

**Submission to the Standing Committee on Canadian Heritage
by Jacques Bensimon
Government Film Commissioner and Chairperson of the NFB**

**STRENGTHENING THE FABRIC OF CANADA:
New Media, new Broadcast Challenges and
A New Approach from the National Film Board of Canada**

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The Standing Committee on Canadian Heritage is making a timely assessment of the broadcasting system and its success in meeting the objectives of the *Broadcasting Act* of 1991. The last comprehensive study was the 1986 Task Force on Broadcasting Policy (Caplan-Sauvageau). Its recommendations reinforced the need for a broadcasting system that holistically supports national cohesion by developing awareness of Canada, reflecting cultural diversity, providing a wide range of Canadian content programming, and providing for a continuing expression of Canadian identity. The Caplan-Sauvageau Task Force further recommended a broadcasting system that would serve the special needs of geographic regions and actively contribute to the flow and exchange of information among regions.

The ensuing amendments to the *Broadcasting Act* served several purposes. They strengthened broadcasters' Canadian content responsibilities, reinforced the CBC's role within the system's fragile ecology, and paved the way for new players while continuing to restrict foreign ownership. The 1991 amendments even ensured the possibility of alternative channels to balance the offerings of conventional, specialty and pay television in order to offer a wider range of quality Canadian programming.

What the Act could not do, however, was predict the vast changes looming for the system. The "information highway" laid the way for the Internet revolution, whose liberating and democratizing technology has had, and will have, unfathomable ramifications for global communications.

Canada must update its broadcasting legislation to ensure that the social and cultural policy goals of distinctive Canadian programming, quality, social cohesion, and inclusion carried out through a public/private model are truly applied throughout the system, including the Internet, and specialty services.

The National Film Board of Canada, as a national cultural institution, has a role to play within a strengthened public private model. The NFB was established in 1939 to produce, distribute and promote films designed to interpret Canada to Canadians and to other nations, to represent the Government of Canada in its relations with filmmakers, to engage in research in film activities, and to advise the Governor-in-Council in connection with film activities. It is in our capacity as a public institution mandated to produce Canadian stories on film and digital media, and in our role as a research center and advisor on film matters, that we present this submission to the Standing Committee on Canadian Heritage.

The state of Canadian broadcasting, or, 'What do we have 10 years later?'

a) Distinctly Canadian today means the CBC:

We have a system that relies on CBC/Radio-Canada to provide a critical mass and a wide range of distinctively Canadian programming, but does not adequately fund it to do so. The federal government needs to restate, on a priority basis, that the tenets in support of Canadian-oriented debate on social and economic values, artistry, athletics, politics, multiculturalism, environment, and health and well-being, are tenets fundamental to the Canadian social fabric. It would therefore follow that bona fide educational and not for profit broadcasters, and other public cultural organizations producing works to advance social debate from a Canadian perspective, such as the NFB, are equally fundamental to this country's social weave. Consequently, an appropriate space within the broadcasting system should be allocated for this purpose.

The CBC may have culturally relevant Canadian programming as its *raison d'être*; it cannot be made to be the Canadian channel-by-default. The CBC must be a stronger voice for more and more diverse Canadian-produced programming, but must be one voice among many.

b) Specialtycasting growth, Cancon stunted

Specialty channels, as an aggregate, are capturing more viewers than any conventional channel, yet their offerings are on average only 40%-50% Canadian. The lower Cancon requirement was established for reasons of viability. Canadian content levels could be higher, considering most analog channels' rapid progression to profitability. In one analysis, consultant Robert Armstrong noted that all English-language services launched in 1995 "were profitable by their third year of operations, and Life and WTN were profitable in their first year. Six of the 10 services that launched in 1997 were profitable by their second year of operations (the last year for which data is publicly available). Finally, of the three new English-language specialty services launched in the fall of 1998, MuchMoreMusic and Treehouse were profitable in the first year of their operations."¹

c) Channels multiplied, programming range divided:

We have a more limited range of quality Canadian programming than the Task Force report or the amendments to the Act intended, despite a multi-channel universe. Programmers, to a certain extent, cannot or will not devote the imagination necessary to vivify their program schedules with a mix of content and packaging formats. Predisposed to buy bulk in lieu of consistent quality, few programmers brand their schedules with innovative thinking.

The similarity in the types of program offerings, no doubt caused by market pressures, has resulted in fewer Canadian one-off, full-length documentaries, short docs or short dramas being broadcast to indigenous audiences over the past five years.² This same study demonstrated that 70% of licence fees for documentaries through the Canadian

¹ Robert Armstrong, "Onwards and Upwards with the arts," Comment & Opinion, *Playback* magazine (Toronto, May 1, 2000, p. 8)

² Michel Houle, "Study on the Canadian Documentary," *Rencontres Documentaires* (2000)

Television Fund comes from pay and specialty channels, which means documentaries now get lower licence fees *and* smaller audiences.

d) Cultural diversity? Anyone?

We have a system that does not fully allow the reality of the cultural diversity of this country to be represented. Thanks to the CRTC we do have APTN on basic cable, but some local market applications for multilingual stations have been met with frustration. The regulator has issued regulations on cultural diversity, but the system does not truly or readily reflect the wide range of people and voices Canadians encounter every day. To correct this under-representation space should be made available on a new public tier that would have to be part of the basic package offered to subscribers by cable and digital providers.

e) English choices across the country, French choices only in Quebec

We do not yet have a system affording an acceptable range of choices to its French-speaking citizens outside Quebec. Although English services span the country delivering specialized programs across a range of niche interests – from channels on women to history to home-and-garden to health to spirituality and on and on – this diversity is not available to francophones outside Quebec.

f) Canadian content bonuses – where less can be more!

Recent changes to the CRTC's Television Policy – which took effect in September 2000 - – increase the opportunity for broadcasters to count culturally dubious programming toward their Canadian content requirements. In addition to offering a 150% Canadian content bonus to 100% Canadian programs aired in primetime, the new policy also applies a 125% credit to six- to nine-point Canadian content shows, or those which include as little as 60% of the Cancon criteria. This provision, combined with the Commission's move to stop regulating minimum Canadian content spending, means we see less culturally relevant, distinctive or significant programming.

g) Broadcasters online: when togetherness is a virtue

We have no unified broadcasting approach to providing services online. Each broad- and specialty-caster has "done its own thing" on the Internet; therefore, we are missing opportunities to make a great big noise as a group. We must consider suggesting to broadcasters that they voluntarily work together on certain initiatives en masse, to show the world the power and innovation of Canada's conventional and online content, promotion, technological leadership and more.

h) Bigger is not necessarily better in a small market like ours

Explicit public policy and implicit approvals have facilitated and strengthened vertical integration of large groups at the expense of small and medium-sized players. Every time a small, creative force – be it a dot-com, a production company, a cable company or a broadcaster – reaches modest market penetration, or turns the heads of audiences and competitors, they are quickly bought or merged. This trend to "corporatization" in the entertainment industry threatens to homogenize content created for, and consumed by, the public.

i) New technologies = new have-nots

For consumers, the distinction between conventional television and specialty channels is meaningless, as most Canadians receive their signals through cable or satellite. The evolution to digital media for production purposes has simply reduced the divide between film, television and the Net. Convergence, that is, the combined use of television and the Internet, will have a greater impact on TV viewing habits. However, the discrepancies between the haves and the have-nots, in terms of Internet access and in-home computer use, are greater than the discrepancies between those who have access to television and cable as the entry barriers are higher (cost, knowledge base).

j) What's not on TV is on the NET

The Broadcasting system has not yet been disrupted as a whole by the advent of new media, but it is increasingly luring viewers, especially teens and young people, and encouraging advertisers to follow. Meantime, as the Internet components of media undertakings improve what they offer, they simultaneously undercut their own ad bases (as in line extension), and thus the resources allocated to TV licence fees. This means content producers have to lower their production costs and values as well as investing in personnel and expertise to create web-friendly content.

Technology -- new media, digital production and post-production, digital signal compression and transmission -- none of these enablers can substitute for the quality of information, education and entertainment programming Canadians have come to expect. Public institutions such as the NFB and CBC must encourage the government to be certain the *Broadcasting Act* does not allow bottom-line interests to supercede the need for content integrity, craftsmanship and national relevance on the public airwaves.

k) Globalization, at what price?

Globalization means that domestic producers, with declining access to licence fees at home, more often need to partner with international coproducers (some of whom have access to local tax incentives) to finance projects. In order to qualify for foreign financing, however, and to ensure foreign sales, the project concept must be adapted to meet the criteria of all participating territories. It is vital that Canadian producers fully exploit international coproduction opportunities. It is equally important that the *Broadcasting Act* recognize both the exigencies of production financing and encourage producers to be sure these "copros" continue to provide a Canadian perspective.

What can we do? Future directions for Canadian broadcasting

Canadian Content and Cultural Diversity

The *Broadcasting Act* should be changed to safeguard and broaden the carriage of the public component of its public/private model. Bona fide educational broadcasters, and not for profit channels such as CPAC and APTN, the public broadcaster and the public producer should be reserved an appropriate space on the spectrum, available to all Canadians via cable or satellite, to ensure that the public interest is served.

Cultural or industrial objectives?

Although cultural industries were exempted from the North American Free Trade Agreement, cultural funding/tax credits for domestic producers and broadcasters have been under near-constant attack by American trade associations (actors, directors, film craftspeople) as unfair trade practices.

Nevertheless, domestic cultural policy must continue to support financial incentives for production and distribution systems that help reflect Canada's society, arts, politics, science and other elements to Canadians in order that we not drown in Americana or global culture.

The *Broadcasting Act* of 1991 should have been adequate to meet the government's stated Canadian content objectives without any significant changes. However, years of practice, and a tendency to interpret the Act to enable the pursuit of primarily industrial policies, have weakened the *Broadcasting Act* as a major instrument of cultural determination. The primacy of the cultural objectives over trade and industry issues has to be restated, to ensure that Canada has an effective and powerful voice in the age of globalization.

Studies of broadcasting systems around the world ³ have shown that a secure, well-funded public broadcaster increases the quality of all players within the system. The 1991 *Broadcasting Act* restated the importance of the public broadcaster's role in our public/private system.

But policies and programs seem sometimes to be diametrically opposed – starting with the first budget cuts in 1993 through to the CRTC's 1999 refusal to grant the CBC/Radio-Canada a licence for a French-language arts specialty channel. The CRTC has, in its 1999 Television Policy, removed minimum spending requirements for Canadian content.

Re-emphasis of stable support for the public broadcaster and, secondarily, the public producer, is key at this juncture. So much more can be accomplished. Consider that, despite major budget cuts beginning in 1996, the NFB has provided broadcasters in Canada and around the world with programming with a truly Canadian perspective. From *The Boys of St Vincent*, to *Just Watch Me*, and not forgetting *Enfer et contre tous!* and *Traître ou Patriote*. The NFB produces about 60 documentary and animation films per year that are appropriate for TV audiences. (This is on top of its catalogue of more than 9,000 productions.)

Of course, cultural objectives cannot be fulfilled simply because content exists. Programmers still have to find and keep sizable audiences. In the case of NFB productions, despite the myriad channels available, the good intentions of the *Broadcasting Act*, the regulations on Canadian content, the efforts to sell these works to broadcasters, and despite the numerous prizes won by NFB productions, too few Canadians are seeing them.

³ McKinsey and Company, Public Service Broadcasters around the World, A McKinsey Report for the BBC (January 1999)

The NFB is trying new means to ensure regular and consistent exposure to audiences. While remaining a broadcast supplier, we have also become a partner, as in the new tier one (guaranteed carriage) digital channel *The Documentary Channel*, and we are aggressively testing the Internet as an alternative form of delivery.

The Doc Channel will provide the NFB two regularly scheduled branded hours per week, on top of other NFB productions broadcast at different times. But the Documentary Channel is an English-only service. A French- equivalent is needed, perhaps rising from the ashes of TV5, to satisfy the needs of Francophone documentary viewers in all parts of Canada.

Digitals will commence with a small viewer "universe" – about 2.1 million digital-ready households at launch. Therefore, the NFB, as with other supplier/partners, must pursue partnerships with broadcasters, the most natural being CBC/Radio-Canada for the NFB. As the NFB continues to pursue its public policy objectives and the CBC tries to create a distinct, "pubcaster" space for itself amid its commercial competitors, the NFB can help CBC fulfill its own public service mandate.

Is the method of determining Canadian content still appropriate in relation to new media?

The point system is an artificial construct that bears little relevance to its ultimate objective, to ensure that distinctively Canadian content is offered to the Canadian public. The problem, as noted in a submission to this committee in 1998,⁴ is that the points measure "who makes it rather than what it says."

Not only does this system need to change to allow it to assess the cultural import of productions and TV content, but, no matter how we change the measurement scale, it would remain inappropriate for an unregulated medium such as the Internet and serve as a disincentive relative to the objective of having more Canadian content on the Internet.

Distinctively Canadian content in the multi-channel/alternative media universe – is it possible?

As more foreign channels become available, Canadian material can only survive if it can demonstrate its Canadian distinctiveness (branding) and high production values in the space of a four-second zap. Alternatively, if Canadians were offered true Canadian channels, where all the programming was at least 85% Canadian, then Canadian productions could become destination programming as well. Canadian channels do not currently have to compete with foreign undertakings for local and regional news – they do for all other program types.

The NFB has done some instructive pioneering work in using alternative media to provide its own distinctively Canadian, culturally diverse content to university audiences. Our productions are now available full-length and full-screen at Canadian universities on

⁴ Sandra Macdonald, Consideration of a Canadian Cultural Policy, Notes for Sandra Macdonald, Government Film Commissioner and Chairperson of the National Film Board of Canada, Presentation to the House of Commons Standing Committee on Canadian Heritage (Ottawa, October 22, 1998)

the CA*Net3 high bandwidth network. Since November 1999, NFB documentaries and animated shorts have been streamed in near-broadcast quality, with the full agreement of rights-holders. With a widely available broadband backbone we can make the technology take our productions further, ideally to every citizen. Meantime, our strategies, research and lessons learned speak volumes on some of the challenges and opportunities in today's broadcasting landscape.

Enriching the cultural fabric of Canada – can content regulations add value?

The *Broadcasting Act* of 1991 commits to the whole broadcasting system, not just the CBC, the responsibility of enriching and strengthening the cultural fabric of Canada. As the safety in the number of voices erodes with the concentration of media companies, so will the possibility of truly representing the cultural diversity of this country.

Minimum content percentages, benefits, and targeted regulations have not completely answered the challenge of making the whole system work cohesively to strengthen Canada's fabric. The threads of this fabric are culturally diverse, French and English across the country, local, regional and national; the Canadian broadcasting system is primarily national in scope, but generally homogenous in terms of cultural diversity.

So it seems that content regulations must not be discarded but rather refined, since their existence has been critically important in creating a basis for a demonstrably Canadian TV culture.

Conclusion

Although previous broadcast legislation did not anticipate the rapid and revolutionary changes that would follow the advent of the Internet, the increasing power of global trends should not diminish the Canadian government's resolve to do everything possible to protect Canadian cultural expression. The broadcast regulator, the public agencies contributing to the broadcast sector, and the private and public production and content creation communities must all work together to ensure that Canadian culture flourishes.

Further, this "culture" combines a uniquely Canadian mix of languages and heritages, influence of diverse peoples; it's a mix that requires a few rules to help preserve it. Beyond French, English and Aboriginal, there are many new voices being sounded within Canada's borders and it is these affirmations, rather than a lack of American-ness or any other "ness" that makes us singular. We can change how we evaluate what is Canadian, and how we send that message around the world, but ought never lose sight of the need to avoid homogenization in the world diaspora.

References

¹ Robert Armstrong, "Onwards and Upwards with the arts," Comment & Opinion, *Playback* magazine (Toronto, May 1, 2000, p. 8)

² Michel Houle, "Study on the Canadian Documentary," *Rencontres Documentaires* (2000)

³ McKinsey and Company, *Public Service Broadcasters around the World*, A McKinsey Report for the BBC (January 1999)

⁴ Sandra Macdonald, *Consideration of a Canadian Cultural Policy*, Notes for Sandra Macdonald, Government Film Commissioner and Chairperson of the National Film Board of Canada, Presentation to the House of Commons Standing Committee on Canadian Heritage (Ottawa, October 22, 1998)