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## Standing Committee on Canadian Heritage

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EVIDENCE

**Wednesday, May 13, 2009**

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**Chair**

**Mr. Gary Schellenberger**

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Wednesday, May 13, 2009

• (1530)

[English]

**The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)):** We'll begin.

Ms. Lavallée.

[Translation]

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Thank you very much for letting me speak, Mr. Chairman.

Two days ago, we had quite an active meeting in which members around the table were disrespectful toward the witnesses. Those witnesses complained in various ways.

First, an article in this morning's *La Presse* refers to the Conservatives as "rude". That's the word that is used. It names the colleagues around the table who were disrespectful.

What is more, a few hours ago, we received an e-mail containing a copy of a letter from the Radio-Canada Communications Union complaining to none other than Prime Minister Stephen Harper. According to the letter, two colleagues around this table—and they are named—were arrogant and impolite, particularly toward francophone groups. Those groups say that the members listened to virtually none of their presentations, that they rose in turn and left the room instead of questioning them on their respective briefs or presentations, that they launched into long and vehement verbal protests claiming that the groups were there only to criticize the Conservative government, and that they accused them of not being duly mandated by the people they represented.

Mr. Chairman, you'll understand that receiving witnesses and being disrespectful toward them to this degree is unacceptable. I was wondering whether the individuals, who know who they are, would like to apologize and make a firm resolution not to do it again.

For my part, what I find the most unpleasant, apart from the incident on Monday, is that, when we receive francophone witnesses, people known to be unilingual anglophones remove their headsets and talk amongst themselves, to be sure they neither hear nor understand what is going on.

As a francophone, I find that attitude particularly insulting. I would ask that, in the batch of excuses those individuals will be making, they also tell us that they don't intend to adopt this attitude again, including not listening to witnesses who speak French.

[English]

**The Chair:** Mr. Del Mastro.

**Mr. Dean Del Mastro (Peterborough, CPC):** First of all, that's not a point of order.

Secondly, Madam Lavallée, when witnesses come in and decide they are going to play partisan politics as witnesses, they should expect to be drawn into partisan fights. That's what happens.

You know what I didn't appreciate? I didn't appreciate the fact that they alleged that Conservative members were taking "smoke breaks" during the meeting. Not a single member of our party even smokes. They should apologize for even making the insinuation.

There is no apology required, whatsoever. If you come before the committee and make partisan dissertations, you have to expect that parties are going to defend themselves. That's the way it is.

**The Chair:** Mr. Del Mastro—

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** I have a real point of order.

• (1535)

**The Chair:** Mr. Del Mastro, there's a real point of order.

**Mr. Pablo Rodriguez:** I have a real one this time, Mr. Chair—

**An hon. member:** Thank goodness.

**Mr. Pablo Rodriguez:** —though I agree partly with Madam Lavallée.

But our witnesses are here. We have to show them respect. I would start right away.

**Some hon. members:** Hear, hear!

**The Chair:** That's right. I agree: we don't want to take any time away from our witnesses. I think that's disrespectful.

**An hon. member:** Hear, hear!

**The Chair:** We welcome everyone here today to the twenty-first meeting of the Standing Committee on Canadian Heritage and, pursuant to Standing Order 108(2), a study on the evolution of the television industry in Canada and its impact on local communities.

I will ask each of the presenters to try to stay as close to 10 minutes as you can. I usually hold up my pencil or something when you're getting close. I will be a little lenient, but not very, so try to stay to 10 minutes.

Our first presenter is from the Alliance of Canadian Cinema, Television and Radio Artists, ACTRA.

Go ahead, please.

**Mr. Richard Hardacre (National President, Alliance of Canadian Cinema, Television and Radio Artists (ACTRA)):** Thank you, Mr. Chair and committee members.

My name is Richard Hardacre. I'm a professional actor. I'm the elected president of ACTRA. Also speaking for ACTRA today is one of our proudest members, our award-winning member and actor, Wendy Crewson.

We're here as the voice of ACTRA's 21,000 members who live and work in every corner of this country. Our members are English-speaking artists whose performances cross all delivery platforms: film, television, sound recordings, radio, and digital media. ACTRA also speaks on behalf of the AF of M, representing 17,000 professional musicians in Canada.

We thank you for holding these important meetings and for giving our members a chance to be heard.

We've been following these hearings and, frankly, we're a bit alarmed by what we've seen and heard. Canada's private conventional broadcasters have come in here and declared that the system is broken and that it's a state of crisis. They've threatened to shut down local stations unless we all meet their demands for deregulation and fee-for-carriage. We've watched broadcasters and big cable companies taking out national, full-page, expensive advertisements to buy and sell TV stations for the price of a cup of coffee and a donut.

You may think we have many reasons to be pessimistic about our industry, but we're not. Certainly, ACTRA is concerned, as are all Canadians, with reports of layoffs, programming cuts, and the shutting down of local TV stations. A healthy, vital broadcasting system is critical to the social, the cultural, and the economic fabric of our country.

According to the Conference Board of Canada, our cultural industries contribute \$85 billion to Canada's economy—7.5% of the gross domestic product. The film and television industry is a big share of that, generating more than 131,000 jobs in 2008. And every dollar that is invested in our industry generates a return of \$10 in economic activity. We must protect and preserve Canadian broadcasting to do that. We may need to make adjustments, but we do not need the mass deregulation that broadcasters are calling for.

We appeared before the CRTC last Friday. We made an unusual request. We urged the CRTC to do nothing with respect to Canadian priority programming regulations for now, to maintain the status quo by issuing one-year licences to the private conventional broadcasters with the condition that they spend the same amount on Canadian drama this coming year as they did in the renewal year. We urged the commission, as we urge you, not to buy into the panicked cries and threats from private broadcasters.

It is our belief that the conventional television system is not *en crise*. It is facing the same challenges as any industry in transition confronting a global recession. While the days of double-digit growth in conventional advertising revenues may be gone, conventional broadcasting will not disappear tomorrow. Canadians will still want to tune in to their local news and event drama. YouTube is not going to replace CTV or NBC as a means of mass advertising any time soon.

In 2008 private conventional television broadcasters in Canada made a profit on their operations. While it was low by historical standards, they still made a profit. Specialty channels continue to make record revenues: \$2.9 billion last year. The health of the specialty channels gives weight to the idea that you need to take a look at the industry as a whole. Don't forget that CTVglobemedia, Canwest, and Rogers own the majority of these specialty channels. CTV owns 32 and Canwest 21 of them.

If broadcasters are having difficulty with the downturn, it's the result of some of their own bad business decisions. Unfortunately, here and at the CRTC, private broadcasters have pointed the finger at everyone but themselves: the CRTC and its regulations; the Internet; the recession; the cost of U.S. programming; the cost of Canadian programming; digital transmission; cable conglomerates; and independent producers. They even point their finger at you, the government.

What about their gross overspending on U.S. programming? They bid up the price of U.S. programs, sometimes buying a series not because they want to air it, but to stop their competitor from getting it. English-language private conventional broadcasters spent 61% more on foreign programming than on Canadian programming: \$778 million last year versus \$453 million. That's a lot of money and a lot of jobs being shipped right out of this country.

● (1540)

Then there are the billions they spent acquiring new broadcasting properties. To do what? To go into fantastic amounts of debt? To become, what, media moguls? Their reckless business decisions meant that, even after years and years of often record-breaking profits, when the advertising market softened, they had no flexibility to adapt and to ride out the temporary downturn.

The broadcasters believe they have a right to profit and to profit without limit. That's fair. They're businesses. But with broadcasting licences comes responsibility to the people, to the public. We, the public, grant broadcasters the right to profit in exchange for contributing to our cultural identity by covering and airing Canadian stories, real and fictional.

And we want you to be convinced that it's your job to ensure that these corporations give back to the public.

**Ms. Wendy Crewson (Member, Alliance of Canadian Cinema, Television and Radio Artists (ACTRA)):** So instead of taking responsibility for their mistakes, the private broadcasters are seizing on what they call a crisis to hold us hostage on the issue of fee-for-carriage, to leave communities without newsrooms, and to free themselves of regulations that perhaps they never wanted in the first place. I'm sure they'd love it if you and the CRTC told them that it was okay to shut the local newsrooms, forget about Canadian programming, go on down to Los Angeles, and buy up all their content there.

Canadian programming, drama, sports, and news are the only reasons why we need Canadian broadcasters. If they're not going to offer that, then what is their purpose?

Private broadcasters must be required to produce and broadcast local news. The CRTC has already taken steps to assist broadcasters to fulfill their obligations by creating the new Local Programming Improvement Fund, which will put an additional \$60 to \$70 million into that system every year.

They must also be required to air Canadian drama. We would argue that they be required to do more, not less. Let us be absolutely clear here: Canadian programming isn't what got the broadcasters into trouble in the first place. Conventional broadcasters spent embarrassingly little on Canadian content, particularly drama.

In 1999 the CRTC gave the broadcasters flexibility. That removed expenditure requirements for Canadian programming, and it changed the rules so that now, out of a total of 28 hours a week of prime time, only eight of those hours have to be priority programming. Thanks to that 1999 ruling, low-cost entertainment magazines and variety and reality shows are counted in those eight hours.

English-language Canadian TV drama has all but disappeared. This week, when we look at the prime-time television schedules, we see that CTV and Global each have only two hours of scripted Canadian drama scheduled out of a possible 28 prime-time hours on each channel—two hours.

We've all heard the broadcasters say over and over that they can't make money on Canadian programming. CTV claims that even a hit show like *Corner Gas* loses money. What they don't tell you is that they can and do make money. Maybe not the first time they air it, but how many times do they repeat it? And then it goes to their specialty channels and it keeps on making money. Canadian programming is the gift that keeps on giving.

We commissioned a study that was released last week and demonstrates that when one accounts for repeat viewings and airings by station group, broadcasters can recoup the investment on Canadian programming, and in many cases make a profit, despite the fact that Canadian programming is set up to make less money. Did you know that advertising rates are automatically discounted because it's Canadian? It can be a top ten show like *Flashpoint*, but because it's Canadian you get an automatic 25% discount. I find that insulting, especially now when Canadian television is making history.

There are four one-hour dramatic series being simulcast on U.S. networks. *Due South* is the only other series that has done that. Now we have four: *Flashpoint*, *The Bridge*, *The Listener*, and *Copper*. This is the economic model for the future.

Of course, the only reason we have such a wealth of production right now is that the private broadcasters were primping for their licence renewals. But it proves that when broadcasters have the incentive to make an effort, Canadians have the skill, talent, and tenacity to produce world-class television.

In addition to less Canadian programming, broadcasters are also demanding fee-for-carriage. We are not against fee-for-carriage. What we are against is giving private broadcasters a new source of

revenue and getting nothing in return. If it were determined that fee-for-carriage is the best way to ensure the long-term vitality of the conventional broadcasting system, we would support that decision, with three conditions.

First, we need guarantees that the revenues from the fee-for-carriage will be seen on the screen in the form of local and dramatic programming.

Second, cable giants should not be allowed to pass the buck on to the public. With more than \$8 billion in revenues and \$2 billion in profits, cable can afford to foot the bill.

Third, the CBC must be included. We are disappointed that the private broadcasters have used these hearings to beat up on our public broadcaster. Now more than ever, when we see why we can't rely on private broadcasters, the role of the CBC comes into sharp focus. While private broadcasters answer to the shareholders, CBC answers to us.

Unfortunately, the CBC's ability to deliver has been weakened from years of chronic underfunding. We don't want to see it engaged in ratings wars and trying to squeeze every last advertising dollar by broadcasting American game shows. This is the wrong direction.

To that end, ACTRA supports the recommendation of the heritage committee last year that the annual allocation for the CBC be increased by \$7 per Canadian. ACTRA, along with the CEP and Friends of Canadian Broadcasting, has also proposed that advertising be removed from CBC television except during sports. In return, it should be financed either by a levy on cable companies or through general government revenues, or by some combination.

• (1545)

Let's be clear: we do not support taking away ads from the CBC unless the revenue stream can be replaced with another source. This would transform it into a genuine public broadcaster and would free up potential ad dollars for public broadcasters.

These hearings have made it painfully clear that we will not get leadership from the cable companies or from broadcasters. We and your constituents are looking to you for leadership to present a strong vision for a vibrant, independent Canadian broadcasting system. This is a turning point in Canadian broadcasting, not because we have a crisis, but because we have an opportunity.

**Mr. Richard Hardacre:** I will sum up.

Canada has some of the most educated creative minds in the world. We have a diverse culture. We have the technological knowledge and the skilled workers to deliver some of the leading communication technology in the world. We're looking to you to help craft a 21st century vision that will bring all these elements together.

Let's put our culture and hard-working Canadians ahead of broadcasters and big cable. Help us create a broadcasting system that serves all Canadians and provides thousands of skilled jobs, strengthens communities, and, above all, ensures that Canadians will have a strong, independent voice that can be heard coast to coast to coast and around the globe.

Thank you, committee members.

Mr. Chair, later we'd be happy to take any questions you may have.

**The Chair:** Thank you.

Next we have the Canadian Association of Community Television Users and Stations, CACTUS.

**Mrs. Catherine Edwards (Spokesperson, Canadian Association of Community Television Users and Stations (CACTUS)):** Good morning. It's a pleasure to be here. Thanks for giving us this opportunity.

The Canadian Association of Community Television Users and Stations is building a bilingual national membership of independent community television channels, cable co-op community television channels, some private cable companies that still practice community access television, and the public who uses and watches them. As an association, we believe that individual members of the public should be able to participate in the broadcast system.

The Broadcasting Act specifies that the system should enable a diversity of voices to be heard and that there should be broad-based access to it. The economic crisis has also focused attention on the scarcity of local programming. But the latter problem is not new. Both CBC and private broadcasters have been cutting back on production and shutting channels in smaller population centres for years.

Over the same period, BDUs have progressively regionalized and professionalized community television production, also resulting in station closures and fewer hours of local programming. This is a great pity, as it is the community sector that has the greatest capacity to address all three needs, that is, the needs for diversity, for access by as many Canadians as possible, and for local programming and expression.

It is impossible to have more diversity and more broad-based access than to enable every Canadian, every organization in civil society, and every community to be a producer. This has been the genius of the Canadian community access model, a brainchild of the National Film Board. It was enabled in the 1970s by the introduction of portable video recorders and the presence of cable television in communities across the country. This model has been copied worldwide and today is a robust part of the broadcasting systems of more than 30 nations, including the majority of western democracies.

Most have recognized community broadcasting as a third tier, which functions according to a paradigm that is different from that of public and private broadcasting. In September of 2008, the European Union recommended that members support the tier both financially and legislatively as a key policy tool to reduce racial tension and promote multicultural dialogue.

Meanwhile, here in the cradle of the community access movement, the sector has been gutted by successive rounds of CRTC legislation and misuse of community channel funds by the country's biggest cable operators. The damage began in 1997, when community TV was deregulated.

Funding to the sector was cut from 5% to 2% of cable gross revenues in large markets to make way for the Canadian Television Fund, and cable operators were given the choice on whether to have a community channel at all. Most opted to keep the 2% rather than give it to the CTF, but began to look at the channels as potential revenue sources.

In response, the CRTC relaxed rules against advertising on the channels, which has further fragmented the advertising market for private broadcasters. Many so-called community programs today are thinly disguised vehicles for product promotion, and often for national and international companies, not even local ones.

The public in centres such as Vancouver, Calgary, and Winnipeg have been kicked off the channels in favour of professionally produced formats that mimic commercial production.

For example, in Calgary, where I worked as the volunteer coordinator from 1993 to 1997, 400 volunteers and half a dozen staff produced more than 35 hours of new production per week, in every conceivable genre, from mobile sports to seniors and kids programs, and from live arts and entertainment to local issues and phone-in debates. No other sector can produce this volume of programs. But after the channel was professionalized, production was reduced to one hour or less of news per day—in a city that already had three other sources of professionally produced news.

Studios in smaller communities have been closed. Where Vancouver once had twelve neighbourhood offices, there is now one, in Shaw's corporate tower downtown. Where New Brunswick once had thirty studios, today Rogers offers only six. Not only are cable operators closing studios on their own initiative without repercussion from the CRTC, but the CRTC is facilitating the closures by enabling mergers of service areas in the name of streamlining.

In 2002, in response to public outcry, the CRTC reintroduced the requirement that cable community channels air at least 30% to 50% of “access production”—a far cry from the channels being 100% at the disposition of the community, but better than nothing—and that they should offer training and equipment to the public. Most of the big cable BDUs simply ignore these rules, because there has been no monitoring nor disciplinary action by the CRTC.

Policy 2002-61 also enabled community groups to apply for over-the-air licences, but there was no funding formula offered, and fewer than 10 community groups in English Canada have stepped up to the plate. Most survive on bingos and advertising.

The 2002 policy also stipulates that if a cable operator is not providing community programming in the spirit of CRTC policy, another organization within the community can apply for the levy, but all such applications have been turned down. As a double whammy, the lower-power licence-holders who are actually offering access are not allowed to apply for the levy.

• (1550)

Despite the CRTC announcement that it will hold a hearing into the community sector this fall, recent rulings continue to damage it. In December, the CRTC ruled in a closed hearing in less than 10 minutes that Shaw could buy the Campbell River TV Association, which had been providing community programming on Vancouver Island for over 50 years.

Also, distinctions between cable licence classes may soon be removed, resulting in a reduction in funding from 5% to 2% of gross revenues for small communities, those with fewer than 20,000 subscribers. This change was proposed in policy 2009-176, whose deadline for interventions was just this Monday.

When concerned parties contact the CRTC, the CRTC staff themselves often seem unaware of how changes affect the sector, so CACTUS fears that the CRTC lacks the expertise, willpower, and political backing to make the structural changes necessary. The loss to Canada is that the one sector that could best respond to the crisis in local programming has been successively undermined.

So how is the community sector different? First, because the sector employs volunteers, community channels can produce five to ten times as much programming as professional channels for the same budget, as in my example from Calgary. Any public or BDU funding acts as seed money, which is multiplied in the hands of the community to produce for the community.

The regionalization and commercialization of community TV we've seen has meant that the same economics limiting local production in the public and private tiers have come into play in the community tier as well. This needs to be reversed to get production back into the communities and to leverage the economic and creative genius of the access model.

Second, because program ideas come from the community, the programs are better targeted to community needs.

Third, citizen participation in TV production, which is still the medium by which most Canadians derive information and entertainment, develops a more engaged and critically aware

populace. It's a fertile training ground for the public and private sectors.

What would we like the standing committee to do?

First, to revitalize this sector so that it can help fulfill the diversity and access expectations of the Broadcasting Act, we ask that the \$120 million being spent yearly by cable companies on so-called “community programming” be liberated for independently run community channels that are accessible to all, representative of their communities, and present in those communities.

The creation of an independent fund was recommended in the Lincoln report, “Our Cultural Sovereignty”, six years ago. While cable companies may once have been the obvious trustee of community access production, the era of the small cable company that was a close partner with the community is gone.

Furthermore, at a time when cable operators buy commercial TV stations for a dollar—and may soon buy commercial TV networks—it's disquieting that they are also gatekeepers for the issues that can be discussed on our community channels, the one—at least potentially—truly free grassroots window in the broadcasting system. This tier, when functioning as designed, is a safety valve for our democracy.

Second, as was recommended by the Lincoln report, non-cable BDUs should also contribute to local reflection.

Third, as was recommended by the Lincoln report, technological options should be explored so that DTH can carry local channels, perhaps several per region.

Fourth, space should be made on all BDU basic services for a national public access channel as a platform for programs of national interest by the independent and voluntary sectors and to facilitate exchange between communities.

Fifth, an ombudsman's office within the CRTC should be created to monitor the coherence of the CRTC's decisions and their impact on the community sector.

What will we pledge to do in response? We have a new vision. In the 10 years during which community TV has languished here in Canada, it has made great advances elsewhere. With the adoption of digital camcorders and computer editing suites, access centres in other countries are producing programs that are indistinguishable from professional content except in ways that we view as advantages: they are fresh, they take risks, and they showcase real people taking stands on local issues.

Not only has the video production technology changed, the distribution platforms have changed as well. The most advanced community access centres in the world are platform-independent. They offer free training and equipment not only for video and radio production, but also for web design and computer skills. They are often housed in live theatres, libraries, and community centres so that residents can one-stop shop to get their messages out. The resulting productions have must-carry status on all platforms, including over-the-air, cable, satellite, and Internet.

If community access centres of this kind can be adequately funded from the existing cable levy or from new sources, CACTUS has the expertise to rebuild this tier to provide this level of service and fill the gaps in local programming. Where Canada once led the world in the use of new technologies at the local level, we would do so again.

Thanks a lot for your time.

• (1555)

**The Chair:** Thank you for your presentation.

We will now move to Stornoway Communications, please.

**Mrs. Martha Fusca (President, Stornoway Communications):** Thank you.

Good afternoon, Mr. Chair, members of Parliament, and ladies and gentlemen.

When you stop and look closely at most if not all successful Canadian public policy, you invariably find a fork in the road where policy-makers chose to put Canada first. It's not always an easy choice and it's generally not the option of the more exclusive, but putting Canada first never shortchanges our long-term interests and never diminishes our national character.

As this committee reviews options to address the challenges facing our broadcasting system, we respectfully suggest that each recommendation be weighed in terms of putting Canada first.

I'm Martha Fusca, president of Stornoway Communications, owners and operators of three digital specialty channels: ichannel, the public and social affairs issues channel; bpm:tv, the dance channel; and The Pet Network. I began my career in television production upon graduating from York University and co-founded Stornoway Productions in 1983.

Stornoway has produced many award-winning, critically acclaimed investigative, geopolitical, and national documentaries produced for Canadians as well as for foreign broadcasters.

I'd like to mention but a few: *Agents of Deception*, an examination of the Soviets' global disinformation campaign; *End of an Empire*, a four-part series that foreshadowed the demise of the Soviet Union; *Caught in the Crossfire*, an exploration of Canadian peacekeeping and conflict resolution missions around the world that was launched at the United Nations in New York; *Dragons of Crime*, an investigation into Asian smuggling into North America; *Does your Vote Count?*—and I brought you all a copy—an examination into the life of MPs and the parliamentary structure within which they work; and *A Question of Honour*, a five-part series that examines the life of a Canadian soldier from their point of view in the field and here at home.

The life of the independent producer is a constant struggle and, along with actors, directors, and writers, they do what they do not because there's a lot of money in it, but because they love it. Artists are like that, and we should not forget that artists are the soul of a nation.

By 2000 I was ready for a new challenge and decided to move into the broadcasting business. I was in for a big surprise. I was positively thrilled when we got our licences and I naively believed that we would thrive if we delivered good programming to consumers and would wither on the vine if we didn't. Since we had a long track record for delivering outstanding programming, I determined that we would do very well. But it doesn't work like that.

We're very pleased that you've extended your review of these important issues to include Stornoway's voice representing small, privately funded, independent broadcasters, a scarce commodity in a market dominated by BDUs and large consolidated companies.

Yes, we need strong, well-capitalized Canadian media companies in broadcasting and distribution, but we also need to ensure that there will be room for small independents and new players.

Yes, we need balance in our broadcasting policy and regulatory framework; however, what is clearly emerging from these hearings is an unequivocal indication that an imbalance of power exists within our industry, a result of public policy, regulation, or lack thereof, where BDUs totally dominate the broadcaster-distributor relationship.

By any reasonable measure, we in Canada have three major cable territorial monopolies, with Bell ExpressVu providing an important service to rural communities, but little or no competition to the monopolies. These monopolies—not consumers—can either make or break a broadcasting business.

As early as 2004 we placed on the record with the CRTC our experiences with BDUs, and we have reported numerous examples of the obstacles and barriers that have impeded both our success and our ability to contribute to the objectives of the Broadcasting Act.

Further, a move to so-called market forces has created an untenable situation for the broadcasters, one that is flowing down the value chain to the other sectors, including the producers, the actors, the writers, directors, and crews. Market forces alone cannot be counted on to replace regulatory support for key pillars of the Broadcasting Act, such as diversity and access to the system.

This hearing can—and in my view should—go a long way toward redressing the imbalance of power that exists between broadcasters and BDUs, as well as some broadcasters and producers, by recommending policies that benefit everyone instead of one sector at the expense of all the others.



Let me cut to the chase and use the precious time we have to focus on five key recommendations, which we believe are warranted by the conclusions our company has drawn from the very careful and extensive situational analysis of broadcasting in Canada and which we urge you to consider in putting Canada first.

●(1600)

In our "Canada first" approach, we propose that the Canadian basic tier include mandatory carriage with a minimum mandatory fee for independent analog and category 1 services on the basic or digital basic service. These services, like our iChannel, make significant contributions to Canadian content and Canadian program expenditures and they're vital contributors to the diversity of the Canadian broadcasting system. For independent services, mandatory carriage without a mandatory subscriber fee simply doesn't work.

We recommend that you permit category 2 or new services to apply for category 1 status. Access to category 1 licences provides the opportunity for additional independent Canadian programming services to step up to the plate, meets the commission's requirements, and enhances diversity, Canadian content, and Canadian content expenditures. This is a win for the entire system: the broadcasters, the distributors, the producers, the talent, and Canadian television consumers. It also helps the smaller independent broadcasters, who currently have a fragile foothold in the industry, to develop into more stable business concerns.

We recommend that you prohibit distribution carriage fees charged by BDUs. Under the act, we have a responsibility as broadcasters to deliver our signals to BDUs. The delivery of signals by BDUs to subscribers is the responsibility of the BDUs and the cost should be borne by them. BDUs should not be allowed to levy abusive charges on programming services licensed by the CRTC. We fear that this problem will become significant as we prepare to transition to HD. Attempts by BDUs both to determine whether they will carry our HD signals and then to charge us exorbitant fees to carry our HD signals will prevent the deployment of HDTV by independent broadcasters. This would be a significant competitive setback for our services.

We recommend enforceable access to BDU-controlled marketing venues at reasonable cost. The most important and effective marketing opportunities available to us are those marketing venues controlled by the BDUs. In the case of local avails, notwithstanding clear direction from the CRTC, often these are available to independent services like ours only on very expensive and restrictive terms, so much so that we can't afford to use them. BDUs are unfortunately keen to profit by selling these avails rather than promoting Canadian programming and advising Canadian consumers of available Canadian content.

We recommend that broadcasters support unaffiliated independent producers and contribute to the production of drama, children's programming, documentaries, arts, and variety.

Mr. Chair, members of Parliament, and ladies and gentlemen, we believe these five recommendations would help ensure that my company has a reasonable opportunity to survive and grow. They would provide a similar opportunity to other independent broadcasters, send a signal to potential new entrants that they can participate in our broadcasting system, preserve our unique

contribution to Canadian content, and support diversity while making independent services accessible to all Canadians.

These are five recommendations that put Canada first, recommendations that are consistent with the Broadcasting Act and that support all sectors, not just one, while allowing BDUs the flexibility to seek beyond the Canadian first basic package.

Thank you very much for your attention and the opportunity to participate in this proceeding. I'm truly grateful.

I'm delighted to be sitting here with ACTRA and the folks from the community channel. I have an enormous regard for both of these groups.

●(1605)

**The Chair:** Thank you very much.

Our first question is from Mr. Rodriguez, please.

**Mr. Pablo Rodriguez:** Thank you very much, Mr. Chair.

Since there's only one round, after my four minutes I'll leave my last minute to Ms. Fry.

Welcome to all of you.

[*Translation*]

Good afternoon, everyone. Thank you for being here today.

I'm speaking to the ACTRA representative. You're essentially saying that private conventional television is using the current crisis as a pretext to get rid of regional stations or operations that are too costly. Is that what you think?

[*English*]

**Mr. Richard Hardacre:** Yes. They're also using it as an excuse to claim that they need to divest themselves of Canadian content, which is our bigger problem.

[*Translation*]

**Mr. Pablo Rodriguez:** I want to assure you that the Liberal Party of Canada is opposed to deregulation. We think that more Canadian content is needed, not less. That's our official position. That's what it was before and that's what it still is today.

The specialty channels must deal with the Internet and specialty television stations that are going after major market share. The figures prove it. Do you think we'll have to help them in some way?

[*English*]

**Mr. Richard Hardacre:** I'm sorry: additional help in what way?

**Mr. Pablo Rodriguez:** We're not suggesting a specific solution. What I'm saying is that there are new challenges because of the Internet and specialized TV. That's real, and it's in the numbers there, so don't you think that we should do something for conventional television at large, including the CBC?

**Mr. Richard Hardacre:** Well, let's break this down: private broadcasters versus the CBC.

First, with private broadcasting, we maintain that these broadcast distribution undertakings need to be viewed upon as grouped, as an entire operation, including the specialty channels. We have the figures that show the specialty channels are indeed making healthy profits. In fact, their overall advertising revenue is not down.

This is a time of the market being fractured. People are starting to watch programming on the Internet, yes, but as far as additional help for specialty channels for the broadcasters is concerned, no, we don't

**Mr. Pablo Rodriguez:** Not for the specialty channels, but for the conventional channels.

**Mr. Richard Hardacre:** For conventional channels, our position is quite clear. We do not believe that, as such, the conventional channels need help. We want them to stop overspending on buying foreign programming. If indeed they can make a case that fee-for-carriage should be applied and they receive something from cable companies, we would say that would be very conditional. We would like to see conditions imposed upon that so that additional moneys coming in from a fee-for-carriage, which we are not opposed to, would—

• (1610)

**Mr. Pablo Rodriguez:** On certain conditions.

**Mr. Richard Hardacre:** —have conditions. Yes.

**Mr. Pablo Rodriguez:** I have to move on, because I have only one minute.

[*Translation*]

Private broadcasters say they have to buy American programs to attract and subsequently retain Canadians. What's your position on that?

[*English*]

**Mr. Richard Hardacre:** Well, certainly it's important to make a profit; we want these companies to be viable. Distributing American programs or foreign programs is fine. What we are against is the predominance in prime time—with CTV and Global being what is shown in blue here—of predominantly foreign programming and predominantly American programming. In the 28 hours a week, we have one hour of new programming on CTV and one hour on Global. So yes, have some American programming to make some advertising revenue, but we need limitations on it.

**Mr. Pablo Rodriguez:** So the red is better—

**The Chair:** Thank you. You've gone over time because we're switching to Ms. Fry for a very short question.

You only have a minute.

**Hon. Hedy Fry (Vancouver Centre, Lib.):** Thank you very much, Mr. Chair.

You said in your presentation on page 5 that in 1999 “the CRTC gave in to broadcasters' demands for deregulation and reduced requirements for drama”, and as you said just now, there is very little programming in prime time. How has this CRTC decision of 1999 affected your group, ACTRA?

**Ms. Wendy Crewson:** It's interesting to note that the average income of a union member in 1999, before the policy took effect, was \$15,000 a year, so obviously we're not in it to get rich. Since the policy has been in effect and because prime-time drama has dropped off so precipitously, the average income of an actor in Canada is \$10,000 now. We've had a 29.1% drop in our income over the course of the 10 years since that ruling came into effect. It's been devastating.

**Hon. Hedy Fry:** So jobs and incomes are being lost?

**Ms. Wendy Crewson:** Yes.

**The Chair:** Thank you.

We move now to Ms. Lavallée, please.

[*Translation*]

**Mrs. Carole Lavallée:** Thank you very much, Mr. Chairman.

Mr. Hardacre, I'm pleased to see you because you accurately state the problem of English-language television, Canadian television. If a representative of the Union des artistes, which has exactly the same mandate as you in Quebec, were in your seat, he wouldn't be emphasizing the same problems in the same places.

In Quebec, the problem is not competition from Hollywood. We have excellent Quebec productions with excellent ratings. We don't have the same problems. What I like in your presentation is that it accurately states the problem with Canadian broadcasting, which is competition from Hollywood.

Can the situation change? Can your problem really be solved? We sense that it's a wheel that's turning. The fewer Canadian productions there are, the less the television networks want to broadcast them. Consequently, artists make less money and there are fewer artists. When anglophone artists succeed, they want to go to the United States because the language is the same. That's one of your problems. Can that wheel be stopped? Could the problem be solved through regulation, by government investment or by increasing the awareness of broadcasters, which currently look more like people who want to do business than people who, generally speaking, have a licence and a privilege to produce television for the public?

**Mr. Richard Hardacre:** Thank you for your question. We would like to have the same advantage as Quebec artists have.

[*English*]

In Quebec, there no competition for an audience with the American elephant that is beamed across the border.

Do we see a solution? Is there a light at the end of the tunnel? We believe so. We are very optimistic. First of all, some of this is reliant on the public broadcaster. We believe that the CBC, in both languages, must have stable and continuing funding.

What we do not believe is that private conventional broadcasters should look upon the obligation to have Canadian content as some kind of taxation or a cost of doing business or a penalty of some sort. It is not. It is in the Broadcasting Act. It is in Canada's Broadcasting Act, an act of Canada, that they have an obligation to champion Canadian culture *en français et en anglais*. It is absolutely required of them.

Also, we do not buy their arguments that their profit margins have dropped because of Canadian content. We think that is a load of something that is not acceptable in this room. They have created their own difficulties with their massive expenditure on foreign programming and their massive acquisitions, which have acquired them so much debt that they can't handle it.

So yes, we look for regulations, we look for the CRTC to impose these regulations, and we look for this committee to make some recommendations to that effect. We're not looking for handouts to the industry.

*Merci.*

•(1615)

[*Translation*]

**Mrs. Carole Lavallée:** Ms. Crewson, do you want to add something?

[*English*]

**Ms. Wendy Crewson:** Yes, I'd like to say that there is a way out of this cycle. We see it more and more. As soon as we have an opportunity, as soon as the broadcasters take it seriously in their license renewals that it's time to put a little money and effort behind a Canadian show, we see enormous success.

We have the talent. We see it in every American show. If you look at the cast list—and at the writers, the producers, and the directors—it's chock full of Canadians. It's not that we don't have talent—we need to offer them a job. If there is no work here, why would they stay? When you're making \$10,000 a year, why would you stay?

If we can create this little umbrella of an idea that we can give the private broadcasters a reason—that these are the regulations and this is why you have the licence—to produce this kind of stuff, we're more than able to produce it. Once we start doing that and it becomes profitable, then we will start breaking that cycle, but as long as they say they only want to do American shows, we're never going to develop a sustainable Canadian industry.

**The Chair:** Thank you.

We'll move now to Mr. Angus.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Thank you. At the outset I want to apologize. Five minutes for questions is not nearly enough time, because there are so many issues from each of the presentations we've heard.

I want to begin with ACTRA because ACTRA broke the path, I think, for actors' organizations around the world in fighting for

digital rights, yet the business plan we're being sold by the broadcasters seems to me incredibly digitally counterintuitive.

In the age of the Internet, content is king. People want content, yet we're being told that local is a real drag, that those are your entry-level viewers, your local audience, so they don't want to worry about them. “We don't want to have to be burdened with running Canadian shows,” they say, “and even if we are, we're going to sell them at a discount or in low markets when nobody's watching.” They just want to be able to reproduce American shows, which they don't have the long-term rights for.

It seems to me that with this future business model they're slitting their own throats. If they're not creating content and selling that content for the audience that's moving more and more online, why the heck would they ever watch them when they can watch the American version wherever they want in the world?

I'd like to get a sense of this from you because you guys have fought for this principle of digital rights. We've been told again and again about “the long tail” in business, yet the broadcasters tell us there's no money in Canadian content by creating shows and owning shows and the rights. Could you comment on that?

**Mr. Richard Hardacre:** The study we had done by Nordicity, which we published last week and which we would be happy to share with the full committee, shows that there is indeed profitability in Canadian programming. There is a long tail. The first runs of any television program do not make a profit, but they actually do when they play again on specialty, and on the main networks, and then again in new media. The profit is there and can be there.

Second, I'd like to argue that, whether it's distributed digitally or by conventional means, the argument that no one is interested in local stories is one that we just don't buy. Local news is important, but local stories are stories that mean something to all of us. There are films such as *Passchendaele*. It not a television program but it is a local story, and while it was set in Belgium and France it was still about local people and the local Canadian history of our forefathers. That kind of film work is a local story; it's a Canadian story.

Simply put, there is a future in digital, and we also believe that the rights we have as performers—and the writers, directors, and the producers would reinforce this—to get a return on the profit that's made from long-term digital distribution have to be protected by intellectual property rights. That's something else that this committee may be considering in the future, but there's very important work on intellectual property being done at WIPO, the World Intellectual Property Organization, and we hope this government enforces that.

• (1620)

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

Madam Fusca, one of the issues that's come before our committee is that there seems to be a huge disproportion in regard to those who take the risks in creating a sellable product or, in your case, setting up a broadcast. Enormous risks are entailed. There's a disproportion between the risks this first group faces and those faced by the gatekeepers, who actually decide who gets to see what and how they get to see it and who actually get a disproportionate amount of the return with very little risk.

You talk about the BDUs being allowed to charge fees to carry signals. My question is twofold. First, is that part of their licence or is that extra billing? Second, do you believe that the CRTC, which is there to protect the public interest, is completely failing in one of its fundamental jobs, which is to ensure that there is a balance between the broadcasters and BDUs and the people who create the talent and the content.

**Mrs. Martha Fusca:** Just to answer the first question first, I said that the act specifies that as broadcasters we're responsible to ensure that we deliver our signal to either the cable companies or the satellite companies, and we do that. I've put it on the record on numerous occasions that we are then charged an additional fee, a carriage fee, of \$240,000 a year. Now, that's only by one BDU. Only one of them is doing it thus far.

I can also tell you that because ichannel is a must-carry, I could refuse to pay that fee if that were the only channel I had up there, because they'd still have to carry it. However, I have a category 2 up there as well, and if I choose not to pay the fee, that service comes down.

The CRTC knows this. I don't know why they're not doing anything about it. I've talked at length for years. I've spent hundreds of thousands dollars talking and now it's my turn to start asking the questions.

This is a situation, by the way, that isn't recent. It would be nice if we could blame the current government, but it's a situation that unfortunately has been creeping up on us over the course of the last 10 years. In terms of the CRTC, I think that whether it's the cable companies' ability to lobby so well and the broadcasters not doing such a good job.... Clearly, the broadcasters are not doing a good job, because I know both Ivan Fecan and Len Asper, and I know they do care about Canadian programming.

I also know why they're importing some of the American stuff: because if we don't import the American stuff, even though it helps to subsidize Canadian programming, the first thing you'll hear a BDU saying is that they need that programming and they have to bring up yet another American channel.

I think it's a good idea for this committee to ask the CRTC why they're going that way. Lord knows, even if we don't do a good job of explaining ourselves, the evidence out there is more than abundantly clear.

**The Chair:** Thank you very much.

Mr. Del Mastro, please.

**Mr. Dean Del Mastro:** Thank you very much.

Thank you, witnesses, for your presentations today.

Frankly, we'd love to ask questions of all the witnesses and get in a couple of rounds in, but unfortunately, because this is only a one-hour session, we haven't the time. So I apologize if anyone feels they're being ignored by the committee today.

I'm going to start with ACTRA and Mr. Hardacre and Ms. Crewson. Frankly, I emphatically believe in and support an awful lot of the statements you made today. I think the role of the CRTC is to protect the Canadian identity. I think that's why it was created. We live next door to the largest exporter of culture in the world and we are trying to define ourselves and tell people the Canadian story.

You mentioned *Passchendaele*. I've spoken to you about this. One of the things I liked about *Passchendaele* is that it acknowledged that Canadians served in the First World War, it acknowledged the role we played, and it told a Canadian story from a Canadian perspective. I think it was unique.

I'm pretty passionate about this stuff. I really think that Canadians need to learn about their history. I think they need to learn a better identity.

You talked about drama. I think drama is critically important. What are we losing right now by whittling down Canadian drama on prime time?

• (1625)

**Ms. Wendy Crewson:** Canadian drama is the linchpin of popular culture. It is the one thing we all turn to. It is the voice that can go from one end of the country to the other. It is a voice that joins us. It is our humour, our fears, our hopes, and our dreams. It's all encompassed in Canadian drama.

That's what Canadian drama does. It tells our stories to us and to our children so that we're part of a country that has stories that are heroic and that form who we are, instead of having our identity constantly chipped away by American programming and American drama, and by having your kids, every time they turn on the TV, watching some American show about some American dream or American reality that is not going to be theirs.

It diminishes us not to have our stories on television in prime time in the form of drama. Unless this turns around, I think we are truly becoming a branch plant of American culture, and that's all we'll ever be. A few people will make a ton of money from it and the rest of us will suffer the consequences. At this point, you see the cracks in the facade already, but I tell you, it will be devastating. We will lose our identity.

**Mr. Dean Del Mastro:** Thank you.

You mentioned the 1999 decision. As I said earlier, the CRTC's role was to make sure that there were Canadians on the airwaves and to make sure that Canadians got to see Canadian programming. What message would you give directly to the CRTC? I know that you've asked them to do nothing for a year, but what would you say to them with regard to fees, whether it's a Local Programming Improvement Fund, which they've already decided to move forward with, or alternatively, the fee-for-carriage the broadcasters have spoken about and the BDUs have argued against?

What would you say to them about these fees and the importance of ensuring that they perform their role in making sure that Canadian content is on the air in prime time? What message would you give directly to the CRTC?

**Mr. Richard Hardacre:** Thank you.

The message we've delivered already—and I'm going to make it quite clear again—is that we need to see in the hearings, both for digital distribution and for the conventional distribution of programming, dedicated space for Canadian content, dramatic content being part of it, and we need to see minimum expenditures.

It's not just an actors' union that needs to see this. It's the Canadian people who need to see this: minimum expenditures dedicated to Canadian content and, of that, a major part of it for Canadian drama, for those stories that Wendy has just spoken about.

**Mr. Dean Del Mastro:** Thanks so much.

Ms. Fusca, I'm encouraged by your commitment to the process of this committee. I've seen you here at virtually every committee hearing, which means that you inherently believe in the committee process of Parliament. I want to express my appreciation for that.

You run three stations right now: the Pet Network, bpm:tv, and ichannel. Are you having any problems in getting any one of those carried right now? I wasn't aware that there was a pet TV station, but I think my wife would probably like it.

**Mrs. Martha Fusca:** Yes. Well, I'm disappointed that you didn't know there's a Pet Network.

I just want to add that in general, and on behalf of the community folks and ACTRA as well, the system really needs more money. There has to be a better sort of sharing of the revenues that are generated. We also need to be using the mechanisms that we have available to promote it. With The Pet Network, for example, I can't. Shaw and Star Choice don't carry The Pet Network or bpm:tv.

We had an NDP member from Windsor here who asked why it is that we can have a couple of pornography channels but not the Windsor station. I have the same question and so do many citizens across the country. Why is that they can't get bpm:tv? Why is it that they can't get The Pet Network?

If North Americans alone spend billions of dollars on pets, you would just intuitively—never mind bpm:tv—conclude that this is an extremely popular programming genre. Yet you have the folks from Shaw sitting here telling you that the consumer decides. Well, what consumer? What consumer decides? Because the consumer is definitely not deciding—those folks decide. Unfortunately, over the years they've been given the authority to make the decisions about what Canadians can and can't watch and what gets promoted and what doesn't get promoted.

I would love to promote some of the Canadian drama we have on ichannel, but it would cost me half a million dollars for each channel to do a seasonal campaign. That's not what the CRTC intended, but the CRTC isn't doing anything about it yet.

• (1630)

**The Chair:** Thank you.

Again, as has been stated, all our witnesses are very important to this committee.

Our first hour is complete. We are going to recess for a couple of minutes. Just before that, I would request that everybody get back here as I have a couple of items that I have to go through before we start our next group.

Thanks very much to our witnesses. We'll recess for five minutes.

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\_\_\_\_\_ (Pause) \_\_\_\_\_

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• (1635)

**The Chair:** I call this meeting back to order.

Before we start, we have to do a little bit of committee business. I've been talking to the analysts. On the first Monday back, May 25, we have the CRTC here.

There's been a suggestion that we have a mini-round table on May 27. That would be a selection of the witnesses who have been before us. I'm going to ask that each party suggest two people to the clerk, and we'll see if we can set that up.

At the same time, I'm going to ask that the meeting on June 1 be suspended. There's a request that I think will come through the clerk in relation to an event at the Library and Archives that day. They would like to have as many as possible from the committee attending that event. I was not going to be here anyway on that particular day; it's the opening of the Stratford Shakespeare festival and I have tickets for my wife and me. We'll correspond through the clerk and get some of that across tomorrow.

The other thing is that if we can meet with our analysts to give them some idea of what we might be looking for in a report, if we can give them a little direction, maybe they can rough some things out over the break week. When we do get into the report, we're only going to have about four or five meetings to quantify the report and get it presented to the House.

Go ahead, Mr. Rodriguez.

•(1640)

**Mr. Pablo Rodriguez:** Thank you.

I have no problem with scrapping the June 1 meeting. What I suggest, then, is that on May 27 we do a round table for two hours and extend the meeting so that we can have an in camera working meeting on the report.

**The Chair:** Yes, that sounds good. We did talk about that. I missed that. I think we can do that. We'll be in camera through that round table anyway. We'll extend it for half an hour to an hour and use our discretion as we go.

Go ahead, Mr. Angus.

**Mr. Charlie Angus:** I don't know if we can make this decision here and now, but we might need a working lunch before that. Before we go into that meeting, I think, we should all have had a chance to at least have a sense of some of the issues we need to address, so that we're not coming in and then floating our ideas blind with the people we're going to have to bounce these ideas off.

We have very little window and we have to come forward with some very technical responses, and a lot of people are paying very close attention to what we're doing. We don't have to do this now, but if we can look at our calendar and find time to have a meeting and talk about some of our ideas together, it will give us a chance to test some of those ideas. Then we're going to have a much better sense of what we need to do with recommendations. Then we can go into that meeting.

**The Chair:** Okay.

Go ahead, Mr. Del Mastro, but keep it very short, please.

**Mr. Dean Del Mastro:** I think Mr. Angus makes a very good point. I know that we don't have a steering committee in this committee, but if Mr. Rodriguez and Madam Lavallée are interested in such a proposal, I'd be very happy to get together with the three of you, perhaps informally, to kick around some ideas and see where our heads are at on the issues we've heard about. If others are interested, I'd certainly be interested.

**The Chair:** Thank you.

Are the bells at 5:30?

**A voice:** Yes.

**The Chair:** Go ahead, Ms. Lavallée.

[*Translation*]

**Mrs. Carole Lavallée:** Mr. Chairman, something is troubling me. We're going to cancel our June 1 meeting for a press conference at the Library. I don't know whether it's for a government announcement concerning the digital converter, as I think it is. It seems to me that's an odd way to proceed.

[*English*]

**The Chair:** I'm going to interrupt, because that's not my understanding. The clerk has suggested that.... I don't even know whether it is the archives or the library that wants us there. To me, it's not an announcement and—

[*Translation*]

**Mrs. Carole Lavallée:** I'm going to tell you: I know what it is.

[*English*]

**The Chair:** It might be a coincidence, you say? Who knows?

[*Translation*]

**Mrs. Carole Lavallée:** It's the launch of a digital collections generator at Library and Archives Canada, and it's at 4:30 p.m. on June 1.

Is that correct?

[*English*]

**Mr. Dean Del Mastro:** Mr. Chair, she doesn't have to attend that.

**The Chair:** You don't have to attend. It's optional—

**Mr. Dean Del Mastro:** It's optional.

**The Chair:** —but we're going to cancel the meeting.

[*Translation*]

**Mrs. Carole Lavallée:** It wouldn't be logical to cancel our meeting for an activity like that. I think it makes no sense.

[*English*]

**The Chair:** I've had discussion around the table. It was kind of agreed that's what we could do. You don't have to go. It's not mandatory—

•(1645)

[*Translation*]

**Mrs. Carole Lavallée:** We didn't agree. You're talking to me about it, and I'm saying no.

[*English*]

**The Chair:** —just as it's not mandatory to come to this committee. You can send someone in your position, if you want to.

[*Translation*]

**Mrs. Carole Lavallée:** Mr. Chairman, we're talking properly amongst ourselves. You're telling us about an activity the nature of which you are unaware and you're saying we're going to cancel our meeting to attend it.

I'm speaking to you nicely and I'm telling you no. That's not a way to do things; it's not polite.

[*English*]

**The Chair:** As chair, I'm going to make a ruling that the June 1 meeting is cancelled, and we will go on as I had directed.

Again, I apologize for the interruption and for holding up our witnesses.

I welcome you to this committee.

The Alliance québécoise des techniciens de l'image et du son, perhaps you could make your presentation, please?

[Translation]

**Mrs. Brunhilde Pradier (President, Alliance québécoise des techniciens de l'image et du son):** Mr. Chairman, ladies and gentlemen, my name is Brunhilde Pradier, and I am President of the Alliance québécoise des techniciens de l'image et du son, the AQTIS.

AQTIS is a Union that represents some 3,000 creative artists, artisans and technicians who are embers of our association and another 1,000 freelance technicians. We are thus approximately 4,000 experienced professionals, who work in the motion picture and television industry on both Quebec and foreign productions shot in the province of Quebec.

Our members are freelance professionals who, every day, create the TV programs we all watch and in this capacity, and given our numbers and the role we play in this industry, we consider ourselves as indispensable partners in this industry. Our presence here today is a first for us.

This time, the challenges facing the Canadian broadcasting industry today are so substantial that the creative artists and artisans working in our independent television milieu, members of our association, are eager to have their voices heard, and on their behalf, I thank you for providing us with this opportunity to speak to you today.

AQTIS is here today, before you, to raise awareness about the importance of having typically Canadian, local and national productions aired by Canadian broadcasters. This is why we will approach the subject looking at two critical elements, namely the characteristics of the francophone market and the place that should be maintained for independent productions.

Our members work primarily on francophone productions and essentially form the nucleus of independent productions. Hence, we feel it is relevant to address these two fundamental dimensions for our industry, our members and their families.

As a union organization of professionals, we are concerned about the important changes that might be made to the Canadian broadcasting system, because these changes will inevitably have a serious impact upon the working conditions of our members, indeed upon the very existence, or need we say disappearance of their work.

The Canadian broadcasting system occupies a public space, much like our highways and road systems. It enables Canadians to talk to one another, to express themselves, to identify with one another, to create links and to share their values and cultural experiences amongst themselves and indeed with the entire world. The Canadian broadcasting system thus contributes to reinforcing and promoting our cultural identity and the sense of belonging of Canadian citizens vis-à-vis one another, in other words, our sense of belonging to a larger society and an assertion of our sovereignty.

Accordingly, as a major consideration for any nation, it is not at all incongruous for our governments to be concerned about preserving such an essential space for a society that strives to be vigorous, lively and inclusive. It is likewise not incongruous for all its citizens to aspire to have access to this space in order to grow and develop as individuals, thereby contributing to the development of what truly

constitutes a country's wealth, namely our talents, both individual and collective.

To ensure that the Canadian broadcasting system continues to develop and enrich our lives, and fully play its role in contributing to Canada's cultural identity and the growth of our society over the coming years, the government must ensure that this fundamental orientation is re-affirmed and accordingly, should focus its energy on one key priority: namely that of Canadian content.

To properly serve the interests of Canadians, the Canadian broadcasting system must offer top quality productions that simultaneously provide information and analysis, that affect us and that meet the expectations of the greatest number of citizens. However, when we talk about the greatest number of citizens, we're not talking solely about the most strongly represented group, as might be measured by a given audience rating system.

Canadians will continue to be well served by the Canadian broadcasting system if the latter is able to take maximum advantage of the possibilities that are emerging and meet the challenges that characterize the new communications technologies. To this end, the government should continue to work closely with the regulatory agencies and the industry to circumscribe and overcome the different obstacles along the path to the transition towards digital television and new media.

Canadian broadcasting is at a crossroads. We are entering a new and exciting era in terms of communications and culture. High speed, broadband, reading virtual files on the move and virtual reality are now a part of our daily lives. Creative artists and professional technicians are very excited at the possibilities offered by these new tools, as would be a painter with a new canvas format, and ardently wish to exercise their talents in these new domains.

It would seem incredibly absurd to us that the universal access to digital signals that is embodied by the creation of the physical structure, would take place to the detriment of the quality of the content, and of Canadian content to boot.

Today, when we listen to the submissions made by the conventional broadcasters who have come before you, we learn that the financial pressure is so great that it threatens the viability of local programming. Now we cannot deny that we're all going through a very difficult economic situation, but this is true for all the players in the broadcasting industry. Our members are well versed in the foregoing as their total income decreased by 14% between 2005 and 2007.

We are also aware that your committee wishes to approach the problems of the broadcasting industry from a local programming perspective. However, when we hear the submissions made by the conventional broadcasters who have come before you, the threat is not only vis-à-vis local programming and the number of local programs, but also Canadian programming as a whole.

AQTIS sincerely believes that the TV industry is not going through the kind of crisis that conventional broadcasters would have you believe, so that they could receive subsidies from the Canadian government, subscription fees that they are losing so as to then ask for regulatory relief and more lenient conditions to keep their licences. Indeed, we're convinced that the regulations and licensing conditions are curbing the unbridled development of the business plans of these major conglomerates and this is what has got their goat. It's all about business looking after business interests alone, that have been required to address cultural and social goals protected by our governments for more than 30 years.

Of course, this industry is currently undergoing structural changes that require certain adjustments to the regulations so as to maintain our broadcasting system that has always been the pride of all Canadians. The transition to digital, the new broadcasting platforms that include the Internet and mobile telephony, video on demand should, in our opinion, be seen as opportunities to rethink the broadcasting industry by refocusing our attention on the importance of Canadian content, on quality and the diversity of creative talent in this country.

I would like to talk to you about the characteristics of the francophone market in Quebec and remind you that independent productions made a prominent entrance onto our TV screens in the mid-80s by enlisting a broad diversity of Canadian talent. That period witnessed a fierce loyalty develop between francophone TV viewers and their favourite drama series. This important upheaval also witnessed the fading fortunes of American TV series being translated into French to the benefit of original French language Canadian productions.

*Omerta, Un gars, une fille, La petite vie*, to name only a few, all these series would achieve audience shares of more than 40%. To more effectively explain to you why our creative work has been so dynamic, I'd like to quote an excerpt from my speech at the last Jutra awards ceremony.

The creative artisans from AQTIS are proud to participate alongside their colleagues in innovative works, because we know that the films we make bring out the very best in all of us, through our collusion, our inspiration and our innovative outbursts, even with our sometimes cash-strapped budgets, where the end result is decidedly greater than the sum of each one of our parts. Our films have a life of their own. They blaze a path into our hearts and minds and become a part of us, of our lives and the lives of our fellow citizens.

Films are an adventure for the viewer, but they're also undeniably an adventure for the people who make them, we know that to be true.

Every year, our cinema pushes us to explore new paths, with new interactions between artisans and creators that inevitably lead us all to surpass ourselves. And always, year after year, each of our artists pitches in their talent, ever more developed and richer from all their shared creative experiences in the past.

At that time, I was talking about our film industry, but I must say that the same is equally true for our TV productions, as our independent TV production model is exactly the same. We're freelancers, we work on independent productions.

● (1650)

Our professional resources are experienced and talented, and their creative capacities are ever so dynamic, since they're constantly being stimulated by a perpetual renewal of creative collaborations.

● (1655)

We assert that it is precisely such a dynamic that has fostered the proliferation of so much creative force, that we have exploited and that enables us to enjoy so much success.

[English]

**The Chair:** I don't want to interrupt, but we're at 10 minutes. If you could wrap up, please, I'd appreciate it.

[Translation]

**Mrs. Brunhilde Pradier:** Please allow us to remind everyone why such independent productions are part and parcel of the Canadian broadcasting industry.

First of all, during the first three decades of television's development in the province of Quebec, there was almost a total vertical integration of production, programming and broadcast activities. The role of independent television production during this period was thus modest, indeed marginal. Secondly, let's recall the gridlock created by this model of vertical integration of production and broadcast activities, and the stark diagnosis delivered by two independent commissions that examined the situation in the early 1980s.

In essence, the latter observed an unwarranted concentration of creative and production decisions in the hands of a very few people, lacklustre innovation, creative fatigue and sclerosis, declining efficiency, productivity and competitiveness, limited input into the development of new talent and into the diversification of places to nurture conceptual, creative and production progress.

My presentation is a little long. I was really hoping that we could take a little more time to do this demonstration.

Certain policies led to the creation of various regulations compelling TV broadcasters to allocate a significant portion of their independent production programming. It can be said that the goals were to diversify the sources of creative thinking and innovation; stimulate healthy emulation between numerous production houses and thus boost quality and variety; offer more employment and opportunities for self-expression to a multitude of authors, rather than continue producing in-house with full-time staff. This made it possible to achieve the objectives and the major successes in francophone production in Quebec.

We may certainly affirm that most of these goals have been achieved and that Quebec's independent TV production has radically altered the Quebec television scene. In a universe where production and operating models are constantly evolving, the diversification of creative and production settings must continue. This goal transcends the interests of the independent production milieu and the workers who make a living there. The pursuit of such a goal is indispensable to the dynamism and competitiveness of the broadcasting system as a whole, of its capacity to make use of all kinds of local creative talent, in both major urban centres and from regional Canada, and to properly play its role as an intermediary between the creative expression of our authors, directors and creative artists designers and the expectations of TV viewers.



[English]

**The Chair:** I do have to draw your comments to a close now, because we've gone over four minutes. If I may, I'll take our next presenters and hopefully you'll get a question that you can answer with information from the rest of your presentation.

We'll move on now to the Quebec Musicians' Guild, please.

• (1700)

[Translation]

**Mr. Luc Fortin (President, Section Local 406 of the American Federation of Musicians of Canada and the United States, Guilde des musiciens et musiciennes du Québec):** Distinguished members of the Standing Committee on Canadian Heritage, thank you for inviting the Quebec Musicians' Guild to appear before you today. My name is Luc Fortin. I am a professional musician and have been the President of the Guild's Board of Directors since March 2006.

The Quebec Musicians' Guild, the GMMQ, is an association representing over 3,000 professional musicians. Its primary purpose is to defend and promote the economic, social, ethical and professional interests of the musicians it represents and to negotiate working conditions for its members through collective agreements. The GMMQ is recognized under federal and provincial laws on the status of the artist. We are also affiliated with the American Federation of Musicians of the United States and Canada, which has 10,000 members in Canada.

Based on the terms provided to us, we will focus on: the importance of the diversity of voices and federal government assistance for local production.

With regard to the diversity of voices, section 3 of the Broadcasting Act states that:

- (i) the programming provided by the Canadian broadcasting system should:
- (ii) be drawn from local, regional, national and international sources,
- (iii) include educational and community programs;
- (iv) provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern.

As CRTC President Konrad von Finckenstein told the Standing Committee on Canadian Heritage on March 25, 2009, media concentration threatens the diversity of voices. And I quote:

The inherent risk with having a small number of large companies is that it could lead to a reduction in the diversity of voices in the broadcasting system. A democratic system like our own depends on a range of perspectives in news and information programming.

We would add that a variety of cultural perspectives is equally important. The current trend is the merger of arts production companies with media conglomerates. When a single company controls the medium and the content, this also threatens our diversity. Our national broadcasting policy must support and guarantee access to varied cultural sources that reflect the diversity of our national culture.

To quote Mr. von Finckenstein again:

[...] television stations serving a population of less than one million are having a hard time maintaining the quality and quantity of their local programming. What's more, Canadians told us in no uncertain terms how much they valued their local television news.

Local television production is an important tool in promoting a diversity of voices and cultural diversity. It nurtures a feeling of community belonging; it promotes the local cultural and social life and the arts in general; it strengthens the belief that the arts are an important part of our lives; it helps keep local artists from leaving for big cities; and it allows touring artists to forge stronger ties with the community.

A vibrant social and cultural life in local communities is extremely valuable. It gives all members of the community the opportunity to grow and enjoy life to the fullest.

Now let's talk about Government of Canada assistance for local television. The Local Programming Improvement Fund could support initiatives to save local television stations. It should also encourage broadcasters that have always been committed to local television, such as the CBC/Radio-Canada.

CBC/Radio-Canada has historically played an important role in broadcasting diverse local content, both culturally and in terms of information. Unfortunately, the public broadcaster will not receive the 37% funding earmarked for it under the future Media Fund.

Yet the CBC/Radio-Canada, as our national public broadcaster, has the mandate pursuant to the Broadcasting Act to offer programming that "reflect(s) Canada and its regions to national and regional audiences, while serving the special needs of those regions" and "actively contributes to the flow and exchange of cultural expression."

• (1705)

It becomes very difficult to fulfill this mandate if the CBC/Radio-Canada must also have the best ratings in public television while stable funding is withdrawn. Local television, which could also be broadcast over the Internet, even exclusively, must not only provide local and regional information but also showcase local artists and inform the public about cultural life in their region.

The production of musical content must be encouraged that exposes artists to regional markets. The Local Programming Improvement Fund must therefore also encourage the dissemination of culture locally. Greater support is needed for musical programming on the major television networks.

More opportunities for our artists on the major networks would benefit the same artists who have been supported locally; conversely, a strong regional culture provides a talent pool that benefits everyone. Broadcasting policies must be developed today in a broader context, with each component playing a role in a balanced ecosystem. Local broadcasting is part of it, as are the major networks, specialty channels, independent production (on the Web and on traditional television), artists and cultural workers, cable distributors and the major networks. All these elements make up the television environment to which the public has access and they help describe our overall cultural environment. Local television must be part of this world, a link in our cultural ecosystem.

Current policies are contradictory: there is a lack of consistency with the objectives of the Broadcasting Act, and a lack of consistency within the policies. Let me give you a few examples.

Since the diversity of voices is important, the new Canada Media Fund should help create content that reflects Canada's cultural diversity and not merely that is profitable or generates high ratings. Programming with high ratings does not need public funding to the same extent because it generates the highest advertising revenues.

The new Canada Media Fund appears to contradict the spirit of the act, which calls for the Canadian broadcasting system to "include a significant contribution from the Canadian independent production sector." This sector will not be represented in the decision process for awarding funding. The new board of directors will consist of two members appointed by Canadian Heritage and five members appointed by broadcasting distribution undertakings.

Although the CRTC set out certain rules to preserve the diversity of voices, the new Canada Media Fund has the opposite structure: large private enterprises will control the fund, essentially taxpayers' money. Under the Media Fund, producers of web television content will have to work with traditional broadcasters to receive support. There will be no 100% Web productions.

Yet Mr. von Finckenstein, the CRTC President, stated before the Committee: "Conventional television can no longer bear the largest part of the obligations under the Broadcasting Act."

If this is true, why is funding not available for web productions specifically intended for the Internet? Moreover, web productions could round out local programming where traditional television broadcasting is insufficient.

In conclusion, although the Local Programming Improvement Fund is a worthwhile initiative, much greater consistency is needed between government policy and the workings of the broadcasting system in order to give expression to a real diversity of voices, providing Canadians in all regions with information and representative local cultural programming.

[English]

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

We'll go to the first question.

Mr. Simms, please.

• (1710)

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-  
sor, Lib.):** Thank you, Mr. Chair.

[Translation]

Thank you, everyone. Thanks as well to the technicians. Thank you, Mr. Fortin.

[English]

When I went to broadcast school quite some time ago—I won't say when, but it was some time ago—

**Mr. Charlie Angus:** It was in black and white then.

**Mr. Scott Simms:** No, it wasn't in black and white, Charlie, but here's what happened. The world of videography came along.

Everybody was making a big deal about the fact that there I was, a journalist who could shoot as well, and it was passed off as some kind of art. Quite frankly, it was cheap labour. That's exactly what it was. Instead of two people shooting a story, we had one.

Here's the other side of that coin. I wasn't very good at the camera. I could do a story and I knew the news, but I couldn't do justice to the shooting. But in the midst of all that, somebody who I would consider to be some sort of an artist, and maybe a full-fledged artist, lost his job.

What that did, in my opinion, was degrade the quality of the people we have who shoot video and film, the audio technicians and all of that. What we have devolved into, I think, is an industry that suffers, but the access to the technology has become much easier. In those days, it was a big machine, and it took a long time to edit. Now it's only so big. A 10-year-old can do it. That's a challenge. YouTube is a challenge, no doubt about it, as you've touched on.

Beyond that, it is difficult for the regions to keep people in the television or film industry, because a lot of this work is centralized. I don't know if you'll agree with this, but where I grew up in central Newfoundland, we have a hard time getting people to stay—the artists I spoke of.

What can we suggest to the CRTC to make sure the artists that I mentioned are able to continue their craft and the regions are able to reflect a regional message to a national audience? I think it's going to become a disaster when we're not able to do that in this country. When I was a child, Mickey Mouse and Bonhomme were the same to me. I could recognize both. But as for a Canadian child growing up in central Newfoundland today, I'm not sure if they'd know who Bonhomme is, and that's a shame.

I'd like to know what suggestions we can make to the CRTC. Feel free to talk about the LPIF as well.

[Translation]

**Mrs. Brunhilde Pradier:** Thank you, Mr. Simms.

At the licence renewal hearings, TVA Group/Quebecor Media recently proposed to cut its local programming hours in its regional broadcasts. This currently totals 21 hours, and these people were proposing to reduce that figure to 18. I think that would be a fundamental mistake. Maintaining quotas is not based on pointless reasons. With respect to the business objectives of these major conglomerates, this isn't a thorn in the foot or a spanner in the works. Its purpose is to ensure that Canadians have access to their artists, to productions and to the voices they are used to hearing.

Maintaining professional production is always a challenge, but maintaining a professional level presupposes a consistency in production. Everybody sings, but not everyone is a singer. To be a virtuoso in that field, you have to practise singing. For artists and crafts people who design and create television programming and film, it's exactly the same thing.

**Mr. Scott Simms:** Is it possible for small towns as well?

**Mrs. Brunhilde Pradier:** I think you have to be able to practise your art. If someone is starting out as an amateur videographer and becomes a virtuoso by practising his art, so much the better.

[English]

**Mr. Scott Simms:** *Merci.*

Monsieur Fortin, on the LPIF, the local programming fund, what we're hearing a lot of on this committee is that stakeholders seem to be worried that we're not going to put regulations around this funding that is available for local programming. Now, obviously this local programming has to reflect the regions to the rest of the country, as in the case of the CBC, so what rules would you suggest should be around a local programming fund?

I throw that question out there, *à tous.*

• (1715)

**The Chair:** The answer has to be very short, please.

**Mr. Scott Simms:** That's my life story, Mr. Chair.

[Translation]

**Mr. Luc Fortin:** We've also raised the question as to whether Radio-Canada should have access to the fund. I think it's entirely contrary to Canadian policy that Radio-Canada doesn't have access to that fund. It's part of Radio-Canada's mandate to produce diversified local content that reflects the regions. Radio-Canada will have to have access to that fund, especially if it is subject to cuts at other levels. That's very important.

I'm pleased to hear you talk about Newfoundland, which has a very rich local culture. Newfoundland artists need an investment in local programming in order to reach a certain level of professionalism and to get out of university community radio and perhaps have access to the television airwaves. In addition, local programming should not be limited to news bulletins; it should also reflect the local reality, which also includes local culture and artists.

[English]

**Mr. Scott Simms:** Thank you.

**The Chair:** Thank you.

We'll move on now to Ms. Lavallée, please.

[Translation]

**Mrs. Carole Lavallée:** Thank you very much.

Ms. Pradier, is the Alliance québécoise des techniciens de l'image et du son just for Quebec?

**Mrs. Brunhilde Pradier:** Yes.

**Mrs. Carole Lavallée:** What's the name of the Canadian equivalent?

**Mrs. Brunhilde Pradier:** That would be a combination of the Directors Guild of Canada and other associations, YATSE or NABET, elsewhere in Canada.

**Mrs. Carole Lavallée:** All right.

I'm going back to your brief, which states the following:

AQTIS sincerely believes that the TV industry is not going through the kind of crisis that conventional broadcasters would have you believe, so that they could receive subsidies from the Canadian government, subscription fees that they are

losing so as to then ask for regulatory relief and more lenient conditions to keep their licences.

That's a big statement, what you're saying there. I want to give you the opportunity to explain that. I'm playing the devil's advocate. Audiences are being fragmented. They say that the specialty channels have racked up 50% of the ratings and that advertising revenues have declined. They also say there is a financial crisis.

What is your basis for saying that conventional television is not in crisis?

**Mrs. Brunhilde Pradier:** I think those businesses made business decisions that put them in certain situations. We've previously seen this kind of thing occur in other markets that were not regulated. Neither conventional TV nor production are in crisis. I've brought along a document that I could distribute to you. At the TVA shareholders meeting, for example, Quebecor announced that its revenues had increased by more than 40% in the last quarter. We're talking about TVA Group. In that case, can you say there's a crisis in television?

In his "Libre opinion" column in last Saturday's edition of *Le Devoir*, Mr. Péladeau complained precisely about the fact that they were the victims of market fragmentation. I find it a little surprising to hear that from Mr. Péladeau, the owner of Quebecor Group, which is both a cable distributor and owner of specialty channels and conventional TV channels. They themselves have helped to fragment their market. If they say they are victims of that—

**Mrs. Carole Lavallée:** Pardon me for interrupting you. You know that we only have five minutes. You cite the example of TVA Group, and it's true it has excellent revenues. It announced its quarterly results again today. Unfortunately, I didn't hear them. It's true that Quebecor and all of Quebec's francophone television are doing very well. Ratings are up, and people are watching. The fact nevertheless remains—and that's not so much your problem—that people in the Canadian television sector, tell us all their problems because ratings aren't good; competition from Hollywood is hurting them enormously.

Is there a little of this dichotomy between Quebec and Canada in the crisis in television?

• (1720)

**Mrs. Brunhilde Pradier:** There's a very big difference between francophone and anglophone television. Anglophone television has really shown that viewers watch programs produced by Canadians and by Quebecers. We follow our market and we know we are envied relative to what goes on elsewhere, in other provinces.

The difficulty with this industry lies in the search for a business solution for companies with cross-ownership. This is what's happening, we think: regulatory changes would cut access for Canadian production to a diversity of voices through independent production, and, as a result, we would wind up with businesses—a few major players—holding a monopoly.

**Mrs. Carole Lavallée:** Pardon me, but I would absolutely like to know Mr. Fortin's opinion on this subject.

Do you believe that television is in crisis?

[English]

**The Chair:** Make it very short, please, if you can.

[Translation]

**Mr. Luc Fortin:** Many stakeholders have emphasized this fact because there is a splitting of revenue sources and of the number of stations, etc. In fact, we don't need to go back over this question.

Ms. Pradier emphasized a very important problem that we have mainly seen in Quebec—it concerns Quebecor—but that could well occur elsewhere.

A little earlier I said that the same media conglomerate produced artists, that it used its television network to promote them, that, in addition, it owned cable for television and Internet, and that it rebroadcast programs on the web. It also owns newspapers for promotion purposes.

All that's lacking is a radio station. If it had one, it would violate the CRTC's laws. Nevertheless, it's very close to a media monopoly.

[English]

**The Chair:** Thank you.

Mr. Angus, please.

[Translation]

**Mr. Charlie Angus:** Thank you for your good presentation today. I'm a former member of the musicians union. I'm also very familiar with the problem of the cultural industry across Canada.

[English]

I think both presentations exposed something that has not really been examined here. We hear all the time about the difference between the Quebec market and the English Canadian market. We often hear how much better it is in Quebec.

But there's a fundamental flaw in terms of developing a cultural industry in Quebec and you both pointed to it: it's the vertical integration under one dynasty ownership. We had Monsieur Péladeau. I've met with him a number of times. He was very clear he didn't feel that as a BDU owner he should have to pay into a fund unless that fund was going for in-house production, which he owns the rights to for video on demand. So we have Quebecor that runs the newspapers, the speciality stations, and the television, and now they're sitting on the board—with no more producers sitting on the board to bother him—and the television fund has been changed so that it can now be in-house.

Madam Pradier, you spoke earlier about the problems in the 1980s with the Quebec market allowing itself to become too vertically integrated and stifling the creativity and the innovation of the artistic community. Are you afraid that these changes are going to lead Quebec artists back to being part of a stable in someone's empire?

**Mrs. Brunhilde Pradier:** This is exactly what we are afraid of.

[Translation]

It is exactly that. With the recent creation of the Canada Media Fund, the merger of the Canadian Television Fund and, especially, access to the fund by producers or conventional television broadcasters means that they will be able to virtually eliminate all competition from independent producers.

To access that fund, independent producers must have a broadcaster's broadcasting licence. If the broadcaster has access to the fund, do you think it will grant a licence to an independent producer? No. It will try to produce on its own. That's precisely where this leads us.

In Quebec, we are 3,000 technicians, crafts people, creators and designers who produce this television. I don't know how I'm going to explain to my members why the government made this decision, which will lead to the creation of a vertically integrated production and broadcasting monopoly and that, despite the success of their productions, they will be losing their jobs and their livelihood.

In its presentation at the CRTC hearings, TVA asked to be able to reproduce successes like *Star Académie* and *Annie et ses hommes*. I would humbly point out to you that those programs were produced by independent producers. If TVA wants to reproduce those success stories, it has to have the ingredients and the recipe to do it. But it's the independent technicians who have those ingredients, and not any in-and-out. It's an emulation of creation, and it's precisely what TVA won't be able to reproduce.

TVA will be able to reproduce the model from 30 years ago with two voices: the voice of Radio-Canada and that of TVA. That's why we think this decision must be reviewed by the government.

• (1725)

**M. Charlie Angus:** Mr. Fortin.

**Mr. Luc Fortin:** I would add that the other danger concerns the diversity of voices.

Take, for example, Radio-Canada, which produces some 2,500 musical performances a year. I'm talking about Radio-Canada alone; I'm not including the CBC. Radio-Canada doesn't just produce artists in whom it has a financial interest. It doesn't have a financial interest in those artists. Programming selection is very scattered; it includes all genres.

Of course, a media empire will be tempted to promote artists it produces itself through its other disc, video, artist management and other companies. I think the ground rules must be balanced and that a little more funding should be given to Radio-Canada.

The diversity of voices is currently under attack and people always want to cut funding to Radio-Canada.

[English]

**Mr. Charlie Angus:** Just quickly, because I know my time's running out, I just want to get this—

**The Chair:** Please make it very, very short, because we're going to have bells, and I do want to let Ms. Glover have her five minutes.

**Mr. Charlie Angus:** Private radio doesn't break artists; they promote artists, whether they're being promoted to them through a corporation or on their own. Radio-Canada is the only voice that allows listeners to hear new talent, talent that has no record deals and has never been heard anywhere else.

What concerns do you have about lessening the role of Radio-Canada in the regions across the country in its ability to enable new artistic voices to be heard?

[Translation]

**Mr. Luc Fortin:** The problem is that all the artists in Canada's regions doing anything other than popular music may have trouble making themselves known. That will impoverish culture in the regions and the diversity of voices. Canadians must have a good overview of Canadian culture, not just a certain mass culture, which moreover is very good. But there isn't just that.

In all of Canada's regions, very high quality events take place. There's music everywhere. Last summer I was in Newfoundland to attend the Canadian Conference of Musicians, and I was completely surprised at the number of musical groups that were in St. John's. It was incredible. They have to make themselves known as well.

[English]

**The Chair:** Thank you.

Ms. Glover, when the bells go, we only have to go down the hall. I'll respect the fact that you have five minutes for questions and answers.

You can answer through the bells, please.

[Translation]

**Mrs. Shelly Glover (Saint Boniface, CPC):** Thank you for coming.

It's a pleasure for me to hear what's happening in Quebec. In my riding, in Saint-Boniface, in Manitoba, we also have a really strong and active French culture. We also have independent producers who really have a job to do with regard to the model that's being presented.

I wanted to congratulate you because, in your briefs, you really identified what we consider important.

On page 4 of the Quebec Musicians' Guild's brief, Mr. Fortin, you quoted the Broadcasting Act.

And you, Ms. Pradier, on page 3 of the brief from the Alliance québécoise des techniciens de l'image et du son, state that:

The Government of Canada has always been determined to support a Canadian broadcasting system of international calibre that is genuinely owned by Canadians and under their control. The goal of such a system is first and foremost to meet the needs of Canadians.

That's what we believe as well: there has to be Canadian production, Canadian programming. Having said that, I'm surprised to hear you talk about crisis in the television industry. You say you don't agree with the decisions made by TVA and Quebecor. However, when it comes to Radio-Canada, it's a bit the reverse, and that surprises me a little. We're talking about Canadian culture and programming, like Canadian productions, and yet CBC/Radio-Canada has bought programs like *Wheel of Fortune* and *Jeopardy*. As you said with regard to TVA and Quebecor, these decisions are a bit odd, since we're always talking about Canadian programming.

I also want to ask you, Ms. Pradier, whether you think it's slightly beyond the mandate—based on what you cited—which is to meet the needs of Canadians for Canadian programming.

● (1730)

**Mrs. Brunhilde Pradier:** It's important for Canadians to have access to Canadian programming and to a diversity of voices in prime time programming.

For me—and for all culture practitioners, I believe—the cultural phenomenon in itself an exchange, a communication. We want to communicate what we are and our Canadian cultural values to the entire world. That's why we want international calibre production. We also want to receive what the entire world does, and it is that meeting that is stimulating for creators and for reflection.

**Mrs. Shelly Glover:** Wouldn't you frankly prefer to see Canadian productions, programs made here in Canada, instead of *Wheel of Fortune* and *Jeopardy*?

**Mrs. Brunhilde Pradier:** Absolutely.

**Mrs. Shelly Glover:** Me too.

**Mr. Luc Fortin:** As you know, Radio-Canada was forced to make that choice because it lacked funding. That's one of the reasons Radio-Canada has often cited.

**Mrs. Shelly Glover:** Oh, but those programs are very expensive!

I really want to take the pulse of what you said. I simply want to make sure I understood the essential points.

With regard to the Local Programming Improvement Fund, unless I'm mistaken, you would like there to be more regulations to ensure you can benefit from that fund.

Is that correct?

**Mr. Luc Fortin:** In fact, I understood that the Local Programming Improvement Fund essentially concerns news, local information programs. But we have to go further. Local culture doesn't consist solely of general news in a municipality, a riding; it also includes the life of the riding, the socio-cultural component; it's everything that goes on there. So we're talking about artists too.

**Mrs. Shelly Glover:** I understood.

We also talked about the regulations imposed by the CRTC. With respect to Canadian programming, unless I'm mistaken, you both want to see more regulations so that the CRTC can demand more Canadian content?

**Mrs. Brunhilde Pradier:** The requests made by the conventional TV broadcasters and by the major producer-broadcaster conglomerates are always to reduce or eliminate regulations. From what we understand of the current model, of our system, there is a Broadcasting Act, which was developed by elected officials, parliamentarians. That act is administered by a regulatory agency, which is the CRTC. It establishes the regulations that enable it to meet the objectives of the act. Television funding is done by parapublic organizations that redistribute taxpayers' money, which is collected in the form of taxes for the production of Canadian works, including the diversity of voices and priority programs.

We can see that some lobby groups have done their job. The transformation of the Canadian Television Fund—opening the door for producers and broadcasters to gain access to it—is no doubt the result of a lobbying effort. Let's go back further: they're calling for a change to regulations in order to support the rules. I'm afraid our system is coming undone from the bottom up. Eventually, someone will say that we no longer need the Broadcasting Act in Canada. All that starts from the bottom up.

●(1735)

[*English*]

**The Chair:** We have to bring the response to a close.

Again, I thank our witnesses for coming here today and for being so open to our questions.

Thank you very much.

The meeting is adjourned.

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