



September 30, 2010

Via CRTC comments/interventions form

Mr. Robert A. Morin
Secretary General
Canadian Radio–television and
Telecommunications Commission
Ottawa, Ontario K1A 0N2

Dear Mr. Morin:

Re: Broadcasting Notice of Consultation CRTC 2010–623 – Call for comments on contributions by broadcasting distribution undertakings to local expression

1. The Canadian Media Production Association (the “CMPA” or the “Association”), formerly known as the Canadian Film and Television Production Association, welcomes the opportunity to provide these **comments** regarding the above–referenced Notice of Consultation.
2. The CMPA represents the interests of screen–based media companies engaged in the production and distribution of English–language television programs, feature films, and new media content in all regions of Canada. Our 400 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.
3. The Association would like to state at the outset that it agrees with the Commission’s conclusion reached in its new Community Television Policy (*Broadcasting Regulatory Policy CRTC 2010–622*, August 26, 2010) that the existing amount of contributions by broadcasting distribution undertakings (BDUs) to local expression, which has increased from \$67 million in 1999 to approximately \$122 million in 2009, is sufficient to provide an appropriate level of funding to the community television sector. The Commission also determined that further increases to total contributions to local expression are not warranted at this time, and stated its intention to introduce a mechanism to maintain contributions to local expression at their current levels.
4. Under the *Broadcasting Distributions Regulations*, licensed BDUs must currently contribute 5% of their gross revenues derived from broadcasting activities to Canadian programming. Licensed BDUs that distribute their own community programming on a community channel may

allocate up to 2% of their required contribution to fund the operation of that community channel, while the balance of the contribution is directed to the support of Canadian programming through the Canada Media Fund (“CMF”) and other certified independent production funds (also referred to here as the certified private funds).

5. The Commission has decided to cap BDUs’ allowable contribution level to local expression at 1.5% of their gross revenues derived from broadcasting activities and to require the 0.5% difference from current levels be directed to Canadian programming initiatives. In the Notice of Consultation, the Commission seeks comments on the most appropriate use for the contributions to be redirected.
6. In its submissions to the Community Television Policy Review (*Broadcasting Notice of Consultation CRTC 2009-661*), the CMPA expressed concerns that contributions from Class 1 BDUs to local expression (i.e., community channels) have surpassed contributions to the CMF on its own and the CMF and other certified independent production funds combined since 2004.¹
7. As production costs continue to rise with the transition to new technologies such as HDTV and 3D, each year there is an increasing need for additional funding to support the development and production of independently produced programming, including digital media content. For example, the CMF is able to meet only 50% of demand for funding.
8. In our view, this proceeding represents an opportunity to rebalance BDU contributions directed to local expression on the one hand, and national programming produced by independent producers on the other, while also providing certified independent production funds with much-needed additional funding.
9. In this regard, the CMPA notes that, in the past, some BDUs have expressed a desire to redirect a greater proportion of their mandated contributions to the CMF to certified private funds, such as the Independent Production Fund or the Shaw Rocket Fund.
10. The CMPA submits that the certified private funds provide essential funding support for independently produced Canadian programming, and are increasingly leading the way in funding innovative, interactive content creation. For example, the Independent Production Fund (“IPF”) recently launched a Web Drama Series Pilot Program in partnership with Film Nova Scotia. The objectives of the program, as published in the program’s guidelines², are as follows:

The intent of the Fund is to assist independent producers/creators to finance the production of original drama series created *initially* for the web.

The Independent Production Fund intends to explore the potential for high quality, story-driven drama with new and innovative narrative forms.

¹ CRTC Statistical and Financial Summaries for Broadcast Distribution – Class 1, 2 and 3.

² Available at: <http://www.ipf.ca/IPF/Applications/IPF-WEB-DRAMA-SERIES-PILOT-PROGRAM.pdf>

Successful properties may subsequently be exploited on other platforms such as television and mobile either in their original format or through the exploitation of derivative rights.

11. In the first phase of the program (i.e., application deadline of March 31, 2010), the IPF received almost 180 applications, but was able to provide only 11 projects with a total of \$1.2 million in funding.
12. In the CMPA's view, programs such as this one would benefit immensely from additional funding from BDUs, which would ultimately benefit independent producers, the Canadian broadcasting system, and Canadians.
13. Alternatively, should the Commission determine that the 0.5% from current community television funding should continue to be directed to local expression, the CMPA supports the proposal being put forward by the Canadian Association of Community TV Users and Stations (CACTUS) that this funding be directed toward independent and non-profit community channels (i.e., those not affiliated with a BDU). To ensure transparency and independence, this funding should be administered by a new Community Access Media Fund.
14. Independent producers have a soft spot for community access television since many of them got their start producing community television. It has been an important training ground for some of Canada's best producers, on-air talent, and broadcast technical crews.
15. The CMPA appreciates the opportunity to provide these comments.

All of which is respectfully submitted.

Yours truly,

[Original signed by Norm Bolen]

Norm Bolen
President and CEO

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