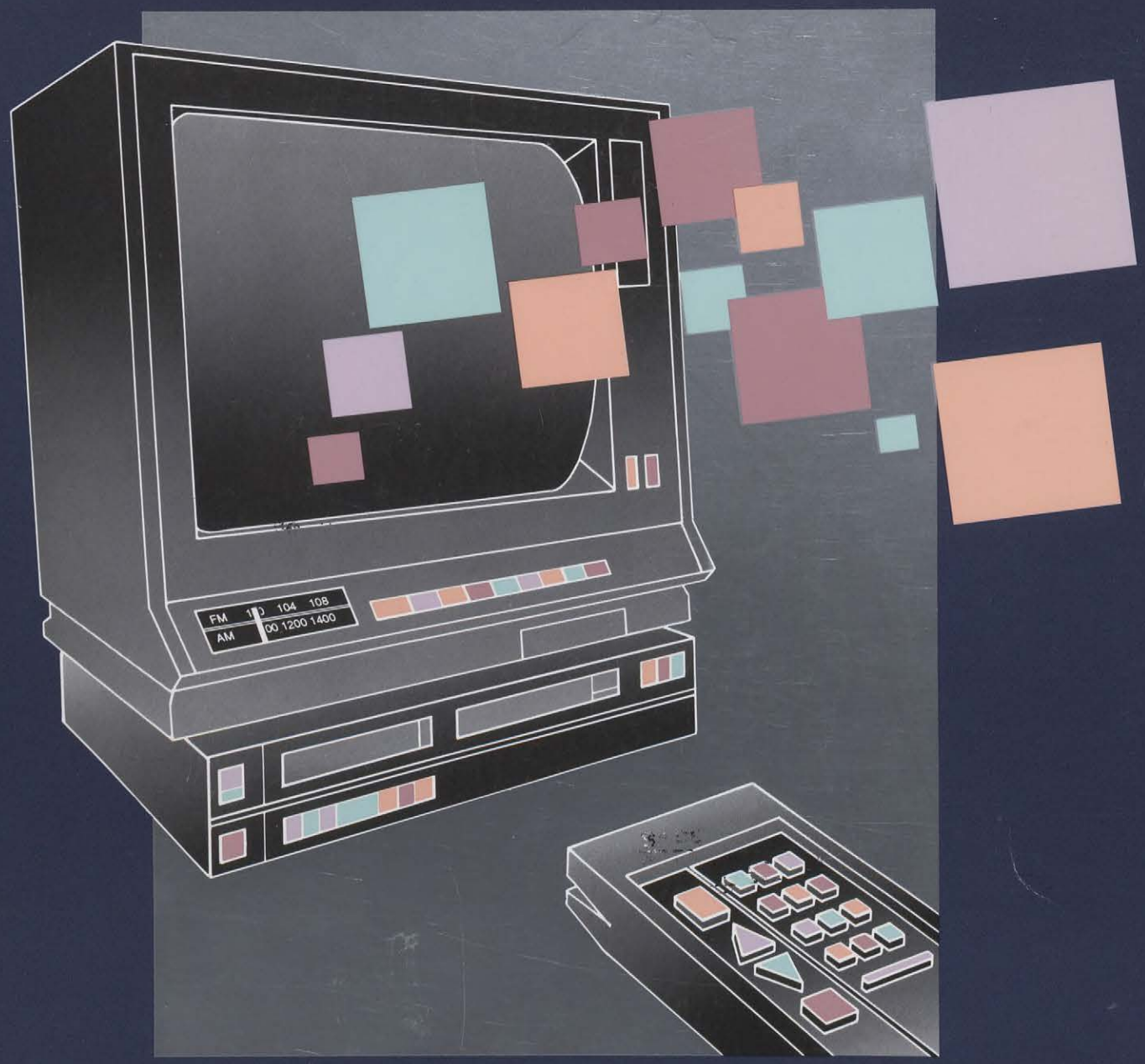


QUEEN
HE
8689.9
.C3
C3592
1988

CANADIAN VOICES CANADIAN CHOICES



A New Broadcasting Policy for Canada



Canada

COMMUNICATIONS

FACT SHEET

FEUILLET
D'INFORMATION



Queen
HE
8689.9
C3
C3592
1988

DD 816 41 33
DL 816 41 49

Fact Sheet Contents

Title

New Funding for Broadcasting

The CBC

Private Broadcasters

The CRTC

Alternative Programming

French-language Broadcasting

Reflecting Canadian Society

Cable and Distribution

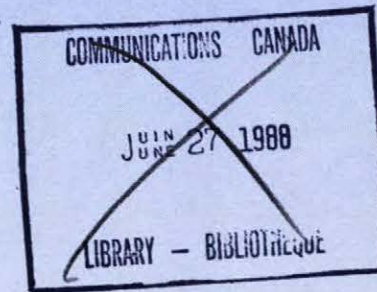
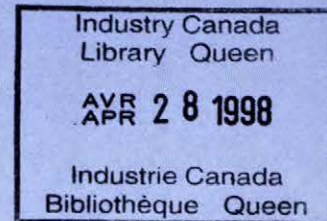
Extension of services

Technology

Broadcasting for the Visually and Hearing Impaired

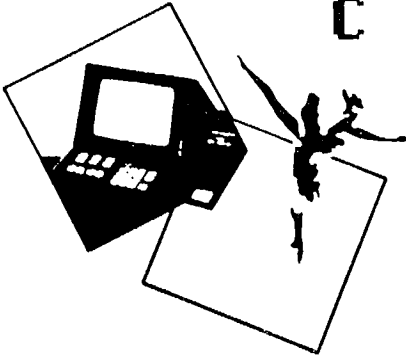
Civil Right of Action

Building for the Future



Information Services / Direction de l'information ■ 300 Slater Street / 300, rue Slater ■ Ottawa K1A 0C8 ■ (613) 990-4900
Regional offices / Bureaux régionaux: Moncton (506) 857-6525 / Montréal (514) 283-2307 / Toronto (416) 973-8215 / Winnipeg (204) 983-4391 / Vancouver (604) 666-5468

COMMUNICATIONS



New funding for broadcasting

A total of \$250 million* will be provided over the next four years to help meet the Government's goals of:

- helping the CBC meet its objective of 95 per cent Canadian content;
- more and better Canadian programming, particularly drama;
- improving French-language and English-language programming by both public and private broadcasters;
- providing better distribution of broadcasting service to small and remote communities;
- developing a new distribution-by-satellite service for native broadcasters in the North;
- starting and operating a new, national reading service for the visually-impaired.

In addition to the \$250 million, the Government will also help fund the start-up and operation of an Alternative Programming Service once the consultations with interested parties have taken place.

The Government's recently-announced increase of \$200 million over five years to bolster the Canadian film industry will also contribute to the Broadcasting Policy aim of more and better Canadian programming.

Private broadcasters will be given encouragement to invest in production of Canadian programs. The new broadcasting legislation will give the CRTC the power to establish an incentive system to encourage broadcasters to exceed their basic Canadian content requirements. In accordance with differing economic situations, broadcasters deciding not to meet objectives in Canadian programming in the target area of drama would see a portion of their revised licence fees redirected for use by other broadcasters who do exceed their targets.

*Figures expressed in current dollars, with increases for inflation as approved by Cabinet.

Information Services / Direction de l'information • 300 Slater Street / 300, rue Slater • Ottawa K1A 0C8 • (613) 990-4900
Regional offices / Bureaux régionaux: Moncton (506) 857-6525 / Montréal (514) 283-2307 / Toronto (416) 973-8215 / Winnipeg (204) 983-4391 / Vancouver (604) 666-5468

The Canadian Broadcasting Corporation

- The CBC budget (\$1.219 billion in 1988-1989**) will be permanently increased by \$35 million a year (in constant 1989-1990 dollars). The special increase will be above and beyond any annual increase for inflation (five per cent in 1988-1989), and is in addition to the \$65 million recently approved for the new broadcasting centre in Toronto.
- \$20 million of the \$35 million is intended to help meet the CBC's goal of 95 per cent Canadian content on prime-time English television.
- \$15 million of the \$35 million is intended to help Radio-Canada increase the production budgets for French-language programs.
- The CBC will benefit from increased funding through Telefilm Canada. In 1987-1988, the CBC drew on approximately \$39 million from Telefilm for program production.

Telefilm Canada

- Telefilm Canada's budget (\$109 million in 1988-1989**) will be increased by about \$18 million a year, in addition to its portion of the new film development funds announced by the Government on May 5, 1988.
- The new broadcasting money, totalling \$75.9 million in the four years ending 1992-1993, will be applied to the Canadian Broadcast Program Development Fund (\$63 million in 1988-1989) for French-language and English-language television production.
- The additional funding will be split 50-50 between French and English, rather than the existing split of one-third French and two-thirds English.
- When the Alternative Programming Service starts, with new Government funding, the new Telefilm funds will all be directed to French-language programming.

** Source: Part III, Main Estimates, 1988-89.

- The Government is also proposing that Telefilm Canada change its funding rules so it can give greater support to French-language programming; first-year production of higher-cost series; regional productions; culturally significant productions and performing arts programming.
 - Higher levels of equity participation will be allowed, as high as 40 per cent to 49 per cent when required.
 - Additional financing, to raise the total assistance to a maximum of 70 per cent for higher-risk productions which meet specific policy objectives, will be allowed.

TV5

- The Broadcasting Policy commits more than \$2 million a year to TV5 from 1990-1991 on, when the current federal-provincial support agreement ends. The federal government is the major funding partner in the agreement, and has taken the lead in making sure that TV5 will be available to cable systems and satellite dish owners across Canada.

Better service for isolated communities

- \$21.1 million over the next four years will help bring television and radio services to isolated communities. Communications Canada will administer the funds on a cost-shared basis for construction and installation of cable and other distribution systems. An estimated 250,000 Canadians will benefit.

Satellite distribution for Northern Aboriginal programming

- Communications Canada will provide \$10 million to underwrite the cost of a satellite distribution system to improve access for aboriginal programming produced under the Northern Native Broadcast Access Program (NNBAP) and other programming produced specifically for Northern audiences, including some CBC Northern Service and territorial government programming.

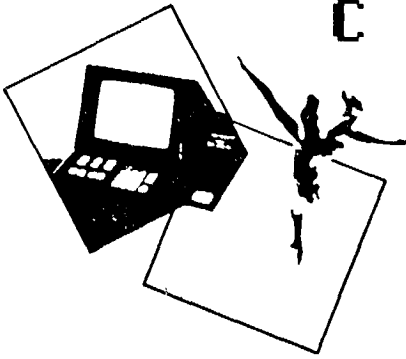
National Broadcast Reading Service for the Visually Impaired

- ° A start-up grant of \$120,000 this year and a \$100,000-a-year operating grant every year for five years, starting this year, will be provided for a satellite-to-cable, cross-Canada National Broadcast Reading Service for the Visually Impaired.

Restructuring the CRTC

- ° \$5.8 million will be provided to help the CRTC become more responsive to regional concerns and to fund the cost of new full-time Commissioners.

COMMUNICATIONS



The CBC

A. Programming

The CBC will continue to play a unique and vital role both as the central instrument of the Government's cultural policy and in the development of the Canadian broadcasting system well into the 21st Century.

The mandate of the CBC is focussed on providing more and better Canadian programming, particularly drama in French and English.

The 1988 Broadcasting Bill says CBC programming will be "predominantly and distinctively" Canadian; that it will reflect Canada and its regions to national and regional audiences; and that it will reflect the different needs and circumstances of each official-language community, including those of English and French linguistic minorities.

The CBC's targets of 95 per cent Canadian content on prime-time television in English and improving the quality of its French-language programming are fully supported by the Government. So is the CBC plan to show more regional programs on the national network.

Extra funds will be provided to help the CBC achieve its leadership role in providing authentically Canadian choices.

- ° The Government will commit an additional \$130.2 million* to the CBC over the four fiscal years ending in 1993;
- ° \$74.4 million of the extra funding will be for English-language programming;

* Figures are expressed in current dollars, with increases for inflation as approved by Cabinet.

- ° \$55.8 million will be for Radio-Canada, to provide for higher production budgets for drama.

B. Operations and Administration

The CBC has grown since 1932 from a radio service to French- and English-language television networks; French- and English-language AM and FM radio networks; Radio-Canada International, an international, short-wave service; a Northern Service; and a Parliamentary Channel.

It has more than 10,000 employees; in 1987-1988, the CBC spent \$1.181 billion, of which \$887 million was the Parliamentary appropriation, with the rest earned mostly from the sale of television commercials.

The 1988 Broadcasting Bill will strengthen accountability for the CBC and at the same time guarantee its independence in programming and operations.

All the accountability measures in the 1988 Broadcasting Bill have been recommended by the House of Commons Standing Committee on Communications and Culture and accepted by the Government. The recommendations are now being implemented.

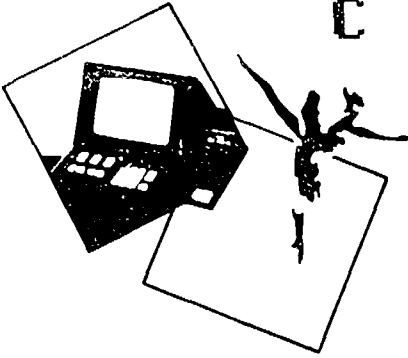
- ° For the first time, the arm's-length principle with respect to the journalistic, creative and programming independence of the CBC will be explicitly protected by law. The 1988 Broadcasting Bill states:

The Corporation shall, in the pursuit of its objects and in the exercise of its powers, enjoy freedom of expression and journalistic, creative and programming independence.

- ° The CBC's Corporate Plan Summary, covering a five-year period and including a financial planning framework that incorporates a forecast of the CBC's appropriation and other revenue, will be tabled in the House of Commons each year by the Government. This will enhance the CBC's ability to do longer-term planning.

- ° The position of president will be split into Chairman of the Board and Chief Executive Officer when the present incumbent's term expires in June 1989.
- ° The Chief Executive Officer will be appointed, subject to the approval by the Governor in Council, to a five-year term by the CBC Board and be responsible to the Board for all operations.
- ° The Chairman of the Board will be an Order-in-Council appointment of five years, subject to good behavior.
- ° Two new committees of the Board will be formed: one on French-language broadcasting, and one on English-language broadcasting.
- ° The CBC will be subject to financial controls similar to those of the Financial Administration Act, but without the Act's strategic direction and control mechanisms.
- ° The CBC's audit procedures will parallel the Financial Administration Act requirements, particularly with respect to the Auditor General.
- ° The power of the CBC Board to approve property purchases and leases without Order-in-Council will be substantially increased.

C O M M U N I C A T I O N S



Private Broadcasters

Private broadcasters will be given an incentive to provide Canadian audiences with distinctly Canadian programming.

The 1988 Broadcasting Bill will give the Canadian Radio-television and Telecommunications Commission (CRTC) more flexible and responsive powers that will allow the CRTC and private broadcasters to work more closely together in increasing the amount of Canadian programming.

These powers will include the basis for a performance incentive for private broadcasters. The performance incentive is a new, strong encouragement to transmit Canadian programming, combined with more latitude for the individual broadcaster.

Strengthening the CRTC's traditional role

- The 1988 Broadcasting Bill will clearly spell out the CRTC's authority to issue orders binding on licence-holders. The CRTC will be able to seek larger fines and issue cease-and-desist orders.
- The CRTC will have recourse to court orders, by which a decision or an order of the CRTC can be enforced as a court order if it is filed with the Federal Court of Canada or a superior provincial court.
- The CRTC will be given mediation and arbitration powers with respect to rates for carriage of signals, such as pay-TV, on distribution services such as cable.
- The CRTC will be given the power to audit licence-holders under some circumstances.

The Performance Incentive

- ° The CRTC will be given the power to assess part of broadcasters' licence fees based on their revenues, and linked to performance in terms of providing specific kinds of Canadian programming.
- ° The CRTC will be responsible for the detailed working of the performance incentive, which can be used to set programming targets above and beyond the Canadian-content regulations.
- ° The CRTC will be asked to hold hearings on applying the performance incentives and to make recommendations on the best use of these incentives.
- ° The following two pages show one way the performance incentive could work.

Illustration: How the performance incentive could work

First, at the beginning of each year, an assessment is made. The assessment could take the form of a fee calculated as a percentage of gross revenues. The calculation would be based on a progressive formula, so that the assessment for smaller licensees would be small, perhaps nil. No payment would be required at the beginning of the year.

Second, a target is established. Typically, this would be set in terms of number of hours of a specific kind of programming (e.g., 5 hours per week of prime-time drama for English-language broadcasters). This would be in addition to the basic Canadian-content requirements.

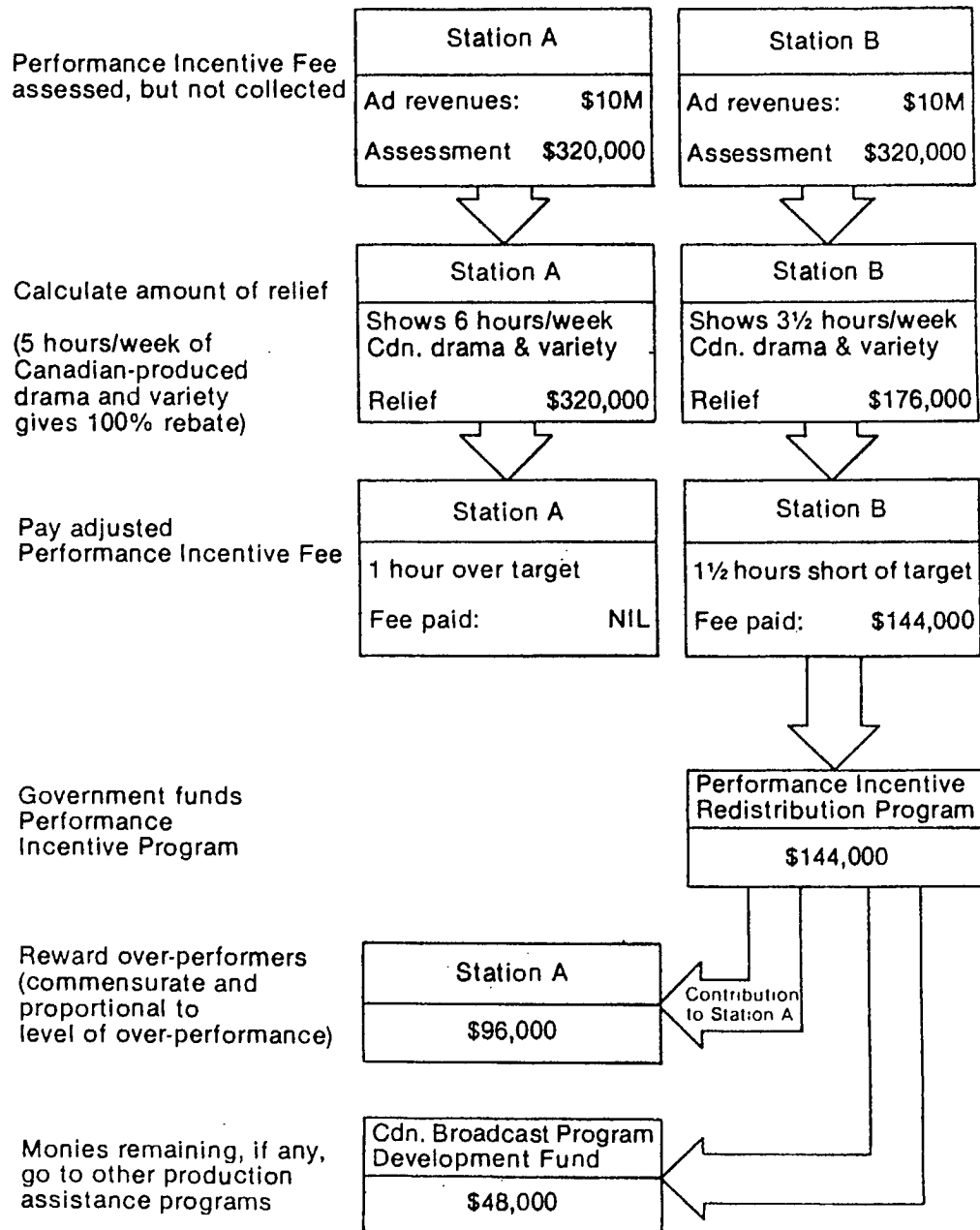
Third, during the year each broadcaster's performance would be measured against the target. This performance would offset the assessment according to a simple formula. Meeting the target would offset 100% of the assessment. At the end of the period, the net assessment, if any, would have to be paid by the broadcaster to the Government.

Any funds collected would be deposited in the Consolidated Revenue Fund. However, each year the Government would take steps to ensure that there would be offsetting benefits to the broadcasting system.

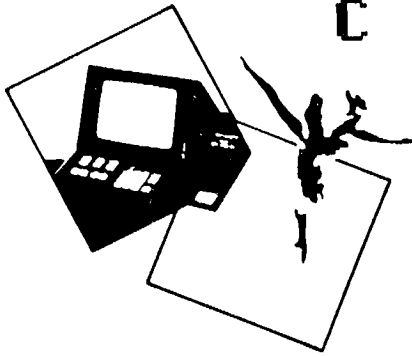
While retaining the right to review this budgetary allocation, as it does all planned expenditures, the Government could either approve funding to reward broadcasters who exceeded their targets, or increase Telefilm's budget for the Canadian Broadcast Program Development Fund for the following fiscal year, to finance more independent production for private broadcasters. It would also be possible for a combination of these two approaches to be adopted. (This staged approach is described in the accompanying chart, which assumes a target of 5 hours per week of Canadian drama and variety in prime time).

In examining this concept, the CRTC will be asked to advise on how these funds can be directed most effectively in order to support additional Canadian programming.

**CHART 1
PERFORMANCE INCENTIVE PROGRAM: ONE MODEL**



COMMUNICATIONS



The CRTC

The Canadian Radio-television and Telecommunications Commission (CRTC) regulates broadcasting in Canada.

There are more players in the broadcasting system than there were when the CRTC was established in 1968. There is more choice available to Canadians. Technologies used routinely today were not dreamed of in 1968.

Canadian society has changed since 1968. Canada has become a bilingual, multicultural nation, with a greater awareness of regional concerns and the desire of both men and women to take a full role in all aspects of Canadian life.

The CRTC needs greater regional representation. It should also take into account the distinctions between the English-language markets and the French-language markets in its regulation and supervision.

Legal Powers

The interplay between the CRTC as regulator, and the Government as ultimate policy-maker, needs clarification.

The CRTC will have its mandate strengthened in the legislation to include these powers:

- ° The CRTC will be able to exempt classes of broadcast services from holding licences.

Information Services / Direction de l'information ■ 300 Slater Street / 300, rue Slater ■ Ottawa K1A 0C8 ■ (613) 990-4900
Regional offices / Bureaux régionaux: Moncton (506) 857-6525 / Montréal (514) 283-2307 / Toronto (416) 973-8215 / Winnipeg (204) 983-4391 / Vancouver (604) 666-5468

- The 1988 Broadcasting Bill will clearly spell out the CRTC's authority to issue orders binding on licence-holders. The CRTC will be able to seek larger fines and issue cease-and-desist orders.
- The CRTC will be able to use court orders which will enforce a CRTC decision or order as a court order if it is filed with the Federal Court of Canada or a superior provincial court.
- The CRTC will be given mediation and arbitration powers with respect to rates for carriage of signals, such as pay-TV, on distribution services such as cable.
- The CRTC will be given the power to audit licence-holders under some circumstances.
- The CRTC will have the power to assess licence fees based in part on a broadcaster's revenues, but tied to performance in terms of providing specific kinds of Canadian programming.
- The CRTC will be responsible for the detailed working of the performance incentive, which can be used to set programming targets above and beyond the Canadian-content regulations.
- The CRTC will be asked to hold hearings on applying the performance incentives and to make recommendations on the best use of these incentives.

Policy Direction

- The 1988 Broadcasting Bill will make the CRTC subject to the power of policy direction from Cabinet in furthering the policy of the Broadcasting Act.

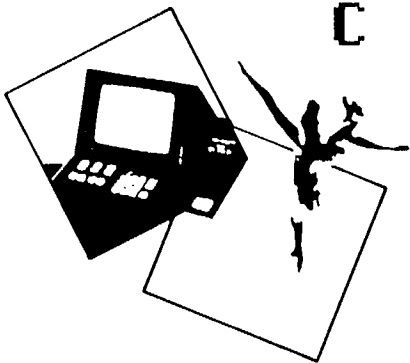
- ° Policy direction to the CRTC from Cabinet will be tabled in the House of Commons, and referred to Committee. It must be accompanied by a policy rationale.
- ° The policy direction will not be used for an individual licence, or between a call for applications and the issuing of a licence, or retroactively.
- ° Cabinet review of CRTC licensing decisions will be maintained, but limited.
- ° Review will take place only if it is believed that a CRTC decision is contrary to the Broadcasting Policy objectives in Section 3 of the 1988 Broadcasting Bill.
- ° The power of Cabinet review will allow an appeal to Cabinet. The Cabinet will be able to refer a decision back to the CRTC or set aside a decision. Cabinet will not be able to change a decision.
- ° Sixty days will be allowed from the announcement of a decision for appeals to be made, and another 60 days will be allowed for Cabinet to consider appeals.
- ° The CRTC will be required to take into account the distinction between the English-language and French-language markets in regulating and supervising broadcasting.

Commissioners

- ° The number of full-time Commissioners will be increased to a maximum of 13.
- ° The number of part-time Commissioners will be reduced to a maximum of six.

- The term for full-time Commissioners is reduced to five years from seven, and for part-time Commissioners to three years, consistent with appointments to other government boards and commissions.
- The CRTC's head office will stay in the National Capital Region.
- Regional Commissioners, resident in a region, may be appointed.
- Maximum licence terms will be extended to seven years from five, to reduce the number of licence hearings.
- The CRTC will be able to delegate application hearing procedures to panels or committees of Commissioners.
- The minimum panel for a licensing hearing will be increased to three from two, of whom at least one must be a full-time Commissioner. Decisions will be given on the basis of "he who hears, decides."
- Part-time Commissioners appointed to panels will have the same voting power as full-time Commissioners.
- The CRTC will receive \$5.8 million over four years to help it bring in these changes.

COMMUNICATIONS



Alternative Programming

The Government will help fund the start-up and the operation of a national Alternative Programming Service within two years.

The exact costs of the service will be determined following consultations with the parties concerned.

A key role of the Alternative Programming Service will be reflecting Canada's multicultural nature.

The policy calls for the creation of a new Alternative Programming Service in English and increased financial support for the production of programming on existing French-language services such as TV5, Radio-Québec and Radio-Canada.

TV5 will begin nation-wide service in September 1988.

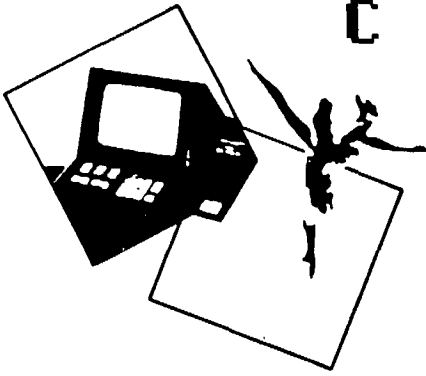
° The 1988 Broadcasting Bill says that:

- alternative television programming services in French and English will be provided;
- the Alternative Programming Service will be innovative and complement programming intended for mass audiences;
- it will cater to interests and tastes not adequately provided for;
- it will reflect Canada's regions and multicultural nature;

- it will, as far as possible, acquire its productions, rather than produce them, and make them available throughout Canada by the most cost-efficient means.
- ° The Alternative Programming Service's special multicultural vocation should not be confused with multilingual services, which already exist.
- ° The mandate of the Alternative Programming Service will be to provide all Canadians with a more realistic view of the multicultural realities in all parts of the country, through dramatic programming and through discussion of relevant social and other issues.
- ° The programming mix will also include:
 - major contributions from Canada's regions;
 - arts and entertainment programming;
 - Canadian documentaries;
 - a television window for Canada's emerging dramatists and producers;
 - the best of television from around the world;
 - National Film Board movies and documentaries;
 - classic television from the past;
 - French-language Canadian productions, subtitled in English;
 - original drama productions, reflecting Canada's multicultural mosaic and regional diversity.
- ° The Alternative Programming Service will be based outside Central Canada.
- ° The Government feels it would be appropriate for the Alternative Programming Service to be formed by a consortium, including provincial broadcasters, and possibly combining the private and public sectors.

- The Alternative Programming Service will need continuing financial support.
- The Government intends that this support be anchored on direct government assistance, and could include a cable charge, and the provision of government-financed programming, such as National Film Board productions.
- The Government will ask the CRTC to hold hearings to advise on economic and other questions.
- On the basis of the CRTC's findings, the Government will determine financial support and let the CRTC and potential licence applicants know what that support is.
- The CRTC can then invite licence applications.
- This process should be completed within two years.

COMMUNICATIONS



French-language Broadcasting

For the first time in Canadian broadcasting, the differences between French-language and English-language broadcasting industries are recognized in policy and legislation.

Under the new broadcasting policy, the Government is acting to allocate some \$110 million to meeting the challenges facing the French-language industry.

French-language broadcasting is a more integrated industry, with production companies, broadcasters and cable companies often part of a single corporate structure.

Advertising revenues are proportionately higher in English-language markets than in French-language markets. French-language radio includes a number of private networks, unlike English-language markets, in which radio stations operate mainly as independents.

French-language television has a more developed "star system" than English-language television, as a result of the stronger sense of cultural community in French-speaking Canada.

- ° The 1988 Broadcasting Bill declares that English- and French-language broadcasting, while sharing common aspects, operate under different conditions and have different requirements.

- ° The Canadian Radio-television and Telecommunications Commission (CRTC) will be required to take into account the differences between the English-language and French-language markets in regulating and supervising broadcasting.
- ° The CBC will be required to provide programming in English and French, reflecting the different needs and circumstances of each official-language community, including the particular needs of English and French linguistic minorities.
- ° Two new committees of the Board of Directors of the CBC will be formed: one on French-language broadcasting, and one on English-language broadcasting.
- ° Of the \$35 million a year (in constant 1989-90 dollars) in new money for the CBC, \$15 million will be used to help Radio-Canada increase the production budgets for French-language programs.
- ° Telefilm Canada's budget (\$109 million in 1988-1989*) will be increased by about \$18 million a year, in addition to the new funds for film development that were announced by the Government on May 5, 1988. The new money, totalling \$75.9 million** in the four years ending 1992-1993, will be applied to the Canadian Broadcast Program Development Fund (\$63 million in 1988-89) to support French-language and English-language television production.

* Source: Part III, Main Estimates, 1988-89.

** Figures are expressed in current dollars, with increases for inflation as approved by Cabinet.

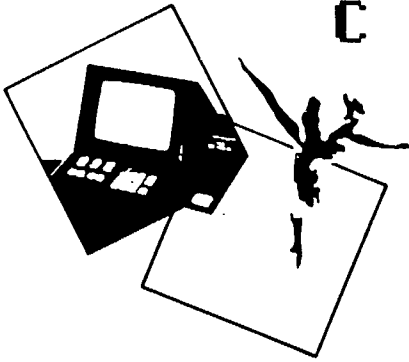
- ° The additional funding will be split 50-50 between French and English, rather than the existing split of one-third French and two-thirds English.

- ° When the Alternative Programming Service starts, with new Government funding, the new Telefilm money will all be directed to French-language programming.

- ° The Government is also proposing that Telefilm Canada change its funding rules so it can give greater support to French-language programming:
 - higher levels of equity participation will be allowed, in the 40 per cent to 49 per cent range when required; and
 - additional financing, to raise the total assistance to a maximum of 70 per cent for higher-risk productions which meet specific policy objectives, will be allowed.

- ° The Broadcasting Policy commits more than \$2 million a year to TV5 from 1990-1991 on, when the current federal-provincial support agreement ends. The federal government is the major funding partner in the agreement, and has taken the lead in ensuring that TV5 will be available to cable systems and satellite-dish owners across Canada.

C O M M U N I C A T I O N S



Reflecting Canadian Society

Culture reflects a society's mores and values, and broadcasting is perhaps the most influential of all the instruments of cultural expression.

Much of the entertainment programming that English-speaking Canadians watch comes from the United States. That programming does little, if anything, to reflect Canadian values and perspectives.

The new Broadcasting Policy and the 1988 Broadcasting Bill say that the broadcasting system must be representative of the overall makeup of Canadian society.

The Policy and the Bill ensure, as a matter of policy and of law, that broadcasting is a mirror-sharp image of Canadian society.

Since the 1968 Broadcasting Bill was proclaimed, there has been greater awareness and concern about Canada's aboriginal peoples and their role in Canadian society.

Multiculturalism was not an official policy in 1968; it is now an official policy and an integral part of Canada.

The reality of Canada's two official languages is stronger now than in 1968.

Canadians are aware of and more sensitive to regional priorities.

Attitudes have changed since 1968.

Information Services / Direction de l'information ■ 300 Slater Street / 300, rue Slater ■ Ottawa K1A 0C8 ■ (613) 990-4900
Regional offices / Bureaux régionaux: Moncton (506) 857-6525 / Montréal (514) 283-2307 / Toronto (416) 973-8215 / Winnipeg (204) 983-4391 / Vancouver (604) 666-5468



Communications
Canada

Canada

The role of women, the perception of the role of women, and the expectations of women have changed drastically since 1968.

All Canadians have an increased awareness of the plight and the capability of the handicapped, and the handicapped expect to play a full role in Canadian society.

There is now a Charter of Rights and Freedoms, which sets out the expectations of Canadians for their society. With those expectations have come demands that the expectations be met.

Canada's broadcasting system must reflect, both in programming and in operations, the reality and the aspirations of Canadian society -- multiculturalism, the role of women, the special place of aboriginal peoples, the unity that comes from the differences in the regions, the concerns of the handicapped, the model of fairness and decency set out in the Charter of Rights and Freedoms.

Canadians want and need drama that will mirror the drama of our society itself.

They do not want stereotyping. They do want access to the airwaves; they do want to take part in the industry and its administration.

- ° The 1988 Broadcasting Bill confirms that the broadcasting system should be representative of the overall makeup of Canadian society.
- ° The Bill states that broadcasting should, through its operations and programming, reflect the circumstances and aspirations of Canadian men and women, including the linguistic duality and multicultural nature of Canadian society, and the special place of aboriginal peoples within that society.

- Stereotyping will diminish when women and minorities are represented at all levels in broadcasting.
- The Bill states that programming should provide a reasonable and balanced opportunity for the expression of differing views on matters of public concern.

Alternative Programming

- The Government will help fund the start-up and the operation of a national Alternative Programming Service within two years.
- A key role of the Alternative Programming Service will be to reflect Canada's multicultural nature.
- The mandate of the Alternative Programming Service will include the need to provide all Canadians with a more realistic view of the multicultural realities in all parts of the country, through dramatic programming and through discussion of relevant social and other issues.

Official Languages

- For the first time in Canadian broadcasting, the differences between French-language and English-language broadcasting industries are recognized in broadcasting policy and legislation.
- The 1988 Broadcasting Bill declares that English- and French-language broadcasting, while sharing common aspects, operate under different conditions and have different requirements.
- The Canadian Radio-television and Telecommunications Commission (CRTC) will be required to take into account the distinction between the English-language and French-language markets in regulating and supervising broadcasting.

- ° The CBC will be required to provide programming in English and French, reflecting the different needs and circumstances of each official-language community, including the particular needs of English and French linguistic minorities.
- ° Two new committees of the Board of Directors of the CBC will be formed: one on French-language broadcasting, and one on English-language broadcasting.
- ° \$15 million* a year will be used to help Radio-Canada increase its production budgets for French-language programs.
- ° Telefilm Canada's budget (\$109 million in 1988-1989**) will be increased by about \$18 million a year, in addition to its portion of the new film development funds which were announced by the Government on May 5, 1988.
- ° The new broadcasting money will be applied to the Canadian Broadcast Program Development Fund (\$63 million in 1988-89) to support French-language and English-language television production.
- ° The Government is also proposing that Telefilm Canada change its funding rules so it can give greater support to French-language programming.
- ° The additional funding will be split 50-50 between French and English, rather than the existing split of one-third French and two-thirds English.
- ° When the Alternative Programming Service starts with new Government funding, the new Telefilm money will all be directed to French-language programming.

* All figures are expressed in current dollars, with increases for inflation as approved by Cabinet.

** Source: Part III, Main Estimates, 1988/89.

Northern Native Broadcasting

Funding of \$10 million will be allocated over the next four years to cover the cost of an independent satellite-delivered programming distribution system, to improve access for aboriginal programming produced under the Northern Native Broadcast Access System (NNBAP) and some of the programming of the CBC's Northern Service and territorial and provincial government services, specifically designed for northern audiences.

There are now 13 independent native communication societies funded by the NNBAP to produce native-language programming in the two territories and the northern regions of the provinces.

The CBC Northern Service produces radio programming in eight indigenous languages in the Northwest Territories and northern Quebec.

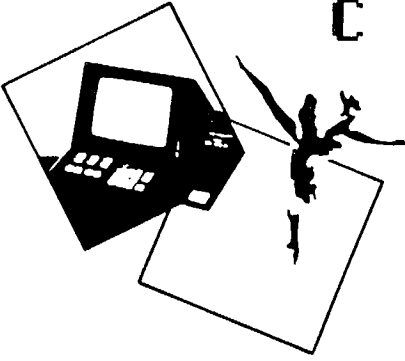
Each native communications society has to obtain time on the distribution system of northern broadcasters. Often, native broadcasters have to contend with poor time slots, pre-emptions and sudden schedule changes. Already, some broadcasters' production has exceeded available broadcast time.

Broadcasters often do not have the program time available for native programming. The CBC sees even less time available in the future with the Canadianization of its programming.

The solution is to distribute some of the CBC Northern Service programming and independent native programming, as well as territorial government programming, through an independent distribution system including a dedicated satellite transponder.

Such a proposal for TVNC -- Television Northern Canada -- was put forward in 1987 by a consortium of six northern broadcasters, the CBC Northern Service and the territorial governments.

C O M M U N I C A T I O N S



Cable and Distribution

The 1988 Broadcasting Bill will allow cable operations and other distributors to originate programming.

Distributors originating programming will be subject to safeguards preventing conflict of interest and setting terms and conditions of carriage. These are, notably, that:

- ° Distributors will be required to allow Canadian specialty services to have reasonable access to the distribution systems;
- ° The CRTC will have the power to mediate between distribution services and programming services; and
- ° The CRTC will also have the power to require distribution services to carry specified programming services on terms to be set by the CRTC.

Cable is the most common television distribution method.

But there are now:

- Subscription Television (STV) systems distributing television signals over-the-air using low power transmitters;
- Satellite Master Antenna Television (SMATV) systems, which act as mini cable systems, serving multiple-unit buildings such as apartment buildings;

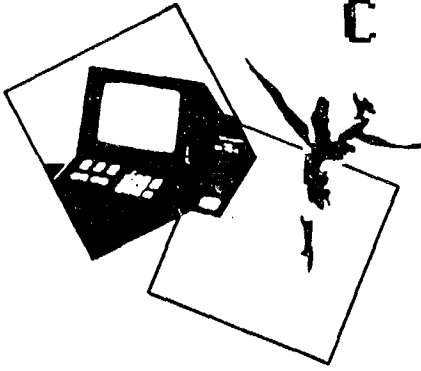


- Multi-channel, multi-point distribution systems (MMDS), using microwave transmission;
- Direct-to-Home (DTH) systems, which distribute television signals directly to homes by satellite.

Other systems are possible in the future. The 1988 Broadcasting Bill will treat all distribution technology the same, permitting distributors to use the technology of their choice.

- ° Distributors will be allowed to originate programming subject to CRTC approval and control.
- ° The mediation power and the power to set carriage terms should ensure that distribution services act in a fair and responsible fashion.
- ° Distributors will still be required to give Canadian programming priority.
- ° Distributors originating programming will be required to meet the objectives of the Broadcasting Policy.
- ° Contractual arrangements between telecommunications carriers and cable operations will be regulated in keeping with the Bill's objective of efficient and effective delivery of service at reasonable rates, using the most effective technologies.

COMMUNICATIONS



Extension of Services

Broadcasting services will be extended to underserved areas; extended to Francophone communities; improved for native people, particularly in the North; and improved for the visually impaired.

- Communications Canada will administer a \$21.1-million* capital construction program over the next four years, which will share with private entrepreneurs the capital costs of making cable or other multi-channel distribution systems available to small, remote communities. About 250,000 Canadians will benefit from the extension of cable services.
- Many Francophones outside New Brunswick, Ontario and Quebec get little or no broadcasting service in French. Now, only CBC French-language service is available nationally. TV5, the new international French-language service, will be distributed nationally by satellite, starting in September 1988.
- \$10 million will be allocated over the next four years to cover the cost of an independent satellite-delivered programming distribution system to increase the availability of programming made through the Northern Native Broadcast Access Program (NNBA) and some of the programming of the CBC's Northern Service and territorial and provincial governments, specifically designed for Northern audiences.

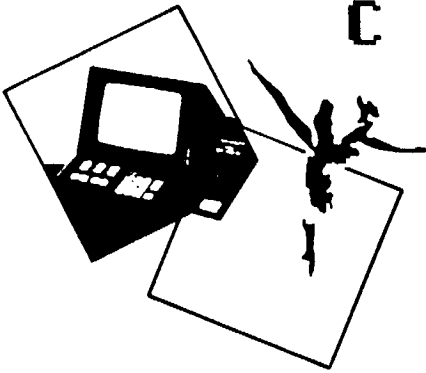
* All figures are expressed in current dollars, with increases for inflation as approved by Cabinet.

Information Services / Direction de l'information ■ 300 Slater Street / 300, rue Slater ■ Ottawa K1A 0C8 ■ (613) 990-4900
Regional offices / Bureaux régionaux: Moncton (506) 857-6525 / Montréal (514) 283-2307 / Toronto (416) 973-8215 / Winnipeg (204) 983-4391 / Vancouver (604) 686-5488

- Communications Canada, in cooperation with the Department of the Secretary of State, will undertake a study of the specific needs of urban and rural aboriginal peoples to deal with the issue of aboriginal programming in the southern parts of Canada.

- The Government of Canada will provide a start-up grant of \$120,000 this year, and five yearly grants of \$100,000 starting this year, for a National Broadcast Reading Service for the Visually Impaired. The satellite-to-cable service will be English-language and French-language, and will parallel the French-language service of La Magnétothèque.

C O M M U N I C A T I O N S



Technology

In 1968, when the present Broadcasting Act was enacted, broadcasting was "over-the-air," as it had been when Canada's first Broadcasting Act was passed in 1932.

The legal, jurisdictional and technological concepts of the 1968 Act are for an "over-the-air" broadcasting system.

Those concepts were stretched by the start and spread of cable distribution and cable became a "broadcasting receiving undertaking," not a distributor of programming signals -- which it is.

The boundaries of what is broadcasting, and therefore what may be regulated, are becoming more and more blurred.

The challenge has been to draft a Broadcasting Policy and legislation that can deal with change in technology, and still allow the Government to give direction to the system.

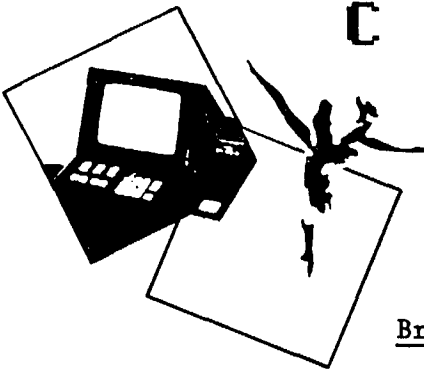
Adding to existing definitions is not enough. The Policy and the Bill must be freed from the limitations of technology as it exists at any one point in time.

A technology-neutral approach is needed, which defines broadcasting by its content, not the way it is received by the audience.

The 1988 Broadcasting Bill will not distinguish among technologies, but among activities; definitions are not by signal, but by what the signal carries.

- The 1988 Broadcasting Bill defines broadcasting as the transmission of programs to the public by radio waves or other means of telecommunication.
- The Bill defines "program" as sound or visual images, or combinations of sounds and visual images, intended to inform, enlighten or entertain.
- The definition specifically excludes visual images, with or without sounds, of printed text.
- The 1988 Broadcasting Bill will keep its legal foundation in the face of future technological development.
- The 1988 Broadcasting Bill will permit distribution systems to use the technology of their choice.
- It also enables the same technologies to serve both broadcasting and non-broadcasting uses.

COMMUNICATIONS



Broadcasting for the Visually and Hearing Impaired

There are more than 400,000 Canadians who are blind or who suffer some other print handicap.

Some elderly also have difficulty with printed material.

For these Canadians, broadcasting is the only source of information about what is happening in the world around them.

But they are denied full access to broadcasting services. Also denied access are the more than two million hearing-impaired Canadians, who must rely on closed-captioning.

The Visually Impaired

Broadcast reading services allow the visually-impaired to choose a source of information in the same manner as a sighted person. By producing audio versions of a wide range of local, national and international newspapers and periodicals, such a service permits the visually-impaired identical access to journalistic print as available at any newsstand.

Despite the popularity of reading services in the United States, they have not been quick to develop in Canada despite Recommendation 52 of the Obstacles Report of the House of Commons Committee on the Disabled and Handicapped, which stressed the great advantages of a broadcast reading service.

In Quebec, there is a radio reading service, La Magnétothèque. It receives substantial support from the Province of Quebec and the cable industry in providing a French-language broadcast reading service.

La Magnétothèque is the only successful broadcast reading service in Canada. It provides a French-language broadcast reading service 24 hours a day, seven days a week.

- For the visually impaired and print-handicapped, the Government of Canada will provide a start-up grant of \$120,000 this year and five yearly grants of \$100,000 each, starting this year, to establish a satellite-to-cable distribution service.
- The service will be a cross-Canada service, broadcasting in French and English. Such a system will allow for regional contributions to supplement the national service.
- The grant will be used to establish an English-language National Broadcast Reading Service for the Visually Impaired, to parallel La Magnétothèque and to make La Magnétothèque service available to Francophones outside Quebec.
- The National Broadcast Reading Service for the Visually Impaired will depend on volunteers and the generous provision of distribution facilities by cable and satellite operators.

The Hearing Impaired

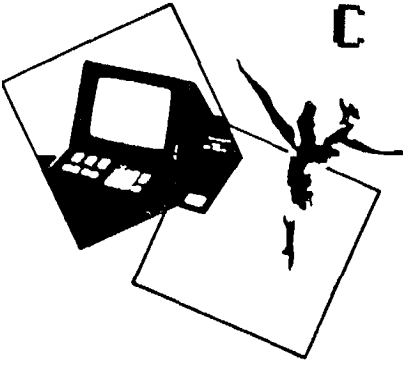
- The profoundly deaf -- there are an estimated 200,000 profoundly deaf and two million hearing-impaired people in Canada -- are also denied full access to broadcasting services.
- Only 10 per cent of television programming is closed-captioned now.
- Constant progress is being made in providing closed-captioned programs.
- The National Film Board recently made a commitment to close-caption all NFB productions, both in English and in French, in video format before their release for distribution.

- Telefilm Canada administers a program that provides financial assistance to have productions subtitled. The program's annual budget is \$500,000.

- It is likely that the goal of 50 per cent of all programs being closed-captioned can be reached. That goal was set by both the Caplan-Sauvageau Task Force on Broadcasting Policy and the Standing Committee on Communications and Culture.

- If progress in reaching that goal is not satisfactory, the Government will ask the CRTC to increase its regulatory demands on broadcasters to provide closed captioning.

C O M M U N I C A T I O N S



Civil Right of Action

The Government wishes to make it easier for Canadians, especially those in rural or remote areas, to have access to satellite programming services.

The Government also wishes to play a less-intrusive role in the marketplace.

Under the existing Broadcasting Act and Radio Act, the Government has sometimes been required to lay charges in disputes involving unlicensed use of broadcasting equipment or earth stations.

As a result, the full weight of the Crown has been invoked for relatively minor infractions. RCMP officers, radio inspectors, lawyers for the Department of Communications and the CRTC, and Crown prosecutors from the Department of Justice have been involved. Federal Ministers have been required to sign the prosecution orders.

Under the new policy and legislation, most disputes would be resolved as a civil matter. The Crown would become involved only in serious cases of theft or piracy.

The 1988 Broadcasting Bill permits originators of broadcast signals, and their authorized agents such as cable operators, to take action in the courts against commercial pirates stealing their scrambled signals.



Allowing "civil right of action" will put legal action against commercial pirates in the hands of the rights-holders, which will help to protect satellite services and authorized carriers while reducing prosecutions by the Government.

Satellite services such as First Choice/Super Channel, Super Écran and CANCOM, and authorized distributors of their signals, such as cable companies, sell television programs.

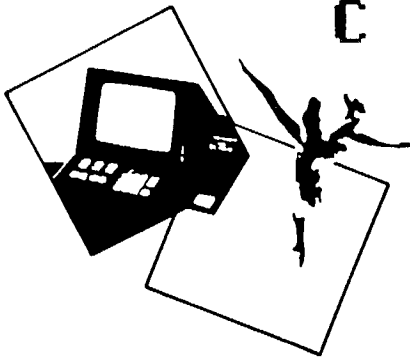
They are being hurt financially by individuals and commercial pirates who steal or re-distribute their scrambled signals without authorization.

Both the Standing Committee on Communications and Culture and the CRTC Task Force on Extension of Broadcasting Services to Underserved Communities recommended similar legislation:

- ° it will be an offence to decode or knowingly retransmit scrambled programming signals without the authorization of the originator of the signal or the originator's authorized agent.
- ° it will be an offence to deal in equipment used to illegally decode programming signals.
- ° to take action against an alleged thief, the holder of the rights to the signal must scramble the signal and market it in the area where the theft takes place.
- ° action may be taken against an individual who decodes a signal, even if the decoding is for personal use.

- the originators of the signal and authorized distributors will have "civil right of action," which will allow an alleged thief to be sued in civil court, which can set monetary damages.
- there is no ceiling on damages against commercial pirates, who steal signals for redistribution.
- the Government will keep its right to prosecute for theft of signals.

COMMUNICATIONS



Building for the Future

The broadcasting policy and legislation are part of a comprehensive review and updating of legislation to carry Canada's communications and cultural industries into the 21st Century. The broadcasting legislation is closely linked to the laws governing copyright, film distribution, telecommunications services, and radio communications.

The Government is committed to legislative and policy reform in these areas to protect the rights of consumers and creators, to improve the efficiency and effectiveness of industries governed by these laws, and to give Canadians more choice.

The Government puts particular priority on these measures to strengthen the vehicles of cultural expression that will be so important in enriching the national identity in an increasingly complex global environment. It was to preserve the right to act in these areas that the Government insisted that Canada's cultural industries be exempt from the Canada/U.S. Free Trade Agreement.

Copyright

Bill C-60, the first phase of the Government's revisions to the Copyright Act, marked the first updating in more than 60 years of the basic ground rules governing the relationship between creators and users of copyright materials.

The Government has introduced an amendment to the Copyright Act that calls for cable operators to pay copyright fees to broadcasters for the right to retransmit distant program signals.

The second phase of new copyright legislation, to be introduced in the Fall of 1988, will deal with distribution of copyright revenues among creators, performers, broadcasters, cable operators and other distributors.

Film

The new film policy and legislation create a separate and distinct Canadian market for film distribution that will strengthen the film production industry.

The \$200 million provided to producers and distributors over the next five years will lead to more commercially-oriented movies for pay-television and mass-appeal broadcasters, as well as more films dealing with regional and cultural themes that will find a place on the new Alternative Programming Service, TV5, the specialty channels and the provincial broadcasting services.

Telecommunications Bill

Broadcasters, specialty-service operators, pay-television companies, and many cable operators rely heavily upon telecommunications carriers for distribution of their services. At the same time, some broadcasters offer their networks and facilities to third parties for telecommunications.

This converging of broadcasting and telecommunications technologies and the blurring of the divisions between carriage and content have had a significant influence on the Government's approach to legislation in this area.

The 1968 Broadcasting Act was based on notions dating from the days of Marconi. Telecommunications law, even dealing with satellite signals, has been governed by concepts rooted in the Railway Act.

The 1988 Broadcasting Bill is technology neutral and its definitions are based on programming rather than the means of transmission. To complement this, the Government will introduce shortly the country's first-ever Telecommunications Bill.

Revisions to the Radio Act

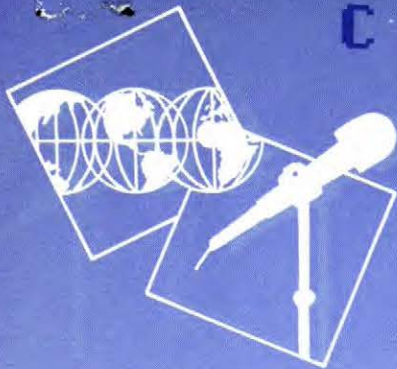
Effective management of the radio spectrum is essential to Canadian broadcasters. They count on the Government to prevent unwanted overlaps and interference.

The number of spectrum users is increasing exponentially as new services such as cellular telephones, privately-operated satellite communications systems and remote-control equipment are introduced.

Meanwhile, there is a rapidly expanding range of equipment based on electronic components that may malfunction because of radio interference.

Broadcasters face growing public concern about the aesthetic and environmental impact of transmission towers and the effects of interference on home appliances and sensitive equipment.

In response to these trends, the Government will introduce a new bill to permit more effective solutions to radio-frequency interference and more efficient regulation of spectrum users. The new legislation will also give the Government new powers to deal with environmental and safety issues relating to radio towers.



CHECK AGAINST DELIVERY

**NOTES FOR A STATEMENT BY
THE HONOURABLE FLORA MACDONALD
M.P. FOR KINGSTON AND THE ISLANDS
MINISTER OF COMMUNICATIONS
AT A
NEWS CONFERENCE TO ANNOUNCE
A NEW BROADCAST POLICY AND LEGISLATION**

**OTTAWA, ONTARIO
JUNE 23, 1988**



GOOD MORNING, LADIES AND GENTLEMEN.

TODAY I TABLED IN THE HOUSE OF COMMONS A SERIES OF DOCUMENTS THAT WILL CARRY CANADIAN BROADCASTING INTO THE TWENTY-FIRST CENTURY.

THEY INCLUDE THE GOVERNMENT'S RESPONSE TO THE FIFTH, SIXTH AND FIFTEENTH REPORTS OF THE STANDING COMMITTEE ON CULTURE AND COMMUNICATIONS; NEW LEGISLATION TO REPLACE THE 1968 BROADCASTING ACT; AND CANADIAN VOICES: CANADIAN CHOICES, OUR NEW BROADCASTING POLICY FOR CANADA.

THE GOAL IS MORE AND BETTER CANADIAN PROGRAMMING. THE GOVERNMENT WILL PROVIDE MORE THAN \$250 MILLION OVER THE NEXT FOUR YEARS TO HELP MEET THAT GOAL.

WE LAUNCHED THIS FUNDAMENTAL REVIEW OF BROADCASTING BECAUSE CANADA HAS GROWN AND MATURED SINCE THE 1968 BROADCASTING ACT WAS PASSED.

OUR SOCIETY HAS BECOME MORE DIVERSE AND DEMANDING. CANADIANS IN ALL REGIONS WANT MORE CHOICE IN BOTH THE FORM AND CONTENT OF BROADCASTING SERVICES.

OUR NEW POLICY WILL ENSURE THAT CANADIANS HAVE REAL CHOICES THAT REFLECT THE CHANGING ASPIRATIONS OF OUR POPULATION. ABOVE ALL, THEY WILL BE CANADIAN CHOICES IN ALL PROGRAM CATEGORIES.

THOSE ASPIRATIONS WERE VOICED ELOQUENTLY BY THE THOUSANDS OF CANADIANS WHO PARTICIPATED IN THE HEARINGS OF THE CAPLAN-SAUVAGEAU TASK FORCE AND THE STANDING COMMITTEE.

THE TASK FORCE AND THE STANDING COMMITTEE HAVE MADE INVALUABLE CONTRIBUTIONS TO THE DEVELOPMENT OF OUR BROADCASTING POLICY. THEIR ADVICE HAS BEEN GREATLY APPRECIATED AND MOST OF THEIR RECOMMENDATIONS HAVE BEEN ACCEPTED.

THOSE HEARINGS SHOWED THAT CANADIANS ARE CONCERNED ABOUT THE ROLE OF BROADCASTING IN OUR SOCIETY. AS THE GLOBAL TRAFFIC IN IDEAS AND CULTURE ACCELERATES AND BECOMES MORE INTENSE THROUGH NEW TECHNOLOGIES AND INCREASED TRADE, THE GOVERNMENT BELIEVES IT IS MORE IMPORTANT THAN EVER THAT CANADIAN VOICES BE HEARD.

OUR REVIEW HAS BEEN BOTH THOROUGH AND PROFOUND. WE STARTED WITH THE LEGISLATION, THE UNDERLYING FRAMEWORK OF THE CANADIAN BROADCASTING SYSTEM. ITS PROVISIONS AND DEFINITIONS HAVE BEEN UPDATED TO TAKE ACCOUNT OF CHANGING TECHNOLOGIES, SO AS TO ENSURE IT IS LEGALLY EFFECTIVE.

THE CENTRAL ISSUE, AS I HAVE SAID SINCE WE FIRST RECEIVED THE CAPLAN-SAUVAGEAU REPORT, IS PROGRAMMING. THE PRIORITY MUST BE PRIME-TIME CANADIAN DRAMA. IT NEEDS THE ATTENTION AND RESOURCES FOR SOUND DEVELOPMENT. EXPERIENCE HAS SHOWN THAT THERE IS NO QUESTION THAT CANADIANS WANT MORE AND BETTER CANADIAN PROGRAMMING.

WE WANT PRIVATE BROADCASTERS TO PUT MORE CANADIAN PROGRAMS ON THE AIR, ESPECIALLY DRAMA. THE LEGISLATION GIVES THE CRTC THE POWER TO IMPLEMENT AN INCENTIVE PROGRAM TO ENCOURAGE BROADCASTERS TO GO BEYOND THEIR CURRENT CANADIAN-CONTENT QUOTAS. THE CRTC COULD SET PERFORMANCE TARGETS IN CATEGORIES SUCH AS PRIME-TIME DRAMA AND RELATE THOSE TARGETS TO THE BROADCASTER'S LICENCE FEE.

IF THE BROADCASTER MET THOSE TARGETS, A PORTION OF THE FEE WOULD BE EXCUSED. IF NOT, IT WOULD BE COLLECTED AND MADE AVAILABLE FOR USE BY OTHER BROADCASTERS WHO DID INCREASE THEIR PRIME-TIME TARGETS. THIS COULD LEVER MILLIONS OF DOLLARS INTO CANADIAN PRODUCTION IN ADDITION TO THE INCREASED GOVERNMENT CONTRIBUTIONS FOR THE PRODUCTION OF CANADIAN FILM AND TELEVISION PROGRAMMING.

WE ARE ALSO COMMITTED TO HELP FUND THE CREATION AND OPERATION OF A NEW, NATION-WIDE ALTERNATIVE PROGRAMMING SERVICE TO PROVIDE THE KINDS OF PROGRAMMING THAT DO NOT APPEAR OFTEN ENOUGH ON CONVENTIONAL TELEVISION. PROGRAMS FROM THE REGIONS, PROGRAMMING WITH A MULTICULTURAL DIMENSION, AND THE PERFORMING ARTS WILL BE PART OF THIS SERVICE'S SPECIAL VOCATION, WHICH IS ANCHORED IN LEGISLATION.

LET ME TURN TO THE CBC. THE GOVERNMENT IS CONFIRMING WITHOUT HESITATION ITS SUPPORT FOR THE CANADIAN BROADCASTING CORPORATION AS THE PRINCIPAL VEHICLE FOR CULTURAL EXPRESSION IN CANADA. WE WILL INCREASE ITS BUDGET BY \$20 MILLION A YEAR TO RAISE CANADIAN-CONTENT LEVELS ON THE ENGLISH-TELEVISION SERVICE TO 95 PER CENT. WE ALSO SEE A NEED TO INCREASE PRODUCTION BUDGETS FOR FRANCOPHONE PROGRAMMING, AND WILL PROVIDE \$15 MILLION A YEAR FOR THIS.

THE NEW LEGISLATION WILL STRENGTHEN THE CBC'S MANAGEMENT STRUCTURE AND FINANCIAL ACCOUNTABILITY TO PARLIAMENT, AS RECOMMENDED BY THE ALL-PARTY COMMONS STANDING COMMITTEE. THE ARMS-LENGTH PRINCIPLE WILL BE PROTECTED, AND THE JOURNALISTIC AND ARTISTIC FREEDOMS OF THE CBC WILL BE ENSHRINED IN LAW.

THE LEGISLATION RECOGNIZES FOR THE FIRST TIME THE FUNDAMENTAL DIFFERENCES BETWEEN THE FRENCH- AND ENGLISH-LANGUAGE BROADCASTING ENVIRONMENTS. THIS WILL BE THE GUIDING PRINCIPLE FOR THE FUTURE DEVELOPMENT OF BROADCASTING IN CANADA.

THE CRTC WILL BE EXPECTED TO GIVE SPECIAL CONSIDERATION TO THE UNIQUE NEEDS OF THE FRANCOPHONE MARKET IN ITS HEARINGS AND DECISIONS. FOR ITS PART, THE GOVERNMENT IS INTRODUCING SPECIAL SUPPORT PROGRAMS TOTALLING MORE THAN \$110 MILLION TO IMPROVE THE QUALITY OF FRANCOPHONE PROGRAMS.

I WANT THIS LEGISLATION TO STRENGTHEN THE CBC SO THAT IT CAN FULFILL ITS MANDATE AS THE PRIMARY VEHICLE FOR CANADIAN CULTURAL EXPRESSION. AND THAT IS WHY IT WILL AFFIRM FOR THE FIRST TIME IN LEGISLATION THE JOURNALISTIC AND ARTISTIC FREEDOMS OF THE CORPORATION.

THE CRTC ALSO WILL BE MADE MORE EFFECTIVE UNDER THE NEW LAW. NEW LEGAL POWERS AND HIGHER FINES WILL BE AVAILABLE TO ENFORCE ITS DECISIONS.

AND CANADIANS LIVING IN SMALLER COMMUNITIES, NATIVES IN NORTHERN CANADA, AND THE DISABLED WILL BENEFIT FROM THIS POLICY. WE WILL SPEND MORE THAN \$31 MILLION TO IMPROVE THE DISTRIBUTION OF NEW BROADCASTING SERVICES TO THESE GROUPS.

WOMEN, NATIVE CANADIANS, VISIBLE MINORITIES AND THE DISABLED WILL BENEFIT FROM THIS LAW. THEY WILL BE REPRESENTED MORE EQUITABLY NOT ONLY IN PROGRAMMING, BUT BEHIND THE SCENES AS WELL, IN BROADCASTING COMPANIES' OPERATIONS.

OUR POLICY AND LEGISLATION REPRESENT A COMPREHENSIVE AND FUNDAMENTAL REDRAFTING OF THE BLUEPRINT FOR BROADCASTING IN CANADA. SOME CHANGES WILL BE ALMOST IMMEDIATE. OTHERS, SUCH AS THE ALTERNATIVE PROGRAMMING SERVICE AND THE INCENTIVE PROGRAM, MAY TAKE A YEAR OR TWO TO COME INTO EFFECT.

THE MOST IMPORTANT CHANGES WILL BE FELT PARTICULARLY OVER THE LONGER TERM. THE NEW OBJECTIVES IN THE LEGISLATION WILL SLOWLY BUT SURELY TRANSFORM THE CHARACTER OF TELEVISION PROGRAMMING, MAKING IT MORE RESPONSIVE TO ALL SEGMENTS OF SOCIETY.

EQUALLY IMPORTANT IS THE FACT THAT THE LEGISLATION IS "TECHNOLOGY NEUTRAL." BROADCASTERS AND CONSUMERS WILL HAVE MORE CHOICE IN THE DELIVERY SYSTEMS OF THE FUTURE, SUCH AS HIGH-DEFINITION TELEVISION, DIGITAL TRANSMISSION, MULTI-POINT MICROWAVE DISTRIBUTION SYSTEMS, PAY-PER-VIEW TELEVISION AND SO ON.

THIS GOVERNMENT BELIEVES IN MORE CHOICES IN BROADCASTING. OUR APPROACH HAS BEEN TO EXPAND THAT CHOICE, WHILE ENSURING THAT THERE ARE MORE CANADIAN VOICES ON THE DIAL.

THE POLICY AND LEGISLATION YOU HAVE BEFORE YOU TODAY PROVIDE NEW TOOLS AND RESOURCES TO HELP BROADCASTERS PRODUCE MORE AND BETTER CANADIAN PROGRAMMING. WE BELIEVE ALL CANADIANS WILL BE BETTER SERVED, AND CANADA WILL BE A STRONGER NATION AS A RESULT.

THANK YOU.

JUNE 23, 1988

FOR IMMEDIATE RELEASE

New broadcasting policy and legislation to provide more and better Canadian programming

OTTAWA -- Canadians will have more and better Canadian programming to choose from as a result of the new broadcasting policy and legislation tabled in the House of Commons today by Communications Minister Flora MacDonald.

Canadian Voices: Canadian Choices, the Government's new broadcasting policy, commits the Government to spending \$250 million in new money over the next four years to strengthen the production and distribution of Canadian broadcasting services. The money will increase the percentage of Canadian programs on the CBC, improve English- and French-language programming by both public and private broadcasters, provide better distribution services to smaller remote communities, develop a new satellite distribution service for native broadcasters in the North, and a new national radio-reading service for the blind.

In addition to the \$250 million, the policy commits the Government to help fund the start-up and operation of a national Alternative Programming Service. The precise details of the Government's contribution to this service will be determined following consultations with interested parties.

More investment by private broadcasters

The policy and legislation also call for increased spending by private broadcasters to bring more Canadian content, especially drama, to prime time television. To this end, the legislation gives the CRTC the power to implement an incentive system to encourage broadcasters to exceed current Canadian-content quotas. Broadcasters who decided not to increase their Canadian programming would see a portion of their licence fees redirected for use by other broadcasters who did exceed their targets.

Blueprint for the 21st century

The Government's policy, the new legislation to replace the 1968 Broadcasting Act, and the Government's official responses to the Fifth, Sixth and Fifteenth Reports of the Commons Committee on Culture and Communications represent a blueprint that will carry the Canadian broadcasting system into the twenty-first century, Miss MacDonald said.

"Changes in the economic, technological and social environments have led to radical changes in the nature of broadcasting in the past 20 years," the Minister said.

"Our society has become more diverse and more demanding. Canadians in all regions want more choices in both the form and content of broadcasting services. As Canada continues to grow and mature in the decades to come, we must ensure that the system is equipped to meet those demands. Our new policy, the new legislation, and the new financial support which we are providing will ensure that Canadians have real choices that reflect the changing aspirations of our population."

New objectives for the broadcasting system

Changes to Canada's broadcasting law will have a significant impact on the way in which broadcasting develops, the Minister said. "In response to representations made before the Caplan-Sauvageau Task Force and the Standing Committee, we are proposing a redefinition of the objectives of the broadcasting system to reflect better the interests of all Canadians. For the first time, women are specifically mentioned in the legislation, as are the needs to portray more accurately the multicultural nature of our society and to respond more fully to the aspirations of Canada's native peoples. All broadcasters will be guided by these fundamental objectives of the new legislation. The Government also expects the Alternative Programming Service and other broadcasters to play an active role as outlets for new types of programming that reflect the special interests and concerns of women, ethnic groups and minorities."

Different natures of Francophone and Anglophone broadcasting

"We are also recognizing in law for the first time the different natures of the French- and English-language broadcasting environments. This will become the guiding principle for the future development of broadcasting in Canada," Miss MacDonald said. "The CRTC will be expected to give special consideration

to the differences in the Francophone and Anglophone markets in its hearings and licence decisions. The Government has also recognized the special requirements of the Francophone market by increasing its support to Radio-Canada, Telefilm Canada, and TV5 by more than \$110 million to improve the quality of Francophone program production."

Support for the central role of the CBC

The policy and legislation confirm the Government's support for the CBC as the central instrument of the Government's cultural policy. In recognition of this role, the Government will increase the CBC's Parliamentary appropriation on a permanent basis by \$35 million a year (in constant dollars). This will be phased in to provide an extra \$74.4 million to the CBC for English-language programming and \$55.8 million for French-language programming in the next four years. The legislation also includes measures to strengthen the CBC's management structure and financial accountability to Parliament and to guarantee its journalistic freedoms and artistic independence.

New Alternative Programming Service

The policy calls for the creation of a new Alternative Programming Service in English and increased financial support for the production of programming on existing French-language services such as TV5, Radio-Québec and Radio-Canada. The Minister noted that TV5 will begin nation-wide service in September 1988. The Government also hopes to see a new national English-language Alternative Programming Service start up within two years.

New funds for Telefilm to support production

To help improve the quality and quantity of television production, the Government will provide Telefilm Canada's Broadcast Program Development Fund with an additional \$75.9 million over the next four years. Half the funds each year will go to English-language programming and half to French-language programming, until the Alternative Programming Service starts operating with new Government funding. At that time, the new Telefilm funds will all be directed to French-language programming.

New distribution funds for remote and northern communities

The Policy commits the Government to spending \$31.1 million to improve access to broadcasting services by Canadians in remote and smaller communities. Communications Canada will administer a \$5-million-a-year capital construction program to extend cable service to about 250,000 Canadians by sharing the cost of making cable or other distribution systems available to small communities.

Funding of \$10 million will be allocated over the next four years to cover the cost of an independent satellite-delivered programming distribution system, to increase the availability of programs from the Northern Native Broadcast Access System (NNBAP) and other broadcast services specifically designed for northern audiences.

Services for the disabled

The Government will pay a start-up grant of \$120,000 this year and an annual operating grant of \$100,000, starting this year, for a nation-wide, satellite-to-cable National Broadcast Reading Service for the visually impaired. The money will establish an English-language service parallel to the French-language La Magnétothèque reading service, and be used to distribute both services nation-wide.

In addition, the Government expects a steady increase in the number of programs to be closed-captioned for the hearing-impaired. If progress in reaching that goal is not satisfactory, the Government will ask the CRTC to increase its regulatory demands on broadcasters.

Adapting to new technologies

The new legislation has also been designed to allow the broadcasting system to adapt more easily to changing technologies such as fibre optics, high definition television, digital transmission and multi-channel, multi-point microwave distribution services. The new law is drafted to be "technology neutral." It does not confine broadcasting to any one technology or set of technologies and it does not hinder the development of broadcasting technologies for non-broadcast purposes.

The new policy recognizes that broadcasting goes beyond the traditional, over-the-air technologies of "radiocommunications," and will overlap and converge more and more with telecommunications. Within this broadened view, the policy defines broadcasting by the content of the signal, not solely by the way the signal is carried and distributed.

Technology neutrality removes any legislative or regulatory bias for or against a particular technology, allowing broadcasters to choose the best and most competitive technology available.

Defining the role of cable

The new legislation will also permit cable television operators to be licensed for the provision of programming services. The CRTC will be given a range of new powers to review potential conflicts of interest and, if necessary, to require cable operators to carry specified programming services.

Changes to the CRTC

The Bill also more clearly defines the respective roles of the Government and the federal broadcast regulator. The CRTC will be subject to policy direction from the federal Cabinet, with such directions to be reviewed by Parliament before implementation in order to ensure that policy development is in the hands of elected representatives responsible to the people of Canada. Cabinet review of CRTC licensing decisions will be maintained, but limited. It will only take place if it is believed that a CRTC decision is contrary to the broadcasting policy objectives.

Under the legislation, the number of full-time CRTC Commissioners will be increased to 13; the number of part-time Commissioners reduced to a maximum of six. Terms for full-time members will be reduced to five from seven years, and three years for part-time members, consistent with the practice for most other advisory boards and commissions.

The CRTC's head office will stay in the National Capital Region, but regional Commissioners, who may live in the regions they represent, may be appointed. The CRTC will be given more flexible mechanisms to enforce its orders and regulations.

Civil right of action

The Government wishes to make it easier for Canadians, especially in rural or remote areas, to have access to satellite programming services. At the same time, the new legislation will permit originators of signals -- and their authorized agents, such as cable operators -- to take action in the courts against commercial pirates stealing their scrambled signals. This "civil right of action" will help to protect satellite services and authorized carriers, while reducing prosecutions by the Government.

Valuable role of public consultations

The new Broadcasting Policy and the 1988 Broadcasting Bill include many recommendations made by the Caplan-Sauvageau Task Force on Broadcasting Policy and the House of Commons Standing Committee on Communications and Culture.

"The Task Force and the Standing Committee, and above all the thousands of Canadians who have participated in their hearings over the past three years, have made an invaluable contribution to the development of the Government's broadcasting policy," Miss MacDonald said. "The Task Force and the Committee have given careful and thoughtful consideration to the strongly-held, often conflicting views of Canadians in all regions. Their advice has been greatly appreciated by me and by my colleagues, and we are taking positive action on the majority of their recommendations."

- 30 -

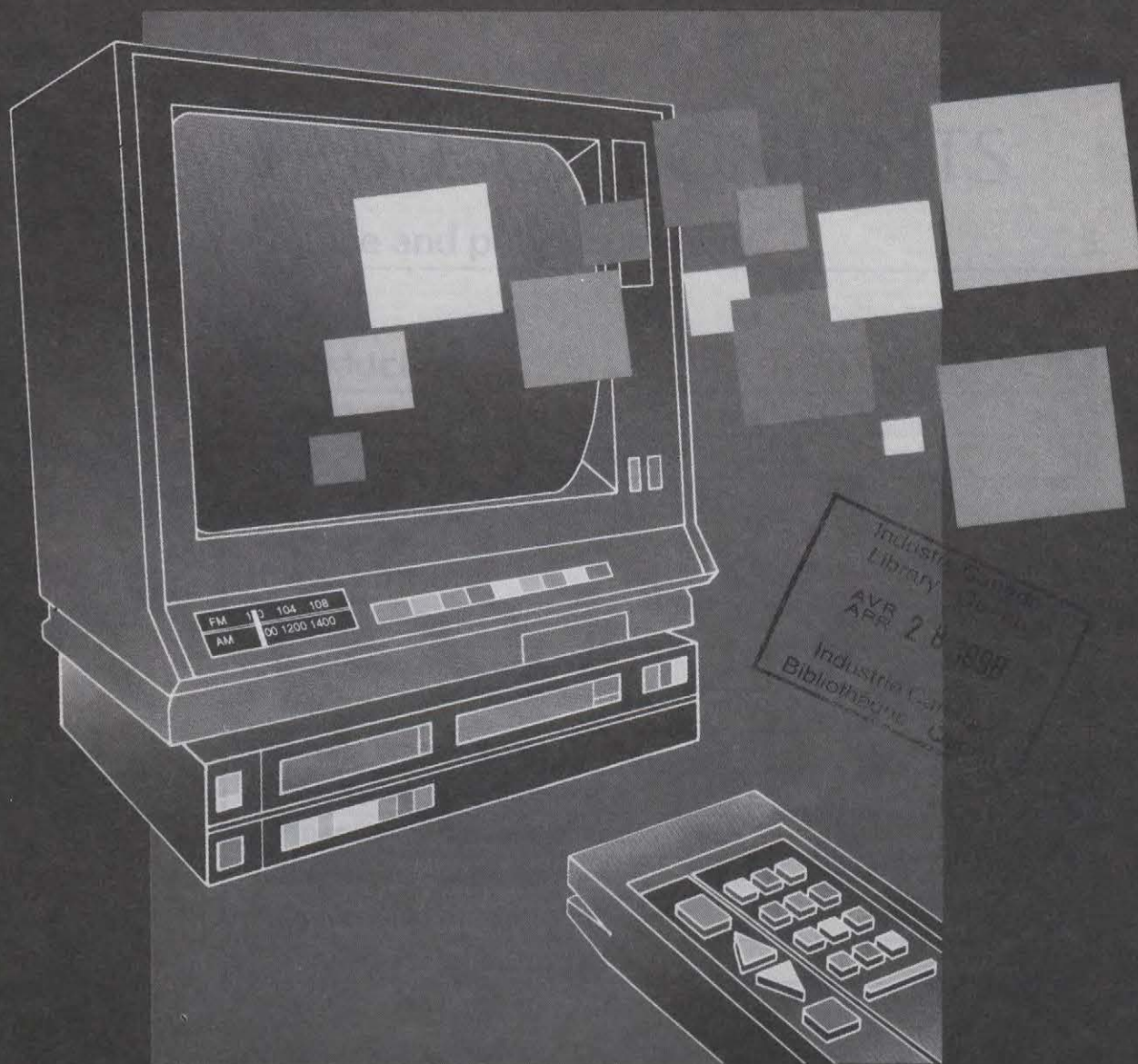
Contacts:

Patricia Dumas
Press Secretary
Minister's Office
Ottawa, Ontario
(613) 990-6886

Michel Lucas/Louise Lafleur
Media Relations
Information Services
Ottawa, Ontario
(613) 990-4827/990-4826

NR-88-5302E

CANADIAN VOICES CANADIAN CHOICES



A New Broadcasting Policy for Canada



Communications
Canada

Canada

TABLE OF CONTENTS

Preface and policy summary	5
<hr/>	
1	
Introduction	13
<hr/>	
Structure of the Bill	15
<hr/>	
Structure of this policy paper	16
<hr/>	
2	
Programming	17
<hr/>	
Overview: Radio	17
<hr/>	
Overview: Television	19
<hr/>	
The CBC	22
<hr/>	
Private broadcasting	27
<hr/>	
Alternative programming	33
<hr/>	
Financial assistance for production	36
<hr/>	
Distribution services	38
<hr/>	
Educational broadcasting	40
<hr/>	
Community broadcasting	41
<hr/>	
3	
Fairness and access	43
<hr/>	
Two official languages	43
<hr/>	
Representation	44
<hr/>	
Extension of services	46
<hr/>	

4		
Technology		51
Legal definitions		51
Technological convergence		52
5		
Operations and administration		55
The CRTC		55
The CBC		58
6		
Conclusion		61

PREFACE AND POLICY SUMMARY

B

The cultural importance of broadcasting

roadcasting is a vitally important element in modern Canadian society. It brings into our homes instant coverage of local, national and world events. It plays a major role in the lives of our children. It provides mass entertainment to vast national and international audiences.

Radio is found in 99 percent of Canadian homes, television in 98 percent of homes, and more than 50 percent of Canadian homes have a video cassette recorder (VCR). The average Canadian listens to 18 hours of radio and watches 24 hours of television every week. The power of radio and television, therefore, to inform, to sell products, to sway opinions, to create stars, above all to provide large numbers of people with a shared experience, is enormous.

Ultimately, a national, regional or ethnic culture is largely defined by shared experiences. Our culture is what we have in common. Broadcasting is a major determinant of our culture as Canadians, as Québécois, as Albertans, as Nova Scotians; as Anglophones or Francophones; as urbanites or rural dwellers.

It is of fundamental importance to our political and cultural sovereignty that our broadcasting system be an accurate reflection of who we are, of how we behave, of how we view the world. It plays a major role in defining our national, regional, local and even our individual identities. It is, therefore, much more than just another industry.

A wide array of choices

Our broadcasting system provides us with a truly remarkable range of radio and television signals. In a typical Canadian town or city, radio stations offer a choice in music that includes rock, country and western, classical and golden oldies. There are also talk shows, open-line shows, news, weather and sports.

Cable television carries literally dozens of channels, including not only "mainstream" Canadian and American stations, but also specialty services, movie channels and community programming.

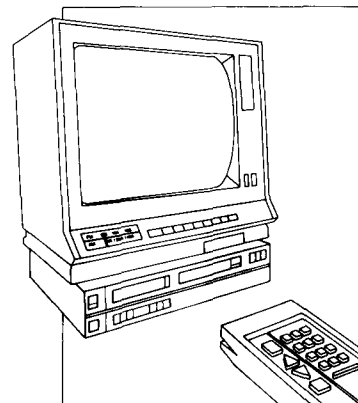
The mix includes private and public sector broadcasters; networks and independents; English-language and French-language services; ethnic, native and community broadcasters; Canadian and American programming. It is a rich mixture; but some key ingredients are missing.

This paper identifies the many policy issues facing Canadian broadcasting, and describes the actions being taken by the Government to resolve them. The paper is a formal, decisive declaration of the Government's will to ensure that Canadians have a real choice of quality Canadian programs to watch and to listen to, including the kinds of programs that are currently lacking.

The English and French broadcasting environments

The problems and challenges for English-language broadcasting and French-language broadcasting are not the same.

The French-language market is much smaller and more concentrated than the English-language market. Consequently, advertising revenues and, therefore, program production budgets are smaller. The French-language market is also extremely competitive which, combined with the small, concentrated audience, creates market conditions and an industrial



structure substantially different from those in English Canada. In addition, Francophone viewers spend up to 20 percent of viewing time watching English-language stations; and there is a fear that this crossover will shrink the French-language market further, unless program budgets are increased to maintain the attractiveness of French-language programming.

In English-language television, there is a problem of choice, not in the amount of programming, but in the kind of programming available. In particular, there is a shortage of Canadian drama — adventure series, plays, serials, situation comedies and feature films — available to the viewer. There is also a lack of programming geared to smaller audiences, reflecting the regions and the multicultural nature of Canadian society, featuring Canadian arts and culture, and offering the best of international programming.

In French television, the problem is not a shortage of hours in key program categories; rather, it is the need for more funding to ensure that those hours of programming that are available remain competitive against English-language and dubbed programming.

The Government recognizes that these differences between the English and French broadcasting environments necessarily require different policy approaches for each.

Policy challenges and responses

The first and most important policy issues have to do with **Programming**.

The Government welcomes the range of choices now offered in both languages and its policy is to ensure that competitive Canadian programming is provided throughout this range. This means, primarily: additional Canadian drama and variety in prime-time English-language television; increasing production qualities to help French-language programming remain competitive; and provision of alternative programming, to meet needs not addressed by mass-audience broadcasting.

The Government expects both private and public sector broadcasters to help achieve these overall programming objectives. In addition to its present regulatory powers, including Canadian content quotas, it gives the Canadian Radio-television and Telecommunications Commission (CRTC) new instruments, including a “performance incentive” system to help increase Canadian programming, without necessitating excessively intrusive procedures.

This Statement of Policy makes clear the central role of the Canadian Broadcasting Corporation (CBC), particularly its responsibility for the provision of Canadian programming. The Government of Canada endorses the CBC’s plan to provide 95 percent Canadian content in prime time on English television, as well as the French-language television network’s plans to enhance the quality of its news service and its téléromans. The Government of Canada is providing additional funding to the CBC for these purposes.

The Government agrees that a new national alternative television programming service — an Alternative Programmer — should exist and provides a legislated mandate for its creation.

Additional financing will be provided through Telefilm Canada, to support more productions in both languages and, in particular to allow for increased production budgets for French-language productions.

The second set of issues addressed by the Government in this Statement of Policy relates to **Fairness and Access**.

The policy recognizes the fundamental reality of Canada’s two official languages, and responds to the different cultural and economic characteristics of the French and English broadcasting environments.

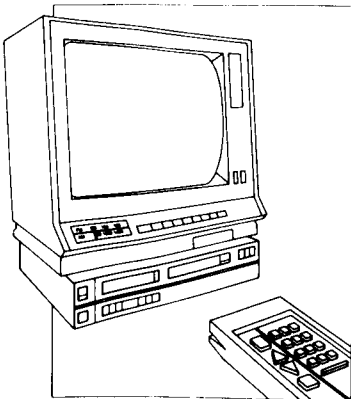
The Government's new broadcasting policy further captures the social and political changes of recent years by requiring that, in both its operations and its programming, the entire broadcasting system should be reflective not only of Canada's linguistic duality but also of our multicultural nature, and the special role of aboriginal peoples. It recognizes that disabled persons should have access to broadcasting services. The new Broadcasting Bill complements the *Charter of Rights and Freedoms* and its emphasis on the dignity and equality of all men and women.

In addition, the policy recognizes particular individual, local and regional needs by making special provision for extending broadcasting services to under-served areas and to the disabled, and for enhanced service to native people, especially in the North.

Technology is the third key element.

The new policy recognizes that broadcasting goes well beyond the traditional over-the-air technologies of "radiocommunications," and will increasingly overlap and converge with telecommunications. Within this broadened scope, broadcasting jurisdiction is defined not so much by the technologies which carry and disseminate signals, as by the content of the signals. The Bill is, therefore, technology-neutral and will be better able to adapt to changing technologies without risking erosion of federal regulatory jurisdiction.

The Government wants to continue to encourage Canada's tradition of innovation in communications technology. The new Broadcasting Bill allows for the optimum use of new technology without predetermining a legislative or regulatory bias for or against a particular technology. By allowing the broadcasting system to adopt, and adapt to changes in technology, the policy is designed to stimulate the system to become as competitive as possible. Individual firms will be able to choose the particular technologies they wish to invest in.



Finally, the Government's new Broadcasting Bill makes the **Operations and Administration** of the broadcasting system more efficient and more sensitive through changes to the CRTC and the CBC, the primary instruments for achieving the broadcasting system's cultural objectives.

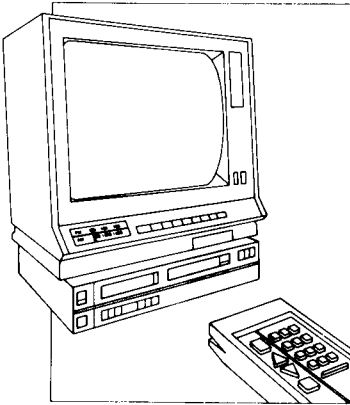
The CBC's mandate is clarified and focused on the provision of Canadian programming. Its journalistic independence and freedom is firmly set out, to confirm the arm's length relationship.

At the same time, the CBC is made more clearly accountable for its financial management. The CBC will be required to table a Corporate Plan Summary in Parliament; this plan will include a five-year financial planning framework to help the Corporation plan ahead.

Two organizational changes are made to improve administration at the CBC. The present position of President will be split into two: a Chairman of the Board and a Chief Executive Officer. And two distinct subcommittees of the Board of Directors are created, one for French-language and the other for English-language broadcasting.

The CRTC will be subject to policy direction from Cabinet, to ensure that overall policy development lies firmly in the hands of elected representatives, directly responsible to the people of Canada. In addition, a number of procedural and organizational changes are made, to increase efficiency and to reflect regional concerns.

In summary, the Government's broadcasting policy aims to support increased choice of programming; to ensure the availability of quality Canadian productions in all program categories; to reflect social and linguistic realities; to be prepared for technological change; and to be efficiently and responsibly managed in the interest of all Canadians.



I have benefitted from the advice of many in Canada over the last two years of preparation of this policy and of the proposed legislation. I am grateful to all, and particularly to my colleagues of the House of Commons who are members of the Parliamentary Standing Committee on Communications and Culture, whose final report on this subject was tabled earlier this month.

We all agree on the importance of broadcasting to our daily lives and especially to our sense of national identity. This new legislation and the policy initiatives that accompany it represent positive action that will make the Canadian broadcasting system better able to serve the interests and needs of all Canadians.

Flora MacDonald.

The Honourable Flora MacDonald
Minister of Communications
June 1988

1

INTRODUCTION



The 1988 Broadcasting Bill concludes a reappraisal of Canadian Broadcasting Policy begun more than three years ago when Gerald L. Caplan and Florian Sauvageau were named as the co-chairmen of the Task Force on Broadcasting Policy.

The Task Force's attention was specifically directed to the cable industry, the independent production industry, the funding of public broadcasting, the policy environment for private broadcasting, the impact of new broadcasting technologies and the social, constitutional and economic changes that have taken place since the 1968 *Broadcasting Act*.

Over the following sixteen months, the Task Force heard presentations from all the major players in both the public and private sector of the broadcasting industry. They also received submissions from labor organizations and cultural, ethnic, native, regional and other interest groups, as well as from individual citizens. The Task Force visited a number of cities and communities across Canada, received submissions, conducted research, and finally produced a major report.

The Report of the Task Force on Broadcasting Policy, published in September 1986, is a comprehensive analysis of Canadian broadcasting which served as a major guide in drafting the 1988 Broadcasting Bill.

This report reiterated the cultural primacy of the CBC in the Canadian broadcasting system. It further recommended that the different characteristics of French-language and English-language broadcasting be explicitly recognized in legislation and in practice.

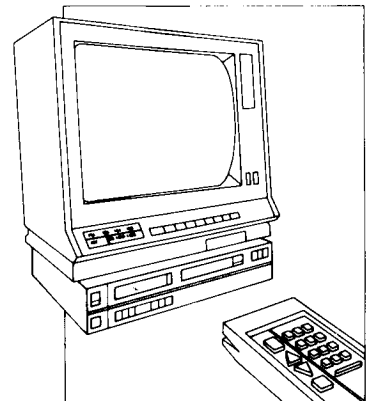
The report also focused attention on the need for Canadian dramatic television programming that reflects the distinctiveness of Canadian culture in all its regionality and cultural diversity. It proposed creation of a new public broadcaster, an alternative programming service which it called TV Canada (Télé-Canada). It examined the new technologies that are changing not only the way in which broadcasting works, but that also are challenging legal conceptions of broadcasting as defined by the *Broadcasting Act* of 1968. It gave particular attention to the implications of cable as the primary delivery system for television broadcasting, and was concerned that Canada maintain effective legislative and regulatory control over this and all other aspects of our broadcasting industry.

The Standing Committee on Communications and Culture conducted a review of the Caplan-Sauvageau report. The Minister of Communications, the Honourable Flora MacDonald, declared to the Standing Committee that Canadian programming is the central issue: "My central thrust is the improvement of the quantity and quality of Canadian programming."

The Standing Committee's report, *Recommendations for a New Broadcasting Act* (May 1987), examined a number of legislative alternatives, and provided one of the most valuable inputs to the creation of the 1988 Broadcasting Bill and this statement of policy.

In June 1988, the Standing Committee tabled its final report on broadcasting which covered many of the policy issues at the heart of our preoccupations. The recommendations and conclusions of the Committee are interwoven into the fabric of this policy paper.

The 1988 Broadcasting Bill and the policies it supports are the culmination of a long process that has involved the people of Canada, broadcasters, the many component elements of the broadcasting industry, as well as technical, legal and constitutional experts.



The Bill is founded on past Acts, but it is designed to meet current needs and to reflect contemporary Canadian society and its aspirations. It is also designed to cope with the technological changes that lie ahead, and to enable the CBC and the CRTC to remain relevant and effective in a changing world.

The Bill recognizes the different characteristics of the French and English broadcasting environments, and confirms that the CRTC should regulate Canadian broadcasting with an awareness of these differences, as it has done in the past.

Supplementing the legislation itself are a series of policy and program initiatives. These, too, build on the past, on the experience of the CRTC, the capacity and achievements of the CBC, and the varied and valued contributions of private, provincial and community broadcasters.

With the tabling of the 1988 Broadcasting Bill, the Government of Canada paves the way for the growth and development of the Canadian broadcasting system well into the twenty-first century.

Structure of the Bill

The new Broadcasting Bill adheres to the basic structure of its predecessor, the 1968 *Broadcasting Act*.

Part I sets out the definitions and policies which guide the Bill and will guide the operation and regulation of the Canadian broadcasting system. It provides definitions and a statement of the Government's fundamental policy purposes, Section 3, entitled the "Broadcasting Policy for Canada." Section 3 includes the formal mandate of the CBC, and overall policy guidelines for use by the CRTC in regulating the broadcasting system.

Part II describes the objects and powers of the CRTC.

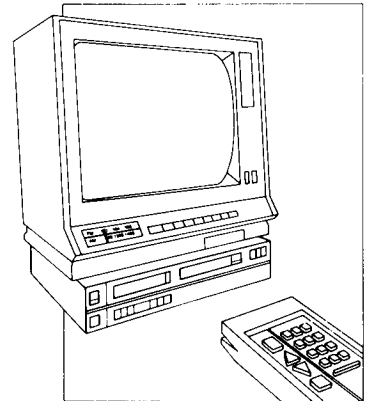
And Part III describes the organization of the CBC and sets out the rules by which it is to operate.

Finally, Part IV contains related and consequential amendments to other Acts, including the *CRTC Act*, the *Railway Act* and the *Radio Act*.

Structure of this policy paper

This policy statement identifies challenges facing Canadian broadcasting, and describes actions the Government is taking in four separate but related areas: Programming; Fairness and Access; Technology; and Operations and Administration. Under each of these headings, this statement describes how the new Bill addresses the key issues and, where appropriate, identifies the specific policy and program initiatives the Government is taking to complement and reinforce these legislative directions.

All cost figures for program initiatives outlined in this statement are expressed in 1989-90 dollars.



2 PROGRAMMING

3(1)(a) the Canadian broadcasting system . . . provides, through its programming, a public service essential to the maintenance and enhancement of national identity and cultural sovereignty.

D

Overview: Radio

Discussions about broadcasting policy focus largely on television, in part because of its immediacy and importance, and in part because it is where the problems are most acute. We often forget that radio is an integral part of our lives, and that Canadian radio is unquestionably among the best in the world.

Radio serves Canadians well. Private radio stations and networks market their specialized listening formats to local audiences in most cities, while the CBC offers a wide variety of programs on its national networks, catering to a range of tastes and interests, in both official languages. Canadian content music regulations for radio have fostered the growth of the Canadian recording industry, providing composers, writers and performers with the public exposure necessary to their development. Local and regional interests are particularly well served by private radio and by community radio, while the national networks of the CBC and Radio-Canada offer a broader view of Canadian culture.

The CBC operates its four networks (two in each official language), which largely complement commercial radio, focusing on news, public affairs, radio drama and classical music. CBC radio plays a special role in bringing Canadians together, and therefore in promoting that sense of shared experience which is fundamental to our national cultural identity.

Unlike television, Canadian radio in general does not have to compete with American stations: more than 97 percent of all radio listening is to Canadian stations. Nor is there a lack of programming for specialized tastes. The issue in radio broadcasting is how to stay financially sound, particularly for the 40 percent of radio stations whose profit margins are very slim — most of them medium- and small-market stations. While the industry as a whole has continued to be profitable (although to a lesser extent today than 10 years ago), the success is not shared equally among the radio broadcasters. As the Task Force on Broadcasting Policy put it, “radio is an industry of winners and losers.”

Canadian commercial radio needs Canadian recordings and quality Canadian audio programs that can be acquired simply and inexpensively. Over recent years, the situation has improved considerably, due to a combination of public and private sector action.

FACTOR/CTL/Musicaction Canada (FCMC), which was privately founded to assist in the development of Canadian recording talent, now also disperses \$3.7 million annually from Communications Canada’s Sound Recording Development Program, as well as additional contributions from radio stations, to assist in the production of records and music videos by Canadian artists.

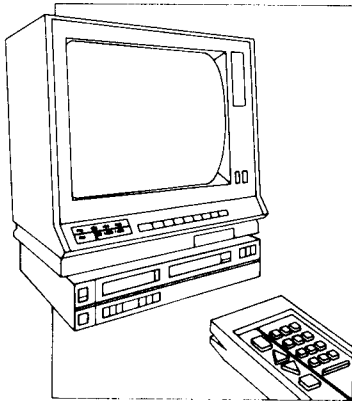
AM radio broadcasters are embracing new technologies such as AM stereo to regain competitive position for AM stations, which have lost listeners to FM radio over the last 10 years. Communications Canada adopted a single standard for AM stereo transmission effective for all AM stations on March 31, 1988. This removes the technological uncertainty that had thwarted the full adoption of AM stereo by broadcasters, radio equipment manufacturers and receiver manufacturers.

Radio licensees and entrepreneurs are trying to control costs and provide higher levels of service through program syndication and the establishment of networks that spread the cost of production among many stations. This allows for higher production budgets and therefore more attractive programming. Radio syndication is also supported by Communications Canada through FCMC. The sum of \$200,000 was allocated in 1987-88 for this purpose.

Through its regulations, the CRTC has attempted to ensure that the wide array of broadcasting formats is maintained, so that Canadian listeners are offered a full range of choices. This has been largely effective, although the regulatory process is extremely detailed. Over time, the regulatory process is becoming simpler, while continuing to ensure that a wide range of formats is available.

However, the fundamental issues in radio are economic. Radio broadcasters should be able to adapt to changing circumstances, aided by FCMC and the Sound Recording Development Program, and supported by the regulatory environment.

Overview: Television



Despite Canada's size and relatively sparse population, television broadcast signals are almost universally available. The English and French services of the CBC are available to 99 percent of each language group. The private English-language network, CTV, reaches about 96 percent of all English speaking Canadians, while the French-language private network, TVA, reaches more than 90 percent of all French-speaking Canadians.

In addition to the many broadcasting transmitters in all parts of the country, Canada is one of the most cabled countries in the world. Almost 70 percent of all Canadians receive a wide variety of channels and specialty services via cable, which is available to over 80 percent of Canadian households.

Canadian television has enjoyed great success, particularly in the production of news, public-affairs, documentaries, children's programming and sports. Soon, there will be additional specialty channels, including a religion channel, weather, and youth-oriented programming. However, there is a serious problem with regard to prime-time drama, including everything from situation comedies and soap operas to serious drama and movie specials.

A severe shortage of Canadian drama and variety in prime time persists on English-language television. Despite regulatory pressure, financial assistance and the efforts of the CBC, less than 10 percent of English prime-time drama is Canadian.

The reason is primarily cost. Imported programming, almost all of it American, is available at only 5-10 percent of what it would cost to produce or acquire similar quality Canadian productions. In addition, the extensive marketing of American shows and their stars spills over into Canada through newspaper and magazine features, as well as radio and television celebrity talk shows.

In French-language television the situation is different. French-language broadcasters have succeeded in producing an array of popular and relatively low-cost programs, particularly téléromans, which remain the most popular programs in Quebec. But these programs must compete against high-budget American-produced shows, either dubbed, or (even more problematically) in their original version.

Because of protectionist laws and regulations, the majority of this dubbing takes place in France. To help counteract this, the Government recently added \$3 million a year to Telefilm's Versioning Assistance Program. It may eventually be necessary to complement this financial assistance with regulatory incentives to strengthen Canada's dubbing industry and to increase the exchange between French- and English-language production in Canada.

Although Canadian productions still dominate the overall French-language audience ratings, this is not necessarily a permanent situation. Only by producing more shows with better production qualities and bigger budgets will Canadian productions be able to find a continuing mass audience.

Commissions and task forces have affirmed the importance of Canadian broadcasting — and particularly the dramatic representation of ourselves — in shaping who we are as individuals and as Canadians. We need our own images and voices in our own languages to portray the diversity of our country, its regions and its people. News, sports, and public affairs are important, but the key issue in broadcasting policy in 1988 and into the next century is, and will continue to be, the availability of competitive Canadian **drama** programming. Broadcasting policy must therefore ensure that, in addition to other types of

programming, an adequate choice of popular Canadian drama is available throughout the country, in both official languages, from private as well as public broadcasters.

Also, because broadcasters aim to attract the largest audiences possible, Canadians find choices restricted when looking for programming that addresses smaller but nonetheless significant audiences. There are few programs that reflect the regional variety of Canada, or its multicultural diversity. Moreover, there is little room in the schedules for arts programs, or discussion shows and documentaries on a variety of topical issues.

The Canadian experience must not be equated solely with that of the larger demographic groups. Canadian tastes vary with geography, age, ethnicity and gender. They also vary for every individual according to his or her mood and interest. If we are to expand our range of choices, we must consider programs that have numerically smaller audiences than do mass-audience, prime-time programs.

The international aspects of broadcasting in Canada are also uneven. Canadians' opportunities to see and hear international programming in English are limited almost entirely to programs from the United States, with some British programming also available on TVOntario, Access Alberta and the Knowledge Network. An important exception, in French, is the participation of private corporations, Radio-Québec, TVOntario, the National Film Board (NFB) and Radio-Canada with French-language international broadcasters in the venture known as TV 5, which will bring European French-language programming to Canadian audiences, and will take Canadian programming to Europe.

However, overall, the lack of an international flavor, particularly on English-language television, is of concern because Canada is an internationalist country, a trading country, a nation of immigrants and descendants of immigrants, and a country of global interests. We need windows on the world, and we want others to share our experiences. The increased number of international co-production agreements in film and television, notably with France and the United Kingdom, is a partial response to this. But our television screens remain almost exclusively North American, a paradox in a world of instant global telecommunication.

Action

Section 3 of the 1988 Broadcasting Bill empowers the Government and the CRTC to achieve wider choices in Canadian programming. It clarifies what is expected of both private and public broadcasters.

3(1)(d) each element of the Canadian broadcasting system shall contribute in an appropriate manner to the creation and presentation of Canadian programming, making maximum use of Canadian creative and other resources.

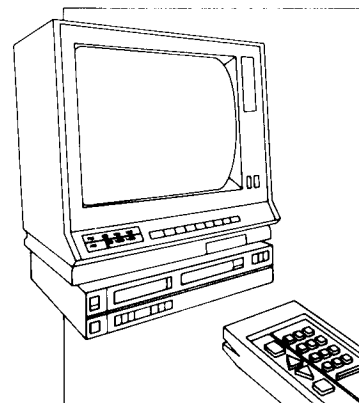
This is a clearer and stronger requirement than exists in the present Act, because it applies to each and every element of the system. All the major players must make their contributions: private broadcasters, including pay and specialty services; the CBC; provincial and community broadcasters; and cable operators.

The CBC

... predominantly and distinctively Canadian ...

Since 1936, the Canadian Broadcasting Corporation has been the principal instrument of Canadian broadcasting policy. It has evolved with changes in broadcasting itself and with changes in Canadian society. These changes have been reflected, at approximately 20 year intervals, in new legislation.

In the *Broadcasting Act* of 1968, reflecting conditions in Canada at the time, the CBC was given a very broad mandate requiring it to be all things to all people. This was an appropriate mandate for 1968 because for many Canadians the CBC, particularly CBC Television, was the only service they could get in an over-the-air broadcast world. It made sense for the CBC to carry popular American programs along with its own in-house productions.



In 1988, conditions are radically different. Most Canadians can receive dozens of television channels over cable. In any major market there are at least half a dozen radio stations and two or three television signals available over the air. Virtually all American programming is available not just from one source, but often from many different channels. Therefore, Canada's national broadcaster can and should be predominantly Canadian.

Canada now has a lively and innovative private production sector. There is therefore no longer a necessity for the CBC to produce all its programming, particularly entertainment programming, in-house.

The CBC's responsibility for over-the-air transmission facilities may also diminish over time. Today, 70 percent of Canadian homes are hooked up to television by cable. Another quarter of a million have satellite receiving dishes, and this number is growing. It is possible to envisage, in future, that the CBC could rely more on these methods and less on conventional transmission to get its signals to Canadians. This will be especially true if high definition television (HDTV) becomes an exclusively satellite-delivered technology.

Therefore, in the 1988 Broadcasting Bill, the mandate of the CBC can focus more on bringing Canadian programming to Canadians. In view of the dominance of popular U.S. productions, the CBC's primary concern is to attract large audiences for Canadian programming. To capture an audience share consistent with the size of its parliamentary appropriation and to be able to generate sufficient commercial revenues, the CBC needs to reach large audiences, particularly in the evening prime time. Therefore its programs, especially drama, have to be appealing and competitive.

These factors imply change in the way the CBC addresses its mandate. However, even in times of fiscal restraint, they do not reduce the basic importance of Canada having a strong national public broadcaster. A strong CBC is as essential as ever in ensuring that Canadian choices are available.

The questions of the CBC's mandate and of the level of funds required to meet its mandate were wrestled with perhaps more than any other during the broadcasting review process. Should CBC television concentrate on quality mainstream programming for large audiences, or should it instead focus on more specialized programming? Should it do both? Can it afford to? How can it best meet its regional objectives? How much money is enough? These are the kinds of questions the new Broadcasting Bill and policy had to answer.

The Standing Committee has argued for increased funding for the CBC and for a stronger emphasis on the regional dimension of the Corporation.

The Government agrees that the CBC must continue to be the centrepiece of Canadian broadcasting. It is with this fundamental principle in mind that the Government has decided that the CBC can best serve Canadians by providing quality Canadian programming, aimed at large audiences, especially in peak viewing hours, and enabling Canadians in all regions to contribute to both national and regional programming.

Action

Accordingly, the 1988 Broadcasting Bill establishes the unique and vital part the CBC is to play in the Canadian broadcasting system.

3(1)(m) the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services, incorporating a wide range of information and entertainment programming;

3(1)(n) the programming provided by the Canadian Broadcasting Corporation should

- (i) be predominantly and distinctively Canadian,***
- (ii) reflect Canada and its regions to national and regional audiences,***

- (iii) be in English and French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities,***
- (iv) contribute to shared national consciousness and identity, and***
- (v) be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose.***

The Bill confirms the continuing central role of the CBC in the Canadian broadcasting system, and the primary role of Canadian programming within the CBC. The Corporation bears particular responsibility in the broadcasting system to serve Canadians by providing a distinctly Canadian viewpoint in all of its programming, including news, variety, drama and sports. The Corporation must now lead in providing authentically Canadian choices, particularly in under-provided program areas, most notably, popular drama in both official languages.

Drama is expensive, but it is absolutely central to meeting broadcasting policy objectives. If Canadian drama programming is to be fully competitive against imported product, it is likely that revenues will fall short of costs. Therefore, continued government financing is essential.

The Government supports the CBC's intention to achieve 95 percent Canadian content on prime-time television in English (and 90 percent Canadian content overall). The Government also supports the CBC's plans to move towards increasing the amount of regional programming to be seen on the national network. To allow the CBC to move on this, its annual parliamentary appropriation will be increased by \$20 million. This increase will be phased in over the next two years.

Further, the Government recognizes the need for increased production qualities on Radio-Canada, so that French-language Canadian productions can remain competitive against dubbed American material and against English-language programming. This should also enable Radio-Canada to increase the network

programming coming from the regions. This is of special importance in regions where French is the minority language, and Radio-Canada is the only French-language broadcaster.

Support for these directions for French-language programming is confirmed by an increase of \$15 million in the CBC's annual appropriation. This increase will be phased in over the next two years.

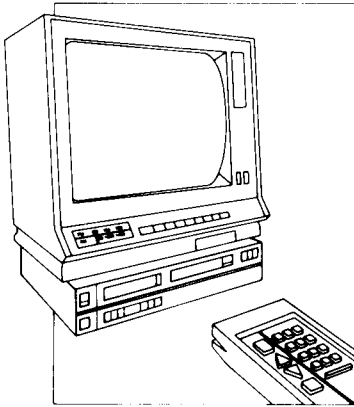
CBC Radio

The CBC's radio services are regarded around the world as models to emulate for a national public radio network. CBC Radio is available to 99 percent of English-speaking and French-speaking Canadians in their respective languages. In its recent decision renewing the CBC's Radio Network licences, the CRTC stated that:

CBC [Radio] has been an essential part of the ongoing development of Canada as a country, exposing Canadians from coast to coast to national issues, to the best of regional, national and international cultural expression and to our national sports.

The CBC operates its radio production and programming services independently from its vastly more expensive television services. However, CBC Radio does have to compete with CBC Television for its relatively small share of the Corporation's operating budget.

CBC Radio's programming is varied and stimulating, its quality unmatched. It is little wonder that CBC Radio's audiences are so fiercely loyal. The Government proposes no major new initiatives for CBC Radio, but anticipates that the additional funding for CBC Television will allow for greater certainty in financing the radio services.



Other CBC services

The CBC Northern Service provides radio service in English, French and eight aboriginal languages, and television service in both official languages and six aboriginal languages. The Northern Service is not specifically included as part of CBC's mandate in the 1968 *Broadcasting Act*, nor in the 1988 Broadcasting Bill. The Government of Canada believes that Canada's northern population can be best served by the CBC if its Northern Service is considered as being a distinct region and treated in basically the same way as other regions. As a national service catering to the needs of all regions of Canada, the CBC is expected to provide services to northerners, native and non-native people alike.

A major additional contribution to northern programming is an improved broadcasting distribution system for the North. This is detailed later in this paper.

The CBC also operates the Parliamentary Channel by arrangement with the Speaker of the House, and provides an international short-wave radio service, Radio Canada International.

The other service that the CBC has proposed is its English-language All-News television channel. This licence is to be subject to Cabinet review in September and October 1988. The Government has stated its view that the CBC should consider some form of public-private consortium approach, and should make some provision for improving the availability of news coverage in French.

Private broadcasting

... contribute significantly to the creation and presentation of Canadian programming ...

In the past, a broadcasting licence allowed the licensee to use the broadcast spectrum, which is a commercially valuable and publicly-owned finite resource. With the advent of cable transmission, the value of the licence was sustained by giving Canadian stations priority carriage on cable. In addition, Canadian

private broadcasters enjoy a unique tax status for their advertising under Section 19.1 of the *Income Tax Act*, and the right of “simultaneous substitution” of local signals for distant signals on cable. Also, production of Canadian programming is assisted by the Capital Cost Allowance and by Telefilm’s Broadcast Program Development Fund. Some of these basic measures now exist even for services which are exclusively cable-provided.

In return for these privileges, broadcasters are expected to supply certain services, and to reach standards that are in the public interest. The CRTC oversees and enforces this regulatory bargain.

In applying for a licence or for its renewal, the broadcaster makes a Promise of Performance. The CRTC establishes regulations that apply to all broadcasters and conditions of licence that are imposed on individual broadcasters.

Through these mechanisms, the CRTC has established overall Canadian content regulations, and has demanded greater contributions of prime-time Canadian drama. These conditions of licence have become more demanding and more detailed in recent years — notably in recent English-language network licence decisions.

There is no question that private broadcasters have aired the required amount of Canadian content, especially in the area of local programming, which they typically do extremely well. However, the private sector must go beyond this to other kinds of programming, particularly drama.

To date, in attempting to get private broadcasters to focus their efforts on specific areas such as drama programming, the CRTC has been inhibited by the limited range and number of its regulatory powers. Its general regulations can only be enforced by going through the courts to seek a fine. Conditions of licence can only be enforced by revoking (or not renewing) the licence. The former is lengthy, uncertain and not especially punitive. The latter is draconian and unlikely to be exercised.

Action

The 1988 Broadcasting Bill recognizes that private broadcasters will necessarily strive for profits, and it recognizes their concern to meet audience needs with competitive programming. The Bill also confirms that private broadcasters must accept their share of the responsibility to provide Canadian programming.

3(1)(p) private networks and programming undertakings should, to an extent consistent with the financial and other resources available to them,

(i) contribute significantly to the creation and presentation of Canadian programming, and

(ii) be responsive to the evolving demands of the public.

In order to ensure that the private sector plays its mandated role, the Bill provides the CRTC with more flexible and responsive powers. Specifically, the CRTC is given a wider range of regulatory instruments. These include:

- making explicit the Commission's authority to issue orders binding on its licensees;
- providing recourse to court orders, by which a decision or an order of the Commission can be enforced as a court order if it is filed with the Federal Court of Canada or a superior court;
- mediation and arbitration powers with respect to rates for carriage of signals (such as pay-TV and specialty services) on distribution services such as cable;
- power to audit licensees under some circumstances; and,
- enabling the Commission to charge a licence fee tied to performance in terms of providing specific kinds of Canadian programming.

This last provision can serve as the basis for a **performance incentive**, a new approach to regulation which combines a strong incentive to transmit Canadian programming with more latitude for the individual broadcaster.

The CRTC is responsible for the detailed workings of this initiative, which, with the involvement of the broadcasting community and the expertise of the CRTC, will encourage private broadcasters to produce or acquire and broadcast more Canadian drama in prime time.

Under this approach, in addition to the basic Canadian content requirements, specific performance targets would be set in certain program areas. For example, for English-language broadcasters, these targets could be expressed in prime-time Canadian drama and variety programming, as an obligation to air a specific number of hours of programming each week. This approach would replace some of the specific conditions of licence. The illustration and chart which follow describe how a performance incentive scheme would work.

In order to develop this approach further, the CRTC will be asked to undertake a formal process of hearings into the application of this approach and to make recommendations on the most effective use of the new instruments now available to it.

Illustration: How the performance incentive could work

First, at the beginning of each year, an **assessment** is made. The assessment could take the form of a fee calculated as a percentage of gross revenues. The calculation would be based on a progressive formula, so that the assessment for smaller licensees would be small, perhaps nil. No payment would be required at the beginning of the year.

Second, a **target** is established. Typically, this would be set in terms of number of hours of a specific kind of programming (e.g., 5 hours per week of prime-time drama for English-language broadcasters). This would be in addition to the basic Canadian content requirements.

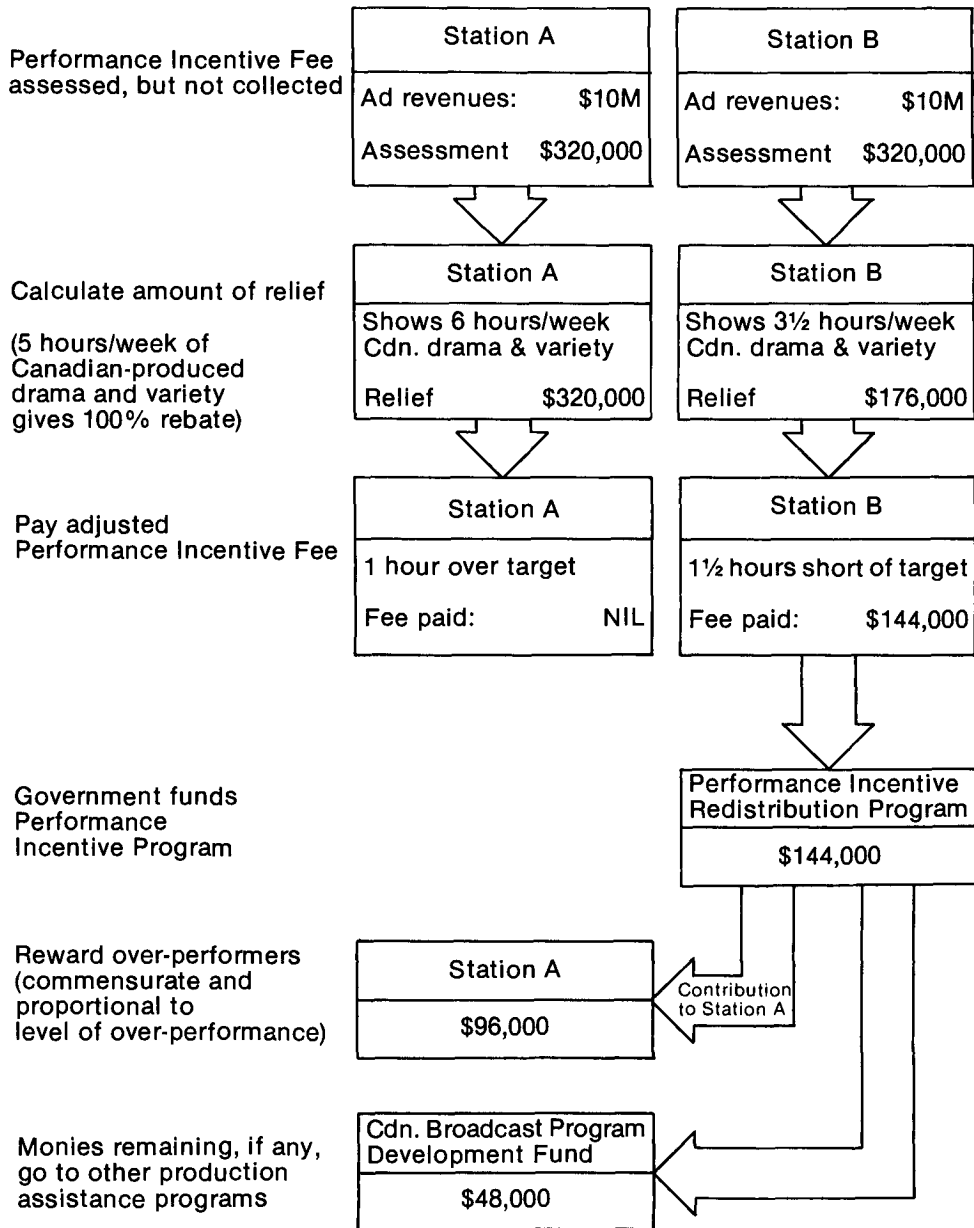
Third, during the year, each broadcaster's **performance** would be measured against the target. This performance would offset the assessment according to a simple formula. Meeting the target would offset 100 percent of the assessment. At the end of the period, the **net assessment**, if any, would have to be paid by the broadcaster to the Government.

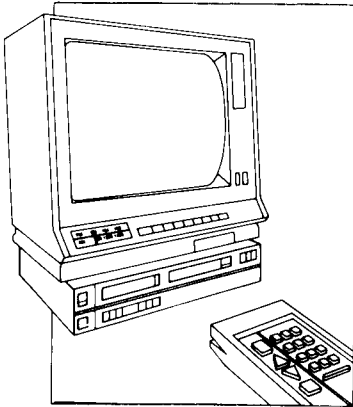
Any funds collected would be deposited in the Consolidated Revenue Fund. However, each year the Government would take steps to ensure that there would be offsetting benefits to the broadcasting system.

While retaining the right to review this budgetary allocation, as it does all planned expenditures, the Government could either approve funding to reward broadcasters who exceeded their targets, or increase Telefilm's budget for the Canadian Broadcast Program Development Fund for the following fiscal year, to finance more independent production for private broadcasters. It would also be possible for a combination of these two approaches to be adopted. (This staged approach is described in the accompanying chart, which assumes a target of 5 hours per week of Canadian drama and variety in prime time.)

In examining this concept, the CRTC will be asked to advise on how these funds can most effectively be directed in order to support additional Canadian programming.

**CHART 1
PERFORMANCE INCENTIVE PROGRAM: ONE MODEL**





Alternative programming

Since the CBC broadcasts primarily to mass audiences, it is hard-pressed to find room in its schedules for programming directed to smaller audiences. This is particularly true of English-language television.

The CBC has in the past proposed an extension of service on a second network, "CBC2." Caplan-Sauvageau investigated the concept and proposed a similar, non-CBC service which they called "TV Canada." The Standing Committee looked at international examples with comparable goals, and concluded that TV 5 could evolve into such a service in French, and that a new, alternative programming service should be set up for English-language television. In its final report, the Committee recommended that such services should be created, and that NFB and Telefilm funds should be reallocated for this purpose.

The Government of Canada fully supports the idea of providing alternative programming and intends to make it a reality.

Action

The importance of alternative programming is recognized in the 1988 Broadcasting Bill, which sets out a mandate for such services:

3(1)(j) the programming provided by the alternative television programming services should

- (i) be innovative and complementary to the programming provided for mass audiences,***
- (ii) cater to tastes and interests not adequately provided for by the programming provided for mass audiences,***
- (iii) reflect Canada's regions and multicultural nature,***
- (iv) as far as possible, be acquired rather than produced by those services, and***

(v) be made available throughout Canada by the most cost-efficient means.

French-language audiences already receive special-interest programming from Radio-Canada and, in Quebec, from Radio-Québec, and will receive more such programming from TV 5. The Government reaffirms its support of TV 5 and will provide continued financial support for it. Alternative programming will also be helped by the provision of additional financial assistance for French-language television, as is described later in this paper. However, since the market for French-language television services is now saturated, it may well not be appropriate to set up an additional service in French at this time.

In English, the need is greater, especially as the CBC is largely dedicated to mass audience programming. The Government is strongly committed to the creation of an alternative programming service, in English, to widen the program options available to Canadian viewers. More detail on this service is provided on the following page.

This new service will need continuing financial input, and the Government intends that this support be provided by a combination of direct government assistance, a modest cable charge, and the provision to the service of programming that has been financed by government (e.g., NFB productions).

To make this new service a reality, the Government will ask the CRTC to hold hearings, and receive input from all interested parties. This will also allow the CRTC to assess the impact of the specialty services on the broadcasting scene.

On the basis of the CRTC's findings, the Government will determine the precise level of financial assistance that should be offered and make its commitment known to the CRTC and to potential licence applicants. With that assistance guaranteed, the CRTC will then invite licence applications for the new service. This service should be operational within two years.

An English-language alternative programming service

The common element among all the proposals made to date is a new television service complementary to existing broadcasting services, specially designed to cater to audiences whose tastes and interests are not normally provided for by mass-audience broadcasters.

The programming mix of this service should include: major contributions from Canada's regions; arts programming; Canadian documentaries; the best of television from around the world; NFB films and documentaries; classic television from the past; and original drama productions, especially those that reflect the rich multicultural mosaic of Canada, and its regional diversity. The service should also feature French-language Canadian productions, subtitled in English. In this way, the cultural perspectives of Francophone Canadians can be shared with Anglophones coast to coast.

The special multicultural vocation of such a service should not be confused with multilingual services which already exist. This service's mandate is to provide all Canadians with a more realistic view of the multicultural realities in all parts of the country, through dramatic programming and through discussion of relevant social and other issues.

Such a service should not be dependent on commercial revenues, because it must be free to program creatively, to take programming risks, and to find new talent and help it grow.

It is important to the social and political health of Canada that major national services be rooted outside of Ontario and Quebec. The CBC is moving in this direction by showing more regional programs on the national network. The new service should go further, and be based outside central Canada.

Organizationally, it may well be appropriate to take a consortium approach to this service, as this could combine the dynamism and enterprise of the private sector with the service traditions of the public sector, including provincial broadcasters.

Financial assistance for production

Government financial assistance to independent production is a crucial element in Canadian programming, especially drama and variety.

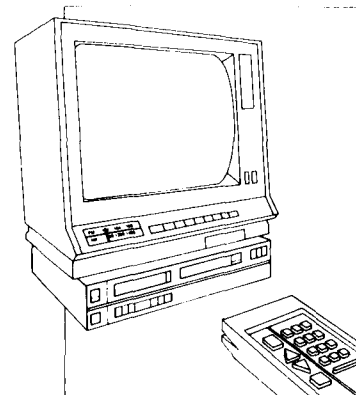
In addition to the direct funding of the CBC, the two main support instruments are the enhanced Capital Cost Allowance and Telefilm Canada, notably through its Canadian Broadcast Program Development Fund. Recent changes, as a result of tax reform, have reduced the absolute level of Capital Cost Allowance available; however, this instrument remains attractive, especially as tax incentives in many other areas have been reduced or eliminated.

Telefilm's Canadian Broadcast Program Development Fund was introduced in 1983 to stimulate the production and broadcast of high-quality Canadian television productions in the categories of drama, children's programming, documentaries and variety. Its budget for 1988-89 is \$63 million. In combination with other sources of financing, the Fund is vital to the success of many Canadian independent productions.

These incentives will continue to help sustain the broadcasting industry and provide realistic returns on the production and exhibition of Canadian drama, variety and documentary productions.

In addition, new funding of \$200 million over the next five years has been made available, mostly through Telefilm and the NFB, as part of an overall package of support for the film and television production industry. This was announced by the Government in May 1988, along with details of the Film Products Importation Bill.

While the need for financing exists in both the English-language and French-language industries, the need is particularly acute in the French-language sector. The key issue for French-language broadcasting is the small size of the market, and the economic pressure this creates.



In this market, there now exists a wide range of television services, including Radio-Canada, many private services, two provincial broadcasters, plus pay-TV and community television. Also, additional specialty services will soon be available.

The effect of all this is to limit the amount of money that private broadcasters can budget for programming, while still remaining financially viable.

However, if production budgets are low, on-screen quality will be affected, especially in comparison to dubbed U.S. programming, which may well have been produced with budgets 10 or even 20 times greater than those available for Canadian programming. Therefore, in order for French-language Canadian programming to remain fully competitive, additional money has to be directed to production budgets.

Further, if alternative programming material is to be available, either on TV 5, or on other existing services, it too will need extra financial support, as the prospects of obtaining advertising revenues are likely to be less than for more commercial programming.

Action

To support more independent production for television, \$18 million will be added to Telefilm's Broadcast Program Development Fund. To reflect the particular needs of the French-language industry, this will be allocated 50:50 between English and French (rather than the existing split of one-third French, two-thirds English). Further, if the proposed Alternative Programmer is introduced in English only, with substantial government support, then this \$18 million for independent production will be reallocated to supporting French-language production.

In order to direct the funds more specifically towards the sort of programming that is most required, the Government will require Telefilm to set some clearly different rules for French-language programming, perhaps involving higher levels of equity participation (often in the 40-49 percent range), and additional loan financing to raise the total assistance to a maximum of 70 percent, for productions which are higher risk and yet meet specific policy objectives.

Distribution services

While cable is the most common method of distribution to homes, it is not the only method. There are now subscription television (STV) systems distributing television services over-the-air using low power transmitters. Satellite master antenna television (SMATV) systems act as mini-cable systems serving multiple-unit buildings, such as apartment buildings. Another kind of system, multi-channel, multi-point distribution (MMDS), uses microwave transmission. Direct-to-home (DTH) is a means of distributing television services directly to homes by satellite. Other technologies may become viable in the future.

The 1988 Broadcasting Bill addresses distribution systems of whatever kind in a uniform manner, permitting systems to use the technology of their choice.

Cable is regulated by the CRTC and is required to give priority carriage to Canadian programming. CRTC decisions have increasingly allowed cable companies to do more than merely receive and re-transmit signals. These extensions of the role of distributor include the operation of community channels and, particularly in Quebec, direct ownership participation by cable companies in broadcasting enterprises. They also include offering non-programming services such as home security.

A key policy question is the extent to which the cable industry should be solely a carrier or should be able to get into programming activities.

To a considerable extent, cable is already involved in programming, but there is concern that, as cable operators enjoy considerable discretion as to which services are carried and under what terms, this could lead to a conflict of interest situation to the detriment of other programming services. This view led the Standing Committee to conclude that cable operators should not be allowed to own any pay or specialty services.

Another issue of particular concern to cable operators has been that, as the boundaries between their business and that of the telephone companies becomes blurred, the telephone companies may come to dominate and either take over broadcasting distribution or force cable to become users of fibre-optic networks owned by the telephone companies, and to do so under terms set by the telephone companies to their own advantage.

Action

The 1988 Broadcasting Bill is technologically neutral, so as to encourage distribution services to use the most cost-effective technologies available. It does not attempt to control the choice of distribution system, but allows companies to select the appropriate technologies, while still expecting priority to be given to Canadian programming.

3(1)(q) distribution undertakings should

- (i) accord priority to the carriage of Canadian programming services,***
- (ii) provide efficient delivery of programming at affordable rates, using the most effective technologies available at reasonable cost,***
- (iii) where programming services are supplied to them by broadcasting undertakings pursuant to contractual arrangements, provide reasonable terms for the carriage, packaging and retailing of those programming services,***

The Bill does not restrict cable companies and other distribution systems to being mere carriers, but allows them to participate in owning and originating programs. They should:

- (iv) where appropriate, originate programming, including local programming, on such terms as are conducive to the achievement of the objectives of the broadcasting policy. . .***

This inclusion of programming as a permissible role for distribution services is subject to a number of specific constraints, set out in the Bill. These include a power of the CRTC to mediate between distribution services and programming services (Section 10(1)); and, if needed, a further power (Section 9(1)) enabling the CRTC to require distribution services to carry specified programming services on terms to be set by the Commission. These powers should ensure that distribution services act in a fair and responsible fashion.

On the issue of joint use of facilities between telephone companies and cable operators, the Government wishes to ensure that distributors are free to use the most cost-effective technologies available. This requires that any contractual arrangements between telecommunications carriers and cable operators should be regulated according to the objectives of the *Broadcasting Act*. Therefore, the Bill contains provisions to amend the *Railway Act*, which is the relevant legislation for telecommunications, to this effect.

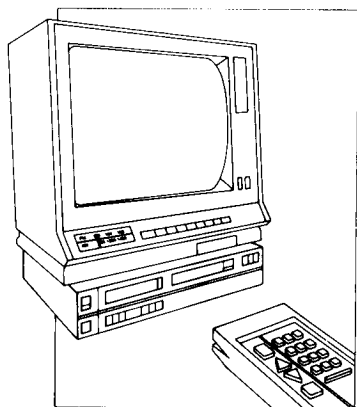
Educational broadcasting

Educational broadcasting in Canada is based upon an agreement between the provincial and federal governments in 1969 which defined it as:

... providing a continuity of learning opportunity aimed at the acquisition or improvement of knowledge or the enlargement of understanding of members of the audience.

Under this guideline, Ontario, Quebec, Alberta and British Columbia provide educational television services. These broadcasters are an integral part of the Canadian broadcasting system, and are responsible for their conduct under the Act, as are all others.

This arrangement is preferable to a legislated definition, as it means that the interpretation of educational broadcasting can be modified over time by mutual agreement. This allows more



programming flexibility for the provincial broadcasting agencies in educational broadcasting. The 1988 Broadcasting Bill merely confirms that:

3(1)(g)(iii) the programming provided by the Canadian broadcasting system should . . . include educational programs.

The arrangement also allows for possible participation by these educational broadcasters in any Alternative Programmer consortium.

Community broadcasting

Community broadcasting covers a broad spectrum of activities, ranging from campus, co-op and multilingual radio stations to independent non-profit community organizations, such as exist especially in Quebec, for the purpose of providing local broadcasting services. It also includes the community programming on cable-TV channels.

Community radio has been identified by Francophones outside Quebec as an essential tool for the maintenance and development of their language and culture. In this regard, in September 1987, the Government allocated \$5.6 million to a new federal program for the establishment of community radio stations in minority official language communities.

Action

The Government's policy recognizes the importance of community broadcasting in all its forms. Programming must be responsive to the needs and aspirations of Canadians wherever they live. The 1988 Broadcasting Bill recognizes the importance of "local" or community programming wherever and however produced, stating that:

3(1)(g)(ii) the programming provided by the Canadian broadcasting system should . . . be drawn from local, regional, national and international sources.

This recognizes community broadcasting but does not confine it in terms of legislative definition. Operationally, it provides the CRTC with a clear rationale for continuing to authorize and licence such activities as community broadcasting and student radio, and to encourage the provision of community television on cable channels. It also supports the CRTC policy on community access time to be provided by radio broadcasters. In addition, it provides the CRTC with a legislative basis to require conventional broadcasters to provide specified amounts of local programming.

3

FAIRNESS AND ACCESS

T

he broadcasting system is central to our image of ourselves and to our purposes as a nation. Its programming must therefore show us as we are, a rich mosaic of abilities, interests and origins. And this same concern for diversity and fairness must be ingrained in the operations of the broadcasting system.

Two official languages

The existence of two official languages is more than just a constitutional reality, it pervades the entire broadcasting system.

First, it is essential that services be provided across the country in both official languages. A particular responsibility lies with the CBC to meet the needs of official language minorities.

Second, the French- and English-language broadcasting industries differ from each other in many respects. The French-language market is smaller, but is also less directly threatened by American programming. The French-language industry is more integrated, with production companies, broadcasters and cable companies often being part of a single corporate structure. Advertising revenues are proportionately higher in the English market. French-language radio includes a number of established private networks, whereas English-language radio stations operate mainly as independents. French-language television has much more of a star/celebrity system than English-language television, indicative of the stronger sense of a cultural community in French Canada.

Differences are also evident in public broadcasting. The CBC is more widely dispersed and regional in its focus than is Radio-Canada. At the provincial level, Radio-Québec is clearly different from Access Alberta.

Action

The Broadcasting Bill recognizes the existence of two official languages and insists that they should be reflected throughout the broadcasting system. Beyond this, the CBC is charged with specific responsibilities with respect to official language minorities. The Bill declares that for the broadcasting system as a whole:

3(1)(b) English and French language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements.

And for the CBC, that programming should:

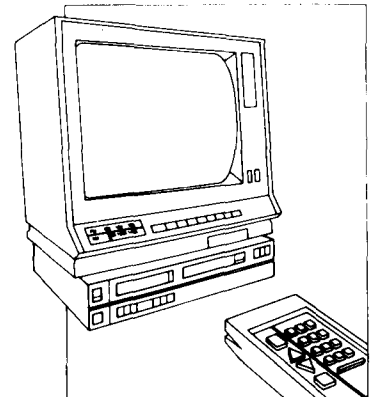
3(1)(n)(iii) be in English and French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities.

The Broadcasting Bill also confirms that the regulation of the Canadian broadcasting system should pay heed to the differences between the English and French broadcasting environments. This regulation should be in a manner which:

5(2)(a) is readily adaptable to the different characteristics of English and French language broadcasting and to the different conditions under which broadcasting undertakings that provide English or French language programming operate.

Representation

3(1)(c)(i) the Canadian broadcasting system should serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada.



The recognition of human rights

The past two decades have been marked by a growing awareness of human rights. Canada has patriated the Constitution and entrenched within it a *Charter of Rights and Freedoms*. Society has explicitly recognized the full human potential of people who were once disadvantaged by law and custom. This raising of public consciousness has been particularly effective in matters of ethnicity, gender, age and handicap.

The accessibility of the broadcast media to all Canadians, the way in which broadcasting reflects Canadians to themselves, and the fairness with which it handles different points of view are primary concerns of the Broadcasting Bill. Individuals and minorities must be protected from distorted stereotyping, and their rights of access and redress secured. At the same time, these rights must be balanced against every citizen's right of free expression, and against the freedom of programming expression that an independent broadcasting community must enjoy.

Action

The 1988 Broadcasting Bill confirms that the broadcasting system should be representative of the overall make-up of Canadian society. Its voices must speak to all Canadians, not just the majority or the dominant. Demographic changes in recent decades have altered the nature of Canada's population. We are more varied in our origins than ever before, and we must reflect this diversity in our broadcasting.

3(1)(c)(iii) The Canadian broadcasting system should . . . strive, through its operations and programming, to reflect the circumstances and aspirations of Canadian men and women, including the linguistic duality and multicultural nature of Canadian society, and the special place of aboriginal peoples within that society,

3(1)(g)(iv) The programming provided by the Canadian broadcasting system should . . . provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern.

The specific reference to multiculturalism confirms the Government's view of its importance in the fabric of Canadian society.

The inclusion of the phrase "through its operations" refers particularly to employment practices. This requires broadcasters to practice equity by employing a broad cross-section of society within the broadcasting industry, thereby ensuring a diversity of views and a healthy respect for differences. Stereotyping will diminish when women and minority groups are represented at all levels of broadcasting. The provisions of the *Employment Equity Act* apply to broadcasters with over 100 employees. But the spirit of that Act will be enforced by the CRTC in exercising its mandated role.

Extension of services

Under-served needs

Many Canadians living outside urban centres are under-served, in terms of the choice of television programming available. Approximately one million households in small and/or remote and rural communities receive only those broadcasting services that are accessible via over-the-air transmitters. Much progress has been made to eliminate the discrepancy between under-served and urban regions, particularly with the increased availability of CANCOM's satellite service to small cable companies, but the problem of getting services to small communities remains, largely because of the high cost of building distribution systems in sparsely settled areas.

Many Francophone Canadians outside Quebec, Ontario and New Brunswick receive little or no service in French. Currently, only the CBC French-language television service is available nationally (to 98 percent of the French-language population). The new international French-language service, TV 5, will be distributed nationally by satellite beginning in September 1988.

Although CANCOM carries the French-language private network, TVA, many cable systems choose not to carry it because of lack of subscriber demand. Other French-language services are on the eastern beam of the Anik C3 satellite and are consequently unavailable beyond the Ontario-Manitoba border.

In putting forward proposals for change in Canada's broadcasting policy and legislation, a conscious effort has been made to facilitate provision of better service to remote and under-served areas of Canada.

Aboriginal peoples are under-served in their own languages. Although the Northern Native Broadcast Access Program has increased aboriginal language programming in the north, the lack of an adequate means of distribution prevents this programming from reaching some aboriginal communities. In the south, where the majority of aboriginal peoples live, there has not yet been a concerted attempt to define the broadcast needs of aboriginal peoples and the Canadian broadcasting system's potential for addressing these needs.

Canadians with physical impairments, particularly hearing and visual impairments, are denied full access to broadcasting services. Closed captioning is a technically simple and relatively inexpensive process that can immeasurably improve the access to television services for the 200,000 deaf and two million hearing impaired Canadians. Although broadcasters have made substantial progress in recent years, closed captioning still provides access to only 10 percent of available programming.

Both the Task Force on Broadcasting Policy and the Standing Committee on Communications and Culture recommended that within five years of the passage of the new legislation, at least 50 percent of national television programming on major networks should be available with closed captioning. Because of the constant progress made in the provision of closed captioning, it is likely that this goal can be achieved. If progress is not sufficiently rapid, the CRTC could increase its regulatory demands on licensees to provide closed captioning.

Visually impaired and other print-handicapped Canadians are cut off not only from broadcasting services, but also from the major alternative sources of information and news in the print media. With substantial support from the Province of Quebec and the cable industry, a radio reading service, La Magnétothèque, now exists, in French, in Quebec. But the needs of the English-language population and of Francophones outside Quebec are not yet met.

Action

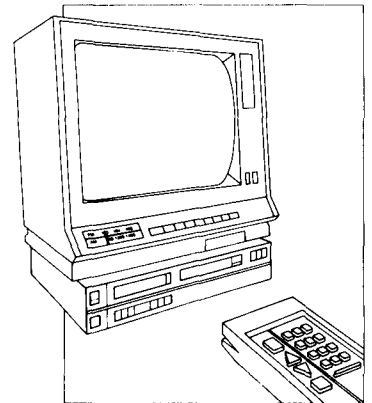
To ensure that the needs of the under-served are not overlooked, the 1988 Broadcasting Bill declares that:

- 3(1)(h) a range of broadcasting services in English and French should be extended to all Canadians as resources become available;**
- (k) programming that reflects the aboriginal cultures of Canada should be provided within the Canadian broadcasting system as resources become available for the purpose;**
- (l) programming accessible by disabled persons should be provided within the Canadian broadcasting system as resources become available for the purpose.**

In addition, the Government of Canada will undertake a number of initiatives to increase the accessibility of the Canadian broadcasting system.

Television Distribution System Program

The Government will share the capital costs of making cable or other multi-channel distribution systems available to small communities. Through a capital construction program to be administered by Communications Canada, the Government will provide \$5 million a year, for five years, to extend cable service to approximately 250,000 Canadians.



Satellite distribution system for northern and aboriginal programming

To make the aboriginal programming produced under the Northern Native Broadcast Access Program available and other broadcast services specifically designed to serve northern audiences more accessible, the Government of Canada, through Communications Canada, will spend \$10 million over the next four years to underwrite the cost of a satellite-delivered programming distribution system.

Aboriginal broadcasting in southern Canada research project

The Government of Canada recognizes that the major obstacle for industry, government and the aboriginal communications societies in attempting to deal with the issue of aboriginal broadcasting in the southern parts of Canada is the lack of detailed information on needs. In co-operation with the Department of the Secretary of State, Communications Canada will undertake a study to determine the specific needs of both urban and rural aboriginal peoples.

Improved satellite utilization

Considerable savings can be realized for distribution systems if broadcasting services are grouped on specific satellites, thus reducing the amount of equipment required to receive the increasing amount of satellite-delivered programming services. Canadian home satellite dish owners could have a greater choice of, and easier access to, Canadian programming delivered by satellite. Grouping the major programming services on a single satellite could also help direct-to-home (DTH) packagers, and allow them to compete on the basis of both service and price. The Government of Canada will seek the involvement of all concerned parties in an ongoing process to plan collectively for satellite capacity utilization.

National broadcast reading service for the visually impaired

For visually impaired and otherwise print-handicapped Canadians, broadcast reading services provide valuable access to news and editorial opinion. The Government of Canada will provide a start-up grant of \$120,000 followed by a five-year annual operating grant of \$100,000 to establish a satellite-to-cable distribution across the country in both languages, and to get an English-language service into operation to parallel the French-language service provided by La Magnétothèque. These services depend also on the services of volunteers and the generous provision of distribution facilities by cable and satellite companies.

4 TECHNOLOGY

... using the most effective technologies available ...

Legal definitions

The *Broadcasting Act* of 1968 defined broadcasting for legal purposes in terms of existing broadcasting and distribution technologies, as did Canada's first Act in 1932. The legal, jurisdictional, and technological concepts involved were those of a world when television signals were transmitted "over-the-air." Cabled distribution systems, which spread over Canada in the decade following the 1968 Act, stretched these concepts as well as the legal applications of the wording in the Act which did not specifically provide for the cable function. Thus, cable is regulated as a "broadcasting receiving undertaking," rather than directly in its role as a distributor of programming signals.

Cable television strained the interpretation of the 1968 Act. New technologies such as fibre optics, satellites and digitization — all unforeseen in 1968 — will even more radically and thoroughly alter the broadcasting landscape as well as its jurisdictional framework. The boundaries of what is broadcasting, and thus may be regulated, are becoming increasingly blurred. If the *Broadcasting Act* cannot cope with technological change, then the capacity of government to give direction to the system, primarily for cultural sovereignty reasons, will be eroded.

In the face of these and other changes to come, simply adding to existing definitions is not enough. The Act needs to be freed from the restraints inherent in a snapshot of broadcasting technology at any given time. A technology-neutral approach is necessary in which broadcasting is defined in terms of its content, its programming.

Technological convergence

Broadcasting and telecommunications, which a few decades ago seemed entirely different operations, are now converging. A few decades ago, the telephone seemed entirely different from radio and television. The one involved two-way conversations carried by twisted pairs of copper wire, the others received signals sent "over-the-air" from a transmitter.

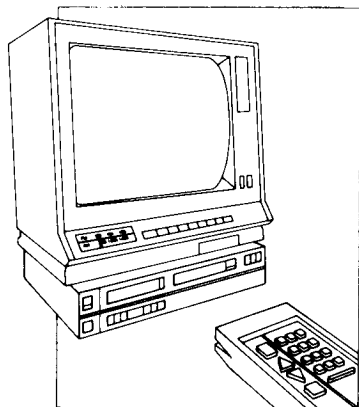
Today, television signals, telephone conversations and exchanges between computers are all routinely carried by cable, fibre optics, microwave and satellite.

Where does broadcasting end and telecommunication begin? What rules apply?

By concentrating on the concepts of programming and distribution, a technology-neutral broadcasting act can be concerned with the content of broadcasting in the context of its cultural significance to Canada.

Action

The 1988 Broadcasting Bill is technology neutral. It distinguishes among activities as opposed to technologies. Within the broad area of radiocommunication and telecommunication, broadcasting is distinguished by its programming. Merging and overlapping technologies have been recognized and broadcasting has been defined in such a way as to keep it distinct from other activities using radio or telecommunications, even when the technologies involved are indistinguishable.



The definition of broadcasting itself is a broad one, to encompass all technologies which are now used or may in the future be used.

“broadcasting” means any transmission of programs, whether or not encrypted, by radio waves or other means of telecommunication for reception by the public by means of broadcasting receiving apparatus but does not include any such transmission of programs

(a) made on the demand of a particular person for reception only by that person, or

(b) made solely for performance or display in a public place.

This definition excludes all private interchanges and broadcasting services operating only on demand. (Note that **scheduled** pay-per-view services are not excluded.)

The specific scope of this Bill is then focused through the definition of “program.”

“program” means sounds or visual images, or a combination of sounds and visual images, intended to inform, enlighten or entertain but does not include visual images, whether or not combined with sounds, that consist predominantly of alphanumeric text.

This means that broadcasting is specifically defined not by its technology, which it may share with other non-broadcasting uses, but by its content.

The 1988 Broadcasting Bill is technology neutral in two important ways. First, it does not confine broadcasting to any specific technology or set of technologies. Second, it does not inhibit the development of broadcasting technologies for non-broadcasting purposes. Therefore, it encourages the optimum use of available technologies, and should permit new distribution patterns (e.g., direct-to-home satellite service) to develop.



5 OPERATIONS AND ADMINISTRATION



The CRTC

The present centralized structure of the CRTC's decision-making process requires that the nine full-time commissioners vote on all applications after consultation with part-time members, who do not vote. This somewhat cumbersome process applies even for routine, essentially administrative matters such as technical changes to transmitters, temporary networks, or non-controversial licensing matters. Streamlining, including the use of panels to hold hearings and make decisions, has been recommended in the past.

Further, it has long been argued that at least some full-time commissioners should be located in each region, rather than in the National Capital Region, so that regional interests and concerns would be reflected in decisions on a continuing basis.

Another matter of recurring concern has been the extent to which the CRTC, rather than the Government, makes policy (as distinct from decisions related to specific licences). Without diminishing the Commission's rightful decision-making and regulatory independence in any way, the Government of Canada must be able to make policy. This means that the Government of the day should have the power to instruct the Commission on broad policy matters, to ensure that, in the day-to-day regulation and supervision of the broadcasting system, the policy established in the *Broadcasting Act* remains the guiding principle for Canadian broadcasting.

Action

In general accord with recommendations by the Task Force on Broadcasting Policy, and the Standing Committee on Communications and Culture, the 1988 Broadcasting Bill incorporates the following changes to the institutional structure and responsibilities of the CRTC:

- The Broadcasting Bill requires the CRTC to take into account the distinction between the English-language and French-language markets in its regulation and supervision of the Canadian broadcasting system.
- The number of full-time commissioners is increased to 13, and the number of part-time commissioners is reduced to a maximum of six.
- The term of full-time commissioners is reduced to five years (from seven), in keeping with other government appointments.
- The head office of the CRTC will remain in the National Capital Region, but provision is made to enable the appointment of regional commissioners, resident in the regions.
- Maximum licence terms are extended to seven years (from five), to reduce the numbers of licence hearings, especially routine renewals. (It is expected that for major network licences, which are crucial to meeting policy objectives, the term will remain at 5 years).
- The CRTC is empowered to delegate application hearing procedures to panels, committees of commissioners.
- The minimum panel for a licensing hearing is increased to three (from two), of whom at least one must be a full-time commissioner. Decisions are rendered on the basis "he who hears, decides."
- Part-time commissioners appointed to panels will have full voting powers, equivalent to those of full-time commissioners.

- The CRTC is empowered to exempt classes of broadcast services from holding licences.
- The CRTC is to be subject to the power of direction from the Governor-in-Council in furthering the policy of the *Broadcasting Act*. Any such direction must be tabled in the House of Commons and referred to Committee, and must be accompanied by a policy rationale. It cannot be exercised with respect to any particular licence, or during the period between a call for applications and issuance of licences, nor can it be retroactive in effect.

The Task Force on Broadcasting Policy recommended that the existing powers of Cabinet review of CRTC licensing decisions should be dropped if the power of policy direction is provided. The Standing Committee favored retention of a limited power of review. The Government has decided to retain a limited review power, whereby a review can take place only if it is believed that the decision is contrary to the policy objectives set out in Section 3 or to a policy direction issued to the Commission. This enables any concerned parties to appeal to the Governor-in-Council and allows the Governor-in-Council either to refer back or set aside the original CRTC decision. It does not permit Cabinet to vary the decision in any way.

A technical change has been made in order to allow 60 days from the announcement of a decision for appeals to be lodged, and an additional 60 days for Cabinet to consider appeals. This will ensure that adequate time is provided for Cabinet consideration after receipt of a petition.

The CBC

The CBC is a billion-dollar corporation with more than 11,000 employees. In 1987-88 its total expenditures were \$1.181 billion, financed \$887 million from its parliamentary appropriations and approximately \$294 million from its own revenues, mostly from the sale of commercial television time to advertisers. From a single radio service in 1932, it has grown to include two television networks (French and English), four radio networks (AM and FM Stereo in each official language), Radio-Canada International, the Northern Service and the Parliamentary Channel.

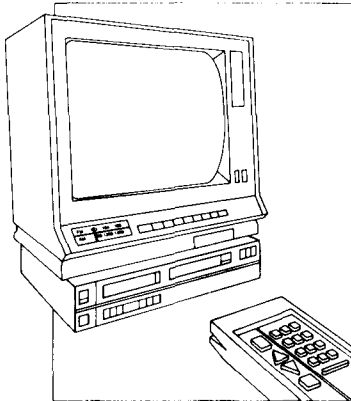
The growth of the CBC necessitates adjustments to its corporate structure to ensure that it is fully accountable to Parliament in a financial sense while remaining fully autonomous and "at arm's length" in its programming and operations.

In addition, the CBC operates, in many important respects, as if it were two separate corporations. One, the CBC, serves English Canada, while the other, Radio-Canada, serves French Canada. This reflects the differences in the needs of the two language communities and in the markets within which the Corporation operates.

Finally, it has long been recommended by observers of the broadcasting industry that the CBC should be provided with a longer-term financial planning framework. It is usually argued that a five-year framework is appropriate, to match the customary licence period.

Action

In keeping with recommendations by the Task Force on Broadcasting Policy, and the Standing Committee on Communications and Culture, the 1988 Broadcasting Bill incorporates the following changes to the institutional structure and responsibilities of the CBC.



- The arm's length principle with respect to the journalistic, creative and programming independence of the CBC is explicitly protected:

45(4) The Corporation shall, in the pursuit of its objects and in the exercise of its powers, enjoy freedom of expression and journalistic, creative and programming independence.

- At the end of the term of the current incumbent, the position of President will be split into two distinct roles: Chairman of the Board and Chief Executive Officer (CEO). The CEO will be responsible to the Board for all operations of the Corporation.
- The position of Chairman will be an Order-in-Council appointment, for a term of five years.
- The Chief Executive Officer is to be appointed by the Board, subject to approval by Governor-in-Council, to serve for a term of five years.
- Standing committees of the Board are established, one on French-language and one on English-language broadcasting.
- The CBC is subject to financial controls similar to those of the *Financial Administration Act* (FAA), but without that Act's strategic direction and control mechanisms.
- The power of the Board to approve property acquisitions and leases, without an Order-in-Council for each transaction, is increased substantially.
- The audit procedures for the CBC parallel the requirements of the FAA, particularly with respect to the Auditor General.
- The CBC is responsible for presenting a corporate plan to enable the Government to allocate resources appropriately. A summary of this plan is to be tabled in Parliament, but the plan itself is not for government approval, since that responsibility remains with the CBC Board.

- In tabling its corporate plan summary each year, the CBC will be confirming the amount appropriated for the next year, and will set out its five-year financial planning framework, including a forecast of future government appropriations. This allows the CBC to plan more realistically, and enables the CRTC to set conditions of licence that reflect the resources that are forecast to be available.

6 CONCLUSION

The 1968 *Broadcasting Act* has served Canada well. It has met many of its objectives. It and the institutions serving it have led Canada through twenty years of major technological innovation and expansion of broadcasting services.

The 1988 Broadcasting Bill is launched in the expectation that it too will meet its objectives.

- 1 To give primacy to Canadian programming, so that Canadians may always be able to find Canadian images among the myriad choices available.
- 2 To ensure continued reflection of the linguistic duality of Canada and the different cultural and economic realities of the French and English broadcasting industries.
- 3 To provide for a new television programming service oriented to minority interests and needs not met effectively by mass audience commercial television.
- 4 To ensure that the broadcasting system reflects Canadian culture, tastes and realities, both in its programming and operations.
- 5 To provide all Canadians with reasonable access to a wide range of radio and television signals.
- 6 To be technologically neutral so as to be able to accommodate any and all technological changes that may occur over its lifetime.
- 7 To ensure that the Government's key institutions, the CBC and the CRTC, are efficiently managed and responsive to the needs of Canadians.

The *Broadcasting Act* sets objectives, guidelines and the rules of the system. It is up to the players themselves, broadcasters, distribution services, producers and consumers, and to the regulator, to make sure that it works.

Let us make it happen. Let us ensure that the creative abilities of Canadians are directed to broadcasting and reflected back to us all, so that through the broadcasting system we can enjoy that sense of nationhood that comes through shared experience.

