



CFTPA

*Representing television, film
and interactive production in Canada*

ACPFT

*Porte-parole de l'industrie de la production
cinématographique, télévisuelle et interactive au Canada*

**Submission by the
Canadian Film and Television
Production Association (CFTPA)**

to

**House of Commons
Standing Committee on Canadian Heritage**

**Study on the Role for a
Public Broadcaster in the 21st Century**

March 12, 2007

Executive Summary

- The Canadian independent production community offers these comments as a means of improving upon CBC/SRC's role in providing programming that is distinctively Canadian and contributes to our shared national consciousness and identity.
- CBC/SRC is an essential component of the Canadian broadcasting system and to the success and viability of Canadian independent producers. Because CBC Television is the most important outlet for Canadian television programs, and because independent producers create programs in the drama, comedy, documentary, children's and youth, and performance genres that make up an important part of CBC Television's schedule, the relationship between producers and CBC Television is symbiotic.
- The CFTPA believes that CBC Television has done a relatively good job of fulfilling its mandate in the face of considerable financial and competitive challenges. In our view, CBC Television continues to deliver a valuable service to Canadians. It plays a vital role as a domestic showcase for high-quality, distinctively Canadian television programs. But we believe CBC Television should do more.
- In recent years, a combination of reduced public funding, cost increases, and increased competition and audience fragmentation has made CBC Television more reliant on commercial revenues. This has inevitably forced it to compromise on some aspects of its important mandate.
- To be successful in achieving its essential public service mandate, and to do more, the CFTPA believes that CBC/SRC requires adequate, long-term public funding. In these times of healthy budget surpluses, we believe that the Canadian government should be re-investing in cultural institutions such as CBC/SRC.
- In our view, in today's rapidly evolving broadcasting and communications environment in which there is a constant proliferation of media choices available to Canadians, the need for a national public broadcaster that showcases almost 100% Canadian content on multiple platforms including new media platforms is more important than ever.
- We believe the role for CBC/SRC in the 21st century should be different from commercial broadcasters. It should not simply offer programs that can achieve the largest audience in competition with private broadcasters but instead offer high-quality, distinctive Canadian programming that would not otherwise find a broadcast outlet. CBC Television must make a greater commitment to Canadian drama, documentary, children's and youth, and performance programming, as well as Canadian theatrical feature films. CBC/SRC should also fully embrace new media.
- Accordingly, we believe that CBC/SRC's mandate should be more explicitly defined to reflect these requirements. We believe that Canada's national public broadcaster should be subject to regular reviews of its role and mandate to ensure that it remains relevant to Canadians as the broadcasting and communications environment changes.
- The CFTPA believes that CBC Television's commitment to high-quality Canadian content should be realized through a strengthened relationship with the independent production sector. CBC Television should be a model for all other broadcasters in its dealings with independent producers. It should engage in fair and equitable business practices with respect to contract terms such as paying adequate licence fees, not requiring unduly lengthy licence agreements, and equitably sharing in rights exploitation.
- A proper funding model for the creation of independently produced Canadian programming is central to the growth and sustainability of the independent production sector. In our view, CBC Television, through fair and equitable Terms of Trade, should be playing a lead role in furthering this objective.

Introduction

1. The Canadian Film and Television Production Association (CFTPA) welcomes the opportunity to provide the following comments pursuant to the House of Commons Standing Committee on Canadian Heritage's (the Standing Committee) *Study on the Role for a Public Broadcaster in the 21st Century*. The CFTPA considers this study to be an important and timely exercise, in advance of the CRTC's consideration of the Canadian Broadcasting Corporation/Société Radio-Canada's (CBC/SRC) licence renewal applications in 2008.
2. We applaud the Standing Committee for initiating this review and for giving us the chance to share our views about the critical importance of Canada's national public broadcaster to the continued existence of the Canadian independent television production industry. CBC/SRC is an essential component of the Canadian broadcasting system and to the success and viability of Canadian independent producers. As such, we have a vital interest in this study.
3. The focus of our comments is on the CBC's English-language television network (CBC Television) and its new media activities, as well as how they relate to independent producers.
4. The CFTPA represents the interests of almost 400 companies engaged in the production and distribution of English-language television programs, feature films, and interactive media products in all regions of Canada. Our member companies are significant employers of Canadian creative talent and assume the financial and creative risk of developing original content for Canadian and international audiences.
5. What exactly is it that producers do? We develop the project, structure the financing, hire the creative talent and crews to help turn stories into programs, control the exploitation of the rights, and deliver the finished product. We create high-quality programming in the financially risky genres of drama, comedy, documentary, children's and youth, and performance programming – what the CRTC calls "priority programming" – providing diversity to the Canadian broadcasting system. We also create content for new digital platforms. What we do, every day, is provide Canadian television viewers with the choice of a Canadian perspective on our country, our world, and our place in it. As such, the independent production sector plays a vital role in the Canadian broadcasting system, as recognized in the *Broadcasting Act*.
6. In addition to the central role independent television producers play in advancing Canadian broadcasting policy objectives, producers contribute significantly to Canada's economy and are responsible for a considerable portion of the \$4.8 billion in production activity in Canada, sustaining more than 120,000 direct and indirect full-time jobs annually.
7. The Standing Committee has posed several important questions for discussion as part of this study, including what challenges CBC/SRC's various services face, how and to what extent should the Corporation's programming be re-examined, whether CBC/SRC is able to carry out its legislative mandate with the public funding it currently receives, and issues posed by new media. The CFTPA addresses these and other matters below.

The Role for Canada's Public Broadcaster in the 21st Century

8. The 1991 *Broadcasting Act* sets out a broad mandate for Canada's national public broadcaster, CBC/SRC, stating that it serve all Canadians with high-quality, distinctive programming that "informs, enlightens and entertains". Specifically, the Act states that the programming provided by the Corporation should, among other things:
 - be predominantly and distinctively Canadian;

- reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;
 - actively contribute to the flow and exchange of cultural expression; and
 - contribute to shared national consciousness and identity.
9. The Act provides significant flexibility to CBC/SRC to implement its mandate. It does not assign priority to its various programming objectives and is silent on specific genres of programming and new media activities. These matters are left to the discretion of CBC/SRC, subject only the CRTC's oversight through the establishment of terms and conditions of CBC/SRC's licences and through general policies and regulations.
 10. In the CFTPA's view, in today's rapidly evolving broadcasting and communications environment in which there is a constant proliferation of media choices available to Canadians, it is imperative that CBC/SRC's mandate and specific role be more explicitly defined and focused. We believe that an official mandate review of CBC/SRC is essential at this time and regular mandated reviews, as exist in the U.K., would ensure that Canada's public broadcaster remains relevant to Canadians as the broadcasting and communications environment changes.
 11. The CFTPA believes the role for CBC/SRC in the 21st century should be different from commercial broadcasters. It should not simply offer programs that can achieve the largest audience in competition with private broadcasters but instead offer high-quality, distinctive Canadian programming that would not otherwise find a broadcast outlet.
 12. CBC Television's main role should be to reflect Canadians to Canadians and the world. It should embrace diverse programming in all genres, produced in all regions of Canada. It should build on its strong brand to be *the* choice for distinctive Canadian content over multiple platforms. CBC Television must continue to offer a balanced range of original Canadian programming, with a focus on priority programming – drama, comedy, documentary, children's and youth, and performance – as well as offer leading support for Canadian theatrical feature films. As our national public broadcaster, CBC Television must reach out to an audience of all ages and all socio-economic groups.
 13. CBC/SRC should also fully embrace new digital platforms as a way to engage with more Canadians, especially younger generations, maintain relevance in the digital age, and confront the challenges of seismic shifts in public expectations, lifestyle, and behaviours. It needs to develop a new media strategy with the goal of ensuring that content is available on every platform at the audience's convenience, and simplifying how program ideas from in-house and independent producers move from original concept to public availability. The BBC, for example, has made new media central to its overall business strategy, building on opportunities created by new and emerging digital technologies. Its "Creative Future" strategy enables "360 degree" (i.e., multiplatform) commissioning and production, and ensuring creative coherence across all platforms and media. CBC/SRC should be commissioning new media content from independent interactive media producers, as opposed to undertaking such work in-house, consistent with its approach on the television side.
 14. In regards to new media, the CFTPA concurs with the recommendation in the Standing Committee's June 2003 report titled *Our Cultural Sovereignty: The Second Century of Canadian Broadcasting* that the *Broadcasting Act* be amended to recognize the value of new media services as a complementary element of CBC/SRC's overall programming strategy and mandate.
 15. CBC Television operates in one of the most competitive broadcasting environments in the world. In just about every hour of prime time, CBC Television is forced to compete for viewers against not only very popular programs on U.S. networks, but also Canadian private broadcasters that simulcast those shows. Indeed, the competition for viewers has never been greater.

16. While CBC/SRC President and CEO Robert Rabinovitch is right when he says that the CBC/SRC's goal "is not always to get the largest audience; it is to offer Canadians significant Canadian programs,"¹ we are concerned that CBC Television does not always follow this philosophy in the programming decisions it makes, as we detail later in this submission under the heading "Disturbing Programming Trends".
17. Despite market challenges such as increasing audience fragmentation due to the growing number of media choices available to Canadians, and financial challenges such as declining public funding in real terms and rising production and infrastructure costs, the CFTPA believes that CBC Television has done a relatively good job of fulfilling its mandate in the face of these considerable challenges. In our view, CBC Television continues to deliver a valuable service to Canadians. It plays a vital role as a domestic showcase for high-quality, distinctively Canadian television programs. But we believe CBC Television should do more.
18. To this end, CBC Television has committed to "Canadianize" its schedule, and has promised to attain, at minimum, 75% Canadian content over the broadcast day and 80% in the evening during its current licence term. While this greatly exceeds the commitments of Canada's private Canadian television services, it falls short of what we would expect from Canada's national public broadcaster. In today's broadcasting and communications environment, we believe CBC/SRC should be charged with showcasing almost 100% Canadian content on multiple platforms.
19. We note CBC Television's commitment to dramatically increase the number of hours of Canadian drama that it broadcasts. This initiative will cost money. Indeed, creating high-quality Canadian programming in all genres costs money. That's why CBC/SRC needs adequate, long-term public funding if it is to properly fulfil its mandate and meet its significant public service responsibilities.

CBC Television Needs Adequate Public Funding

20. In recent years, a combination of reduced public funding, cost increases, and increased competition and audience fragmentation has forced CBC Television to become more and more reliant on commercial (mainly advertising) revenues to continue to fulfil its broad mandate – to the point where some people have referred to it as a "publicly subsidized commercial broadcaster". This inevitably forces it to compromise on some aspects of its important public service mandate.
21. CBC/SRC's public funding was reduced by approximately \$400 million, or about 33%, between 1993 and 1997. Although public funding for the public broadcaster has increased in recent years, the increases have been insufficient to restore the level of funding that was provided in the early 1990s and, we believe, to allow CBC/SRC to effectively carry out its extensive mandate.
22. According to recent CBC/SRC figures, CBC English Television (including CBC Newsworld) now costs about \$580 million in total to operate. Of that amount, about \$275 million comes from government subsidies and about \$305 million comes from earned revenue.² Therefore, although CBC Television is Canada's national public broadcaster with a huge public service responsibility and mandate, it relies on commercial revenue for more than half of its budget.
23. CBC/SRC management has on several occasions talked to the Standing Committee about its fragile funding and the importance of the three "pillars" of funding available to it: annual Parliamentary appropriations, the additional \$60 million supplemental government funding it has

¹ Remarks by Robert Rabinovitch, President and CEO, CBC/Radio-Canada, to the Standing Committee on Canadian Heritage's Study on the Canadian Television Fund, February 15, 2007.

² Speech by Richard Stursberg, Executive Vice-President, CBC Television, to the Economic Club of Toronto, November 7, 2006.

received in each of the last six years for programming, and advertising revenue. We agree with CBC/SRC in that if one of those pillars is removed, “you fundamentally alter the ability of the CBC/Radio-Canada to fulfil its mandate.”³

24. A recent study conducted by consulting firm Nordicity Group Ltd. for CBC/SRC showed that Canada’s national public broadcaster is significantly under-funded as compared to other public broadcasters in the Western world. ⁴ The international comparison of public funding for public broadcasters in 18 Western countries found that at \$33 per Canadian, Canada ranked 16th on a per-capita basis, ahead of only New Zealand and the U.S. The study also found that Canada’s funding was less than one-half of the \$80 average across the countries compared. Moreover, Canada’s level of funding was about one-fifth of the level of the leading country included in the comparison – Switzerland.
25. The CFTPA recognizes that CBC Television finds itself in a vicious circle: it needs to do more commercial programming to increase advertising revenues to help pay for its programming obligations under its extensive mandate. We believe that CBC Television’s need for it to diversify its revenue sources, as a response to a public funding shortfall, is at times clouding its programming decisions and thus its ability to remain true to its mandate.
26. Therefore, we agree with CBC/SRC⁵ and others⁶ that it requires stable, multi-year government funding in order for it to meet the many challenges it faces and for it to properly fulfill its mandate. In fact, we strongly believe that CBC/SRC needs increased public funding so that it can begin to wean itself off its reliance on commercial revenues.
27. In this regard, the CFTPA concurs with the following excerpt from the 1996 CBC/SRC mandate review report:

*If the CBC must continue to rely on a high level of advertising revenue, it will never be really distinctive; it will not meet its obligations to provide a quality alternative to commercial broadcasting; and it will not contribute to ‘shared national consciousness and identity.’ It will continue to be torn between its cultural mandate and its commercial imperative.*⁷
28. We note that the House of Commons Standing Committee on Finance recommended in its 2006 Pre-Budget Report entitled *Canada: Competing to Win* that the federal government increase funds allocated to CBC/SRC, among other arts and cultural initiatives or institutions. The Finance Committee has made this recommendation, as well as calling for stable, long-term funding for important federal cultural institutions such as the CBC, in its pre-budget reports in previous years.
29. In these times of healthy budget surpluses, the CFTPA firmly believes that the Canadian government should be re-investing in cultural institutions such as CBC/SRC. Our cultural sovereignty depends on it.

³ Remarks by Robert Rabinovitch, President and CEO, CBC/Radio-Canada, to the Standing Committee on Canadian Heritage’s Study on the Canadian Television Fund, February 15, 2007.

⁴ *Analysis of Government Support for Public Broadcasting and Other Culture in Canada*, prepared for Canadian Broadcasting Corporation / La Société Radio-Canada by Nordicity Group Ltd, June 2006.

⁵ CBC/Radio-Canada Annual Report 2005-2006, page 12.

⁶ Standing Committee on Canadian Heritage report, *Our Cultural Sovereignty: The Second Century of Canadian Broadcasting*, June 2003.

⁷ *Making Your Voices Heard*, Mandate Review Committee report on the CBC, NFB, and Telefilm mandates, January 1996.

The Success of CBC Television and Independent Producers are Interlinked

30. The *Broadcasting Act* states that the Canadian broadcasting system must include a significant contribution from the Canadian independent production sector. Because CBC Television is the most important outlet for Canadian television programs, and because independent producers create programs in the drama, comedy, documentary, children's and youth, and performance genres that make up an important part of CBC Television's schedule, the relationship between independent producers and CBC Television is symbiotic. The Canadian independent production community is a strong supporter of CBC Television and CBC Television in turn has made a strong commitment to independent production.
31. As shown in Figure 1 in the Appendix to this submission, over the past several years CBC Television has increasingly moved away from in-house production to use independent production from across the country to fill most of its programming schedule, with the exception of news, public affairs, and sports. According to CBC/SRC data, CBC Television spends more than \$80 million on various drama, comedy, and documentary programs, which in turn generates more than \$300 million in production activity for Canadian independent producers.
32. From the perspective of Canadian independent producers, CBC Television is one of the best cultural and economic investments Canada can make to support a distinct Canadian identity and a viable independent production industry.
33. Over the past decade, production costs have been steadily rising, not just because of standard inflationary elements related to creative and technical services, facilities and infrastructure, but also due to increased costs in acquiring the underlying rights. As foreign investment and pre-sales have decreased, Canadian television production has come to rely increasingly on Canadian broadcasters, including CBC/SRC. At the same time, broadcast licence fees and public funding contributions have remained relatively static. As the production financing gap has increased, producers have been forced to absorb the cost. This has meant deferring fees, reducing overhead, incurring higher interim financing costs, and applying tax credits into production budgets rather than re-investing the credits in their company to help build corporate capacity. Canada's independent producers are effectively forsaking their future sustainability in order to finance projects.
34. The CFTPA believes that CBC Television's commitment to high-quality Canadian content should be realized through a strengthened relationship with the independent production sector. CBC Television should be a model for all other broadcasters in its dealings with independent producers. It should engage in fair and equitable business practices with respect to contract terms such as paying adequate licence fees, not requiring unduly lengthy licence agreements, and equitably sharing in rights exploitation.
35. The CFTPA has long advocated that one of the best ways to ensure fair and equitable practices in negotiating contractual agreements between broadcasters and independent producers is through Terms of Trade. As broadcast ownership groups become larger and more powerful, the need for Terms of Trade agreements to establish clarity, transparency, and trust in the relationships between independent producers and broadcasters is essential.
36. In renewing the licences for CBC Television in 2000, the CRTC noted that CBC/SRC and the CFTPA had been working towards the formalization of a Terms of Trade agreement that would govern the relationship between CBC Television and Canadian independent producers. The Commission added:

*The public broadcaster should be a model for others in respect of its dealings with independent producers. Its plans should be transparent, in order to foster collaboration with the independent production industry. The Commission anticipates that this agreement will ensure a mutually satisfactory relationship between these two important sectors of cultural life.*⁸

37. The CFTPA entered into its first Terms of Trade agreement with CBC/SRC in September 2002. The “Independent Production Protocol” has been useful for standardizing internal CBC Television practices in licensing and commissioning programming from independent producers. The CFTPA finds, however, that it is not an effective instrument for providing a framework for negotiating fair and equitable individual contracts in a rapidly changing broadcasting and communications environment. We note that CBC Television and the CFTPA recently had discussions about non-broadcast rights (i.e., digital platforms). From our perspective, these recent discussions have underlined the need to re-open the existing Independent Production Protocol.
38. Canadian broadcasters including CBC Television are pressuring independent producers to accord them licensing rights for all their platforms rather than licensing each separate broadcast window. They are asking for longer licence terms, without providing more compensation to the producer. They are requiring producers to deliver ancillary material for new digital applications such as Internet streaming or downloading and mobile broadcasting without covering the costs or agreeing to share revenues from such activities. These are but some of the issues that must be resolved through Terms of Trade.
39. The CFTPA is convinced that Terms of Trade agreements are the best means of establishing a clear framework of negotiation in the contractual arrangements between independent producers and broadcasters, including CBC Television. They also provide a basis for the CRTC to monitor broadcaster/independent production activities without intervening in contractual arrangements.
40. Independent producers and broadcasters need each other; but we need a more equitable partnership. All broadcasters including CBC Television need to make a greater financial contribution to the creation of Canadian television programming. A proper funding model for the creation of independently produced Canadian programming is central to the growth and sustainability of the independent production sector. In our view, CBC Television, through fair and equitable Terms of Trade, should be playing a lead role in furthering this objective.

Disturbing Programming Trends

41. While CBC Television has done a relatively good job overall of providing distinctive Canadian programming to Canadians, the CFTPA is concerned that some recent programming decisions and trends by CBC Television are inconsistent with its mandate. On a macro level, we are concerned that the level of Canadian content broadcast by CBC Television in prime time has declined to 80% in 2005-2006 from 90% in 2000-2001, as shown in Figure 2 in the Appendix to this submission. Moreover, the level of Canadian content broadcast during the full day has increased only marginally to 81% from 78% in the same time period. This is not an encouraging trend.
42. In our view, CBC Television must make a greater commitment to Canadian drama, documentary, and children’s and youth programming, as well as Canadian theatrical feature films. Its level of support for documentary and children’s and youth programming, in particular, is much lower today than it has been historically.

⁸ Decision CRTC 2000-1, January 6, 2000, paragraph 65.

43. We believe that CBC Television, as Canada's national public broadcaster, should be doing more. This view is consistent with our repeated requests that private conventional television broadcasters do more to finance and promote original Canadian programming.

Children's and Youth Programming

44. In today's financing environment, declining funding levels and falling production volumes and average budgets will mean that Canadian program creators will miss an opportunity to provide future generations with programs that reflect Canadian values. With this in mind, all stakeholders – producers, content distributors, funding bodies, public and private broadcasters, government, and the regulator – must assess their commitment to children's and youth programming, with a view to making it a greater priority.⁹
45. While the CRTC expects the CBC and SRC to each air 20 hours per week of children's and youth programming, this is not a condition of licence. While CBC Television should be commended for significantly exceeding that expectation (see Figure 2 in the Appendix to this submission), we note the following recent disturbing trends:
- In the fall of 2006, CBC Television reduced the amount of children's/youth programming in its daily weekday schedule by eliminating its after-school youth programming block (4 p.m.- 5 p.m.) and its late-morning children's programming block (11 a.m.-12 p.m.).
 - A year earlier, CBC Television removed its 5:30 p.m.-6 p.m. weekday youth programming block.
 - CBC Television used to broadcast youth programming from 4 p.m. to 5 p.m. on Sundays but no longer does.
46. Although CBC Television continues to devote most of its morning schedule to commercial-free pre-school and children's programming and offers engaging online content for children and youth, the CFTPA believes that CBC Television should do more. For example, as shown in Figure 2 in the Appendix to this submission, the number of hours of original Canadian children's programming broadcast by CBC Television per week has declined in recent years to only 1.1 hours per week. In our view, this simply isn't good enough for Canada's national public broadcaster.
47. As the CRTC noted in renewing CBC Television's licence in 2000, "because the CBC reaches almost all Canadians, it has a unique responsibility to provide informative, educational and entertaining programming directed toward Canadian children and youth..."¹⁰ In this regard, the CFTPA believes that the CRTC should mandate CBC Television to broadcast an appropriate number of hours of Canadian children's/youth programming.
48. We firmly believe that if Canadian children and youth are provided with high-quality Canadian programming that speaks to them, they will embrace Canadian shows and will carry those viewing habits with them as they grow older. CBC Television should embrace children's and youth programming as part of its public service mandate and as a way to build its future audience.

⁹ For an in-depth analysis of the state of Canadian children's and youth programming, see *The Case for Children's Programming: Children's and Youth Audio-Visual Production in Canada*, February 2007, which was partly funded by the CFTPA (<http://www.cftpa.ca/news/press/cftpakidsfinalfacing.pdf>).

¹⁰ *Decision CRTC 2000-1*, January 6, 2000, paragraph 56.

Documentary Programming

49. The current environment for documentary producers in Canada is bleak. Shelf space for documentaries on Canadian airwaves is at a premium and, while production volume is increasing, funding for documentaries is not keeping pace. Given the current environment for documentary production in Canada, CBC Television's ongoing commitment to the commissioning of independently produced documentaries is crucial to development and production in this sector, and ultimately its sustainability and survival.
50. In the past few years, however, CBC Television has not demonstrated a strong commitment to independently produced documentary programming. In general, there has been a successive removal of many documentary programming strands open to independent producers from CBC Television. In the current programming season, for example, CBC Television has limited the importance of documentaries by reducing the number of hours, funds, and programming strands available to independent documentary producers.
51. Indeed, as shown in Figure 2 in the Appendix to this submission, there has been a dramatic decline in the number of hours of long-form Canadian documentaries broadcast by CBC Television in the last couple of years. Some recent specific disturbing trends worth noting include:
- While still on the main CBC television network, the number of originally produced hours in the long-running CBC Television series *The Nature of Things* has been significantly reduced over the years. Producers have been told that the series will become a 9-hour summer series, down from 17 hours only a few years ago.
 - The number of documentaries commissioned from Canadian independent producers for the *Passionate Eye*, which offers audiences a selection of the world's best point-of-view and personal documentaries, has decreased significantly in recent years.
 - Producers have been told that *Life and Times*, CBC Television's premier biography series, will not have another season. In its heyday, the series commissioned approximately 24 hour-long independently produced documentaries per season.
 - Producers have been told that *Opening Night*, CBC Television's award-winning, prime time performing arts series, will be cancelled after all remaining unaired productions have been broadcast.
 - CBC Television appears to be moving toward more "big-ticket" productions such as *Canada: A People's History* and *Hockey: A People's History* that are produced in-house and consume a large number of financial resources that would otherwise be available to independent documentary producers.
 - *The Lens* (formerly *Rough Cuts*) is one of the only real documentary programming strands left on CBC Newsworld and offers mainly low-budget, one-hour documentaries from emerging filmmakers.
52. The above list represents dozens of hours of lost opportunities for Canadian independent documentary producers.
53. Canadian documentary producers are increasingly concerned about how CBC/SRC intends to allocate documentaries between acquisitions, in-house, independent, and "big-ticket" (e.g., *Canada: A People's History*, *Hockey: A People's History*) productions on CBC Television and its specialty TV channels (CBC Newsworld, Country Canada, and The Documentary Channel).

54. Also of concern to independent producers is the lack of clarity with respect to CBC Television's plans for commissioning and licensing independently produced documentaries for the network and The Documentary Channel, development budgets for documentary programming, and the absence of "one-off" and "auteur" documentaries on CBC Television.

Canadian Theatrical Feature Films

55. In the CFTPA's view, all Canadian broadcasters including CBC Television should be required through conditions of licence to play a more significant role with respect to the development, production, and promotion of Canadian theatrical feature films.
56. During its last licence renewal hearing in 1999, CBC Television made a number of commitments to Canadian feature films, including a pledge to invest \$30 million in the production, acquisition, and promotion of Canadian feature films over the first five years of its licence term. However, because the CRTC did not make this commitment a condition of licence and did not require CBC/SRC to report annually on its adherence to it, we are concerned that CBC Television has not met this commitment.
57. In issuing an interim report pursuant to its study of the Canadian feature film industry in 2005, the Standing Committee asked interested parties what specific policies or practices the CBC and SRC need to put in place to enhance the viewing of Canadian theatrical feature films. In its response to the interim report, the CFTPA recommended that the Government of Canada:
- require the CBC and SRC television networks, through specific conditions of licence, to invest each year a minimum amount of money in the development and pre-production acquisition of independent Canadian English-language theatrical feature films;
 - require the CBC and SRC to help promote Canadian English-language feature films in the lead up to their release in the theatrical market;
 - require the CBC and SRC television networks, through specific conditions of licence, to develop, acquire, promote, and broadcast in prime time a minimum number of new independent Canadian English-language theatrical feature films each year over the course of its licence; and
 - require the CBC and SRC television networks to issue publicly each year a comprehensive report on its progress with regard to its commitment to Canadian independent feature films.
58. In countries such as France, Italy, and the U.K., the national public broadcaster plays a pivotal role in the financing and promotion of indigenous films that are made for theatrical release. The CBC currently plays a very minimal role in this area with regard to Canadian English-language theatrical feature films. The CFTPA believes that Canada's national public broadcaster should be explicitly mandated to finance and promote Canadian English-language theatrical feature films and that this should be made a specific condition of licence.

Foreign Feature Films

59. In its last licence renewal decision for CBC Television in 2000, the CRTC raised the following issues and concerns related to CBC Television's acquisition and broadcast of popular foreign films:
- Most Canadians have ready access to recently released non-Canadian feature films through commercial broadcasters, video rentals, and pay television services;
 - When CBC bids for the rights for such films it drives up their cost for other broadcasters;

- The money spent on acquiring rights to foreign films could mean less money spent on Canadian programming;
 - There is no valid public policy rationale for CBC to continue to acquire and broadcast the most popular and widely available non-Canadian films;
 - The only reason for scheduling popular foreign feature films in peak time is to maximize ratings and advertising revenue. This is not an adequate rationale for the use of the most valuable time in the public broadcaster's schedule; and
 - The CBC's mandate would be better achieved by devoting peak time to a balance of distinctively Canadian programs.
60. In response to these concerns, the CRTC imposed a condition of licence on CBC Television due to take effect in September 2003 that would have prohibited the broadcaster from scheduling certain popular non-Canadian films in peak time. While the CRTC removed this requirement in August 2003, at the request of CBC/SRC and following a public process, the CFTPA continues to share the concerns expressed by the CRTC in the 2000 licence renewal decision noted above.
61. It is difficult for independent producers to understand how U.S. blockbuster films such as *The Lord of the Rings: Two Towers*, *Pirates of the Caribbean*, and *Kill Bill* (all broadcast by CBC Television in the 2005-2006 TV season) help fulfil CBC/SRC's mandate, particularly given the Corporation's commitment to "Canadianize" its prime time schedule. In fact, the number of foreign feature films broadcast by CBC Television has been gradually increasing in the last few years (see Figure 2 in the Appendix to this submission). Again, this is not an encouraging trend.
62. While we understand CBC Television's need to boost advertising revenues to make up for the shortfall in its public funding, its broadcast of Hollywood blockbuster films to do so is hardly an appropriate solution and such a strategy is not appropriate for Canada's national public broadcaster. This underscores the need for CBC Television to have adequate, long-term government funding to meet its requirements.

Professional Sports Programming

63. According to data from Canadian Media Research Inc., in the 2005-2006 TV season about 18% of CBC Television's prime time schedule was comprised of professional sports programming and it accounted for some 38% of the network's audience that year.¹¹ While we acknowledge the importance of professional sports to CBC Television's advertising revenues, necessitated by the shortfall in its public funding, the CFTPA questions whether professional sports programming should be the key part of CBC Television's service that it is.

Conclusion

64. In closing, the CFTPA believes that CBC/SRC is an essential component of the Canadian broadcasting system and to the success and viability of Canadian independent producers. In today's dynamic and competitive broadcasting environment, the need for a strong and vibrant national public broadcaster that showcases almost 100% Canadian content on multiple platforms is more important than ever.

¹¹ We note that viewing levels for amateur sports programming were higher than normal given CBC Television's coverage of the Olympic Winter Games in February 2006.

65. In recent years, a combination of reduced public funding, cost increases, and increased competition and audience fragmentation has made CBC Television more reliant on commercial revenues. This has inevitably forced it to compromise on some aspects of its public service mandate.
66. While CBC Television has done a relatively good job of fulfilling its mandate in the face of considerable financial and competitive challenges, we believe it should do more. In order for it to do this, however, it needs adequate, long-term public funding.
67. In these times of healthy budget surpluses, the CFTPA believes that the Canadian government should be re-investing in cultural institutions such as CBC/SRC. Our cultural sovereignty depends on it.
68. The CFTPA appreciates the Standing Committee's interest in the future of CBC/SRC and encourages it to express support for Canada's national public broadcaster, and call for increased, long-term public funding for it to properly fulfil its mandate to Canadians.

APPENDIX

**Figure 1: Percentage of CBC English Television Programming
Produced by Independent Producers***

Independent Production	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Canadian productions (CRTC encouragement: 50% target, excluding news, public affairs, and sports)	67%	72%	74%	79%	81%	87%
Regional Canadian productions	N/A	73%	76%	86%	72%	90%

* Full day = sign on to sign off (typically 6 a.m. to 1:30 or 2 a.m. weekdays).
Source: CBC's Annual Reports to the CRTC.

**Figure 2: Tracking the Regulatory Requirements for
CBC English Television Programming – Key Metrics**

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005*	2005-2006
Canadian content (CRTC expectation: 80% peak period / 75% broadcast day)	90% peak period / 78% broadcast day	86% peak period / 76% broadcast day	84% peak period / 78% broadcast day	87% peak period / 78% broadcast day	67% peak period / 75% broadcast day	80% peak period / 81% broadcast day
Canadian drama programming (CRTC expectation: 5.5 hrs/week in peak period)	5.4 hrs/week peak period	5.1 hrs/week peak period / 38.1 hrs/week broadcast day	5.1 hrs/week peak period / 39.4 hrs/week broadcast day	5.9 hrs/week peak period / 35.3 hrs/week broadcast day	5.5 hrs/week peak period / 34 hrs/week broadcast day	6.2 hrs/week peak period / 33 hrs/week broadcast day
Canadian feature films (CRTC requirement: report on activities)	48 titles / 94.8 hrs in peak period	56 titles / 110 hrs in peak period	73 titles / 200.2 hrs in peak period	70 titles / 186 hrs in peak period	78 titles / 198 hrs in peak period	86 titles / 169.5 hrs in peak period
Foreign feature films**	N/A	N/A	19 titles	20 titles / 41 hrs in peak period	70 films; 59 titles / 149 hrs in peak period	31 titles / 56.3 hrs in peak period
Long-form documentaries (CRTC requirement: report on activities)	172.9 total hrs in peak period; 160 Cdn hrs	173 total hrs in peak period; 149 Cdn hrs	218 total hrs in peak period; 205 Cdn hrs	273 total hrs in peak period; 263 Cdn hrs	158 total hrs in peak period; 145 Cdn hrs	136 total hrs in peak period; 122 Cdn hrs
Children's programming (CRTC expectation: 15 hrs/week Cdn)	30.4 hrs/week total; 19.7 hrs/week Cdn; 3.5 hrs/week original Cdn	32.3 hrs/week total; 22.5 hrs/week Cdn; 3.8 hrs/week original Cdn	31.5 hrs/week total; 24.2 hrs/week Cdn; 2.6 hrs/week original Cdn	31.9 hrs/week total; 23.3 hrs/week Cdn; 3.2 hrs/week original Cdn	32.3 hrs/week total; 25.2 hrs/week Cdn; 3.1 hrs/week original Cdn	30.8 hrs/week total; 25.3 hrs/week Cdn; 1.1 hrs/week original Cdn
Youth programming (CRTC expectation: 5 hrs/week Cdn)	6 hrs/week total; 5.1 hrs/week Cdn	6.7 hrs/week total; 5 hrs/week Cdn	8.5 hrs/week total; 7.9 hrs/week Cdn	6.1 hrs/week total; 5.9 hrs/week Cdn	6.2 hrs/week total; 6.2 hrs/week Cdn	5.6 hrs/week total; 5.6 hrs/week Cdn

* Note 1: Some of CBC Television's licence commitments or CRTC expectations were not met during this year due to programming decisions taken in response to the loss of NHL hockey from CBC Television's schedule due to the NHL lockout that occurred during this period. This illustrates how vulnerable CBC Television is to uncertain advertising revenues.

** Note 2: A CRTC condition of licence due to take effect in September 2003 that would have prohibited CBC Television from broadcasting in peak time certain popular non-Canadian films was removed in August 2003.

Source: CBC's Annual Reports to the CRTC.