

On Screen Manitoba

Presentation to CRTC – Wednesday, April 13, 2011

BN 2010-952: Group-based Licence Renewals for English-language television groups - CTVglobemedia Inc. 2010-1261-6, Shaw Media Inc. 2010-1307-8, Corus Entertainment Inc. 2010-1350-8, Rogers Broadcasting Ltd 2010-1253-3

Conference Centre, Portage IV, 140 Promenade du Portage, Gatineau, Quebec

Bonjour Monsieur le président, Membres de du Conseil et employés.

Je m'appelle Nicole Matiation. Je suis la directrice générale de On Screen Manitoba. Je vous remercie de m'écouter aujourd'hui.

On Screen Manitoba is an innovative membership-driven association that leads, builds and represents the Manitoba screen-based media industry. On Screen Manitoba's membership represents a cross section of individuals and industry organizations (production companies, creators, labour groups, distributors, broadcasters, suppliers and exhibitors) totaling more than 1,500 individuals.

Our members - the creators, crews and suppliers of Canadian independent screen-based media in Manitoba - play a vital role in the fulfillment of one of the Broadcasting Act's core mandates, to ensure the Canadian broadcasting spectrum is used to provide a diversity of voices to the Canadian people. Regionally-based writers, directors and producers play a key role in ensuring Aboriginal, Francophone, Anglophone and multicultural voices from all regions of Canada have a place within the national broadcast system including with both public and private broadcasters.

Les producteurs indépendants en région sont des partenaires clés dans cette vision nationale car sans l'implication des écrivains, réalisateurs, et producteurs comme ceux au Manitoba on ne verra pas une vraie diversité de perspectives sur les ondes. Actuellement la structure est biaisée pour les producteurs vivant en proximité des télédiffuseurs publics et privés à Montréal (en ce qui concerne la plupart télédiffuseurs francophones : SRC, TVA, etc) et à Toronto (en ce qui concerne les Anglophones). Nous croyons que sans des bureaux de programmation régionaux avec un vrai engagement financier de la part des télédiffuseurs à développer et soutenir des productions en région, le système de télédiffusion canadienne sera appauvri.

Before addressing our concerns regarding the Group Licence Renewals, and speaking on behalf of independent producers in Manitoba, I thank the CRTC for its work in bringing about the Terms of Trade (TOT) Agreement and I thank also, the Broadcasters and the Canadian Media Producers Association (CMPA) for their commitment to reaching a resolution. The Terms of Trade Agreement provides a strong framework within which independent producers, broadcasters and other stakeholders can continue to build on

the strengths of the Canadian Broadcasting System.

On Screen Manitoba supports the CRTC Group Licence Policy and we recognize the importance of the four pillars of the policy:

- The minimum 30% Canadian Programming Expenditure (CPE)
- The minimum of above 5% on Programs of National Interest (PNI)
- The upholding of Canadian content exhibition requirements
- The obligations to support independently produced programming

HOWEVER,

On Screen Manitoba aligns with the CMPA in pointing out that the PNI at 5% is based on historical spending of drama alone and is simply a starting point. Historically, PNI spending on documentaries and awards shows is set much higher and must be factored into the PNI, or Canadian audiences will lose the opportunity to benefit from at least the current level of independently produced Canadian PNI. The CRTC is best positioned to analyse the data and seek the necessary information to determine a reasonable PNI within the context of a flexible policy; however, On Screen Manitoba notes, as did the CMPA in an earlier presentation, that one broadcaster suggested a PNI spend of more than 9%.

In regard to Canadian Content Exhibition obligations, On Screen Manitoba agrees with the CMPA that this is an essential component of the Group Licence Policy as it ensures that independent Canadian productions are shown when most Canadians are watching. On Screen Manitoba underlines the CMPA findings that the request by 12 specialty services to reduce CPE obligations would result in 9,000 fewer hours of Canadian programming annually. This would represent a significant erosion of Independent Canadian programming and is not reflective of the intent of the Group Licence Policy — nor of the Canadian Broadcasting Act generally.

On Screen Manitoba believes that the fourth pillar of the Group Renewal Policy is key to ensuring a diversity of voices on air. Further, we believe that the obligation to work with Canadian independent producers should apply to both PNI and non-PNI programming. On Screen Manitoba echoes the CMPA's note that the Commission has raised a non-PNI spending obligation as a possible means to ensure non-PNI programming is offered to independent producers across Canada via a mechanism similar to PNI programming.

While On Screen Manitoba fully supports the Group Licence Policy and its commitment to flexibility; we do have some serious concerns regarding its application:

- We share the CMPA's position that adherence to the Terms of Trade Agreement must be made a condition of licence (COL) to ensure all parties abide by the terms of the agreement.
- On Screen Manitoba is also very concerned that unless Pay TV is excluded from the Group Renewal Policy we will see an unintended further erosion of broadcaster investment in Canadian feature films. We support the CMPA's call for a separate hearing to discuss the impact of Broadcaster investment in the realisation and exhibition of Canadian feature films.

Our primary concern; however, lies in the Commission's stated expectation under the Group Licence Policy, that the broadcaster groups commission programs of national interest from all regions of Canada and to engage in levels of production activity that are commensurate with their presence in their respective markets. Essentially, we too champion the CMPA BC/BC Film's objective to "*ensure a level playing field for producers across the country to find a place to tell their stories on the broadcasting assets owned and controlled by these large broadcast ownership groups.*"

Over the past several years the Broadcasters have centralized operations in Toronto (with regard to Anglophone production) and in Montreal (with regard to Francophone production). Regionally based programming executives have all but disappeared and outreach is now rare, and in our experience, generally requires the community to initiate and fund the visits. This has put regional producers at great disadvantage.

Drawing on research into the independent production activity reports available from Shaw Media (CanWest) and CTV, CMF reports and Manitoba-specific data from Manitoba Film and Music we've made the following observations:

- Spending overall on independent production dropped radically by 2009 to less than half of previous years.
- Over the four years from 2006/07 to 2009/10, CanWest's level of independent production in the Prairies dropped from 14 to just 2 projects. Licence fees have plummeted for the region – from over \$6 million down to \$386,953. Note that overall production spending for CanWest did not drop until 2009/10.
- During the three years from 2006/07 to 2008/09, CTV's level of independent production in the Prairies dropped from 6 to just 2 projects. CTV did not file for 2009/10 so there is no data to confirm if CTV continued to reduce spending on independent production in the regions. Note that CTV maintained a development office in Winnipeg until 2007.
- The CMF's English-language broadcaster performance envelope allocations have increasingly been spent in Toronto. In the five years from 2005-06 to 2009/10, allocations have increased for Toronto-based productions, from 40% to 60% of total CMF funds. With a few exceptions, most of the other production centres across the country have seen a decline.

Past experience with regional development offices has been very positive in Manitoba. Prior to 2001, few Manitoba productions had aired nationally on CTV; however, the CTV Western Development Office located in Winnipeg from 2001 to 2007 as a part of the benefits package resulted in \$11 million in production being leveraged from CTV's investment of \$600,000 in the Manitoba Script and Development Fund and \$1.6 million in the Local and Regional Programming Initiative (called *Manitoba Moments*). As a result of these two initiatives, 56 shows were licensed from over 30 Manitoba production companies. Regional development offices can contribute to ensuring that PNI and Non-PNI factual and fiction projects are realized in all regions of Canada.

Despite Broadcasters best intentions to receive project pitches from regional producers, little concrete action has been taken in recent years. Even from a business perspective it is regional producers who have borne the brunt of the cost to connect with broadcast programming decision-makers; whether through national conferences and markets, or through all-expense paid invitations to broadcast executives to meet with regional producers in their home province. Broadcasters have a responsibility to ensure a broad diversity of voices on Canadian airwaves and it seems reasonable for them to assume the cost of connecting with regional producers.

Without a Condition of Licence that sets outreach requirements and incremental regional development and production targets that are monitored, there is very little compelling the broadcasters to actively engage with producers outside of Toronto. On Screen Manitoba, along with other organizations such as AMPPIA, believe that the following Conditions of Licence are required to meet the Commission's expectations regarding regional production:

- A requirement to establish and maintain **regional programming development offices** that have appropriate financial resources and programming decision-making authority to support the development and the production of PNI (and non-PNI) fiction and factual programming with independent regional writers, directors and producers throughout Canada.
- A requirement to meet **minimum quantifiable targets for development and production spending outside of Toronto, reasonably distributed across Canada**. We do not have access to the data required to analyze and make well-considered recommendations regarding how to set these targets so that they are effective and realistic. We request that the Commission review the full regional production data from the broadcasters to determine quantifiable regional development and production targets. Just as the Commission has done with setting the requirements for CPE and PNI by using 2007/08 production activity as a baseline, so too could a Condition of Licence be set for minimum development and production spending for the regions.

Finally, we ask that the Commission require the broadcaster groups to report on their work to meet these two Conditions of Licence. This could be completed as a part of the annual Independent Production Activity Reports that are made public and are strictly monitored by the Commission.

In conclusion, On Screen Manitoba supports the CRTC's Group Licence Policy; but asks the CRTC to consider the following in its decision-making process regarding the application of the policy:

- PNI should be set higher than 5% to reflect historic spending in genres other than drama;
- The 75% PNI requirement should be maintained and consideration given regarding some reasonable percentage requirement for non-PNI programming

- Canadian programming exhibition obligations are important and should remain including on specialty stations
- OSM would welcome a separate discussion regarding broadcaster support for Canadian feature film.

In all cases the Group Renewal Policy should lead to more independently produced Canadian programming that reflects the geographic, linguistic and cultural diversity of Canada. In view of this, On Screen Manitoba asks the Commission to consider adding two Conditions of Licence to all the broadcaster groups seeking licence renewals:

- A requirement for the establishment of regional development offices with appropriate financial resources and programming authority to ensure the very talented writers, directors and producers in all regions of Canada have the opportunity to contribute to national programming.
- A requirement to spend a CRTC-targeted amount on development and production with regionally-based producers and that the large broadcasting groups be required to file detailed annual reports on how each group is meeting their commitments to CPE, PNI and productions with independent producers across Canada.

Merci encore de cette opportunité de partager notre position.