Association of Broadcasters that suggested that if we don't provide more programming in HD, Canadian viewers will end up watching more American programming, which actually does offer HD.

So I have two questions. Is my understanding of the report correct? Secondly, is there an intention to actually establish a fixed date on which that conversion has to be done? As you know, most of the major European countries have gone to a fixed date, anywhere from 2007 through to 2012. The U.S., I believe, is February 2009. Canada doesn't have a fixed date.

Could you answer those two questions?

•(0935)

Mr. Scott Hutton: First of all, I would have to agree with the proposition of the CAB that if Canada does not provide high-quality television services, in this case HD, Canadians will watch HD from other countries. So it's very important that we remain at the forefront and offer Canadians those choices.

In a segue to your second question—it starts a bit with where you started off your question—Canada chose to have a market-based approach to the transition to digital and the transition to HD. This market-based approach has left us behind. We are, at the very least, two years behind, and some interveners have suggested, as you said, that we're four years behind.

To your second question, as I indicated to Mr. Angus, we are wrestling with that issue right now as a result of our hearings last November and December with respect to over-the-air television and the transition to digital. Now, our role certainly is to regulate our broadcasters, so we are struggling with how we can evaluate whether or not we need a change in policy from a market-based approach to something more firm, which, as you've noted, is done in the U.S., which is at 2009. A lot of the folks who came before us suggested that we should maybe set a date two years beyond that. But that's for us to decide.

A little particularity is that this decision also has to be made in conjunction with the spectrum management folks over at Industry Canada, because it is primarily their decision. We can help. We can push our broadcasters on that front. But it is their decision.

Mr. Ed Fast: There was a suggestion from some of the broadcasters that both the regulatory and business environments in Canada currently are not conducive for them to actually invest heavily in additional transformation and that there's going to have to be a complete review of that to make it worthwhile for them to do it on a more timely basis.

Mr. Scott Hutton: You're putting me on sketchy ground, because that's exactly the issue that is before us. The broadcasters have certainly said that transitioning to digital and transitioning to HD is very expensive; therefore, we should allow them fees or regulatory

bargains to be able to achieve the objective of transitioning to digital. So that is before us. That is a live issue that I would like to avoid providing too many details on.

Mr. Ed Fast: Let me focus briefly now on CBC, because that's what this study is about. There's been a suggestion that the CBC has historically been hamstrung by limitations placed on it in terms of expanding into new platforms. I believe the Lincoln report touched on that and suggested that in most cases the CBC has not been given permission to purchase, for example, pay-TV offerings or specialty channels.

What is your general approach in terms of how we will allow CBC to remain competitive in a rapidly changing technological world?

•(0940)

Mr. Scott Hutton: I'd have to go back to a little bit of history, to our dealings in licence renewals. At the last licence renewal in the year 2000, when some of the new technologies were coming on board, that very issue was raised. I think our point of view at that point in time was that exploration in new business areas is excellent. You need to do that, but you must not forget your core business. That was a theme in that renewal.

As we go forward into potentially another renewal in a year to a year and a half, certainly the position that the world is changing, that Canadians are demanding something different, will probably require re-evaluation or at least reconsideration of that view.

The Chair: Thank you very much.

Mr. Scott.

Hon. Andy Scott (Fredericton, Lib.): Thank you very much.

I'd like to explore a little bit the CRTC's particular role in this exercise. It occurs to me that we have a traditional challenge, given the demographic nature of the country's population base and so on, and proximity to the United States, applied now to a whole new series of manifestations of that challenge.

I think we all probably agree on some terms of the challenge. Maybe there's a mixed response to that, and we might disagree in some ways, nuanced ways perhaps. But I think the issue will be, where do we find the creative energy for the solution? So the first question becomes, what is your role and mandate, and how far can you go in assessing that? You've been given a mandate to take a look at these issues. How far does your mandate allow you to go in doing the evaluation? The next part is the response to that evaluation, and how far can you go to say to the government, these are the kinds of things that we would propose be done, so to what extent can we take some strategic alliance here in terms of our work? Then, finally, on the other end of this exercise, as a regulator where do you see yourself? And you can inform us in terms of recommendations that we might make to the government as a result of the work we're doing.

I think part of the problem will be where the responsibility rests for dealing with this. We will wish an outcome, we will expect an outcome, and we will sit idly by while that outcome doesn't materialize, because no one really knows whose responsibility it is to make sure that outcome in fact is realized. So could you respond to where you fit in this equation?

Mr. Scott Hutton: Not to downplay changes that are before us, but if one looks at our situation right now—forget about new media—you have newspapers, you have magazines, you have arts, you have broadcasting. There are probably a number of different ways for Canadians to see themselves or to see stories about themselves and/or to express themselves. I think that's the foundation of the Broadcasting Act and a lot of our public policy interventions in all of the fields.

We have now an additional field coming on stream. It is a field that is probably closer to the areas that we've traditionally been dealing with, because a lot of the companies involved in this new field are either telecommunications companies, which we regulate under the Telecommunications Act, or broadcasting enterprises, which we regulate under the Broadcasting Act.

So you do have an existing role, and now you have something new. I think as policy-makers, we need to look forward. It will have to be a mix, into the future, of a variety of interventions. What are our responsibilities right now, or what is the CRTC's tool kit as it looks at broadcasters? Well, we have exhibition requirements, a percentage of Cancon, whether you agree with that or not. In the on-demand world, you'll be looking at shelf space instead of percentage of viewing. So those are tools that we can evolve into that domain.

We have expenditure requirements. We require broadcasters to reinvest or cable companies to reinvest into Canadian content. Money is something that would likely be able to survive into the future, so that's something you can probably count on there. What you may not count on is the source of that money. As you have more and more competition in this domain, as you have more and more players, as the market gets larger and larger, you may not be able to depend on the current players to be providing those funds.

Does that mean we look at different players to be providing them to those funds? Maybe. Do we look at more direct government intervention, again, to promote that, to provide those funds? Those are options into the future.

In terms of government intervention, certainly we don't have those funds, or that mandate hasn't been provided to us at this point in time, but our current means certainly will be challenged. What we are doing right now and over the next number of months is really finding out where the CRTC will find itself. What will the CRTC look like in five years? We have a new chairman, and he's asked us that question. Certainly we are going to be embarking on that domain.

Really, we have to go back to asking what's the main role of the broadcasting system. I think, or I would be a proponent of saying, there is a role for somebody to defend that in the broadcasting world, going forward. What exactly will that look like? It will be an evolution of our current tool kit, that's for sure, but I think something can be done certainly in the next five years, since the full impact, as we indicated in our deck, is probably a half-generation away.

● (0945)

Hon. Andy Scott: How do you reconcile the necessary interventions because of, again, the nature of the country and so on? We have a regulated system, we have a mixed system, we have all those things. How do you reconcile that with the fact that we need to be very nimble in order to keep up with the pace?

My fear would be that the very instruments that make it work are going to also make it slow. The pace is going to be the feature that is going to define this, and we are, for all the best reasons, going to have a hard time making the decisions quickly enough to keep up.

Mr. Scott Hutton: I can answer on two fronts.

One, currently we are certainly looking at all of our regulations to ensure that we remain flexible and nimble. We are conducting a set of policy reviews. While traditionally policy reviews have a shelf life of about seven to eight years, I think our current policy reviews are probably in the two- to three-year timeframe. Certainly we are very much aware that we must remain nimble, so we are balancing that internally. Our radio policy does reflect the need for flexibility. Even though that industry seemed to be doing extremely well at that time, we provided them with the flexibility to compete against the new platforms.

The other side of the coin is certainly our practice of using exemption orders, of not regulating the brand new content so that regulation doesn't impede its development. That's another way we achieve the balance.

The Chair: Thank you.

We will now move on to Mr. Kotto.

[*Translation*]

Mr. Maka Kotto: Thank you, Mr. Chairman.

In your opinion, is a public broadcaster still relevant in the 21st century?

Mr. Scott Hutton: Yes.

Mr. Maka Kotto: Considering everything we've just discussed?

Mr. Scott Hutton: Yes. This comment seems very timely to me, for today, as well as for the future of the Canadian broadcasting system. Especially when it comes to English-speaking Canada, you can't lose sight of our proximity to the United States. On the French-language side, the market's small size is the issue. Either way, it will be necessary to adapt to market changes as well as to changes in what Canadians want.

Mr. Maka Kotto: Could you succinctly remind us—and you may be able to expand later on—of the CRTC's specific role with respect to controlling Canadian content as it concerns the public broadcaster?

Mr. Scott Hutton: Are you referring to the CRTC's role with respect to regulating the CBC/Radio-Canada?

Mr. Maka Kotto: Yes.

Mr. Scott Hutton: Unless you're referring to Quebec television.

● (0950)

Mr. Maka Kotto: You may address the issue specifically or globally.

Mr. Scott Hutton: The CRTC's role with respect to the Société Radio-Canada is similar to the role it plays with respect to the CBC. Although we are close to these organizations, their mandate is clear and it is also included in the Canadian Broadcasting Act. We are therefore required to apply slightly different regulations. We must be very conscious of their specific mandates and of the fact that in terms of financial resources, when it come to modernization, they probably do not have the same flexibility nor, at the very least, the same access to capital as would private broadcasters. This is certainly a factor we have to bear in mind when we are looking at renewing their licences. Under the act we must consult Radio-Canada. There is also a specific right of appeal for the minister. The process used in the case of the Société Radio-Canada is quite different from what we use for private broadcasters.

In a general sense, we believe that broadcasting for the francophone market in Canada, specifically in Quebec, is very successful, especially when compared with the English Canadian market. Quebecers and French Canadians seek out a product which is in their image far more so than English-speaking Canadians do. Their market may be smaller, which in and of itself involves challenges, but this same market supports francophone television and broadcasters.

It is a great success story, and it is probably less necessary to intervene in this market than it is to intervene in the English Canadian market in order to meet the objectives under the act. Being cognizant of the results and of the differences observed in the market, we make distinctions in applying the regulations.

Mr. Maka Kotto: Do you, from time to time, receive public complaints regarding Radio-Canada's programming? If so, could you tell us what they are mainly about?

Mr. Scott Hutton: Yes, we do receive complaints. We could provide you with that information. We do have some details with us here today.

Mr. Maka Kotto: We'd like you to share that with us if you don't mind.

Mr. Scott Hutton: I'll defer to Mr. Foster.

[English]

Mr. Peter Foster (Manager, Conventional Television Services for English Markets, Canadian Radio-television and Telecommunications Commission): We put together some numbers over the past seven years. There were about 3,500 complaints for both the CBC and SRC. The vast majority of those are to do with programming. About 85% are to do with the nature of the content of the programming. That could be violence, adult programming, scheduling, the lack of advisories or warnings as to the content that's being provided, but it's a very broad range of complaints. This is for TV.

In terms of other aspects, only about 8% of complaints over the past seven years had to do with advertising; only 2% were about the quality of the service, the technical quality; and only 2% were about the provision of service, the availability of service to viewers.

[Translation]

Mr. Maka Kotto: I'd just like to ask one small question.

[English]

The Chair: You may, if it's very small.

[Translation]

Mr. Maka Kotto: Thank you, Mr. Chairman.

What about service in both official languages throughout Canada?

Mr. Scott Hutton: It would seem that we have not received a large number of complaints regarding the availability of French-language services outside Quebec and English-language services in Quebec and the Maritime provinces. People wanting to send in their comments may send them to us or to the CBC. The complaints we receive are about us and there haven't been many problems in this regard.

Mr. Maka Kotto: Thank you.

[English]

The Chair: Thank you for that.

Mr. Fast, we'll try to hold to five minutes, because I have one question I would like to ask at the end.

Mr. Ed Fast: Thank you, Mr. Chair.

Again going to new media, we have so many new technologies available to us, especially in the wireless world, where people want to receive a lot of this content on their iPods or their PDAs. In fact, just recently there was the announcement of the Slingbox, which will allow people to view what they could normally watch on television on any portable device that has the capabilities.

The challenge, of course, for not only the CBC but the broadcasting industry in general in Canada is how you capture that content. How do you "monetize" it, as Mr. Angus referred to it?

That brings me to the question that relates to the new media exemption. At present, almost all new media is exempted from regulation by the CRTC. I refer you to sections 392 through to 398 of the report.

There appear to be two minds within the industry. Some of the players, of course, believe very strongly that the new media exemption should stay in place, that it contributes to allowing this technology to develop within Canada. Other players, such as the CBC, the official languages commissioner, some of the cultural and production stakeholders, have questioned the value of the new media exemption.

What I'd like to do is quote some of the comments made in the report, first of all from section 396:

The Commission notes the comments from many parties that the new media exemption order has helped foster innovation and entrepreneurship by Canadian companies on the Internet.

Then we move to section 397:

It is certainly the case that the presence of the new media exemption order does not in any way preclude Canadian entities from undertaking self-initiated activities consistent with the objectives of the Act. Nor does the presence of the new media exemption order prevent government or the Commission from creating incentives to encourage broadcasting undertakings to launch Canadian content-rich Internet or mobile based services...

And then finally, section 398 says:

Traditional regulatory approaches are not the only means by which public policy can enhance a Canadian presence on new media platforms. Incentive-based regulatory measures may ultimately be more likely to succeed in the emerging "open" broadcasting system.

Now, those comments, which I believe may reflect the Commission's bias—maybe I'm using the wrong term—certainly reflect an indicator that an incentive-based approach to regulating new media may be more desirable than the traditional model.

My question to you is, first, have you already taken a position on that? The other question is, is there any intention of lifting the new media exemption in the near future?

• (0955)

Mr. Scott Hutton: I'll answer the last part. In our report, we actually go out of our way to indicate that it is not the time to lift the exemption just yet. Some of the words you've indicated, and certainly an open question in our report that I repeat in my opening statement is, should the new media be contributing to the Canadian objectives? I think that's probably a rhetorical question.

The second one you go to is, should public policy intervention be required? That is still an open question. As we've noted, certainly for user-generated content or short content provided by our broadcasters, there is no need for regulatory intervention at this point in time. Canadian stories are getting out, and Canadians can see themselves on these new media.

What we want to be mindful of is more the high-end situation. That is a concern. It's certainly been very difficult to produce high-end Canadian content in the broadcasting system. We only suspect—it's not a formal finding—that it will be the same in the new media.

The reason the words "incentive mechanism" were chosen is, as I responded to Mr. Scott a little bit earlier, that in our current tool kit, certainly exhibition requirements—such as, primarily, Cancon percentages—likely may be difficult to implement in a world of high, on-demand-type services. Potentially finding another element, or relying more on a different part of the tool kit, which would be some form of different incentive to produce Canadian content, is the suggestion that is made here to policy-makers to at least consider.

Mr. Ed Fast: Is it even possible to—

The Chair: Mr. Fast—

Mr. Ed Fast: This is just a very short one.

The Chair: Then I'm not going to get to ask a very short one. I would like to have just the last question here, if I could, please.

Just last week, as a committee, some of us travelled to Yellowknife and to Vancouver. We had hearings in both places.

A significant number of Canadians still depend on over-the-air reception. I know Mr. Angus has asked this, but last week the committee heard from several witnesses who no longer receive over-the-air signals from the CBC. What is the CRTC's position on this? As a public broadcaster, is it the mandate of the CBC to make sure that these signals get to people, maybe in a new way?

The one big thing in Yellowknife was that not only is it in English and French, but I think there are 11 Innu and aboriginal tongues spoken, to get the message that those people also deserve some of these things.

What is the CRTC's position on over-the-air reception, especially in some of the remote areas? Some of them aren't quite so remote, such as Kamloops. We heard a presentation from them too.

• (1000)

Mr. Scott Hutton: I'm a bit uncomfortable in answering, because as I indicated earlier, that is a key consideration of our current over-the-air hearings with respect to broadcasters, which will set out a policy.

Currently the CRTC's policy and the government's policy is trusting the market to replace transmitters. Bringing folks, whether in urban Canada or in rural Canada, into the new world has been left to the market. We're currently being asked to reconsider that, and certainly it's a key consideration for us to, on one side, promote the assurance that Canadian broadcasters, including the CBC, move towards new digital and HD programming, and at the same time try to make sure that Canadians are not left out.

It's going to be a very serious challenge, in particular with respect to the CBC, because they have and they have built a far more expansive network as a result of government intervention or incentives at a certain point in time or the sense of obligation because it is a public broadcaster to get that out there. They have a far larger network than most other private broadcasters and they have a significantly greater challenge in that regard to modernize the faraway transmitters.

We're on the case, and certainly we will be issuing our policy. We will be addressing these issues and the renewal of the private broadcasters' licences and the CBC's following that.

The Chair: Okay, thank you.

Thank you very much for your answers, and thank you to the committee for the questions. We will now recess for five minutes to await our next witnesses.

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_____ (Pause) _____

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• (1010)

The Chair: I now call the meeting back to order.

Our next presenters are from the Office of the Commissioner of Official Languages.

Mr. Commissioner, I welcome you and your colleagues to our meeting this morning, as we study the role of the public broadcaster in the 21st century.

Mr. Fraser, if you would, please introduce your colleagues and make your presentation. Thank you.

Mr. Graham Fraser (Commissioner of Official Languages, Office of the Commissioner of Official Languages): Thank you very much, Mr. Chairman. I'm here with assistant commissioners Gérard Finn and Renald Dussault, who will be able to answer some of the more detailed questions that I'm sure you will have.

[Translation]

I am grateful to the committee for allowing me this opportunity to appear before you today, which by a happy coincidence is the International Day of La Francophonie.

[English]

I am deeply interested in the subject you are discussing. Being a federal institution fully subject to the Official Languages Act, the CBC has obligations to take positive measures to promote Canada's linguistic duality and enhance the vitality of English and French linguistic minority communities. Our national broadcaster must also protect our common heritage, strengthen our identity, and reaffirm our values. This is particularly true in an era of globalization marked by increasing diversity and developing tensions that sometimes threaten our linguistic partnership.

Today, I'd like to discuss the universality of access to the CBC's radio and television stations and the important role the CBC has to undertake to create cross-cultural bridges. The CBC is at the heart of Canada's broadcasting system. I believe it is vital to reaffirm its importance as an essential instrument for promoting, preserving, and sustaining Canadian culture. We need a CBC that's not only on the technology frontier, but also has a vision about Canada and its future.

The CBC has demonstrated success at providing radio and television programming that tells the story of linguistic realities across the solitudes. It should be celebrated and further encouraged for its distinctive contribution to Canadian programming, especially on new media platforms. The CBC should continue to play a leadership role within the Canadian broadcasting system, especially in an increasingly fragmented media environment. New media services, for example, can and do complement the CBC's overall programming strategy.

In order to ensure CBC's services to all Canadians in both official languages, it's important not to diminish the full range of obligations that the CBC already carries under the Broadcasting Act to develop regional programming.

• (1015)

[Translation]

The CBC has long been a lifeline for information and cultural connection within regions and across the country. In several regions of the country, the CBC remains the only relevant media channel in the official minority language. This is particularly true for minority francophone communities but also for the English minority in Quebec.

I strongly support the efforts of the CBC to serve these threatened communities, and in particular, the CBC's Quebec Community Network for English radio, the maintenance of a strong French TV and radio journalistic and cultural presence in communities outside Quebec, and French-language TV projects based outside Quebec.

However, there are still significant shortcomings in regional programming as, over the year, production has been centralized in Montreal and Toronto. The CBC itself has expressed serious concerns about this. The plans it developed in 2005 proposed a series of measures to re-establish a strong regional and local CBC presence in the regions. One of those measures was to substantially increase cultural programming for the main networks from new and existing production centres outside Quebec.

The government should support an increased role for the CBC in regional programming. This is already reflected in the Broadcasting Act, but funding has not respected this obligation. If the act is amended, these regional obligations should be maintained and if need be, strengthened.

[English]

Over the years, the CBC has developed and produced what one could call cross-linguistic programming. *Canada: A People's History* and *Breaking Point*, a program on the Quebec referendum of 1995, are memorable examples. However, paradoxically, at a time when more and more Canadians are becoming bilingual, truly bilingual journalistic and artistic dialogues on television and radio have become more rare. This is regrettable. As Canadians, we need to talk to one another more often and to work together more closely. Fortunately, a few programs, like CBC Radio One's *C'est la vie* and Newsworld's *Au Courant* use talented and insightful hosts to provide a glimpse into the current lives of Canadians who speak French.

Nevertheless, cross-linguistic programming has never become a normal part of operations for the CBC and Radio-Canada. I believe this should change. The CBC should have as a priority the development of more cross-linguistic programs, especially on new media platforms, which are more flexible and adaptable. We're not proposing cod liver oil programming, but programs that show us how the lives of people who speak the other official language can inherently be interesting and engaging.

It's also important that the CBC create actual and virtual spaces for media professionals from both language groups within the corporation to exchange and develop ideas and common projects. One example of this cross-linguistic collaboration is the way producers and staff working for Radio Two or for Espace musique frequently collaborate on live music recording and other programming activities.

What's been lacking is not the will and imagination to work creatively together but the absence of a common space for bilingual and bicultural collaboration. It's difficult to understand how the CBC can hope to foster understanding between English- and French-speaking Canadians if it cannot create internally, from the bottom up, the conditions that allow anglophone and francophone artists and artisans to work creatively together.

Subsection 46(4) of the Broadcasting Act sets out:

(4) In planning extensions of broadcasting services, the Corporation shall have regard to the principles and purposes of the Official Languages Act.

There are particular challenges in this regard related to the current transition to digital services. Currently the CBC's hybrid digital HD strategy involves the replacement in major markets of analog transmitters with digital, high-definition, over-the-air transmitters. These transmitters would reach 80% of the Canadian population.

Elsewhere, satellite, cable, or even Internet protocol television would be used. This means that in remote and rural communities, citizens will have little choice but to subscribe to services like ExpressVu and Star Choice. However, there is a problem. These services do not transmit to all local stations. In fact, I met someone in Saskatchewan recently who had switched to a satellite service and had discovered that he could no longer get local programming from Regina. As a result, many members of minority language communities may not have access to the local Radio-Canada services that are fundamental to their development.

● (1020)

[*Translation*]

Universality of access must remain CBC's fundamental principle. During the transition period, the CBC signal must continue to be available over the air, especially to smaller communities.

As over-the-air transmission becomes less sustainable, obligations will have to be placed on satellite providers to carry the full complement of the CBC's programming. To that end, I want to reiterate the recommendation made by this committee in 2003: the government, by order in council, should direct the CRTC to require Canada's direct-to-home satellite providers to carry the signals of all local television stations of the CBC and Radio-Canada.

That said, I believe that the federal government should ensure that the CBC has the tools and the funding necessary to provide a distinctive and independent national voice in both official languages.

Chronic underfunding has made it more and more difficult for the CBC to continue to reflect the aspirations and achievements of Canadians on a regional and local basis. It is simply not possible for the CBC to continue much longer to strive for excellence on a shoestring budget. Appropriations granted to the CBC by Parliament should be increased at a minimum to their level prior to 1996 and should increase, at a minimum, relative to the overall growth in government expenditures and overall federal cultural spending, based in part on comparisons with spending on other public broadcasters with similar mandate obligations around the world. For example, Switzerland, a nation with more than one official language, funds public broadcasting at 2.5 times the Canadian level. The BBC is funded at the level of \$122 per Briton versus about \$33 per

Canadian for the CBC. Out of 18 countries with public broadcasting systems, Canada ranks 15th in terms of capital funding.

The government must support the CBC's ability to carry out the full range of its obligations through the proper level of financing. I repeat the recommendation made by this committee in 2003: Parliament should provide the CBC/Radio-Canada with increased and stable multi-year funding.

In the past, the CBC has shown that it was willing to rise to the challenge of being an instrument for promoting and sustaining Canadian culture in both English and French and for enhancing the vitality of our minority language communities. I am confident that with the help and guidance of this committee, the CBC can adapt and renew itself as a truly national public broadcaster in this new century.

[*English*]

Thank you very much.

I shall be happy to answer any questions.

The Chair: Thank you, sir.

Please go ahead, Ms. Fry.

Hon. Hedy Fry (Vancouver Centre, Lib.): Thank you.

Thank you for coming, because I think your presentation is vital. There are huge minority communities of francophones around this country. In British Columbia, for instance, there are about 65,000 francophones, but they're not all in one place; they are scattered all over the place. Only Vancouver really gets any CBC French language programming; with the Fédération des francophones de la Colombie-Britannique, they get some media covering what they do. But in Campbell River and in other areas of B.C. up north where there are huge francophone communities, nothing is said, nothing is done. I think the problem most people underline is that from the CBC, people in Quebec and across Canada have no idea of the minority communities of francophones in British Columbia. And CBC's mandate is not only to reflect Canada to others, but also to reflect regions to Canada.

That brings me to what we were talking about earlier, which has to do with the digital medium. With new digital media, CBC has an opportunity to do this, to be able to reach and link digitally the small communities across Canada, especially francophone minorities, and to make sure this is nationally available, so that Quebecers know what the regional diversity of Canada is about in terms of the francophone minority. Francophones get Quebec media very easily, but there is no other flow.

I would like to ask your opinion on this. Do you think that if the CRTC, instead of waiting 10 years, became proactive and decided to look at Internet licences, so that the CBC could develop not just radio but also TV on the Internet to move across this country, this would be one way of bringing a linguistic reality in terms of bilingualism and the francophone reality across the country? Do you see an Internet licence from the CRTC as an integral part of this, so that the CBC could move into the digital media? As we heard earlier on, it's not merely francophone communities but also rural communities who cannot have access any more because cable companies now have all the infrastructure for digital, and people can't afford to buy a lot of that digital access through cable and the box they have to buy, at about \$400 each.

So moving into the Internet would be a great way of introducing a whole new group of young Canadians to the francophone minority, which could also be done through iPods. Do you see that development of an Internet licence as the crucial thing? How do you think we can get the CRTC to understand that that should be done now and not in 10 years' time?

• (1025)

Mr. Graham Fraser: Let me respond, first of all, to your comments about the francophone minority in British Columbia. One of the first trips I did after becoming commissioner was to Vancouver, and I was extremely struck and impressed by the vitality, the innovation, and the energy of the francophone minority in reaching out to connect—often through high technology in the classroom—communities scattered across the province. I think new technologies represent an extraordinary opportunity to connect not just francophone and anglophone minority communities, but also communities everywhere.

In terms of the specifics of whether licensing is the appropriate route to go, in the past the commission has suggested there should be some regulatory action taken, not only in economic terms but also in social terms.

But I'll refer to my assistant, Gérard Finn, for more detailed comment on that aspect.

Hon. Hedy Fry: That's what we were told by the digital people, that this is what needs to be done.

Mr. Gérard Finn (Assistant Commissioner, Policy and Communications Branch, Office of the Commissioner of Official Languages): Yes, we have observed in the past, for example, that in terms of what is available on cellphone as TV, there are only two French language stations, Météomédia and RDI. There are a lot more stations available in the other official language without regulation. So the remote communities will not have the kind of access they have via the traditional way if it is continued in this way.

Mr. Graham Fraser: The one thing I would like to amplify from the remarks I made during my presentation was that when I was in Saskatchewan 10 days ago, I met someone from a rural community who said he had signed on to a satellite service expressly so he could get more French language programming, and in the process he lost access to the local French language station based in Regina. So there is a certain paradox, in that in signing on to a satellite service you lose part of what you've got.

• (1030)

Hon. Hedy Fry: Absolutely.

We heard that with a lot of the satellite services now, 95% of their content is non-Canadian. So how can you, by signing on to a satellite service, get Canadian content?

The Chair: We have to keep going, as we're in overtime here.

Thanks.

Madame Bourgeois.

[*Translation*]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you, Mr. Chairman.

Gentlemen, good morning.

Mr. Fraser, on page 2 of your brief you state that you strongly support the efforts of the CBC to serve or maintain a strong French TV and radio journalistic and cultural presence in communities outside Quebec.

What do you base that statement on?

Mr. Graham Fraser: As commissioner, I travelled throughout the country and met with radio and television hosts in stations from Vancouver to Regina, for instance. These people do excellent work covering local events which serve as points of reference for the minority communities in the region. As is the case everywhere, not only does local radio and television play a role in terms of information and awareness raising, but it also serves to bring the community together, giving the community something to identify with.

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

However, I would like to point out that in your brief, you refer to a strong journalistic presence. I'm not trying to say that the journalists that are present there are not of high quality, because you're telling me that they are. I agree with that.

My question has to do with the fact that last week, when we went to Vancouver and Yellowknife, the people that we met were in fact complaining of a lack of journalists and of French culture, a complaint they backed up with evidence. That is why I wanted to check with you as to where you had seen a strong journalistic presence, because we were told that the quality was high but that in terms of their numbers, that was an entirely different story.

Mr. Graham Fraser: Oftentimes, small teams do extraordinary work under difficult conditions. Perhaps my saying "a strong presence" reflects the fact that I was overly impressed by the quality of their work. I must add that I did not poll the news rooms to see how the work was being done. It is quite possible that these are people who... I must also admit that we still receive complaints as to the high turnover among journalists and hosts in regions outside Quebec.

Ms. Diane Bourgeois: I'd like to speed things up a bit, because I have four questions to ask.

My second question has to do with what's written on page 3 of your brief where you seem to be focusing on cross-linguistic programming within the CBC.

What about French-language communications outside of Radio-Canada? Have you looked into the issue of whether Radio-Canada was indeed fulfilling its mandate in terms of official languages?

Mr. Graham Fraser: When you say outside of Radio-Canada I don't quite understand what you mean. I mainly referred to the possibility of Radio-Canada and the CBC working together. I gave examples of programming that was produced in the past. Unfortunately, instead of this being part of the trend, it is rather exceptional, and there has been no follow-up. The success of these shows certainly, in terms of quality, did not produce a team which continues to work on joint programming.

• (1035)

Ms. Diane Bourgeois: I asked you this question, Mr. Fraser, as a segue to my third question. You will see that there is a relationship between these two points.

In part four of your brief, you mentioned that the government by order in council should direct the CRTC to require Canada's direct-to-home satellite providers to carry the signals of all local television stations of the CBC and Radio-Canada.

I'll give you an example to illustrate why I'm asking you this question and the relationship between the two. I am a francophone and when I spend 15 days in a hotel in Vancouver, I only have access to the news in English, on CBC. I don't have access to Radio-Canada's French-language services, only to childish shows.

So, as Official Languages Commissioner, do you have any right of review over programming, in terms of the language aspect of the Société Radio-Canada? You responded with respect to internal programming. I am now asking you to tell me a bit about external programming.

Mr. Graham Fraser: I don't think that it is Radio-Canada's responsibility to see to it that their programs be broadcast in hotels. I myself have been in this situation, desperately trying to access programs in hotel rooms outside Quebec. We have not looked into the issue yet, and we are indeed thinking about the possibility of such a study, from the television viewer's standpoint. We are still thinking about this issue. Some studies may help to answer your question. I do not think that it is Radio-Canada's responsibility to make sure that its signals are available in every hotel room.

I don't, in fact, have a clear answer as to who is responsible for this; I did take note of your question. From the point of view of a TV viewer in a hotel room, I will attempt to find out who is responsible for this.

[English]

The Chair: Thank you.

Mr. Angus is next.

[Translation]

Mr. Charlie Angus: Good morning. I represent a region where there is a large francophone population and I have a good understanding of CBC's role in maintaining the francophone identity of francophones in Northern Ontario.

[English]

As I listen to this discussion this morning, what strikes me is the issue of the role it plays in maintaining and building a sense of identity, because no region or group wants to listen to somebody else's dialogue; they want to participate in their own dialogue. In our region, Radio-Canada plays a unique role for the isolated communities because they talk to each other: they hear their own people on the radio and they hear what's happening in the other little communities.

Sure, it's fine to hear the news from Montreal, but if all they hear is the news from Montreal, it's not going to maintain their community or their identity in any way whatsoever. It's the ability of Radio-Canada—in our region in the north, anyway—to have a dialogue among the various communities.

I'd like to ask you how you think that dialogue is taking place in other regions of this country in which there are francophone minorities. You gave the example of Saskatchewan. Are they maintaining that, or are we basically just sending out from Montreal and Quebec City one voice that's supposed to be heard everywhere?

Mr. Graham Fraser: I think radio plays a particularly important role, and in the five months since I have been commissioner, I have been very struck by the degree to which local Radio-Canada programming across the country is very vigilant in following the news that affects their listeners.

I found that I'm watched like a hawk by the various French language programs across the country, and in any of the travels that I've done at this point, not only am I followed by Radio-Canada journalists, but I have also become aware of the degree to which the groups, the organizations, the citizens that I meet, themselves get a great deal of their local and regional information from Radio-Canada.

Television is a bit more complicated. I think that CBC television, both in French and in English, has been handicapped by the funding limitations. There was a period a few years ago when, faced with some hard financial choices, CBC decided to eliminate a large number of local programs, and it was basically this committee that came back to the CBC and said, "No, no. We insist on your playing that role." But they do have these serious financial challenges in trying to play both the national and international and a vital regional and local role.

• (1040)

Mr. Charlie Angus: You noted in your presentation the issue of the mandate to direct CRTC to require Canada's direct-to-home satellite providers to carry the signals of all local television stations to the CBC and Radio-Canada. We have here in our office in the Timmins region concerns that cable networks are pushing francophone television up to the higher numbers on the cable dial so that it costs more money. In my region there's a 40% to 50% francophone audience, and they're having to pay more money to access their own services.

We're seeing issues in terms of other parts of the country, and we had Mr. Shaw here just recently complaining he had to carry 13 stations that he claims nobody watches. Those are 13 francophone stations in western Canada.

Are you seeing a pressure from the cable companies to push the francophone audience into a pay-per-view situation, or is there an issue of diminishing access that you think we have to address?

Mr. Graham Fraser: I'm very concerned about this. I've written to Rogers about Rogers' decision to move French language channels in a cluster above the 100 point, I think is where it is on the dial.

I've always thought that one of the important ways in which people would get access to French language programming was by simply dialing past French language networks, that it's a kind of televisual ghettoization to say, basically, "You're not going to even have to cruise past these as you go to your regular programs."

I can't tell you the number of times people have said to me in years past, "I was flipping the dial and I came across you in French." These were people late at night in a hotel room punching a dial. Well, if it's all up there in where (a) you have to pay for, and (b) you don't go, it's really going to limit any kind of intercultural contact on the television dial, and it concerns me greatly.

And it's not just cost reasons. The cost reasons are a factor, but what's increasingly happening is that the industry is changing so fast that there are all kinds of new costs, hidden costs, equipment costs. It's not just a cost factor. I think it's also an isolation factor that has to be taken into account.

The Chair: Thank you.

Mr. Warkentin.

Mr. Chris Warkentin (Peace River, CPC): Thank you, Mr. Fraser. We appreciate your testimony before us today. We appreciate the insight you have brought.

Today we're discussing the mandate of the CBC and where we might go with them, what recommendations we may make to our public broadcaster, and what we feel they have a responsibility to do.

As does Mr. Angus, I represent French communities in what is for the most part an English-speaking area, which also has the interesting dynamic of being rural. As can many people, they can access the French language, but unfortunately they're not speaking their language. It's the whole issue of being able to pick up the local radio station that's talking about what's happening downtown or whatever; it's speaking about things they understand, but it's the wrong language.

So there's a real paradox in this whole situation, in that it's great that the CBC has to some degree, as Mr. Angus suggested, folks speaking in their language, but if it's going to be the news from Montreal, it's really not pertinent somewhere else. That's something that maybe we can get into a discussion about at some point. I don't know how much involvement you have as a language commissioner in the discussion of what content should be available or if it's just an issue of whether the language should be available to these people.

• (1045)

Mr. Graham Fraser: I certainly don't have direct responsibility, and CBC/Radio-Canada are quite jealous about their responsibility for programming. I think I can bear witness. As you have, I have heard a lot of people in different parts of the country express a certain amount of frustration about learning more about traffic conditions on the Jacques Cartier Bridge than about what's happening in their part of the country.

Some members of Parliament have taken to referring to Radio-Canada as Radio-Montreal. I think that's not entirely fair when you look at the efforts that are being made in the regions by hard-working, very professional journalists to create lively, relevant, interesting local programming. Often the regions can become an afterthought, and some of that frustration is often felt in other parts of the country. It's a reflection of the frustration that is sometimes felt about Toronto as well. I know that CBC makes a real effort to ensure that its broadcasting is not Toronto-centric. This is an issue the people really wrestle with internally, but it's a challenge.

Mr. Chris Warkentin: Great.

The irony of it has been that we have a community with the name of Falher in my constituency, and just recently they were one of the top contenders for the Hockeyville CBC program. The irony, of course, is that it's a French-speaking community that was being highlighted on English television. We're very proud of Falher and the success they had in that competition. The irony, I'm sure, you understand.

We need to discuss the mandate with regard to CBC. We need to figure out where we're going to go from here and if there are any suggestions we're going to make. As you suggested, CBC and Radio-Canada are quite jealously protective of their programming. They are very protective.

Just this morning I had a conversation with one of the CBC employees who did reiterate some of your concerns about CBC's not being told how to execute their programming. I'm just wondering how we square the circle to ensure we don't get involved, that we, as parliamentarians, and you, as an officer of Parliament, don't go into the area of dictating to CBC, but on the other hand still ensure that CBC is going to have a mandate. I'm just wondering how we can put this into a context to ensure that CBC is given direction, and that it does not, as this employee stated, become a state broadcaster.

Mr. Graham Fraser: I think there are two things.

First, I have no intention of having staff march into the newsroom and go through reporters' files, and neither do you.

I would point to the role this committee played in putting substantial pressure on the CBC to restore local programming. I think that by mandating and urging the government to provide the funds so that the CBC can meet its mandate responsibilities in terms of local programming, parliamentarians can play an important role in which you are not interfering with what is on that programming, but you are making it clear that part of the CBC mandate, which is already in the Broadcasting Act, involves local programming.

The other thing I would say is in terms of official languages. The Official Languages Act was amended in 2005, and now all federal government institutions, including the CBC, have an obligation to take positive measures to promote the growth and development of minority communities. That's an important consideration in terms of the programming for the English minority in Quebec and for French-speaking minorities in the rest of the country.

• (1050)

Mr. Chris Warkentin: I'm sure we're going to get into a discussion. Of course, we're just at the beginning of our review and we're going to continue to go down that thing, but as new media come forward and as we continue to look for regional broadcasting that's available for local people, one concern we have is not to get a CBC that's a mile wide and only an inch deep, so that we get very poor product for everyone. I think at some point we're going to have to square that circle.

Thank you for your testimony today. We do appreciate it.

Mr. Graham Fraser: I understand your concern and I think it's an important one.

The Chair: Thank you.

Mr. Scott, I'm allowing you one short question. We do have other business we have to do before 11 o'clock, and I do have one question myself.

Hon. Andy Scott: I'll leave this open-ended, because we don't have enough time and it's a pretty complicated idea.

In the province I come from, we really do appreciate the value of Radio-Canada, particularly in the context of the francophone population, the Acadian population in New Brunswick.

I would worry. I would see two things. I would worry about the problem that could be created as the reach of public broadcasting is diminished, both in the context of other available broadcasting and also in the context of new technology. I would worry that the continuing effort will have less and less impact.

Clearly I'm curious—and again, I don't look for an answer right now, because I'm sure the chair would want me to say that—but I would like you to explore this: what is the profile of the content in the new media? I know it's not your mandate, but in terms of offering some advice to us coming from official language policy, it would be important for us to know what you see out there so that we can make decisions as to how aggressively we have to pursue this from your very specific perspective.

I'm glad you're here, because your very specific perspective is incredibly important to my very specific province.

Mr. Graham Fraser: That's a really interesting question.

One of the paradoxes of technological change—and, for that matter, of economic change—is that the huge opportunity that new media represent in terms of connectivity for communities brings along with it fragmentation, so it becomes a particular challenge to ensure that national institutions like CBC and Radio-Canada continue to have a full role and a full place in an increasingly fragmented broadcast spectrum, and do so in a way in which they can simultaneously meet local concerns and at the same time embrace the country as a whole.

In terms of the content profile of new media, in many ways it's a kaleidoscope in which there are almost an infinite number of pieces of what is now new media. I don't think anybody is at the point of being able to define a profile, but certainly it's something I and we will be reflecting on as we wrestle with the challenges from our perspective of official languages.

Hon. Andy Scott: Thank you.

The Chair: Thank you for that.

I have a little bit of a statement, more than a question, relating to some of the questions and some of the answers that were given here today.

Related to Ms. Bourgeois and cartoons and the French network in Vancouver, when I was in Toronto—we came back from Vancouver to Toronto, and in my hotel room I like to watch news just the same, so lots of times I watch Newsworld and Newsnet—wouldn't you know, in that hotel, all I could get was CNN news. There was no Newsnet or Newsworld. I relate to your frustration, because I was a little frustrated myself.

As to the cable networks—raising some channels that are quite specific to people—my mother, since I have been elected to the House of Commons, is quite a frequent viewer of CPAC, and she's always looking for me to be on CPAC.

• (1055)

Mr. Jim Abbott (Kootenay—Columbia, CPC): Has it ever happened, Mr. Chair?

The Chair: Once.

What happened was that it used to be channel 59, and it got bumped up to 104. She had to then get the box—and then she got another couple of channels, too—and spend another \$14 a month just so she could watch me on TV. So I do understand how those things go.

I must thank you very much for coming today, and again, for the questions and answers. It has been very educational for us all as we go forward on our study on our broadcaster. Thank you again.

I'm not even going to recess. We have one quick question. So as you folks depart, we will deal with that question as a committee, because we do have to be out of here. There is another committee following us.

Thank you, again.

Mr. Graham Fraser: Thank you very much.

The Chair: Just for our committee members, this is a little bit of a report.

The committee had very good hearings in Yellowknife, where it heard more than a dozen representatives from the community. In Vancouver, also, the hearings were most informative and interesting. I thought we had a tremendous response. We went a little overtime. We gave all the presenters enough time so they could get their questions to us. I found it very informative, as chair.

I thank the whole travelling committee, the people who were there for the various sessions, and all our staff, who did a fantastic job. Thanks to everyone, from the interpreters to our technical people to our experts and our clerk. But most of all, no one is diminished. All our members showed up for those people, and they really appreciated that.

What I would like to do is put in a request to the House to get authorization for the committee to hold hearings in Winnipeg on Wednesday, April 11—that's during recess week—and in Toronto on Friday, April 20, 2007. We have to do that. I need the committee's support.

The money is there to do this travelling. The Liaison Committee has supported us on that, but I do have to make the request to the House to get permission to travel at that particular time. So I would entertain a motion.

It is moved by Mr. Angus and seconded by Ms. Bourgeois.

I call the question.

Hon. Hedy Fry: I have a question.

The Chair: First we'll go to Ms. Bourgeois.

[*Translation*]

Ms. Diane Bourgeois: Mr. Chairman, I wanted to draw the attention of committee members to a point I consider very important.

During our hearings in Vancouver, you and I were the only ones there. I find it rather peculiar that the committee should go to the

expense of travelling to regions or to other provinces in order to meet with people and for committee members not to be there.

It gives people a very bad image of our committee. Moreover, this is taxpayers' money. I do not want to focus specifically on the Conservatives, but the fact remains that you were the only representative from your party there. I do not want to lose face in this type of situation, which I do find rather peculiar.

Moreover, we travelled economy class so as to allow all members of the committee to travel. Well, we could have travelled business class, and it would have cost less. In fact, if there were only going to be two of us there, we might as well not have gone at all. I'm not interested in working for Canada in other parts of Canada. I wanted to share my frustration about this with you.

• (1100)

[*English*]

The Chair: Just in response to that, there were four of us in Yellowknife. In Vancouver, throughout the hearings, there were four of us. When we sat at the table, there were times when someone maybe had to go to do something else, but there was only one time when I think there were two of us. Anyway, that's well taken.

I do have the committee's support for travel. Only half of the committee was approved to travel, so let's make sure we get our names forward and we do have a full contingent in Winnipeg and Toronto. Thank you.

Ms. Keeper.

Ms. Tina Keeper: April 20 is designated for where?

An hon. member: Toronto.

The Chair: The meeting is adjourned.

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