
“SAFEGUARD, ENRICH AND STRENGTHEN”

**CANADA’S BROADCASTING SYSTEM
AND THE *1991 BROADCASTING ACT***

**Submitted by the Canadian Conference of the Arts
to the Standing Committee on Canadian Heritage**

December 2001



1. The CCA: Who we are and what we stand for

The Canadian Conference of the Arts is Canada's oldest and largest arts advocacy organization. Our objectives are "to promote the encouragement and advancement of the arts and culture in Canada; to serve the interests of Canadian arts; to gather and disseminate information concerning the arts in Canada; and to cooperate with governments, public bodies, institutions, societies, corporations and individuals in Canada and abroad".

Our current membership represents over 250,000 artists and cultural supporters from all regions of Canada and all sectors of the arts and cultural industries. Members include individual artists and cultural workers, arts and cultural industry organizations, labour groups, arts educators, professional and trade associations, service organizations, and arts supporters from across the country.

We believe in the following:

- Canadian arts and culture are intrinsically valuable and should be supported because they enrich the lives of Canadians and Canadian society and create distinctively Canadian cultural content in an increasingly global environment.
- All Canadians deserve the opportunity to experience, participate in, and appreciate the arts and culture wherever they live and whatever their personal circumstances.
- Canadian cultural workers are professionals who deserve supportive working environments, legal protections for safety and health, opportunities for training and professional development, appropriate financial compensation for their work, and access to social benefits. Creators have the right to enjoy the economic benefits of their creative work.
- Canadian governments at all levels have the lead responsibility for supporting the arts and culture and creating conditions for a dynamic, diverse and sustainable artistic life in Canada. Public policies and programs should recognize and accommodate the wide diversity of identities, traditions and forms of expression which characterize contemporary Canada, reflect the full spectrum of cultural activities (creation, production, performance, exhibition, publication, presentation, dissemination, consumption, preservation, and conservation), and encourage the widest possible participation in the arts.
- By virtue of its national responsibilities, the federal government should play a leadership role in arts and cultural support, adopt a comprehensive policy to govern all federal activities that have an impact on the arts and culture, and work in

cooperation with governments at other levels of jurisdiction. Federal cultural policy should promote and enhance those aspects of our national life that are distinctly Canadian: the artistic and cultural practices and cultural identities of our two official language groups, our Aboriginal peoples, our culturally diverse populations, and our regions.

- Freedom of expression is a fundamental value in Canada and should be central to Canadian cultural policies.

The CCA welcomes the decision by the House of Commons Standing Committee on Canadian Heritage to study Canada's broadcasting system and, in particular, the role played by the CRTC in regulating and supervising the implementation of the *1991 Broadcasting Act*.

The CCA supports the principles and policies laid out by the Act. Policies to maintain, protect and strengthen Canadian programming are critical to Canadian society and vital to employment and expenditure levels in this sector of our economy. Because the CCA is an organization that has the well-being of individual artists and creators at heart, we do not support any changes that may weaken the existing legislation and imperil the livelihood of our members.

2. Successes, opportunities and threats

The CRTC's policies and decisions over the last decade have reflected the complex environment in which the Canadian broadcasting, production and music industries function. Convergence of technologies, consolidation of media ownership, a diversity of entertainment and information choices that have caused market fragmentation where mass media used to flourish – these form the backdrop against which the public regulator must shape the Canadian broadcasting system and its offerings. It is our intention to make recommendations which will assist the Standing Committee on Canadian Heritage in ensuring that the *Broadcasting Act* continues to “*safeguard, strengthen, and enrich*” Canadian broadcasting.

Public policy and regulation of the broadcasting industry have yielded spectacular cultural and economic success stories over the past five decades. The health and growth of the Canadian music industry and the Canadian film and television production industries are due to regulations such as Canadian content, support to artists and producers, and judicious licensing of radio and television networks. At the same time private radio and conventional television remain essentially profitable businesses. Specialty television has developed and flourished, with regulation making room for strong, highly-profitable Canadian networks alongside popular American channels. Canadian television programming today is exported all over the world, while Quebec has become a vibrant model of domestic culture with a solid audience base for home-grown television and music despite its small population.

Future opportunities, like these past successes, depend upon talented Canadians, healthy businesses and understanding of policy mechanisms that work for all partners. While CCA remains concerned about certain regulatory and policies decisions, such as requiring CBC to fulfil an expanding mandate with a shrinking budget, we acknowledge that the Canadian broadcasting system and its regulation have deservedly become a model for other nations.

We urge the Committee to look at the broadcasting system as it is affected not only by the *Broadcasting Act*, but also by related institutions such as the Canadian Television Fund and by external factors. For example, massive structural and technological changes are dramatically affecting each of the broadcasting, music and television production industries. Furthermore, the pressures of “globalization” of industry and telecommunications in general, and entertainment in particular, create threats to the successes described above. The CCA will comment on these as well, because it is our concern that these important threats cannot be managed by the application of the *Broadcasting Act*, and they are not the policy domain of Canadian Heritage or the CRTC. In other words, the most important public policies which may shape the Canadian broadcasting system in future years could be created in the Department of Foreign Affairs and International Trade in response to American trade aggression. Likewise, issues of copyright are not within the scope of the CRTC, but have major economic implications for content creators as well as broadcasters.

The CCA has ten specific recommendations to offer the Standing Committee. We will not seek to duplicate the detailed and helpful background information submitted by other associations appearing before the Standing Committee. Our areas of concern are:

- Ensuring continued quality and quantity of Canadian content on the airwaves
- Convergence and new media
- The impact of media ownership consolidation
- The challenges for promoting domestic culture in a global entertainment economy

3. Recommendations

Ensuring continued quality and quantity of Canadians content on the airwaves

- 1. A strong ongoing role for the CRTC is essential in monitoring and supervising participants in the broadcasting system, and enforcing the *Broadcasting Act*.**
- 2. The CRTC must ensure no erosion of Canadian content levels on Canadian radio and television stations.**

The CCA supports the current role of the CRTC and urges it to continue to use the full extent of its powers to ensure compliance with the *Broadcasting Act* and compliance with the Conditions of Licence it gives its clients.

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We also support choices for Canadians who clearly seek the best of both foreign and domestic music and television programming. The current regulatory system provides this choice, and we ask that the CRTC ensure that Canadian content levels are not eroded in its future decisions.

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| 3. Stable funding for the CBC is essential. |
| 4. The Canadian Television Fund and Telefilm must have stable ongoing funding. |
| 5. FACTOR and MusicAction must have stable ongoing funding. |

The CCA has in the past expressed concern that the CBC is being asked to do more with less. Cultural products will have maximum impact if they are high quality and continued cutbacks to CBC funding, combined with increasing CRTC requirements, will serve to marginalize the public broadcaster rather than increasing viewership and listenership. Therefore we strongly recommend that the Committee urge stable government funding for the CBC on the one hand, and CRTC requirements which respect its resources on the other.

At the same time, stable, ongoing funding with efficient delivery is necessary for all film and television producers and for the Canadian artists who are at the heart of the production industry. The CCA urges the Committee to recognize the role played by funding institutions such as the Canadian Television Fund and Telefilm in raising the quality and viewership of visibly Canadian programming, at home and around the world. As well, the Sound Recording Development Program (SRDP) which through FACTOR and MusicAction has given many Canadian stars their first start, ensuring that Canadian content quotas are a fulfilling experience for radio listeners, having both artistic merit and commercial validity.

Convergence and new media

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| 6. The CRTC should maintain a watching brief regarding the Internet. |
| 7. Modernize copyright legislation with respect to new technologies. |

Developments on the World Wide Web in the 21st century will develop new kinds of cultural experiences and information exchanges. The business case for Internet enterprises and delivery is still in development, and a key missing ingredient is modern copyright legislation to ensure creators have control over the use of their works and are paid for them.

We recommend that the CRTC review its 1999 decision to abstain from regulating the Internet within the next three years, as the business model develops and is better understood. We also applaud the government's recent introduction of updated copyright

legislation and urge the speedy review and passage of this and other legislation required for the distribution and use of creative works in the digital era and particularly on the Internet

Media ownership consolidation

- 8. Smaller, independent voices, including unaffiliated independent producers, must continue to have access to the Canadian broadcasting system.**
- 9. No increase in foreign ownership of Canadian broadcasters.**

The CRTC has taken steps to ensure that media consolidation has provided public benefits. For example, whenever a radio station changes hands, funds from private broadcasters are set aside for the Radio StarMaker Fund and the Fonds RadioStar which today have over 25 million dollars in contributions earmarked to support domestic musical talent. Likewise, television transactions result in 10% of the value of the acquisition being spent in public benefits, with an emphasis on on-screen benefits. The CCA applauds these contributions by private broadcasters to artists and producers.

Nevertheless, the scope of vertically integrated companies combined with shareholder pressure for internal efficiencies has led to both cutbacks and to bringing work in-house that was once done by unaffiliated companies. These trends concern us, particularly as they affect news reporting and the livelihoods of unaffiliated producers.

With respect to news, we are concerned that fewer broadcasters have dedicated arts reporters today, and that coverage of the local cultural scene is diminishing – often the first victim of cutbacks in local news. The same trend is noted in print media with fewer arts journalists working regularly for newspapers. The importance of diverse sources of information is central to the democratic process, and it also contributes to the ability of citizens to construct meaning by drawing on multiple public and private sources of information. For artists and their public, analysis and commentary on the arts via broadcast and print media is almost as important as artistic expression itself.

With respect to unaffiliated producers, we echo the concerns and recommendations of the Canadian Film and Television Producers Association that it is vital that broadcasters continue to accord unaffiliated producers access to their channels.

Further, we stand with most witnesses before this proceeding in calling for continued control of Canadian broadcasting companies by Canadians.

Canada in a global entertainment economy

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10. Cultural priorities must be safeguarded in international trade negotiations.

The CCA has recently begun to animate an international network for cultural diversity (the International Network for Cultural Diversity – INCD) which brings Canadian arts groups into dialogue with cultural organizations worldwide. While the primary objective of the network is to find a way to mitigate threats to cultural expression inherent in international trade agreements, there is also a keen interest among members to preserve and promote diverse forms of cultural expression ranging from support of public broadcasters to preservation of world languages and literature.

The following points were presented by INCD representatives to an international meeting of Ministers of Culture in Lucerne, Switzerland in September 2001. These statements are meant as the primary points in a treaty to protect cultural diversity, to assist countries in asserting their own cultural policies for the benefit of their own citizens. There is a clear relationship between the framework for the treaty and the problems that are inherent in the Canadian broadcasting system which the Standing Committee seeks to address.

The international treaty for cultural diversity will:

- confirm that what constitutes indigenous, regional and national cultural expression should be left to be determined by the country itself, not by trade panels
- articulate that, in different societies at different times, the production and dissemination of artistic expression and cultural production has been supported by philanthropy, the marketplace and by citizens acting collectively or through governments – each of these methods of encouragement remains legitimate and most societies use a combination to support domestic culture
- be explicit about what mechanisms governments can use to support diversity of cultural expression but recognize that these mechanisms must be allowed to develop and adapt to new technologies – since artists historically have embraced change and progress, new media will continue to evolve and governments must be able to encourage and support efforts not only in the existing media but in those that will emerge in future – we cannot today know what tools will be used by the artists of the future
- confirm legitimacy of policies that ensure access and guarantee space for domestic content in all cultural industries, such as content quotas, because these are fundamentally about access for citizens
- confirm that limitations on investment and regulatory measures can also promote cultural diversity and choice

- confirm that governments are free to play a role directly – there can be a legitimate public role in production, distribution, exhibition and preservation – and must continue to have sovereignty to develop the capacity and institutions they need to encourage, develop, promote and preserve local, regional and national cultures
- confirm that governments may use competition policy to introduce appropriate regulations to prevent the abuse of a dominant position
- there must be clear and unequivocal support for public service broadcasting as an essential component of cultural diversity and democratic discourse.

The CCA respectfully submits these comments and looks forward to the opportunity to appear before the Standing Committee to elaborate on these views.

4. Summary of recommendations

1. A strong ongoing role is essential for the CRTC in monitoring and supervising participants in the broadcasting system, and enforcing the Broadcasting Act.
2. The CRTC must ensure no erosion of Canadian content levels on Canadian radio and television stations.
3. Stable funding for the CBC is essential.
4. The Canadian Television Fund and Telefilm must have stable ongoing funding.
5. FACTOR and MusicAction must have stable ongoing funding.
6. The CRTC should maintain a watching brief regarding the Internet.
7. Modernize copyright with respect to new technologies.
8. Smaller, independent voices, including unaffiliated independent producers, must continue to have access to the Canadian broadcasting system.
9. No increase in foreign ownership of Canadian broadcasters.
10. Cultural priorities must be safeguarded in international trade negotiations.



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