

Interview Norm Bolen  
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Host: Carol Off/ Barbara Budd  
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**Barbara Budd:** Relationships are about compromise. I want your last peanut-butter cup, you don't want to give it to me, I take it when you're not looking, and everyone's happy. Sometimes, though, finding a solution is a little trickier.

Take the Canadian Radio-television and Telecommunications Commission hearings this week in Hull. All the national broadcasters want the CRTC to impose carriage fees on cable and satellite channels for rebroadcasting their airway signals. And Global and CTV also want the Commission to let them air more American programming, by loosening their obligations to broadcast Canadian and local content. Needless to say, the CRTC is less than willing to part with their proverbial last peanut-butter cups.

Norm Bolen is the President and CEO of the Canadian Film and Television Production Association. We reached him in Toronto.

**Carol Off:** Norm these CRTC hearings, called exceptional hearings, are dealing both with broad policy issues and the individual TV licence renewals. In your view what is at stake at these hearings?

**Norm:** What is at stake is the very future of our broadcasting system--the very fundamentals of it, and the degree to which we will continue to have a Canadian content industry. The broadcasters, they say that Canadian content loses money, that their U.S. simulcasts of foreign programming are really what drives the industry, that the regulations that they face now are too onerous and they want to be relieved of some of them. And that that is really a fundamental threat to the broadcasting system that has been functioning very, very effectively in this country since the early 1950's.

**Carol:** Have we ever heard a different argument put before the CRTC at the licence renewal hearings?

**Norm:** Well there has been a steady decline in the broadcasters' appreciation of Canadian content as a significant part of their business and an opportunity actually more than a tax. They see it as a tax and there has been an ongoing kind of fighting over the pieces. What we need to do is decide for the future generation of this country, primarily for the new digital generation, what we want in terms of Canadian content.

Our view at the Canadian Film and television production association is that Canadian content is a very valuable part of our country. It's not only a cultural question, but it is an economic question. It provides high quality jobs, the creative jobs that we talk about as

the industrial economy fades. It provides a diversity of voices, it reflects us across the country and it reflects us to the world. And more recently we see five Canadian series now being picked up by the United States. This is something that hasn't happened since the days of *Due South*. We are actually seeing an increasing international appetite for Canadian shows. Just this week Global announced that a new show they are doing a Canadian show *Copper* is going to be on ABC. *Flashpoint* is on CBS and at this very time when we are seeing success in the potential of a bigger pie that we can all share in, we are seeing this defeatist attitude about how "the sky is falling, the sky is falling, the sky is falling"

**Carol:** But why do the networks see Canadian content as such a burden?

**Norm:** Because it is so much easier to just buy foreign shows. You have this giant machine in the U.S. and the budgets are huge compared to Canadian budgets, they have a star system that seeps over into the border. They are an elephant and they can just go buy those shows, and ride on the back of simulcast, and that is a bit technical. But basically when an American show is played on a Canadian channel we get to put our advertising on the American signal and benefit from that. And that is a huge advantage to the over the air broadcasters. And that is an easy thing to do, the margins are high, sometimes a 100 per cent margin on a show like that

**Carol:** So what is the incentive then and if that is what they are able to --and they have had some very successful shows. I guess we should say we are talking about private broadcasters—they have had some very successful shows. They are not inclined to do it more, why would they when they can be simulcasting these US shows.

**Norm.** The question would be this. A broadcasters' job is to maximize profit for their shareholders. Clearly that is what their primary objective is. But that is not public policy. What do we as a nation want in terms of our Canadian stories being reflected on our airwaves? And we are no different from other countries around the world. The UK, France, Germany, Spain, Italy put even more emphasis on supporting and investing in their indigenous programming and turning it into an important part of their culture and identity. If you look at the music industry our Canadian content rules have created a fabulous star system and a lot of revenue for this country. We must continue to put emphasis on Canadian content because that is a public policy priority and it is also an economic imperative.

**Carol:** So what are you asking the CRTC to do?

**Norm:** Well we don't want any retrenching; we don't want any abandoning of the principles that have driven our broadcasting system. We used to ask for a lot more, we actually wanted increases, but we have moved away from that because we recognize that this system is strained right now.

**Carol:** They are losing money big time.

**Norm:** Well let's look at it a little more broadly and the CRTC is going to do that a year from now when they do these group corporate hearings. But if you look at the broadcasting groups on a corporate level and you combine all of their broadcasting assets, specialty assets as well as their over-the-air assets, these are all still profitable companies. It is only one part of their business that is struggling right now, and a lot of that is cyclical. The economy is going to come back and those advertising revenues are going to come back to television—maybe not at the same level as they were before. But they are still going to be profitable businesses.

**Carol:** But the networks are saying that the advertising may or may not come back as it won't come back as strong. What they want is these carriage fees they want the satellite companies and the cable companies to pay them a fee to carry their transmissions. What is your take on that?

**Norm:** Well I don't think that consumers want to pay more for their cable television right

**Carol:** But if that is way.

**Norm:** That said we are not opposed to carriage fees but not if it also comes with a reduction in Canadian content obligations

**Carol:** If they are to get the carriage fees if that was to happen what would your members want the CRTC to have in a way of a commitment if they got those carriage fees?

**Norm:** Well I would say a very interesting idea came up this week in an exchange between Ivan Fecan and Konrad Von Finckenstein at the hearings. And basically Konrad asked Ivan aren't you really suggesting with carriage fees or subscriber fees for over the air television that you really want to become like a specialty channel and, if so, wouldn't you accept the obligations of the cable or satellite channel. And that was an interesting exchange around that and Ivan didn't reject the idea completely. One of the structural problems is they have been spending excessive amounts on American program. If we had a programming expenditure requirement, I think we would have something that might work much better than the loosey goosey priority programming rules we have now. So I think that is an interesting idea worth exploring.

**Carol:** Norm Bolen it is good to talk to you

**Norm:** Good to talk to you Carol, all the best.