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## Standing Committee on Canadian Heritage

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EVIDENCE

**Thursday, May 10, 2007**

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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.

Welcome to the 58th meeting of the Standing Committee on Canadian Heritage, pursuant to Standing Order 108(2), a full investigation of the role of a public broadcaster in the 21st century.

This morning we're very pleased because one thing that has come up over and over again is new media. It's great to have you folks from that new media era here this morning.

We welcome as witnesses this morning, from the Department of Industry, Veena Rawat and Bernard Caron; from the University of Ottawa, Pierre Bélanger; from McMaster University, Philip Savage and Christina Oreskovich; and as an individual, Jacques Bensimon.

Welcome to our witnesses this morning. We'll try to keep our introductions to eight minutes if we can, in and around there. We'll try to keep our questions short and concise and try to stay within the time limits of five minutes for questions and answers from each person.

We'll start with the Department of Industry.

**Dr. Veena Rawat (President, Communications Research Centre Canada, Department of Industry):** Good morning, Mr. Chair. Thank you.

My name is Veena Rawat, and I'm the president of the Communications Research Centre. We are an agency of Industry Canada.

With me today is Bernard Caron. He is the vice-president of the broadcast technology branch at the Communications Research Centre. We call it CRC.

[Translation]

The CRC is an agency of Industry Canada. We conduct research and development in the areas of wireless and satellite communications and network technologies as well as broadcasting. The CRC has the only laboratories dedicated to the evaluation of advanced digital broadcasting technologies in Canada.

[English]

As the Government of Canada's main research laboratory in telecommunications technologies, we provide technical advice to departments and other federal organizations on the impact of technologies on their mandate. Our research and broadcasting covers such areas as multimedia broadcasting, interactive television, digital

radio, satellite transmission, as well as Internet TV, IPTV, and 3D TV. That's a mouthful.

It will be our pleasure to answer questions relating to any of these technologies. First, I will request Mr. Caron, who will present on some items related to over-the-air broadcasting.

Bernard.

[Translation]

**Mr. Bernard Caron (Vice-President, Broadcast Technology Research Branch / Communications Research Centre Canada, Department of Industry):** Thank you Veena.

And thank you Mr. Chair for this opportunity to make this presentation today.

I would like to begin by talking about various technological developments that may impact on the way broadcasters, including the CBC, operate in the future, particularly in the case of over-the-air transmissions. First, I would like to address high definition television and digital TV, mobile TV, digital radio and finally, emergency broadcasting and distributed transmitter networks for regional coverage.

An important development currently taking place in broadcasting is the introduction of HDTV. Most television sets sold today can display high definition TV. We now have the capability to access hundreds of TV channels as well as some HDTV programs from satellite or cable, thanks to the efficiency of digital transmission systems. But in order to deliver HDTV over-the-air to the home, we must replace the old analog transmitters with digital ones.

New digital over-the-air transmitters are now in operation in Toronto, Montreal, Ottawa, Quebec City and Vancouver. These transmitters can provide Canadians with crystal clear HDTV programs free of charge. To view these programs, all you need is an HDTV set with a digital tuner and an antenna... and a transmitter in your area. So far, there are only about 15 HDTV transmitters in Canada. By comparison, there are close to 1,500 transmitters across the United States.

These digital transmitters are also providing broadcasters with a great opportunity to present new services to their viewers. I will describe a few of them.

[English]

New over-the-air digital TV stations can be used to transmit a single HDTV program, but it's also possible to use the same station to transmit multiple programs. The picture quality will not be high definition in that case, but it will be comparable to the quality of a DVD that you watch at home. In addition, it will be possible to select many programs from one station—for example, a single CBC station could offer its viewers the option to watch CBC's regular programs, CBC Newsworld, Radio-Canada's regular programs, Radio-Canada's *Réseau de l'information*, or ArtTV. The total number of program choices that can be offered is in the order of four to six.

Digital TV also enables broadcasters to offer more than one soundtrack. Just as you can select a language option of English, French, or Spanish when you turn on a DVD, similarly a broadcaster could offer its viewers a choice of different languages.

As you can see, the flexibility of digital TV can be used to provide a range of options, such as multiple program choice or choice of language, and all from one TV transmitter.

● (0910)

[Translation]

Over-the-air digital TV also offers the potential for mobile transmission capabilities in environments such as cars, buses or trains. This is being done today, using cellular telephone networks as well as some new broadcasting technologies developed in Europe and Asia.

In North America, we are evaluating proposed improvements to the digital TV transmission standard that is currently used to transmit HDTV. By implementing the proposed improvements, one HDTV program could be received on large TV sets at home, while a second program could be watched on a small, handheld receiver or on small screens installed in cars or trains. The second program could be the same as the HDTV program, but at a lower picture resolution, or it could be a different program with content of interest to people on the move. Technically, mobile TV could be offered to users free of charge or by subscription, in competition or in collaboration with cellular telephone operators.

[English]

So far I've talked about changes in the world of TV broadcasting, but we should not forget that a similar revolution is facing radio as well. Digital radio is now available in Canada from two subscription-based satellite radio services. Canadians can also listen to radio stations from anywhere around the world using the Internet. Personal players like the iPod now enable us to download all kinds of radio programs.

The traditional terrestrial AM and FM radio stations are also going through a digital revolution. Technologies are now available to transmit over-the-air digital radio signals. Just as in the case of DTV, this technology can be used to transmit more than one radio program from one station, giving you a choice. Digital systems can also be used to offer new features, such as maps giving you directions to an event or pictures of the artist who is singing on the radio. Digital radio technology can also be used to offer low-resolution TV programs to a mobile or a hand-held device.

[Translation]

Since the beginning of their development, the broadcasting networks have been a great source of information and entertainment, but they also serve as a critical link in case of emergency. Many of us will recall listening to radio or TV during the ice storm in 1998. Radio was the main source of information during the last great electricity blackout, which touched most of Ontario in the summer of 2003.

This emergency capability should be maintained, even when all the broadcast networks in Canada have become digital. It is very nice to watch HDTV or to get maps on your car radio, but in case of emergency you may just want to listen to your battery operated radio to get vital information.

The digital technologies being deployed now also provide an opportunity to improve the capabilities of the broadcast networks to provide many kinds of essential information in case of emergency.

[English]

Digital technologies can also be more efficient in covering large areas by using a number of low-power transmitters. The coverage is limited to the area where there is a population. This network will be more affordable to build and operate than the centrally located, high-power stations currently used by the analog broadcasting systems.

Veena.

**Dr. Veena Rawat:** In conclusion, we believe that the new broadcasting technologies discussed today—digital television, mobile TV, digital radio, emergency broadcasting, and distributed transmitter networks for regional coverage—have the potential to provide Canadians with an increased number and higher quality of services.

While digital broadcasting systems are being implemented all around the world, not a single country, from a small country like Singapore to a giant country like Russia, has decided that terrestrial broadcasting can be completely abandoned and replaced by satellite or the Internet.

For many years the CRC has been collaborating with the broadcasting industry, and the CBC in particular, to develop and evaluate various technologies. Canadian broadcasters can use these technologies to address some of the following challenges.

First, as we all know, the telecommunication technologies are changing very rapidly, the quality of the pictures and sound available is getting better and better, the number of available programs is multiplying, and new delivery platforms are appearing every day. But that's not enough: viewers are getting used to interactivity and they are now demanding interactivity. Last but not least, it's the consumers' world, and the consumers are deciding where, what, and when they want a particular service to be delivered to them.

Thank you very much.

● (0915)

**The Chair:** Thank you.

Mr. Bélanger.

[Translation]

**Mr. Pierre C. Bélanger (Professor, Institute of Canadian Studies, University of Ottawa):** Thank you very much.

I want to start by thanking you, the members of the standing committee, for giving me the opportunity to share with you my vision of things, my understanding of the power of new technology on the public broadcaster.

[English]

As you can appreciate, for a university professor who's wired to talk for three hours at a time, an eight-minute slot is quite stressful. I'll try to be concise.

[Translation]

For 15 years or so I have had the chance to work on the convergence of traditional media and emerging technologies. You will notice in my speech today that I do not refer to new media. I think that expression is no longer accurate. It is more dynamic to talk about the organic nature of emerging technologies, since they are constantly coming out. Take for example the title page of

[English]

*The Economist: When everything connects.*

[Translation]

I think one of the mandates of the Canadian public broadcaster is to try to increase the points of contact and connection with its users, the people of Canada.

Because I am so interested in emerging technologies, I observe current trends. I take pleasure in observing new listening behaviour in young people in particular, those who are referred to as millennials or digital natives.

I think there is a great deal of opportunity here to observe this type of division and fragmentation. Multitasking truly takes hold and is conducive to new modes of communication, which requires CBC to come up with new ways to distribute its content and, of course, produce its content.

One of the directors of the Australian Broadcasting Corporation said a few days ago:

[English]

Digital media is now integral to everything we do. It is not an add-on, it is not a novelty, it is the present reality as well as the future.

[Translation]

The BBC, which I will come back to in a few minutes, changed its mandate at the end of 2006 to now acknowledge the place new technology and emerging technologies have in the role and mandate of the public broadcaster.

They see how young people use visual content other than television. I think it is appropriate to provide some statistics here. A recent study, done a few months ago, asked young people which

platforms they use when they watch visual content other than on television: 75% of them said on a computer,

[English]

on a desktop, 46% on a laptop, 16% on a portable video player, 13% on an iPod, and now the new kid on the block, 15% on cellular mobile phones, which is obviously a huge area of development.

It's so much so, that a man by the name of Michael Eisner, who used to run a little joint called Disney, retired a couple of years ago. He has now launched a series of 80 webisodes or mobisodes of 90-second clips. The series is called *Prom Queen*, which is obviously extremely timely for the end of the school year. There are eighty 90-second clips aimed at that specific market, to be used either on mobile phones or mobile devices and on laptops. The whole scheme is integrated with Victoria's Secret and all of the stores where girls would see clothing or jewellery advertised or displays on this mobile content. They'd be interconnected within a huge commercial infrastructure.

I think it points to the kinds of developments that are currently taking shape. It obviously calls for the public broadcaster to be trendy and to follow some of these significant developments. I don't think it's just a flash in the pan.

[Translation]

We can acknowledge that all these technologies... The time young people, and people in general, spend on new platforms and digital content is growing exponentially. Not only is Radio-Canada/CBC competing with the biggest producers of content in the world, but also with the famous new phenomenon called

● (0920)

[English]

user-generated content and social networking. I'm referring here to the MySpaces and the Facebooks and the YouTubes of this world. These are huge competitors now.

[Translation]

We are also seeing a migration of content from traditional media to new digital platforms. Not only is there a migration of content, but there is also a shift in business models. The decline in the advertising base to new platforms not only significantly threatens the public broadcaster, but all Canadian broadcasters.

There is a phrase I often hear at the university that I find quite symbolic. At the end of class, students say:

[English]

"I'll call you tonight" or "I'll see you at the gym" or "I'll see you on Facebook".

[Translation]

To me this is a completely fictitious universe and yet it is very real. The ever-changing technological developments are an extraordinary phenomenon. I teach in the field of new technologies at the university. Last week, we were discussing content on

[English]

mobile phones. Students were comparing their personal experiences with a host of new developments and stuff. One guy was telling us about his experience on Facebook, and the comment he got from another student was, “Come on, Coleman, you’re so ten minutes ago.”

This phenomenon of trying to catch up with what the competition is doing is obviously forcing us to constantly think of novel ways to repackage our content. There’s a dogma in the new technology world that says produce once, distribute many. I think one of the greatest producers of content in Canada has to be the CBC/Société Radio-Canada. I think we have to give this public organization the means to not only continue to produce as wide a variety of content as possible, but also to multiply and to disseminate its content on as many different platforms as possible.

[Translation]

I imagine we are running out of time, so I will draw this to a close.

To me, the BBC is probably the best example. In that situation the state recognizes the central role of the public broadcaster in the new digital environment. Through its mandate, the BBC is now required to produce and broadcast on new platforms, namely the famous

[English]

video on demand, which is the new storm that’s obviously preparing to hit us.

[Translation]

There is also the matter of budget. The BBC has begun posting on line

[English]

over a million hours of archival material from both the radio and the television divisions of the public broadcaster. I think that in itself speaks volumes about the potential that digital technologies offer to public broadcasting, and I hope this committee will recognize the imperative pressure that should be put on the government to modify and actually modernize the mandate of the CBC, so that it’s totally in tune with the current technological currents that are affecting it.

*Merci.*

**The Chair:** Thank you.

From McMaster University, could we have Mr. Savage, please.

[Translation]

**Dr. Philip Savage (Assistant professor, Department of Communication Studies and Multimedia, McMaster University):** Thank you very much. It is a great pleasure for me to be here with you.

I will do most of my presentation in English, but if you have any questions in French I will answer in kind.

[English]

I’ve been teaching for two years at McMaster University, in the communication studies and multimedia department. For 16 years before that, I worked with the Canadian Broadcasting Corporation. In that capacity, I was involved not as a technological expert on new

media but in actually taking the kind of work that the engineers were working on with the CRC folks and putting forward the applications for the transmitters to the CRTC. Part of what I did in that capacity was try to translate into plain language why a public broadcaster should be spending your tax dollars on this sort of technology. It comes down to some of the principles that apply to public broadcasting.

Like Pierre, I don’t like the term “new media”. If you study the history of communications in Canada and around the world, you’ll come across, from the 1940s, a series of articles about new media—the 1940s. This new media was going to change the world. One thing it was going to do was displace radio. Do you know which new media this was? This was television.

Various forms of platforms have come and gone, and through that, the public broadcaster in this country and public broadcasters around the world have been in a constant flux of reinventing their role to fit those new media, but they’ve kept to some of the key principles. That’s what I want to talk a bit about today, to add to the discussion some of the international perspectives in terms of new media and public broadcasting.

The nub of the story is this. Public broadcasters in mature democracies have had to constantly reinvent how they deliver their programming and enhance democratic communication among citizens. The successful ones in the 1940s, 1980s, and now are supported by their populations in three areas: multi-platforms, public service, and public funding.

First of all, on multi-platforms, the best public broadcasters around the world, including Canada, are what I call “platform agnostic”. They’re true believers in the kind of content that comes from their local communities, they’re true believers in telling the story of Canadians from across the country, but they’re rather skeptical about the latest new media as being the solution to the problem of connecting with their audiences. They’re often eager to involve themselves. Where their faith is confirmed is when it reaches and connects with audiences in new ways.

Number two, on public service, it really all comes down to whether the program delivery over a range of platforms is on the basis of clear principles of public service. Quite frankly, as we study the history of public broadcasting around the world, we see that across time, those principles of public service and delivering broadcasting content have not changed dramatically in form or content, although they have adapted to the particularities of the local area and to the potentiality of the new platforms.

Third—since we’re here, and you guys have quite a bit of control over some money—on public funding, those public broadcasters that are able to adapt to the new media, again in the 1940s, 1980s, and the new millennium, are able to lead in the experimentation on new platforms as well as carry on the traditions of the best public broadcasting. In that way they’re always so “10 minutes ago”, they’re so “80 minutes ago”, they’re so rooted in the kinds of principles, goals, and passions that people like Graham Spry and Alan Plaunt delivered in this building almost 80 years ago.

I will put on the table, as I've put in the presentation to you, four key recommendations that are supported by the kinds of developments around public broadcasting in terms of rethinking their role in the new media environment. These are four recommendations that I would invite you to consider as you move towards making your own recommendations.

• (0925)

First, I think it's always worthwhile for our parliamentarians to represent the express public desire of Canadians to constantly reaffirm the role of public broadcasting, and specifically the central role of the CBC in the broadcasting system.

Second, as my students would say, it's a no-brainer. CBC is in the middle of new media. To continue a Broadcasting Act that doesn't make any mention of new media—different new digital platforms that leave CBC officially a radio and TV broadcaster—is meaningless.

Third, although it's a difficult nut to crack, this committee will probably have to begin to think about ways to re-examine the blanket CRTC new media exemption. That's a big discussion. We might be able to get into that a bit more. But insofar as one is fully able to bring new media content, in some ways not desirable, into a regulatory framework, in the failure of a regulatory solution, we have at our disposal a way to fund Canadian presence in the new media environment through the CBC.

That brings me to the fourth recommendation. I know you would be reflecting Canadians' wishes if you supported increased funding for CBC based on objective measures of the level of commitment that other mature western democracies make to their funding of public broadcasting.

The CBC, like many public broadcasters worldwide, is adapting to new roles, responsibilities, and possibilities in the context of changing technology, evolving societal demographic and linguistic makeup, and a dynamic public policy environment. For the CBC this is the best of times and the worst of times. Many of us who have studied this closely have envisioned the quite real possibility that the CBC could face extinction—this is something that public broadcasters around the world have been thinking about. In some ways even worse than extinction would be the slow and gradual level of increased irrelevance in Canadians' lives.

However, it is also possible that the tools some of the newest media allow in social networking, in terms of user content production, may provide the opportunity to facilitate a level of public participation in the polity that was the initial dream of visionaries like Graham Spry and Alan Plaunt.

The point is that there is a clear role for public broadcasters like the CBC in the digital age. Your committee confirmed this three years ago when you put it front and centre in the Lincoln report coming out of this committee:

many governments in the Western world continue to spend vigorously on public broadcasting. The reason for such expenditures is the realization in many countries that public broadcasting remains a vital instrument for promoting national values and identities

Almost a year after your predecessors—I think Mr. Abbott was on the original committee—reported in this way, the BBC started the

process of renewing its charter. It actually echoed many of the things in your report, but as Pierre mentioned, with a really important vision around digital platforms.

They produced a wonderful document called *Building public value*, which I'm sure some of you are familiar with. They underlined that everything the BBC could do in programming with new media had to go back to its original public service mandate. It said about the digital world:

That world contains the potential for limitless individual consumer choice. But it also contains the possibility of broadcasting reduced to just another commodity, with profitability the sole measure of worth. A renewed BBC [places] the public interest before all else...some key principles can not be up for negotiation if the BBC is to remain recognisably the BBC. There are that the BBC must be available to everyone, deliver value to everyone and be open to everyone. The public interest must remain at the heart of all that the BBC does.

• (0930)

I see that the chair is raising his pen at me, so I'll take the opportunity, if I may, to introduce someone whose ideas...and certainly her visage is a lot more beautiful than mine. This is one of my students at McMaster University, Christina Oreskovich.

Christina has taken a number of courses with me in the last couple of years. Most recently she did a course on Canadian communications policy, and at the same time, she was unfortunate enough to have to sit through what we call the stats course, the quantitative research methodologies course. Christina and a number of the other students made policy interesting by taking the stats course and actually using it to do a survey of first-year university students. They looked at what the current mediascape is, sort of the beginnings of what Pierre was talking about, in the lives of their fellow students.

So if I may introduce—

• (0935)

**The Chair:** Okay. Try to keep it very short.

**Ms. Christina Oreskovich (Student, McMaster University):** Okay. Well, I'll be very brief.

Basically, as he said, we did a media study among first-year communications students at McMaster just to see what their attitudes and behaviours were as far as media and new media were concerned. We used the data to generate a generalization of what a university student looks like as far as their media behaviours and attitudes are concerned.

According to the data we have, a typical university student owns a cell phone and a laptop computer and has broadband access at home and at certain locations on campus. And they often download music for free. I think it was something like 93% of the students we surveyed download music illegally. So that's kind of an exciting fact.

The student is an avid fan of YouTube, MySpace, and Facebook. I'll just say right off the bat that Facebook, at my university, is huge. Everybody has it, and if you don't have it, people are flabbergasted. It was pretty explosive how popular it is.

They'll occasionally glance at a blog, but they do not keep one themselves, although some of their friends do.

The student will typically watch TV at least once a day, and they regularly listen to radio, but unfortunately, rarely to CBC radio. They also read magazines quite regularly, at least once or twice a week. For reliable news information, they'll turn to traditional and Internet sources. I was kind of surprised to see that as many students read newspapers as they do, but apparently they do.

This individual relies on the Internet to keep in touch with a wide range of friends. But it's funny, because they worry that they're spending less time with their family and friends because they're on the Internet so much. So it's kind of a contradiction. They're concerned that time spent on the Internet is making them less productive at school, but in the same breath, they rely on the Internet for a lot of information, and they think the Internet gives them a wider variety of opinions.

So these are just some of their views. I'll just skip to the end.

Throughout our study, an important facet of media or new media was interactivity. I know it was briefly mentioned earlier how huge that is. Eighty-three percent of students said that they go on blogs and stuff like that. It's an opportunity for interactivity as far as just regular people being able to become authors and get their opinions out there and tell people what they think about various aspects of whatever they choose.

If we're asking whether new media is replacing traditional media, our data didn't really show that at all. People are still just as much engaged with traditional media as they are with new media. What they are doing, however, is using new media to supplement some of what traditional media provides. So if I want to watch *Grey's Anatomy* at 8 p.m. and I can't watch it at 8 p.m., I can go on YouTube and maybe get clips of it, or I can download it from the Internet from alluc.org. So I have an ability to still engage with traditional media, but not directly. It is more through new media.

I know that this is about public broadcasting and the future of the CBC, so I'll just cut to the chase. Basically, what we were asking is: does the Internet fulfill the role of the public broadcaster? In other words, does the Internet provide a space for discourse free of corporate interests? There's no denying that the Internet obviously provides a space for people to voice their opinions through websites, blogs, and those different vehicles. However, simply because there is an area provided to do so doesn't mean that these voices have an equal opportunity to be heard. For instance, there is only a handful of popular search engines. If your website isn't linked to Yahoo! or Google or something like that, you're not going to get the exposure that allows your voice to be heard.

So the role of the public broadcaster is integral to cultivating a Canadian identity. We cannot leave this responsibility to the uncertainty of the Internet.

Here are just as a couple of stats. Twenty-seven percent of students surveyed claimed that they somewhat or strongly disagreed that when compared to traditional media, they find more Canadian information on the Internet, and a large portion were neutral—they neither agreed nor disagreed. So either people aren't searching for this information or it's not being supplied. Then there is something like cbc.ca. Whenever I did a paper or anything like that, where I needed good, solid, credible Canadian information, cbc.ca was

always my first stop, because I knew that what I was getting was credible and valid.

Basically, we think it's of fundamental importance that the CBC take advantage of new media platforms to help increase its popularity among young audiences, because we need our public broadcaster to be strong—now more than ever.

**The Chair:** Thank you.

Monsieur Bensimon.

● (0940)

**Mr. Jacques Bensimon (former Government Film Commissioner and former Chairperson, National Film Board of Canada, As an Individual):** Thank you, Mr. Chairman.

*Si vous me permettez*, my presentation will be larger and a bit wider than just sticking to technology, because having ended my mandate as a film commissioner, I think I've had the privilege to see our industry from a vantage point of view and I'd like to share that with you.

[Translation]

I want to stress “former commissioner” because I am surprised that five months later, my successor still has not been appointed. I hope this will happen shortly.

From the outset, I must admit that I am a staunch defender of public television as a guarantor of democratic balance. However, I think the people at Radio-Canada and CBC have to be accountable to the Canadian public. So far, I feel that Radio-Canada has shown that it is more concerned about competition than service.

[English]

Is everything being caught, in terms of translation?

**The Chair:** Go ahead.

[Translation]

**Mr. Jacques Bensimon:** This concept of service has to be the basic foundation. To prepare for the future it is crucial for CBC to think in terms of public good and sharing rather than in terms of monopoly and competition.

[English]

In terms of track record, before I discuss new technology, I wish CBC was more embracing in the way it has been doing things so far. I'll give you an example. When I was film commissioner, the only way CBC could conceive to work with the NFB was to absorb the NFB, basically; there was no other way to do business with them. So today on CTV or on Global, you have more NFB product than you have on CBC per se. It is very strange that an institution of \$1.5 billion cannot work with an institution of \$80 million, and yet CBC finds enough money to purchase a network such as the Documentary Channel, and they have already purchased a network called Country Canada, which as far as I'm concerned, as far as the audience is concerned, are not really visible on the screen.

Another initiative I think CBC could have taken over the years—the CBC has not displayed leadership on that front—is with the provincial networks.



[Translation]

In the case of Télé-Québec, TVOntario, Knowledge Network, CTV Saskatoon,

[English]

CBC could have been a leader, because those networks are very poor. They don't have the means to be exposed. Yet they make a lot of very good products, and if CBC could be a federator at that level, it could help us to see a vision of this country across the country, province by province.

On our national cinema, we invest a lot with Telefilm, with tax credits, with all kinds of things. Across the world, every major public broadcaster has a branch that invests in cinema. Not CBC. CBC again is free to run on its own and decide and pick and choose which films it will invest in and at what rate.

[Translation]

In France, England and Germany, public broadcasters invest in cinema.

[English]

I'll cite Mr. Andreas Weiss from ARD in Germany, who said the film *The Lives of Others*, which won the Oscar in 2007, was done because of these investments in public television, and nobody has contradicted him.

Another point before I get into new technology is CBC and international. I'm flabbergasted, and to this day I have to guess what CBC is trying to do on the international front. For example, the BBC, which has been cited and I will cite, has created a structure called BBC Worldwide, which brings in \$1.7 billion in revenue from the sale of its product, the sale of its format, and the sale of its concept. In that sense, I'm still seeking what the CBC is doing on that front.

On top of that, besides selling programs, which is not the business of the day—the famous “10 minutes ago”—it is more about selling signals, selling networks. You could be in Buenos Aires today or you could be in Istanbul and watch a Japanese network, a Korean network, or a British network. Not so with Canada. Where are we? If we're talking about a global market, where are those Canadian images that should be seen around the world? CBC could have played a leadership role at that level. And that brings me to new platforms.

● (0945)

[Translation]

When they came to meet with us here, the CBC representatives asked for a 10-year vote of confidence in order to make the switch to new platforms and technologies.

[English]

This is a huge quantum leap of faith to ask for, as we live through technological changes that occur literally on a monthly basis. I'm more generous than my colleague.

[Translation]

In the area of new platforms, the CBC talks more often about the nuts and bolts than content. In other words, what it needs the nuts

and bolts for. In the meantime, a real revolution has begun and the CBC seems to be planting a few trees in front of the forest to hide the woods.

In concrete terms, how will it stand out from private broadcasters? In my opinion, the challenges it is facing will have such incredible consequences that I recommend to your committee extending these discussions and decisions in order to hear from even more experts, as you are doing now, and not just CBC directors. In the framework of traditional television, the CBC has often played the competition card, but now, we can only prepare for the technological future if we act in partnership with others.

If there is a network in the world that has made a technological turnaround, it is the BBC in England.

[English]

We haven't consulted each other on this, but each one of us has cited the BBC as a model.

[Translation]

The BBC has partnered with YouTube and expanded its search engine with Google.

[English]

YouTube has 20 million visitors per month. As the BBC Worldwide director of digital media has said, they can teach us a lot.

The partnership with Google will bring about the creation of three new channels on the Internet and for cell phone users.

In the same frame of mind, BBC has signed deals with South Korea through TU Media Corporation. They have also signed agreements with U.S. companies, such as Azureus, an online distribution BitTorrent, and Joost, which is a P2B broadband distribution venture by the people who invented Skype.

In the new global market, the CBC cannot be the end-all and be-all and operate alone. The most important changes are not going to be coming from the technological choices alone, but they have to come from the content.

The revolution, and it's been cited again, is a new source: user-generated content providers. I insist on that because content is made by citizens—not by professionals alone, but by citizens throughout our country to be seen by their peers in Canada and in the world.

[Translation]

These types of experiences are occurring right now in Canada, among other things, Homeless Nation, is a project by which young people create their own network on the street and help each other find their own solutions. CITIZENShift and Parole citoyenne are Internet sites where people create and exchange with one another. ZTV, which CBC used to broadcast, had this type of potential, but these investments were sacrificed and transferred to more traditional and commercial projects.

The new platforms are radically changing the concept of network, product format, creation process and copyright. CBC does not want to blend in with the rest, but it has to incorporate these changes. This is not a matter of making cosmic changes such as asking Canadians to vote on the most beautiful place in the country, but to truly involve citizens in overhauling the definition of public service.

One of the patrons of the German channel, ARD, who supports the concept of

[*English*]

user-generated content, has said the following: “UGC can only have an impact on public knowledge when it is broadcasted on general forum platforms”. The public broadcasters can play an important role by providing a powerful yet impartial stage for public debate.

Is anyone in our Canadian landscape advising us to take such steps? While IPTV, Internet protocol networks, are seeing the light of day at minimal cost, the CBC is still busy buying older networks, such as documentary channels, caught once more in the old paradigm and in the concept of competition rather than complementarity.

• (0950)

[*Translation*]

CBC representatives appeared before us to ask for an additional \$60 million to start making technological changes. The BBC's reform plan was cut by \$8.61 billion over six years by the English government. The government asked the BBC to come up with the equivalent of \$3.9 billion Canadian to cover the technological changes. At the CBC, the opposite is happening: they keep making new requests for additional funding. The approach is simple: “You pay, we do”.

It may be true that the CBC needs more means to convert to high definition and it is true that it needs more means to stay in the race, but before talking about new investment by the Canadian government, let us be sure that the CBC, like the BBC or the NHK in Japan, brings its house in order first. We cannot try to be all things to all people at the same time on the radio and television. We cannot compete digitally and catch up technologically without making choices.

[*English*]

But in order to do this, they'll have to shed their old skins: CBC cannot continue to invest in the studios, the office spaces, the staff that they presently have and hope to reinvent themselves from inside out.

In conclusion, what I would say to this committee is that you have a fairly complex situation in front of you. I don't think it should be left to the CBC to define its future, but I encourage you to do what your predecessors have done in the past. I'll remind you of a commission called the Applebaum-Hébert commission. I think it's time this country had the courage to put together a commission that would help to redefine what the solution is for the CBC in terms of a new platform. Nobody's questioning the fact that they will get into it. How they will get into it, in what frame of mind, is the most important thing, in my view.

Thank you.

**The Chair:** Thank you for that.

Now we will go to questions.

Ms. Fry. We'll try to keep them to five minutes.

**Hon. Hedy Fry (Vancouver Centre, Lib.):** I have to tell you how absolutely excited I am about all of your presentations. I think you have opened up exactly what we need to talk about. I liked the new media presentation, and I think the last presentation by Mr. Bensimon was a very important one.

Does Industry Canada see itself playing a role? Given that you are working in cooperation with Canadian Heritage on an ongoing basis, do you see yourself having a role in assisting CBC fiscally, and in other ways, to move into the digital media, to really expand as quickly as they can? I think that's the issue. It's not as if they can do this in five years; they need to be doing it yesterday. So I'm asking if you see a role for Industry Canada there.

Many people talked a lot, but I think it was Ms. Oreskovich who talked about a time-shifting component in the new or digital media, which I think is important. In other words, you don't have to see the program when it's on; you can see it whenever you choose to, such as on your iPod on the bus, if you wish. So I think that's a key component we should talk about.

I also was impressed by the international place for CBC. When we started in 1997 at UNESCO, Canada played an important role in moving CBC forward as an international player, using this whole concept of taking on an international role. That seems to have gone by the wayside and we have lost this innovation that we had brought forward.

What do you see as the international role for the CBC? How do you see us doing that, given that we're competing with CNN mostly, and with BBC, in terms of news coverage, etc.?

Finally, I would like you to tell me just a little bit more about how you see CBC moving away from its tendency to want to do in-house production and to be able either to partner with co-productions internationally or to take independent productions and increase its profile on the cinematic stage, on the actual full-length movie stage, in the way that the BBC has done.

Those are the three questions I'm hoping you can answer.

**Dr. Veena Rawat:** Thank you very much.

Starting with the Industry Canada question, I can certainly comment on the collaboration from a technology perspective or a technology development perspective. The CRC has been working with CBC in looking at the development of the new platforms—any part, from Internet to IPTV, to forward-looking, three-dimensional TV. That is the collaboration we have been having.

• (0955)

**Hon. Hedy Fry:** If you're collaborating on it, though, do you see a role in actually making it happen—putting the money and the resources into actually doing it now, rather than talking about it?

**Dr. Veena Rawat:** Again, the role we play is from a technology perspective. And then there is a role, from Industry Canada's perspective, together with other government organizations involved in broadcasting, for others in making it happen. So Industry Canada is not alone in that role.

**The Chair:** Mr. Bensimon.

**Mr. Jacques Bensimon:** You have three questions for me. Concerning CBC internationally, I think it is simply a matter of the CBC, as a public institution, having to take the leadership in this country for private and public broadcasters to gather together and be able to go after the international market. It's fairly easy.

Today, when the Korean or the Japanese are able to be on the different menus of networks across the world, it is simply because they export their programs, because they've freed the rights in order to do so.

I would remind you that CBC made an attempt to do this in the U.S. about five years ago, and then they sold that network and never came back on it. In my opinion, the CBC doesn't think globally; they think about selling their product, but they don't think about selling their signal.

If you take, for example, *Tout le monde en parle*, which is a most important success in French Radio-Canada, it is in a format that has been brought from the French. So we've moved away from the usual trade business of my selling you a product and your paying for it, to selling full signals.

And there are demands around the world for the quality that the CBC could give if they federated public and private players. You could imagine the Bells of the world talking to the CBCs of the world in order to have a Canadian signal, a Canadian TV5, if you want, which would go worldwide. That is conceivable. We could get into the details of it.

The second question had to do with the independent producers. It's fairly simple. It's being done across the world, and that's my point in asking whether the CBC needs the infrastructure that they have across Canada. Do they need all the staff that they have across Canada?

You simply have to go to the example of Alliance Atlantis, or you have to go to any new network. When Channel 4 was created in the U.K., there was no infrastructure. You don't need infrastructure, because as has been said, it gets old fairly fast.

So bring that down to its bare minimum, and then operate from there. The money that you will be freeing should go into the independent producers' world, because that's where the products are coming from anyway.

At this point in time, what you're seeing is that CBC is protecting its old universe. It is double-dipping into the Canadian Television Fund. It is dipping into its own product. It is dipping into revenues from publicity. But in order to maintain what? A huge infrastructure.

The way you would get to independent producers is by freeing yourself from the old universe as you're getting into the new-platform universe, and you'll be able to invest that in the independent milieu and enrich what needs to be done in this country in terms of the independent producers.

Your third question, which dealt with full-length features, is fairly simple. In France you have an organization called the CNC. In England you have an organization called the UK Film Council. It is the law that broadcasters and public broadcasters have to invest in the development of the feature film industry. They each have created a subsidiary that invests in the development of feature films.

Can you imagine the \$240 million that is presently in Telefilm Canada easily being doubled? I don't think I'm speaking through my hat by saying you could fetch money from those sources, from our broadcasters, who will eventually end up putting those products on their network. But they are waiting for the product to be finished so they can buy it for 2¢ rather than investing and taking the risk of investing in the development of our film industry.

That, in my view, is the answer to your three questions.

• (1000)

**The Chair:** Thank you for that.

The next questioner is Mr. Kotto.

[Translation]

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

Good morning, ladies and gentlemen. Thank you for your informative presentations. They were exhaustive. We now have enough information to make recommendations. You made some and they were on point.

Mr. Bensimon, some witnesses are asking us to give CBC and Radio-Canada adequate funding within the parliamentary envelope. You suggested there was disorder at the CBC and before allocating any additional funding, it should bring its house in order. Is this also true for the French-language section, Société Radio-Canada?

**Mr. Jacques Bensimon:** Again, both entities need to be assessed differently. There is no doubt that there is a big difference between the two. In my opinion, there is more work to be done on the English side than on the French side. The French side is on the right path, but the Radio-Canada management team and board of directors have to do some brainstorming. For example, in Montreal they have to concern themselves with the relocation of a tower or whether low income housing should be built. Such issues overburden the managers at the broadcaster who, in my opinion, having nothing to do with this.

I feel that Radio-Canada, in comparison to CBC, has shown discipline by conducting a more thorough analysis of content. However, the fact that Radio-Canada is part of the CBC weighs it down with responsibilities that belong to the entire corporation.

I would argue that there is one area in particular where both entities have gone wrong: they have completely gotten rid of feature length documentaries and short documentaries from the general interest channels. The documentary is a format that was literally invented in Canada, where we have a lot of strength in this genre. CBC no longer broadcasts documentaries during prime time. They now broadcast them only on the speciality channels. Radio-Canada may have two niches and these shows have to be formatted in order to fit in these two niches and allow the presenter to do so.

SRC is affected by the entire corporation and has to have more discipline than the CBC. We have to give this some serious thought. If not, you will be setting up a structure of new platforms on quicksand. As long as you have not resolved your problems, it will be difficult to incorporate new platforms and new technologies because they will have the same flaws they currently have. Take stock of the CBC and SRC before making new investments.

**Mr. Maka Kotto:** Thank you very much.

The word “platform” is used often, but I quite like the new expression “emerging technologies”.

Witnesses have told us to invest in this area at all cost. Mr. Bensimon and you, Mr. Bélanger, have mentioned content. In my opinion it is essential and fundamental. You spoke of current platforms that do not have any content illustrating creativity, wealth and identity.

How could we assess the importance of this technological revolution from the point of view of the audience? In order to compare traditional media to new technologies, have you established statistics on the number of people who have clicked on a given platform to find out certain information, at certain times, on certain days of certain weeks?

•(1005)

**Mr. Pierre C. Bélanger:** I do not have any exact figures on me, but I know the sources. I would be happy to pass those on to you.

**Mr. Maka Kotto:** Please do.

**Mr. Pierre C. Bélanger:** For seven or eight years now, I have been monitoring technology on a daily basis with a research group at the university. I like to think that most of these major trends are covered by our work.

A rather significant phenomenon occurred in the United States last fall. It happened a year after Apple launched its famous iPod video on the market in fall 2005.

ABC, CBS and the major private U.S. networks, together with Apple, conducted a pilot study for three or four months to see whether there was a demand for transferring such top-rated shows as *Desperate Housewives* and *Lost* to this new platform. I am happy to report the figures from that study. Six months later, the results ABC is now posting on its Web site, are encouraging.

[*English*]

This is a very determinant moment, I think, in the recent history of communication, or traditional media communication. If you go to the abc.com website today, not only will they encourage you to tune in tonight at 9 o'clock and see *Lost*, and *Ugly Betty* at 10 o'clock, and whatever else is playing at 11 o'clock; they will also encourage you to watch *Lost* tonight at 9 and tomorrow on the web.

This to me is a huge paradigm shift. I'm telling you that you don't need to program anything any more. This is my traditional business that I'm now moving to those other platforms. Now you have video iPods, and you can go to iTunes and actually purchase the program that you missed out on last night.

Monsieur Bensimon was referring to the BBC and YouTube. Well, take the NHL and YouTube; you don't need to watch the game

tonight, the Sens playing in Buffalo, because if you go to YouTube at 11 o'clock, all the goals of the evening are now featured on that site.

So you see all the traditional broadcasters trying to explore the potential and the viability of developing innovative business models on various platforms.

[*Translation*]

There are plenty of figures now. We heard Bill Gates' statements yesterday on the new mobile platforms. I have one here.

[*English*]

According to the head of the Comcast cable network in the States, there is not going to be such a thing as a pure linear medium anymore—meaning, again, this notion of produce once, distribute many.

[*Translation*]

Notwithstanding Mr. Bensimon's comments, which are completely relevant, Radio-Canada is still one of the country's most important cultural institutions. It tells the story of Canada to Canadians from its various flagships all across the country. The idea of disseminating content as broadly as possible and mobile platforms... The storm will pass as soon as we have the famous WiFi networks

[*English*]

or the wireless fidelity network. Toronto is the first Canadian city that has this digital cloud now in place. They've run this project for six months. It's now going full tilt. Mind you, you have to pay, but this is mostly for business people.

Imagine; forecast 10 years down the line. When we started being connected on the net, we were paying per hour, much like long distance calls. Now you pay \$35 or \$40 and you can use it as much as you want. It's like a water tax. We don't really count, mind you, how much you consume, which might be a problem, but on the Internet, it's as much as you want to use it.

There are a number of emerging platforms we need to take into account to optimize the value and the public interest of whatever the CBC is doing. Right now the mandate really limits the CBC to the domain of radio and television. I think we need to integrate this new universe that is extremely prevalent and is unfolding on an everyday basis.

•(1010)

**The Chair:** Thank you.

Very short, Mr. Savage

**Dr. Philip Savage:** Thank you.

I just wanted to add a radio statistic. Often radio gets lost in CBC/Radio-Canada. This also speaks a bit to one of Mr. Bensimon's points.

CBC English radio has really done a lot of pioneering in podcasting. Apparently, in the last few months, there have been about a million podcast downloads from CBC radio per month. Of course, this is happening at the same time as there was a big move to satellite radio. Mr. Bensimon did not mention that, but it was a way specifically to bring Canadian musical artists to a North American setting, both in English and in French.

What's interesting is that when we talk to youth, they're not using satellite radio. Satellite radio is already being leap-frogged. It's really not relevant to the youth market. The downloading of the audio is relevant. Of one million podcasts a month coming from English radio, 500,000 are used by non-Canadians, half outside of Canada. You don't need satellite infrastructure to do that. What you do need is people producing every day, in every cultural sphere, in every region, the programming that forms the backbone of CBC radio—that old boring radio that 90% of Canadians still listen to every week, that employs the journalists who are throughout this country, that no one else, no organization, is doing in 60-plus locations. That is the basis for the content that is on a very cheap digital platform, user-generated, and going to over half a million people outside of this country each and every month.

**The Chair:** Thank you. We went a little long that time—again.

Mr. Angus, I won't cut you short.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** I'm studious about time from my days in music, where we had to be off the stage.

But I'm very frustrated. This is a time for dialogue and there's obviously no chance for that. I'm going to ask three questions up front, and then allow just for answers.

I'd like to begin, Madam Rawat, with this issue of the low-power transmitters for digital.

One of the issues we're dealing with is what to do with the analog towers that connect the country and allow people to use the rabbit-ear signals, which they might lose. The only option that seems to be coming forward is that people have to purchase cable packages in order to enjoy the public broadcaster. My first question would be whether there is a way to transform the analog towers we presently have for digital. If you've looked at the costs, what kind of investment would it be to ensure we have these digital transmitters available?

My second question is to you, Mr. Bensimon, because of your experience at National Film Board.

National Film Board has suffered immense financial cutbacks, yet I think the quality of the films coming out is still unparalleled. It is one of Canada's great success stories. I'm looking at a whole bunch of cultural silos that were built for the 20th century notion of what Canada was. We have Telefilm, which some say is very challenged. We have CBC. We have National Film Board. We have the Canadian Television Fund. Yet we don't seem to have a holistic view in this multi-channel universe; we have all these funding envelopes, some of which are doing very well and some of which are probably doing very poorly.

Is there a way of radically redefining how we're doing things so we can have some cohesion among these various envelopes to

actually create the kind of international success we should be having in television?

My third question would be to our university panel.

We've heard about the million options out there in the new media. Basically I look on the web, and there are 10 million blogs, and they're all absolutely boring. My kids relentlessly troll the Internet looking for content. Good content is expensive. What has changed as far as I can see is that they still watch TV, but never at eight o'clock. They watch TV by buying DVDs. We watch *Buffy the Vampire Slayer* night after night after night, based on when they want to watch it. They watch YouTube. Right now, they're watching *The Mighty Boosh* and *Never Mind the Buzzcocks* every night—when they want to watch it.

So there's the issue of content, but someone has to produce that content. How do we get it out there? I'd like to hear from you on that.

As a supplementary to that, I'd like to know whether you have looked at the LaPierre report called *A Canadian Charter for the Cultural Citizen Online*. That is one of the most profound things I've read in the last number of years—and it's collecting dust somewhere in the heritage department. Mr. LaPierre said the need to develop an online cultural capacity to create a notion of citizenship in the 21st century.... I've never heard that report mentioned again. Is there any relevance to it?

I'll pass it over.

• (1015)

**Dr. Veena Rawat:** I will ask my colleague Mr. Caron to respond.

**Mr. Bernard Caron:** Maybe I'll give you the example of Quebec City. There is a transmitter in Quebec City. The analog transmitter is at the tip of Île d'Orléans. It covers Quebec City and also the surrounding area. What you really want to cover is along the St. Lawrence River, from the west part of Quebec to the east. Instead of having one central transmitter that is more or less covering a circle, you can put a number of transmitters along the river for that coverage. The problem is that you may need to build smaller towers, which do not exist now. You may need to share them with cellular telephone companies, so the network will look much more like a cellular telephone tower that you see along the highway. If you go away from that, the signal will disappear. You'll get similar coverage in the case of TV.

The total cost should be lower because the electricity you need to transmit these signals will be lower, and at the end of the day it should reduce the cost of operations.

**Mr. Jacques Bensimon:** To my part of the question, that's been my message to you, as the standing committee. Publicly we invest close to \$5 billion in audio-visual and communication as a country. In my view today—and that includes the National Film Board, in all due success with what it has to do. I've been saying that for the last five years. Resist the concept of reviewing the CBC mandate without reviewing all the agencies in this country, because you will do a disservice to the country if you isolate the evaluation of CBC without thinking of the consequences on all the players that are there. That includes Telefilm. That includes CBC. That includes the arts council. That includes all the players. If you don't do that, I really think you're going to miss the chance of reviewing.

The NFB wins the Academy Award, but at the same time, they invest in a concept called Hothouse in which kids are able to develop their own products, with today's tools, that are accessible—the same kind of thing as you have here—and they're able to show it to you almost immediately.

But I'm not preaching for one. I think that you need an overall review.

To go back to content, the beauty about content today is that at the same time as we've shied away from the idea of having to see the program at 8 p.m., programs today have blown away the concept of the half-hour, the hour, and the hour and a half, which were made for publicity consumption and for broadcasters' discipline that you could get into.

Today, products and content have burst out. They are three minutes in length; they are an hour in length; they could be two hours in length. The beauty of all of that is that it is being produced by all kinds of people. You have top pros who are doing high-definition programming that costs more than \$1.5 million to produce a three-minute program to something that is done for \$5,000 or even less. I think one has to look at the idea of content based more on the fact that, yes, you will continue to have a professional industry to which you belong in the world of music, but you will have also what citizens are able to create at that level. So it is a multi-pronged universe where content is not defined by only one thing.

Regarding the LaPierre report, I'm glad you've raised it, because I agree with you. It is accumulating dust, and it's too bad, because there were a lot of great ideas in that concept. But it's happening. I gave you the example of Homeless Nation, where basically kids in the streets of this country are connecting with each other through whatever way they can. If they can have access through their own computer or through a computer in a store, whatever, they are creating, communicating with each other, and finding solutions to their own personal faith amongst themselves, not requiring any intervention from outside in order to do it.

In my view, it also links to what the LaPierre report has been saying, which is that citizens should be put forth as being part of the creative process. We used to have professionals of this and that, and we thought that we had created—a generation to which I belong—professionals of the audio-visual. Today we are all professionals of the audio-visual. We have a language where we are able to decode images; therefore, we are now in a position to produce images.

• (1020)

**The Chair:** Thank you.

On the last question, Mr. Bélanger, do you want to lead? And let's try to keep our answers relatively short.

**Mr. Pierre C. Bélanger:** I'll try hard.

**The Chair:** I'm trying to give you the same amount of time, Mr. Angus.

**Mr. Charlie Angus:** I appreciate that, Mr. Chair. You're wonderful.

**Mr. Pierre C. Bélanger:** We appreciate this kind of question, because I think it's at the heart of what technologies are doing to traditional broadcasters.

There are so many new devices available right now for you and me to consume those contents that I think it's created what I now refer to as the “homozapiens”—zap—in the sense that if it's not according to what I think I could do with it, I have zillions of options, not only on satellite television and on cable and what not, but most importantly, on the web.

A number of neologisms have sprung up over the last few years. There's the notion of mash-ups, for example, where I have access to content, and you provide me with a pair of scissors so I can actually edit, for my own benefit and purposes, some of the elements of the content. There's the notion of crowd-sourcing, because we're talking about user-generated content. We always talk, especially in the private sector, of outsourcing to cheaper markets and stuff. The notion in the media is of crowd-sourcing, turning towards the public. Do you guys have anything we could use?

Look at some of the implications in the legal aspects, for example. Was it Rodney King in L.A., 10 years ago, where a citizen on his balcony caught the police in action? This notion of citizen journalism is another example of where the CBC should start moving towards over the next 10-year period, because that's what they're asking for.

I think there are a number of initiatives out there that are citizen generated. It would make the public broadcaster even more citizen oriented if only it could open up and be more sensitive to a number of initiatives that exist out there.

I'll stop it at that.

**The Chair:** Thank you for that.

We'll move to Mr. Fast, please.

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

Thank you, to all of you, for attending today.

This has probably been the most informative session we've had so far. To have experts on new media here...Mr. Bensimon, your testimony is refreshing. It just puts a whole new perspective on the issue of CBC, a public broadcaster, and what we have to review before we extend the funding that's already available to CBC.

Because we have a number of specialists in the area of new media, I'm going to focus in on Mr. Savage and Mr. Bélanger.

As you know, the CRTC has made it quite clear that for the time being the new media exemption will stay. Mr. Savage, you touched on it briefly. I'd like you to expand on that.

Mr. Bélanger, you didn't touch on it specifically, but I sense that you probably have a view on that as well. I'm wondering if you could tell us whether you support the extension of that exemption at this point in time. If so, why, and if not, why not?

**Mr. Pierre C. Bélanger:** Specifically with regard to the CBC?

**Mr. Ed Fast:** No, just generally, on the new media exemption that the CRTC has in place right now.

**Dr. Philip Savage:** I'll start with probably what was a bit of a catalyst for a lot of this. About a year ago, when mobile television came up, broadcasters were a bit shocked to find that in fact it would be outside, that the CRTC would take a hands-off approach to that, essentially.

I think there probably needs to be some very creative thinking, that the CRTC take a bit more risk in how they can actually support the tenets of the act in terms of the mechanisms that support the production and distribution of Canadian programming. I can't tell you specifically how one would do that. I think that it's a question that has to be raised.

In their 1999 new media exemption decision, they essentially said they would come back and review this as things went on. They really haven't done that. The Lincoln report asked them to do so. There probably just hasn't been time or the resources for them to do that. I think it's probably time for them to open that up to the public and to get a full range of thinking about this.

I suspect that there will be broad areas where any regulatory body will be unable to act to regulate content, because as quickly as they figure out ways to ensure that there are some content levels supporting Canadian content on a new piece of technology, there will be another one popping up.

One of the things that I think we've seen around the world is that other countries have started to deal with this. What has become clearer and clearer is that in fact there is a policy instrument that goes beyond content regulation, which is for producing local content, and that is the public broadcaster. So in fact—and I would agree with Monsieur Bensimon—it's actually that there is a whole range of agencies that need to be coordinated.

I'm a little wary of the notion of taking chunks of CBC money and putting them in things like the CTF, given what we've seen in the last few months of the unwillingness of certain parties in the broadcasting and telecommunications sector to actually buy into that, and they want to take their marbles and go home.

My point would be that what you see around the world—specifically with the BBC as the model—where you want to see experimentation, where you want to see local content, you use the resources of the public broadcaster to do that so that there is a choice. You offer a choice of content to Canadians.

There is a lot of mashing up. Among the students we talked to, Facebook is kind of a bricolage. I create my persona, I create my own media persona by whether I have Will Ferrell clips on my site or whether I have something from the CBC archives.

• (1025)

**Mr. Ed Fast:** I don't want to cut you short, but my time is limited. I think you've explained yourself well.

By the way, I wanted to congratulate Ms. Oreskovich for attending. You did a great job of presenting.

**Ms. Christina Oreskovich:** Thank you.

**Mr. Ed Fast:** I did note that you mentioned that your research shows that a high percentage of students download music illegally.

**Ms. Christina Oreskovich:** Yes.

**Mr. Ed Fast:** Was it 93%, the figure that you used, or 80%?

**Ms. Christina Oreskovich:** I can give you the exact number.

**Mr. Ed Fast:** The study seems to show 80%, but I might be wrong.

**Ms. Christina Oreskovich:** It was 80%.

**Mr. Ed Fast:** That's what I thought.

**Ms. Christina Oreskovich:** I had it.

**Mr. Ed Fast:** That's fine. It's still a number that to me, an old-timer... I'm somewhat shocked that we have in Canada a culture within our student bodies, and within our youth, that sees nothing wrong with taking content that belongs to someone else and downloading it without paying for it.

Mr. Savage, you just put your finger on it. Technology is developing so rapidly we're finding it almost impossible to capture the value of all of that content. That's going to be our struggle in trying to address the issues of new media and even copyright legislation in the future.

I would like to get to Mr. Bélanger very briefly.

You had also mentioned that you believe the CBC mandate needs to be modernized. I just want to be clear here. Are you saying that the mandate should be changed to become more modern and reflect modern realities, or are you suggesting that the implementation of the current mandate should be modernized? There's a difference between the two. I'm looking at the mandate here. It's not that long, but it does say in one part of it that CBC/Radio-Canada shall:

“be made available [...] by the most appropriate and efficient means and as resources become available for the purpose, [...]”

So that's quite general. It certainly would encompass new media, but you're suggesting the actual mandate needs to be modernized. Can we be specific?

**Mr. Pierre C. Bélanger:** In the written submission that I delivered last night—and you will be getting it, I guess, later on today or this week—I'm quoting section 3, in French:

[*Translation*]

the Canadian Broadcasting Corporation ... should provide radio and television services incorporating a wide range of programming...

•(1030)

[English]

I didn't see in that specific section of the mandate any specific reference to the integration or inclusion of emerging technologies. So to answer your question, my answer would be "the former". When you say it's to modernize the mandate or the way the mandate is being implemented, I would personally love to see a specific reference to the inclusion of "...and other emerging technology platforms as part of its delivery mechanisms".

**The Chair:** Thank you.

Mr. Scott.

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

It's amazing how much we all love the chair, who has the gavel and cuts us off and all those things—with reference to Mr. Angus.

As a starting point in this exercise—and I was quite happy to hear Mr. Savage speak of the historical *raison d'être* of the CBC—I think that Canada's identity, for a whole bunch of reasons we all understand, is, at best, fragile. As we globalize and as these new technologies become available, it becomes more and more fragile as there are more and more inputs in terms of our consciousness in terms of who we are, the values, and so on.

So with that as a starting point, I have a number of questions, but they're very specific. I think it actually works out that there's one for everybody.

In the context of Industry Canada, the reference to the infrastructure that's necessary for Canada to be a player in this, you identified the problem. I hadn't heard the solution, and I'd like you to do that.

I'd like to go through the list first, and then I'll stop.

Secondly, Mr. Bélanger, this shows how rapidly this whole area is moving, because I changed my mind about this twice in the course of the discussions today. I thought 20 years ago that the new feature of media was going to be interactivity with computers. My kids are 22 and 20, and 15 months. At 22 and 20, they've had no patience for television because it wasn't interactive, as against my generation.

Then I decided it wasn't about interactivity, but rather it was about consumer-directed. You were speaking of that and the fact that the new feature would be that we could pull it out of the air, as against having it fed to us in a linear way.

Then I changed my mind again when someone talked about citizen input and Rodney King. I think about the education system and all the students sitting there with their cameras and telephones, taking pictures of teachers. It speaks also to the fact that a lot of that is coming from schools and students who are ahead of the wave on all of this.

So I'd like that question to go to Mr. Bélanger. Simply, am I on the right track in terms of the trending?

Mr. Savage, the public service part fascinates me, but my fear is that we're not focused enough. All of a sudden I'm starting to think about how we could use the public broadcaster to engage Canadians

as a polity. They want to be engaged. I think at the beginning people saw the opportunities, but that means an entirely new dimension of citizen engagement in public administration and so on, and I worry that I might be promoting a loss of focus.

Then, finally, on the question of the relationship of the CBC and the mandate review, and other institutions in the country that would be complementary, can it not be that? Can we not, in the context of the mandate review, mandate the CBC to simply do a better job of being a part of a whole team of institutions dealing with this preoccupation, and not the only institution?

**The Chair:** Okay, who wants to respond?

**Dr. Veena Rawat:** Mr. Caron would like to speak.

**The Chair:** Mr. Caron.

**Mr. Bernard Caron:** If I understand, your question is that the infrastructure of the CBC as it is now—

**Hon. Andy Scott:** The difference, specifically, you spoke of.

**Mr. Bernard Caron:** I think both radio and television have something like 600 transmitters right now just for TV and a few hundred more for radio. To replace all of that would be a very expensive process, so they have to look at new technologies, and the distributed transmitter, for example, is a way of doing it; multiplexing the programs is another way. You can think of serving smaller areas or areas where there are low populations with one transmitter that will offer them more choice of channels. So that's another way of doing it.

Radio is the same. One transmitter can transmit French and English programs, for example. I don't know if you—

•(1035)

**Hon. Andy Scott:** We don't have a lot of time, and I want to hear from everybody on the other questions.

**The Chair:** Thank you.

Mr. Bélanger.

**Mr. Pierre C. Bélanger:** I'll probably try to get you to change your mind for a third time this morning by suggesting to you that I think one of the ways for the public broadcaster to remain pertinent and relevant, as Phil was saying, is to increase and design as many different opportunities as possible for people to personalize the content the CBC has to offer.

I think this is the newfangled way people are expecting a public broadcaster to do for them. Public interest allows me to pick and choose and constitute my own programming schedule whenever I want, on whatever device...you know those classic expressions: whatever people want, whenever they want it.

So "personalization", I think, is the operative word here.

**The Chair:** Okay, thank you.

Mr. Savage.

**Dr. Philip Savage:** This is something people have been struggling with throughout the world. A study was done in the Netherlands of the way in which young people are using news, because it was seen that the traditional serious news of the public broadcaster, the BBC model or the Dutch model, for their public broadcaster was too serious, that young people weren't interested in serious information.



They found you have this thing called “snacking” 24/7. Young people want to be engaged in different levels of community, but as part of that, they expect there will be a level of credible, high-quality, independently produced, well-researched news available as one of those options, and they were turning to the public broadcaster. They liked it when it was being streamed, they liked it when it was available in bits on the website, but it was a key component of what they needed.

Again, in terms of the complementarity, where is the news journalistic resource that is at the base of what people can build as their own mediascape? It's nice to say that students will create their own communities and blogs, but they still want to know about what is happening in Amherst, they want to know what's happening in Nunavut, etc. They need that connection and they need the credible, well-produced content that is coming from a network of people around the country.

**Mr. Jacques Bensimon:** Let me give you information about your kids. Today, in comparison to the generation of your children, kids are spending more time in front of their media than they are in school. One has to be extremely careful of that. As they are taught to become citizens, they are spending more time in the airwaves of the world than in front of the school process.

As to your point on whether the CBC is capable of doing the job of being the gatherer and federator, to a certain extent, I have to go by the track record. So far, the CBC has been acting as a doorkeeper and not a federator.

Technology is telling us that we need to have a totally different attitude and open ourselves, so the 35 million people of this country—and I'm not seeing a flow of everybody becoming filmmakers—are participating in the dialogue through images, as we've been doing through the printing press and the local newspaper, in comparison to *The Globe and Mail*, *La Presse*, or any other newspaper.

So can the CBC act more as a federator? What I mean by “federator” is to bring together the best minds in this country on the creative process, but also on the technological side of things. I don't have the answer, but so far, by track record, I don't see that.

This is really a global war that is taking place. When you see Fox buying MySpace and what is taking place, you have to ask yourself where Canada is in all that. Are we going to inhabit the spaces of others in order to exist? Are we really transforming this country of consumers, who will from time to time have their products appear somewhere along the line in other media?

The question that was asked about the CRTC links up with your point: is there something this country can do? I think it'll be difficult to regulate the airwaves, but you could at least put your minds together to help develop search tools that will identify what is Canadian in that global environment. Amongst YouTube, MySpace, and the other forms we've spoken about, what is Canadian in all of that? If we had those tools, we would have a way to find out.

I'm back from an event that took place two weeks ago in France called the MipTV market, in which all the world gathered and discussed new products. The BBC initiated a concept called Content

360 into that mix, where the young generation of players come and pitch their products.

At least the BBC is listening globally, because they're being pitched by people from all over the world, including Canadians. They have their finger on the pulse of what is being developed in content in the world, rather than not being part of it. They accomplish this by doing it on the world stage.

I'm back again to the fact that you need to link all those things together in order to have an answer, if there is a simple answer to one thing.

• (1040)

**The Chair:** Thank you.

A lot of these answers are very exciting and interesting. I have gone overboard again a little bit. I know how my committee members are trying to get all the questions out there, but we have to try to stay close to five minutes. That one went for almost 11 minutes, but they were very good answers.

Mr. Kotto.

[*Translation*]

**Mr. Maka Kotto:** Thank you, Mr. Chair.

I have a suggestion. I have prepared two questions. I would like, if possible, for you to respond in writing because these questions are both ethical and philosophical.

I feel that a strong public broadcaster is an irreplaceable tool for today and tomorrow to public service, cultural development and international growth. During a conference in Birmingham, the far left clan, led by Rupert Murdoch, claimed that the advent of the digital age marked the end of any plans to regulate the media and that in future, public broadcasters will have to give in to market forces.

What do you think?

In the perspective of content, how can a public broadcaster, namely CBC/SRC, continue to respect its current mandate and survive branching out to emerging technologies—to use Mr. Bélanger's expression—without competing with private broadcasters?

Can you explain your answer?

[*English*]

**The Chair:** Would someone like to respond?

Mr. Bensimon.

[*Translation*]

**Mr. Jacques Bensimon:** Mr. Kotto, since you want a written response, I would simply say that we need a strong public network in Canada and in the world. This also seems to be the consensus around this table. It would be an utter mistake to abdicate this universe to the free market. However, we have to come up with inventive and creative solutions.

It is all well and good to talk about technology, whether satellite, Internet or portable phone, but at the end of the day, it is content that matters. Change in content has to come from citizens taking part in discussions on public television or through a public spokesperson.

As long as we maintain the mentality that a broadcaster does not have to change paradigm, but convert to new technologies, we will lag behind, which will prevent us from entering this realm. The CBC/SRC cannot decide its future on its own and speak on behalf of the Canadian public. Our responsibilities go beyond that. To accomplish something, the existing agencies and citizens have to band together.

● (1045)

[English]

**The Chair:** Is there anyone else who would like to respond? We have another minute left for a response.

**Dr. Philip Savage:** We'll save it for the written response.

**The Chair:** Thank you for that.

We'll move over to Mr. Warkentin.

**Mr. Chris Warkentin (Peace River, CPC):** Thank you very much.

We appreciate your testimony this morning. As a matter of fact, we're discussing or thinking that we may have to bring some of you back. Obviously you've touched on a number of different things of interest to our committee, but we haven't been able to go into the deeper depths of some of them.

Since we have Industry Canada officials here, could you give me a brief technical answer to a question? Obviously the CBC is looking to replace a lot of their current infrastructure as new technologies develop. Is there an opportunity, in your opinion, for CBC to partner with private enterprise in terms of investing in infrastructure, if the technology is out there, so that CBC isn't on the hook for the entire upgrade of the infrastructure? What inhibits it from working with private or other broadcasters to partner in that expenditure?

**Dr. Veena Rawat:** I think there are opportunities, but it's up to the CBC. They can start, as my colleague said, right from Internet structures to transmission equipment. The new technologies are making it more possible to share some of the transmission equipment, for example. So there are possibilities. But it's up to the CBC to see where the possibilities are and whether it will be cost-effective for them to really share the infrastructure.

**Mr. Chris Warkentin:** Right, because I think we're concerned, to some degree, that the CBC not get bogged down on the infrastructure side, so they can do really well on the broadcast side. There are a number of things that have been brought up at the table. It was mentioned, even this morning, that CBC has to reach out to other public broadcasters within Canada, such as at the provincial and the municipal levels.

How might we be able to do that? There's a discussion of the necessity of meshing to ensure that people can customize what they want. I think it probably even ties back to the infrastructure side, where there might be partnering, but more so on the broadcasting side.

Does anyone have any opinions as to how we can work that into the mandate to ensure that CBC is taking advantage of other public broadcasters who are out there?

**Mr. Jacques Bensimon:** It's very simple. As I said, as an entry, when you have a budget like \$80 million that goes into the production of programming at the NFB and none of those products find themselves on the prime time television of the CBC, you have a serious problem. How can the taxpayers of this country invest \$80 million in an organization called the NFB when the products that are made by that organization don't find themselves going into the most important public broadcaster in this country? You have one problem there.

The second thing is that provincially, regarding the smaller broadcasters that exist across this country, the fact is that you're not familiar with Télé-Québec's product; or if you don't live in Ontario, are you familiar with TVOntario's product; or for that matter, if you don't live in B.C., the Knowledge Network? In my view, that's where the CBC has to take the leadership role that it should have as an important federator in bringing this together. You could start simply, as a broadcaster, by investing in some important product that you could broadcast on the national network.

Today the CBC is making its decisions based on revenues from publicity, and you people are going to have to make up your minds whether the CBC should be an organization that is financially dependent on revenues from publicity. From there on, the CBC should play the role of federator to reflect back on this country, not from its own editorial position as an institution but by federating players like the provincial players and the National Film Board, and working closely with an agency like Telethon Canada. That's what I was talking about, in reinvesting into the feature film industry.

For the time being, they think in silos. All those agencies think in silos. I think there are bridges simply on the broadcasting side that you could establish by your kind of guidance that could be helpful in getting them to talk to each other.

● (1050)

**Mr. Chris Warkentin:** Thank you.

I was talking about the issue of fragmentation and the issue of ensuring that a public broadcaster stands a chance in this increasingly fragmented industry. So I really appreciate the testimony that you brought forward. I think we're at the brink of thinking about this differently.

We have a long way to go in this review, but I think we're finally getting to the point where we're not hearing the same old, same old—that we just need to put more money into what we currently have and that would be the answer. Funding is probably an issue, but there's a whole lot other stuff, and each one of you have brought portions of that discussion forward. I think it will send us in a different direction, so I really appreciate your testimony this morning.

**The Chair:** Thank you.

Mr. Savage.

**Dr. Philip Savage:** I have one thing to add. I think you'll see that some countries are experimenting with this idea of combining private and public distribution, but doing so where there are public service obligations. We've talked a lot about film. With film in Canada, there is very little control over distribution. What is the percentage of Canadian screen time in our theatres? It's under 2%.

So let's not be naive. The public broadcaster has felt that it has an obligation to retain some control over getting its material out widely, including through analog transmission, because that's where people are still getting their radio and they're listening. I know that as they've moved towards terrestrial digital radio, which has been a bit of a flop, quite frankly, they did explore the model of almost always—and I was involved in some of these licence applications—working together to do the multiplexer so that the actual transmitter was broadcasting CHUM as well as the CBC and others.

But it has to be a model where the transmission network, whether it's over-the-air transmission or any other type of network, is on the basis of certain public service goals. Otherwise, the control will shift away and we'll have 2% of screen time on computer screens as well as in our movie theatres.

**The Chair:** Thank you.

I'm going to allow one short question and one short answer on the next round for Mr. Scarpaleggia, because we have only about seven minutes.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** My question is to Ms. Oreskovich. You mentioned that you see the CBC as a good, credible source of news. How do other young people on campus feel about the CBC? Do they see it that way as well? Do they tune in to the CBC fairly frequently, or do they find the CBC's Canadian content in general too provincial?

**Ms. Christina Oreskovich:** I'll be honest. I haven't had specific conversations with my fellow students about the CBC. However, just from the tone of conversations in class and stuff like that—I know in a couple of Philip's classes the CBC would always get brought up—it seems as though they're more interested in the news, obviously, and shows like *The Hour* with George Stroumboulopoulos. That is definitely applicable to my age demographic. I've noticed that the CBC is playing a lot of American movies lately. It has *The Simpsons* and *Arrested Development* on it. A lot of my fellow students will watch those, so it's not even necessarily Canadian content that they're watching.

**Mr. Francis Scarpaleggia:** I don't use the term "provincial" in a pejorative sense. I think the content is great, but sometimes you get a sense from people that they're not that interested in Canadian content and they want to hook up with CNN or what have you. That is the spirit of my question. Thank you very much for your answer.

**The Chair:** Thank you for that.

Mr. Abbott, a very short question and a very short answer, please.

• (1055)

**Mr. Jim Abbott (Kootenay—Columbia, CPC):** Carrying on with Ms. Oreskovich, I'm curious about the medium that the students would be accessing to watch CBC. Would they be sitting down in front of a television set in their dorm or at their home, or are they

watching it on an iPod? What is the current point of access for students?

Secondly, in your judgment, if you could project two or three years ahead, what would the point of contact be for the students with the CBC, either audio or visual?

**Ms. Christina Oreskovich:** I definitely think that the web would be the best way to reach students just because, as I said, YouTube is huge. With a show such as *The Hour*, you can watch it on YouTube. It's broken down into little snippets, but you could watch little parts. You can watch a program like that. The Internet probably reaches students the best, absolutely.

As I said, I'm heavily engaged with cbc.ca myself, and if I could look two or three years down the road, I think the CBC needs to take advantage of new media to reach people, whether it's through advertising or just promoting of the CBC and the different programs it offers and different artists that it tries to give exposure to or through Facebook. As I said, I don't know how they can harness the new media, but they have to do it in such a way to get themselves out there. That's what I think would be the best idea.

**Mr. Jim Abbott:** Thank you.

**The Chair:** We're very tight here. We do have another committee starting afterwards.

For a very short question and a very short answer, we have Mr. Angus.

**Mr. Charlie Angus:** Thank you.

There was a decision made in the last 10 or so years to move toward independent production as opposed to in-house. That's a course we've taken because we're in a competitive market.

The question we're having to look at is this. We have a number of challenged agencies delivering some great products, some mediocre products, some absolute flops. Given the current competition between broadcasters, how is it possible that we could start to bring together, say, National Film Board, Telefilm, and Canadian Independent Film and Video Fund to be actually part of a cohesive, holistic view of taking such great product and making it successful, using the CBC as a national broadcaster? Is that possible in the milieu that we're in?

**Mr. Jacques Bensimon:** It is possible. I'll just give you an example. During my five-year tenure at the NFB, I moved from 7% co-production to 43% by the time I left. This is over five years. It is doable, and it's possible.

The BBC has made a commitment that is very simple. From now on, rather than having in-house production, they have decided that one-third will be done in-house, one-third will be done in the independent milieu, and one-third will be fought between the in-house and the outside people. That's the way they've established the rules of the game.

I think it is feasible and conceivable to gather all your questions around the new platform universe, because if you look at Telefilm, which came to see you, which has a strategic plan around cell phones; if you look at the NFB and what they're investing in new technology; if you look at what CBC is investing—if you pull at least all those elements dealing with the new platform together and force them to react and act with one another, you might have the beginning of your answer on that.

**The Chair:** Thank you.

I appreciate the presence of our witnesses today. Thank you very much for coming.

Thanks for the questions; thanks for the answers.

The meeting is adjourned.

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