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**GOVERNMENT RESPONSE
TO THE FIFTH REPORT
OF THE STANDING COMMITTEE
ON COMMUNICATIONS AND CULTURE**

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**"AN INTERIM REPORT ON THE RECOMMENDATIONS OF THE TASK FORCE
ON BROADCASTING POLICY: SPECIALTY PROGRAMMING SERVICES
AND SOME PROPOSED LEGISLATIVE AMENDMENTS"

AND THE STANDING COMMITTEE'S SIXTH REPORT

"RECOMMENDATIONS FOR A NEW BROADCASTING ACT" =**

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Mr. J. Edwards
Chairman, Standing Committee on
Communications and Culture
Room 183, Confederation Building
House of Commons
Ottawa, Ontario
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Mr. Edwards:

In accordance with Standing Order 99(2), I am writing to you in your capacity as Chairman of the Standing Committee on Communications and Culture to provide you with the Government's response to the Committee's reports of April 27, "AN INTERIM REPORT ON THE RECOMMENDATIONS OF THE TASK FORCE ON BROADCASTING POLICY: SPECIALTY PROGRAMMING SERVICES AND SOME PROPOSED LEGISLATIVE AMENDMENTS", and May 6, "RECOMMENDATIONS FOR A NEW BROADCASTING ACT".

At the outset, I wish to convey the Government's thanks for the Committee's invaluable contribution to the study of the Report of the Task Force on Broadcasting Policy and to our subsequent determination of steps which must be taken to bring the broadcasting system into the twenty-first century.

The issues raised in broadcasting are both fundamental to national life, and complex. We look forward to receiving the Committee's final, comprehensive report on broadcasting policy this fall, assisting us to move forward on the broadcasting agenda. We recognize that this report, which will no doubt go beyond the recommendations of the Task Force on Broadcasting Policy, is very pertinent to some of the issues touched upon in your reports of April 27 and May 6. In view of this, the Government will hold in abeyance some of its views on these issues until we have the benefit of the Committee's last and most comprehensive report on the subject of broadcasting. However, this response does deal with certain other measures which the Committee had identified as requiring prompt attention.

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(A) WITH RESPECT TO THE REPORT OF APRIL 27:
"AN INTERIM REPORT ON THE RECOMMENDATIONS OF THE TASK FORCE ON
BROADCASTING POLICY: SPECIALTY PROGRAMMING SERVICES AND SOME
PROPOSED LEGISLATIVE AMENDMENTS"

The Committee issued this report in response to certain conditions which it considered required immediate attention.

PART I: SPECIALTY SERVICES

Applications for network licences to offer Canadian specialty programming services are at present before the CRTC. The Committee has filed its recommendations with the CRTC and the Commission has therefore had the benefit of those recommendations during its hearings. The CRTC is well aware that the government is engaged in a major review of broadcasting to ensure that broad policy objectives such as more and better Canadian programming are met. The government is confident that the Commission will take no action to foreclose fundamental options with respect to such important issues as the respective roles of specific industry sectors or the economic structure of the broadcasting environment.

PART II: LEGISLATIVE AMENDMENTS

POWER OF DIRECTION

The Government agrees in principle that the Governor-In-Council should be empowered to issue binding policy directions to the CRTC, subject to certain limits and safeguards. The precise nature of this power and of the safeguards required to prevent its abuse would depend upon the future role and structure of the CRTC, to be determined in the context of the Government's review of broadcasting generally, which will be completed following the reception of the Committee's final report.

POWER OF THE GOVERNOR-IN-COUNCIL TO REVIEW CRTC DECISIONS

The Government agrees in principle that the Governor-in-Council should have a limited power to review certain CRTC decisions. The precise limits of this power and the conditions under which it should be exercised would depend upon the Government's ultimate decisions concerning the future role and structure of the CRTC.

AMENDMENTS TO THE RADIO ACT RE. UNAUTHORIZED RECEPTION OF
RADIOCOMMUNICATION

The Government agrees in principle that a private right of action be provided under the Radio Act and agrees to include such a measure among proposed amendments which will be considered at the earliest opportunity.

(B) WITH RESPECT TO THE REPORT OF MAY 6:
"RECOMMENDATIONS FOR A NEW BROADCASTING ACT"

In the report of May 6, the Committee examined the legislative recommendations contained in the Task Force report, as it was asked to do. Since then, the Committee has indicated its intention to look beyond the Task Force's recommendations in its final, comprehensive report on broadcasting policy this fall. The government concurs in this approach. There is a need to examine a wider range of approaches than had been evident in the recommendations of the Task Force Report. While many of the Committee's recommendations, such as those covering such matters as "Assumptions" and "Objectives for the Canadian Broadcasting System" would not be affected by such further examination (since they do stand alone and could be endorsed on their merits), the government is of the opinion that prudence would dictate waiting until the Committee has given its final word on the subject, and not differentiate among the recommendations at this time. This greater flexibility reflects the Government's wish to encourage the Committee to examine the wider issues in broadcasting while the question of legislative change remains open.

As the government moves to conclude its fundamental review of broadcasting policy, its hope is to ensure that whatever strategy we ultimately adopt for the future of the Canadian broadcasting system is indeed a strategy for the future; one which has contemplated all the options, including far-reaching ones, before committing to any particular path. There is one over-riding goal, as I declared before the Committee on February 13; to ensure that Canadians have an adequate choice of Canadian programming before them. The improvement of the quantity, and quality, of programming is central to national purposes.

The large issues we must grapple with have been well defined: the challenge of producing adequate quantities of attractive Canadian programming, particularly English-language television drama; the best ways to bring the programming to the whole population; and the need to reflect the regional and cultural diversity of the country in a national system. Obviously we must

find a way, in an environment of technological change leading to greater fragmentation of audiences, to enable Canadians to see themselves and their experience and aspirations reflected on television, both en masse and in terms of more special interests.

While these issues are common to all areas of Canadian broadcasting, their application to the English and French-language broadcasting sectors might well be quite different. The government urges the Committee to give full consideration to the distinctiveness of French-language broadcasting in Canada and to the possibility that, in some instances, different approaches to English and French-language broadcasting might be called for.

Among the questions on which the Committee's proposals would be most welcome are the following:

1. What will be the impact, both in terms of challenges and opportunities, of the evolution of the myriad of new ways by which programming of all kinds will be made available to the public, and what effects will such developments have on the existing regulatory regime and on the industries involved?

For example: It is a concern in regulated industries that innovation is inhibited by regulatory constraint and potentially useful services do not develop. It would be beneficial to explore whether there are ways in which regulatory responsibilities could be exercised consistent with the needs of technological and other innovations in the public interest.

2. What innovative steps can be taken to ensure, within a climate of continuing fiscal restraint, that Canadians have available to them an attractive range of programs in all program categories?

For example: The existing system of content regulation has had only limited success, particularly in ensuring the exhibition of prime time Canadian television programming, and it has been asked whether further reinforcement of these methods is likely to achieve greater success in the future. The government would appreciate the Committee's views as to other options, including incentives of various kinds, which would permit private broadcasters to meet the public obligations associated with the privilege of holding a broadcasting licence in ways which are more likely to encourage Canadian programming.

3. In view of the range of services most Canadians have available to them through the private sector, and of the range of options for delivery of broadcast services, has the time come to strengthen the CBC by making it a more focused instrument of public policy, and if so, what are the priorities?

For example: Innovative methods of strengthening the crucial programming role of the CBC by a redirection of its present budget allocations were not, in the government's opinion, sufficiently explored in the Report of the Task Force on Broadcasting Policy. There may be services which could be purchased from the private sector at less expense than continued public ownership of stations and transmitters, or in-house production of programs. There may be more efficient corporate structures. The government would welcome the Committee's suggestions.

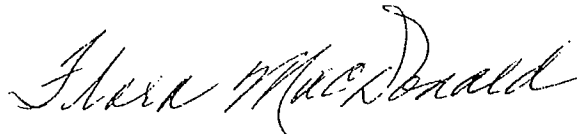
4. How can the Government make maximum use of the resources it at present commits to program production in all its aspects?

For example: The government wishes to benefit from the views of the Committee concerning the most appropriate role to be played by the National Film Board and by the various programs of Telefilm Canada, specifically in the production of broadcast programming.

These questions are intended merely to suggest to the Committee the kinds of issues on which the Government would welcome advice, and its willingness to consider fundamental changes if Canadians will be better served by their broadcasting system as a result.

I trust that with the Committee's final, comprehensive report on broadcasting policy matters, the government will be in a better position to design the broadcasting structures which will fit the social, economic and technological needs of the future.

Yours sincerely,



Flora MacDonald

