



Canadian
Heritage

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Reinforcing Our Cultural Sovereignty – Setting Priorities for the Canadian Broadcasting System

Second Response to the Report of the
Standing Committee on Canadian Heritage



Canada

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Department of Canadian Heritage
25 Eddy Street
Gatineau, Quebec
K1A 0M5

Tel.: (819) 997-0055
Toll-free: 1-866-811-0055
TTY/TDD: (819) 997-3123
Web site: www.canadianheritage.gc.ca

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Cat. No. CH44-48/2005E-PDF

ISBN 0-662-39750-9

Minister of Canadian Heritage and
Minister responsible for Status of Women



Ministre du Patrimoine canadien et
ministre responsable de la Condition féminine

Ottawa, Canada K1A 0M5

April 4, 2005

Ms. Marlene Catterall
Chair
Standing Committee on Canadian Heritage
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Ms. Catterall:

On behalf of the Government of Canada, I am pleased to enclose the Government's second response to the Standing Committee on Canadian Heritage's report, *Our Cultural Sovereignty: The Second Century of Canadian Broadcasting*. The Government welcomes the opportunity to respond more fully to the Committee's report, as it allows us to clearly establish the priorities and outline an action plan that will guide the Canadian broadcasting system over the coming years.

Broadcasting is about more than just radio and television signals - the Canadian broadcasting system serves the public interest as a shared public good. Broadcasting is the best medium to bring Canadians together to share their stories, viewpoints and experiences. At this critical juncture, when the number of choices and technologies offered to Canadians is increasing at a faster pace than ever before, we need to allow the Canadian broadcasting system to seize opportunities and continue to respond to the public interest needs of Canadians.

There have been many studies that have looked at various components of the broadcasting system over the last few years, the most comprehensive being the Standing Committee on Canadian Heritage's report on the Canadian broadcasting system first tabled in June of 2003. All of these studies, including François Macerola's *Review of Canadian Content in Film and Television Productions: A Matter of Cultural Identities*, Trina McQueen's *Dramatic Choices*, Guy Fournier's *What About Tomorrow? Report on Canadian French-language Drama*, and the recent Panel on Access to Third-Language Public Television Services, call on the Government to implement a host of recommendations for the advancement of the Canadian broadcasting system.

The Government has considered the recommendations made by the Standing Committee and other studies that have looked at various components of the

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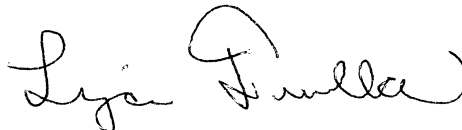
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broadcasting system over the last few years, and has taken into account the multiple links between the broadcasting system and the audio-visual sector. The conclusion of this assessment is that the Government's action plan should put at the forefront answering the needs of Canadians. By placing Canadians at the centre of our work, we will reinforce our cultural citizenship and build our cultural sovereignty. It is also important to undertake our task in a manner which is respectful of our fiscal environment, by focusing on those priorities which are most critical to achieving our objectives.

The response entitled *Reinforcing Our Cultural Sovereignty - Setting Priorities for the Canadian Broadcasting System* is an action plan for Canadian broadcasting that will guide the system over the coming years. This plan outlines the key priorities for Government, the specific actions that we intend to undertake, and presents the expected results from these initiatives. The majority of the Committee's recommendations are addressed within the action plan. That being said, the response also touches on those recommendations that are not reflected in the action plan, and includes an appendix which indicates where each recommendation is considered in the text.

The Government is committed to continuing to build a strong framework of support for the second century of Canadian broadcasting, and providing this second response is helping us to move forward to achieve that goal. I would like to thank the Committee for this unique opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Liza Frulla". The signature is fluid and cursive, with a large initial "L" and "F".

Liza Frulla, P.C., M.P.

Enclosure

1.0 Introduction

Canada's expansive geography, spanning several time zones, its diverse population, and two official languages have made our broadcasting system a vital tool for allowing Canadians to share their stories, viewpoints and experiences, and to share their cultural citizenship. The Canadian broadcasting system allows for the development of our radio and television industries along with the music and film industries. In an environment where the number of choices and technologies offered to Canadians is quickly increasing, the importance of sound public policies that ensure a strong confident Canadian presence in a world of choice is greater than ever. Our broadcasting system has provided, and must continue to provide, a public service essential to the maintenance and enhancement of our national identity and our cultural sovereignty.

Our broadcasting system has provided, and must continue to provide, a public service essential to the maintenance and enhancement of our national identity and our cultural sovereignty.

There have been many studies that have looked at various components of the broadcasting system over the last few years, including the Standing Committee on Canadian Heritage's report, which was first tabled in June of 2003. Some of the other recent studies touching on the broadcasting system include:

Review of Canadian Content in Film and Television Productions: A Matter of Cultural Identities (Report by François Macerola commissioned by the Minister of Canadian Heritage)

Canadian Television Drama Reports – *Dramatic Choices, What About Tomorrow, and International TV Programming and Audience Trends* (Commissioned by the CRTC and Telefilm Canada)

Integration and Cultural Diversity (Report of the Panel on Access to Third-Language Public Television Services).

All of these studies called on the Government to implement a host of recommendations for the advancement of the Canadian broadcasting system. At this critical juncture, there are expectations and calls for actions to ensure that the broadcasting industry remains viable so that the Canadian broadcasting system continues to thrive and respond to the public interest needs of Canadians.

The purpose of this response is to establish the priorities that will guide the broadcasting system over the coming years. The response highlights the past successes and future challenges for the broadcasting system, and outlines the Government's action plan under three pillars: Focusing on Canadian Content, Governance and Accountability, and Looking Towards the Future. The majority of the Committee's recommendations are addressed within the action plan. That being said, the response also touches on those recommendations that are not reflected in the action plan, and includes an appendix which indicates where each recommendation is considered in the text.

2.0 Past Successes and Future Challenges and Opportunities

**The Canadian
broadcasting system
has served
Canadians' needs well.**

Over the years, the Canadian broadcasting system has served Canadians' needs well. Its strength lies in its mixed nature, comprised of public, private and community elements. As technology has progressed, the Canadian broadcasting system has improved the choices available to Canadians. In recent years, Canadians have seen a dramatic increase in the number of available broadcasting services, both Canadian and foreign, which, combined with the expanding influence of the Internet, has given Canadians unprecedented access to the world. Living next to the largest, richest, and most vibrant producer of television programming in the world, Canadians want access to what the United States has to offer, as well as the best from around the world.

Indeed, the Canadian system is a very open system. Over time, space for Canadian voices in this mix has been reserved through a number of tools: licences are required to broadcast in Canada; Canadian content quotas are used for both television and radio; direct subsidies to help produce Canadian programs through the Canadian Television Fund (CTF) and other initiatives; tax incentives; restrictions on majority foreign ownership; and the continued support of the Canadian Broadcasting Corporation (CBC), Telefilm Canada, the National Film Board (NFB) and the Canadian Radio-television and Telecommunications Commission (CRTC).

All of these tools have helped the production of, and access to, Canadian content and have benefited the various components of the broadcasting system, which are linked to one another. The broadcasting system is an inter-related ecology. Changes made to any one component of the system will impact on the others. For example, programs broadcast on a conventional television station (whether public or private) are often produced by the independent production sector. The producer employs Canadian actors, writers, directors and technicians, and for this he or she receives tax credits or support from the Canadian Television Fund (CTF), a private-public production funding partnership. Canadians watch the program on this television station either over-the-air, or via cable or satellite. The show often later moves to an educational or specialty channel for a "second window". Some programs are produced specifically for pay or specialty channels, and then repurposed for other broadcasting windows or other platforms.

Elements of change

**It is in being forward
looking that the
components of the system
can transform challenges
into opportunities.**

The Canadian broadcasting system has responded to the public interest needs of Canadians in a remarkable manner. It has also shown its capacity to evolve within the context of cultural, social, technological and economic changes. It is in being forward looking that the components of the system can transform challenges into opportunities. That said, we should not underestimate the challenges posed by the changes described below.

One of the factors that has an effect on the Canadian broadcasting system is technological change. It modifies the creative process and opens the door to different methods of consuming content, creating new opportunities. Canada has the second highest broadband penetration in the world. Canadians' substantial use of the Internet is expected to transform the world of audio-visual content by continuing to increase the number of choices available. There are also other sources of competition for Canadians' leisure time, including console games and rental or purchase of videos and DVDs. High-definition television is on the rise, with 5.6% of Canadian households owning an HD monitor in 2004, a 65% increase over the previous year.

Media habits are being altered as a generation of users become accustomed to the unlimited choice and time-shifting flexibility offered by personal video recorders, new video on demand services, and broadband Internet content. Consequently, the traditional broadcasting business model based on delivering mass audiences to advertisers is being challenged as more programming choices and delivery methods are offered. For example, according to the BBM Fall Television Survey, an examination of the viewing trends of younger Canadians (2 to 11 years old), shows that their average viewing of television has declined from 15.5 hours per week to 14 hours, and teens (12 to 17 years old) from 14.1 hours to 12.9 hours in the time period 2000 to 2004.

The effect of fragmentation is accentuated by Canada's increasingly diverse population and the increased demand by Canadians for access to more choice. Close to 20% of the population lists a language other than French or English as their mother tongue. As the demographics of the Canadian population continue to evolve and as new technology allows, the demand for diverse content will likely increase. While our policies should adapt to new realities, they should also continue to build on the foundation of providing Canadian choices.

This has not diminished the desire on the part of Canadians to stay informed about Canadian issues, as witnessed by the large numbers of viewers who watch local and national Canadian news broadcasts and other genres of Canadian content. Polls show that Canadians want to hear their own voices and perspectives: a 2004 Ipsos-Reid survey indicated that 73% believe that Canadian content and programming on television and radio are important to maintaining and building Canadian culture and identity. Canadians also highly value their local content: a February 2005 survey by Decima shows that local news ranks ahead of national and international news in terms of importance to Canadians, and that 60% of Canadians strongly agree with the statement that local radio and television should play an active role in ensuring that communities receive high-quality local information.

**Canadians want
to hear their own voices
and perspectives.**

The broadcasting system continues to be shaped by the increasing convergence of the telecommunications and broadcasting industries, and the creation of media conglomerates.

Canada's broadcasting system is experiencing the realities of accelerated movement of products, ideas, people and investments between countries in a world with increasingly porous borders. The implications are many. For example, new technologies present

both challenges and opportunities for Canada’s copyright regime. The broadcasting business model, which is predicated on selling broadcast rights in discrete markets, is confronted by both the satellite transmission of signals and the borderless nature of the Internet where ease of reproduction and retransmission present daunting challenges. The economic model has shifted from one where advertising represented the principal source of revenue, to a model where subscription revenues are as important as advertising. Some large Canadian and global media companies have responded through vertical integration (acquiring assets in carriage and content), cross-promotion across media platforms, e.g. print and broadcast media, and repurposing of content across several platforms.

The challenge then becomes to create and make accessible high-quality Canadian productions in an unlimited world.

We are moving from a geographically defined broadcasting system where Canadian cultural content is delivered through a traditional broadcast model, to a broadcasting system where all those interested in audio-visual productions are able to “pull” exactly what they want and when they want it. The challenge then becomes to create and make accessible high-quality Canadian productions in an unlimited world that Canadians, or anyone in the world interested in Canadian content, can find and enjoy at any given moment.

Small or specialty broadcasters not owned by one of the larger media companies are also affected by these trends. Changing business models, technologies and viewing habits are challenging the viability of these small market and specialty services. Part of the challenge is to determine how these broadcasters can continue to provide the content, whether local or specialized, that Canadians want to receive.

In establishing its priorities and action plan, it is clear that the Government must be mindful of the fast pace and profound nature of these changes. Part of this plan will address what changes need to be made to ensure that the Government is able to monitor these developments to enable it to quickly respond.

3.0 Focusing on Canadians

The Government is of the view that the objectives of the 1991 *Broadcasting Act* are still sound and serve the system well. The Government does not see the immediate need to modify the objectives of the Act. Even if there are challenges facing the system which cannot be ignored, we have built a uniquely Canadian broadcasting system that serves us well and is the envy of many around the world. Our broadcasting system offers more than 600 private radio and television stations, a strong public and private broadcasting system, educational channels, Aboriginal services, services for official-language minority communities, multicultural and third-language channels, community services, and a wide range of foreign offerings in the English and French-language markets. Canadians have many reasons to be proud of their system. **This system reinforces our cultural citizenship, and builds our cultural sovereignty. Despite the fragmentation inherent in the growth of digital technology, broadcasting, as a mass media, remains the best means to erase distance and create a common cultural experience among Canadians.** The broadcasting system brings Canadians together and is responsible for helping Canadians share their common values, such as tolerance, openness and respect for diversity.

Broadcasting, as a mass media, remains the best means to erase distance and create a common cultural experience among Canadians.

In setting its action plan for the broadcasting industry, the Government is focusing on responding to Canadians, with an accent on creative cultural expression. To do so, the Government sets out the following strategic priorities:

- Reaching audiences by ensuring a healthy supply chain continuum from creator to citizen, so that Canadian content is available and accessible to Canadians;
- Reflecting ourselves by reflecting Canada’s rich linguistic, ethno-cultural, Aboriginal, and regional diversity as our shared citizenship and common values;
- Investing in excellence by focusing on cultural excellence and rewarding success;
- Harnessing the opportunities of new technologies by taking a proactive approach to technological change in order to take full advantage of its benefits; and
- Reaching the world by developing international markets so that we can share Canadian talent and culture with the world.

The Government also acknowledges that there are challenges facing the broader audio-visual system that are being examined by the Government and by various Parliamentary Committees, including the Standing Committee on Canadian Heritage’s study on the Canadian feature film industry, and the Standing Senate Committee on Transport and Communications’ study of the current state of the Canadian media industries. The Government is looking forward to the outcomes of these two processes.

In the meantime, the Government has considered the recommendations made in the Standing Committee on Canadian Heritage’s June 2003 report and other studies

By placing Canadians at the centre of our work, we will reinforce our cultural citizenship and build our cultural sovereignty.

previously mentioned in developing its action plan. The conclusion of this assessment is that the Government's action plan should put at the forefront answering the needs of Canadians. By placing Canadians at the centre of our work, we will reinforce our cultural citizenship and build our cultural sovereignty. It is also important to undertake our task in a manner which is respectful of our fiscal environment, by focusing on those priorities which are most critical to achieving our objectives.

Accordingly, the Government's action plan is centred on actions which can be thematically grouped under three pillars - those that focus on Canadian content, those that address governance and accountability issues, and those that look towards the future of the broadcasting system.

4.0 Pillar 1 – Focusing on Canadian Content

Challenges

Programming provided by the Canadian broadcasting system is intended to inform, enlighten and entertain Canadians. Several challenges are having an impact on the creation of distinctive Canadian programming that reaches out to and reflects Canadians in all communities. These challenges can be summarized as follows:

- Audience fragmentation is a reality. Canadians are also accessing cultural content in many different ways. These two factors are challenging the current economic models of funding Canadian content in French and in English.
- Securing a place for Canadian culture has always been a challenge, with a market characterized by two official languages, regional and multicultural diversity and a small population. In a fragmented universe, the Government must make choices in setting its priorities.
- Canadians have made it clear that local and regional content is important to them. Local news is the most important type of news to Canadians, ranked over national or international news. If the Government is to respond to Canadians' needs, the focus must shift from the provider to the citizen, by looking at all of the various media that serve Canadians in a given community.
- Funding Canadian content is complex. There is a multiplicity of funds with different rules and guidelines. This has an impact in terms of administrative costs, increased complexity for producers and broadcasters and lack of focus in terms of key programming priorities. There is a need to simplify the system.

Canadians have made it clear that local and regional content is important to them.

The Government's Approach

Taking into account these challenges, the Government is adopting the following approaches:

- In an environment where funding the economic model for broadcasting is under stress, the Government will
 - put more emphasis on high-quality Canadian content that reaches wide audiences in the Francophone or Anglophone markets, and that tells Canadian stories and reflects Canada in all its diversity. It is this type of programming that brings us together through common experiences.

The Government will put more emphasis on high-quality Canadian content that reaches wide audiences.

- put emphasis on funding Canadian drama, children’s programming, cultural programming, and documentaries that reaches wide audiences.
- provide the CBC with specific funding for the provision of high-impact programming consistent with its public service mandate.
- consider a number of measures to simplify funding in order to provide greater economic efficiencies and improved priority setting.
- The issue of local and regional programming, and in particular local news, will be looked at not from the perspective of which media or elements of the broadcasting system are involved in providing the information, but rather from the perspective of Canadians living in individual communities. Communities can and should be served by different media appropriately, depending on their demographic make-up and their needs.
- The issues for Aboriginal media are specific and need a different focus. The Government will reshape its Aboriginal programs into a new integrated program framework dealing with Aboriginal languages and cultures.
- It is not only important that Canadian content be produced, but that it be accessible to as many Canadians as possible including those with disabilities.

Specific measures

Canadian Broadcasting Corporation (CBC)

Recommendations 6.1, 6.3, 6.4, 6.6, 19.10

The CBC is a unique and essential instrument in the Canadian broadcasting and cultural landscape.

The CBC is a unique and essential instrument in the Canadian broadcasting and cultural landscape, and the Government believes it has a special role to play in reflecting Canadians across its radio, television and new media services and in providing high-impact Canadian programming. This is recognized in the *Broadcasting Act*. Section 3(1)(n) of the Act states that any conflicts between the CBC and the interest of any other broadcasting undertaking will be resolved in the public interest, and where the public interest would be equally served by resolving the conflict in favour of either, it will be resolved in favour with the objectives set out for the CBC.

To help the CBC in meeting its Canadian programming objectives, **the Government has provided an additional \$60M for 2005–2006 to the CBC and will set aside an envelope for the CBC within the CTF based on the historical average contributed by the CTF to CBC projects.**

Under the new governance framework for Canada’s Crown corporations released on February 17, 2005, Ministers will issue a statement of priorities and accountabilities to Crown corporations within their portfolios. The statement will be subject to an

annual review and help form the basis for a periodic review of the corporations' performance.

In that context, **the Government will request that the CBC Board of Directors deliver a strategic plan to the Government for the CBC television services in French and English by September 2005** that focuses on providing high-impact Canadian content that creates a common cultural experience among Canadians. It would also put emphasis on providing news and current affairs programming, documentaries, children's and cultural programming, and, during peak viewing periods, drama. In doing this, the Government has no intention of venturing into the specifics of programming decisions or of the CBC's day to day operations. As outlined in the *Broadcasting Act*, the Government fully recognizes the freedom of expression and the journalistic, creative and programming independence enjoyed by the CBC. Consequently, the Government will consult with the CBC's Board in developing a statement of priorities.

The Government considers that while CBC's programming should be appealing to Canadians, it should not seek the largest audiences at all costs. In other words, the CBC should work to attract as large an audience as possible while focusing on the genres that make it a truly distinctive public service. It is with this in mind that the previously noted consultation on priorities will take place.

Canadian Television Fund (CTF)

Recommendations 5.8, 5.9, 5.10

The *Broadcasting Act* sets out the importance of the independent production sector in section 3(1)(i)(v). The Government also recognizes that funding for certain categories of Canadian television programming is required. Over the last few years, the CRTC's television licensing decisions and regulations have created a demand for prime time Canadian television programming. In other words, because new services have been licensed, more Canadian content is required. During the same period, the international market for television programming, particularly for drama, has shrunk considerably, thus reducing the financing available to produce Canadian programs.

**The Government
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system.**

The Government recognizes the CTF as an essential component of the Canadian broadcasting system and the most appropriate tool to support high-quality, distinctively Canadian television programming in five genres: drama, documentary, children's and youth, variety and performing arts in both official languages and in Aboriginal languages.

The Government acknowledges the improvements which Telefilm Canada and the Board of the Canadian Television Fund Corporation have made to both the governance and the administration of the Fund.

The CTF Board has strengthened its governance by increasing the number of independent directors and creating a permanent independent committee. In addition,

Funding earmarked to support the development of Canadian content should be used by content creators to help them create.

working within the program's existing mandate, the CTF Board made changes to the application and decision-making process designed to create more predictability, faster decisions and lower administration costs. These actions addressed the main criticism that producers had to follow a dual application and assessment process.

The Government continues to be of the view that increased efficiencies in the administration of funding is key for both private and public funding programs. There are a number of private sector funding programs to support the production of Canadian television content. These private funds are often established as a result of CRTC regulatory action. While each fund has its merit, the Government is not convinced that, looking forward, creating new private funds is the most efficient approach. In other words, funding earmarked to support the development of Canadian content should be used by content creators to help them create, not understand how to apply to many different funding programs. With this in mind, the Government will take four steps.

First, the Government will work with both Telefilm Canada and the CTF Corporation to investigate the efficiency and impact of the Equity Investment Program for television by April 2006.

Second, the evaluation of the CTF, for which results are expected in spring 2005, will give particular attention to assessing the efficiency of the Fund. This work will be done in parallel with the continuous efforts of the CTF Corporation and Telefilm Canada to make the Fund more efficient.

Third, the Government is working with stakeholders to bring changes to the governance and administration of the CTF by June 2005.

Fourth, the Government expects that the CRTC will review its approach to handling benefits money from television ownership transactions in the future, which has previously resulted in the creation of a multiplicity of funds, with a view to channelling part of those benefits to the CTF.

Another important and successful tool to support the production of Canadian television and films and to further the development of the production industry in Canada is the Canadian Film or Video Production Tax Credit (CPTC).

Tax Credit System

Recommendations 5.2, 5.5, 5.6

Another important and successful tool to support the production of Canadian television and films and to further the development of the production industry in Canada is the Canadian Film or Video Production Tax Credit (CPTC).

The CPTC has recently been the object of a number of changes to make it more beneficial to independent producers. However, the point system for the certification of funding has not been changed. Informal consultations by the Department with many interested parties following the publication of both the report of the Committee and the Macerola report entitled *Canadian Content in the 21st Century in Film and Television Productions: a Matter of Cultural Identity* on the definition

of Canadian content have showed that there is no consensus on the need or the better way to revise the existing point systems for certification funding, and production of Canadian television programming.

Nevertheless, the Government will be looking at further changes to the CPTC in three different ways.

First, **the Government, through the Canadian Audio-Visual Certification Office (CAVCO), is consulting with stakeholders on several specific proposals to further efficiency.**

Second, the Government, through CAVCO, will be creating an **advisory committee** to act as a sounding board for future policy and process decisions and to keep abreast of the challenges facing the industry.

Third, **the Government will assess the current CPTC in 2005 with a view to make it a more efficient instrument to support the production of Canadian content.**

Informed Participation in Canadian Society

Recommendations 9.2, 9.5, 9.8, 11.1, 11.2, 11.3, 11.4

The Government acknowledges the special role the broadcasting system has in reaching out to Canadian communities across the country, and increasing the diversity of voices, contributing to our sense of national identity and cultural sovereignty. The *Broadcasting Act* states that the Canadian broadcasting system should provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern.

**The Government
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It should be noted that Canadians are accessing news and public affairs information through a variety of mediums – including television, radio, Internet, newspapers and magazines. Communities can and should be served by different types of media differently depending on their demographic make-up and their needs. According to a 2005 Decima study, television and radio, including the services of the CBC, were the primary sources of local news for 54% of Canadians.

The Standing Senate Committee on Transport and Communications is studying the current state of the Canadian media industries. The Committee's report will help to assess the impact of convergence and frame the context for future policy decisions in this area. The Government looks forward to the conclusions of the Standing Senate Committee on this subject.

However, a pressing issue is maintaining the diversity of voices at the local and regional level in a changing communications environment. In December 2004, the Government received the CBC's strategic plan and resource estimates to deliver increased local and regional programming. The Government believes that local and regional programming is the responsibility of all of the components of the system, including the private broadcasters, distributors, public broadcasters and community

broadcasters. The CBC's role in local and regional programming cannot be looked at in isolation from the other components of the Canadian broadcasting system. In the Government's view, the issue of local and regional programming, especially news and information programming, should be looked at from the perspective of Canadians living in individual communities. It is important that the result of policies and regulations be assessed to ensure the Canadian broadcasting system can continue to support news and information programming and a diversity of voices.

Accordingly, **the Government intends to use its powers as set out in section 7 of the *Broadcasting Act* to direct the CRTC to ensure that Canadians from communities of various sizes have access to an appropriate level of local and regional news and public affairs programming from a variety of sources.** It will consult the CRTC and Parliament as part of this process.

Aboriginal Broadcasting

Recommendations 7.1, 7.2, 7.3, 10.1, 10.2, 10.3, 10.4, 10.5

The Government affirms its belief in the importance of fostering the development of an Aboriginal production and broadcast community.

The Government recognizes that the *Broadcasting Act* reserves a special place for Aboriginal peoples within the Canadian broadcasting system, and affirms its belief in the importance of fostering the development of an Aboriginal production and broadcast community. The Government is of the view that the current phrasing of the *Broadcasting Act* has allowed the system to evolve and does not prevent Aboriginal Canadians from receiving services.

The Department of Canadian Heritage recently examined its Aboriginal Peoples' Program initiatives as a whole. In consultation with Aboriginal and government stakeholders, and informed by evaluations, audits and research, the Department, in consultation with Aboriginal communities, is currently reshaping its Aboriginal programs into a new integrated program framework dealing with Aboriginal languages and cultures.

The new program will cluster current program initiatives under three pillars: support for Aboriginal organizations; support for Aboriginal community projects, and support for Aboriginal languages and cultures. The wide-ranging needs associated with Aboriginal broadcasting, including the issue of versioning to bridge communities, will be considered in the process of developing this larger federal strategy.

As part of this program, the Government is considering ways to bring Aboriginal broadcasting equipment to industry standards and maintain it, and to improve Aboriginal productions and expand their reach through the Aboriginal Peoples Television Network, mainstream media and specialty channels.

The Government also notes the need for an appropriate mechanism to support Aboriginal television production. As part of this work, in June 2003, the Department of Canadian Heritage, in partnership with Telefilm Canada, the CTF, the CBC and the NFB, commissioned a study, submitted in September 2004 and entitled *At the Crossroads*. This study evaluated the capacity of existing and new initiatives to

support the development of Aboriginal voices in the audio-visual industry. The Department of Canadian Heritage will continue to explore the issues raised in the report, as well as ongoing issues related to Aboriginal production.

Access to the Cable Public Affairs Channel (CPAC)

Recommendations 7.4, 7.5

CPAC is a valuable and significant component of the broadcasting system. Its coverage of Parliamentary proceedings provides a unique and vital service by keeping Canadians informed of matters of public concern and the differing views expressed within the Parliamentary system. The Government considers that every effort should be made to ensure that the service be made available in both official languages to as many Canadians as possible.

CPAC is a valuable and significant component of the broadcasting system.

Currently, CPAC is available to 100% of direct-to-home DTH satellite subscribers in both official languages. **By June 2005, the Governor in Council will direct the CRTC to make it mandatory for all but the very smallest cable distribution undertakings to carry CPAC in English and French, covering 97 percent of all cable subscribers.** To put the direction in place, the CRTC will have to modify its *Broadcasting Distribution Regulations*.

On a related matter, in September 2002, the CRTC amended the *Broadcasting Distribution Regulations* to ensure that CPAC is protected from displacement by closed-circuit video programming in hotels. All cable licensees have been asked to notify their hotel/motel customers of the change in the *Broadcasting Distribution Regulations* which took effect September 1, 2002. The CRTC has indicated that it has received no complaints regarding the displacement of the CPAC signal on hotel/motel closed-circuit video systems.

Access for Persons with Disabilities

Recommendations 15.1, 15.2, 15.3, 15.4, 15.5

The Government recognizes the importance of closed-captioning and descriptive video services to many Canadians as this is the means by which they have access to Canadian content.

The Government is of the view that the current phrasing of the *Broadcasting Act* has allowed the system to evolve and does not prevent Canadians with disabilities from receiving services.

The Government recognizes the importance of closed-captioning and descriptive video services.

There are a number of ways that the Government's objectives in this area can be achieved: through the CRTC's regulations, through the voluntary efforts of Canada's broadcasters, through program incentives, and through other government initiatives.

Currently, the CRTC imposes a graduated level of requirements, expectations and conditions of licence on conventional, specialty and pay broadcasters with respect to closed-captioning. These obligations also depend on the genre of production, the

language of the programming (English, French or third-language) and the mode of distribution (analog or digital).

Nevertheless, the Government recognizes that more progress has been made for English-language programming than for French-language programming. **It expects the CRTC to look at ways to put emphasis on accelerating closed-captioning, especially for French-language programming.**

5.0 Pillar 2 – Governance and Accountability

The current broadcasting system is a success based on the contribution of creators, producers, broadcasters, distributors and by the various audio-visual organizations. If the viability of the system is to be ensured, and resources put towards creating high-impact and high-quality Canadian content, there are certain areas of action where the Government can improve the governance and accountability of the various parts of the system.

Challenges

In particular, the system faces the following challenges:

- Increasingly, Canadians are expecting good governance, whether from the Government or its various organizations.
- Regulation has been and remains a key tool to maintain the provision of, and access to, Canadian content. Changes in technology are taking place at a fast pace and have wide-ranging implications to the way people have access to audio-visual content. The Government is committed to a regulatory system and policies that instill and protect public trust and confidence, support innovation and foster a favourable broadcasting environment. The Government acknowledges that issues have been raised with respect to the timeliness with which the CRTC renders decisions, the process by which Government makes appointments to the CRTC, and the CRTC's capacity to enforce its decisions.
- Canadians and the broadcasting industry are looking to the Government for leadership on key policy questions.
- The digital environment opens major possibilities and opportunities for creators but also creates challenges. It is increasingly important to have the right copyright policy framework for the future.

Regulation has been and remains a key tool to maintain the provision of, and access to, Canadian content.

The Government's Approach

To respond to these challenges, the Government will focus on:

- Aligning the mandates of its key organizations and increasing clarity in the system.
- Providing general guidance on government objectives and expectations where appropriate, as provided for in the Treasury Board's report on Crown corporations.

The regulatory system needs to ensure the presence of strong, innovative broadcasters.

- Working with the CRTC to ensure its regulatory processes in broadcasting are made more efficient through smart regulation. The regulatory system needs to ensure the presence of strong, innovative broadcasters, as part of a modern policy framework.
- Ensuring that the CRTC continues to have the right resources in place for the assessment of both current regulatory policies and future regulatory policy directions.
- Pursuing copyright revisions to update the *Copyright Act* to respond to the challenges of the Internet, and to respond to the *Interim Report on Copyright Reform*, tabled by the Standing Committee on Canadian Heritage.

Alignment of Mandates

Recommendation 5.3, 5.7

The Government's policy instruments to support Canadian broadcasting include the CBC, Telefilm Canada, the CTF, the NFB, the tax credit, certification of content as Canadian, the CRTC, and programs administered by the Department of Canadian Heritage. They each have their own unique role and overall have contributed remarkably in a complementary manner to the development of the Canadian broadcasting system and the audio-visual sector. However, there have been times when roles have overlapped, notably in the areas of international presence, training and development, and in providing financial support to audio-visual projects.

Significant benefits can be achieved without the disruptions that would be created by major structural changes in the system.

The Government is of the view that a major review of the mandates of its organizations is not required. Steps have already been taken to clarify the roles of the organizations and programs with which the Government supports Canadian broadcasting. These steps were designed to ensure that the organizations and programs work more closely together and in a more complementary way to pursue the goals of the broadcasting system. The Government will be proposing further changes as outlined below. To make meaningful headway on its priorities

however, the Government considers that significant benefits can be achieved without the disruptions that would be created by major structural changes in the system.

Canadian Broadcasting Corporation (CBC)

The CBC has a special role to play in reflecting Canadians across its radio, television and new media services and in providing high-impact Canadian programming. It should put emphasis on providing news and current affairs programming, documentaries, children's and cultural programming, and, during peak viewing periods, drama. The Government considers that while CBC's programming should be appealing to Canadians, it should not seek the largest audiences at all costs. In other words, the CBC should work to attract as large an audience as possible while focusing on the genres that make it a truly distinctive public service. As noted earlier, **the Government will request the CBC Board of Directors to develop a strategic plan for the CBC main**

television services in French and in English by September 2005. (See section on CBC under Focusing on Canadian Content for more information)

Telefilm Canada

Over the years, Telefilm Canada has been dedicated to the development and promotion of the Canadian film, television, and new media industries to ensure the widest possible audience for Canadian works in diverse genres. Telefilm has provided financial assistance for the development of projects, and for program production and distribution in Canada and abroad which reflect Canadian culture and the plurality of voices. It has been an essential instrument for the international outreach, marketing and visibility for Canadian content and generally to build the overall capacity of the Canadian audio-visual industry through, for example, co-production agreements and marketing the industry abroad. Overall, Telefilm has been the key instrument for the development of an audio-visual sector in Canada, including through its support for training initiatives.

**Telefilm has been
the key instrument
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in Canada.**

The Government tabled a Bill amending Telefilm's legislation to clarify and confirm its role in audio-visual media and provide Telefilm with the necessary authorities to continue its current activities. The Bill was passed by the House of Commons on December 13, 2004 and was tabled in the Senate for consideration. **The Government is of the view that Telefilm Canada is the best positioned organization to continue building the system's audio-visual capacity and to ensure its long-term viability and will continue to pursue the modernization of Telefilm Canada's legislation.**

Canadian Television Fund (CTF)

Established in 1996 as a private-public partnership, the CTF has supported the creation and broadcast of Canadian programming in English, French and Aboriginal languages that is appealing to multiple audiences. Over time, the CTF has established itself as the most appropriate tool to support high-quality, distinctively Canadian television programming. Through Telefilm Canada and the CTF Corporation, the Fund has achieved remarkable success in supporting programming that reaches multiple audiences, and the Government is of the view that the role of the Fund in this area should continue.

Moving forward, the Government will determine with stakeholders how such a role can be met in partnership with, or in a complementary manner to, Telefilm Canada. This issue is linked to the governance and administration of the CTF which the Government is currently assessing with representatives from different sectors of the broadcasting system. **The Department of Canadian Heritage has already held two consultations on the CTF (October 1, 2003 and April 15, 2004) and is currently working with stakeholders to decide on the appropriate actions to be undertaken on the governance and administration of the Fund by June 2005.**

National Film Board (NFB)

The NFB has been a key agency for the production and distribution of films and other audio-visual works that reflect the cultural and social realities of Canada.

Created in 1939, the NFB has been a key agency for the production and distribution of films and other audio-visual works that reflect the cultural and social realities of Canada as well as the point of view of Canadian creators in matters that are important to Canadians and the rest of the world. Since its very beginning, it has played a crucial role in Canadian and international filmmaking. Over the years, the NFB has developed a pool of talent and has nurtured the best audio-visual creators in this country and has made its mark with respect to innovation and technology. In the ecology of the broadcasting system in Canada, the NFB has its own unique niche, and it should continue to be that way in the future.

The Government continues to be of the view that the NFB is well suited to further the development of engaging and diversified audio-visual content, and to continue to develop talent, innovate technologically, offer a diversity of voices, and show Canada’s diversity to a world audience, in particular through documentary and animated works.

Centralization of Canadian Content Certification

The Government has begun work on centralizing the certification of Canadian content. The Department of Canadian Heritage commissioned a second report on the issue of harmonizing the federal support system for film and television – *Harmonization Study – IT Systems of the Federal Support System for Film and Television* (February 2004) – and is currently working with Telefilm Canada, the CTF, and the Canada Revenue Agency to review the report’s conclusions. The CRTC will also soon be involved with this process.

The Government will focus the mandate of the Canadian Audio-Visual Certification Office (CAVCO) and task it to conduct Canadian content certification on behalf of federal agencies and programs.

An Efficient and Effective Regulator

Recommendation 5.13, 18.1, 18.2, 18.3, 19.5, 19.7, 19.8, 19.11, 19.12

The CRTC plays a fundamental role in helping the broadcasting system achieve the objectives set out in the Act.

The CRTC is one of the world’s first bodies to act as a single regulator of both the telecommunications and broadcasting sector. This is a sound structure appropriate for a converged environment, and an efficient and aligned system. Other countries, such as the United Kingdom and Australia, have moved towards establishing similar models.

Regulation is a key tool to maintain the provision of and access to Canadian content, and the CRTC plays a fundamental role in helping the broadcasting system achieve the objectives set out in the Act. It has ensured that the system is very open by licensing and authorizing an increasing number of broadcasting services, while preserving a space and place for Canadian voices in this mix. Interpreting and balancing the objectives of the

Broadcasting Act and the many and varied expectations of private and public sector stakeholders is challenging. The CRTC, as the system's regulator, functions in close alignment with the other components of the system. Its public policy role is limited to regulatory policy and implementing its mandate under the Act.

To adequately meet the objectives of the Act, the CRTC cannot, as the Committee recommended, be focused solely on cultural objectives. As the single supervisor of the system, the CRTC is mandated by the Act to pursue social, cultural and economic objectives. In doing this, the Act gives the CRTC the necessary capacity to make decisions regarding the nature of the services and programming offered to Canadians. As well, the CRTC's decisions guide the evolution and the structure of the industry. The Government is confident that the CRTC will continue to balance the objectives set out in the Act when carrying out its mandate and this approach is for the benefit of the system.

The Government believes that a review of the CRTC's role in regulating the broadcasting sector is not required. The Government has confidence in the CRTC and the importance of its role in achieving national public policy objectives. The CRTC has delivered on its mandate well. However, in a time of constant change, institutions must seek constant renewal. The Government will take steps to help the continued improvement of the CRTC by addressing specific concerns, including those raised by the Committee:

The Government has confidence in the CRTC and the importance of its role in achieving national public policy objectives.

Decision making

- The Treasury Board announced a new Policy on Service Standards for External Fees on December 9, 2004. The Policy requires departments and agencies that have external fees to develop service standards, in consultation with key stakeholders, and to formally report these standards and consultation outcomes annually to Parliament.
- While the policy on service standards will help ensure the timeliness of the CRTC's decisions, the Government also believes that the CRTC must continue to implement smart and efficient regulatory practices. This is in accordance with Section 5(2)(g) of the *Broadcasting Act* which indicates that the Canadian broadcasting system should be regulated and supervised in a flexible manner and is sensitive to the administrative burden.
- The CRTC should systematically review its regulatory policies and regulations to determine if they are achieving their stated objectives and indeed whether those objectives remain valid in an ever-changing environment.
- The CRTC has acknowledged its important role as a facilitator and a catalyst in ensuring that relations among the various sectors of the broadcasting system are aligned towards common policy objectives. As part of its efforts to streamline its procedures, the Government supports the CRTC in its efforts to play a proactive role in ensuring that disputes between distributors, broadcasters or independent producers are resolved in an effective and timely

fashion, through alternative dispute resolution or otherwise. The CRTC should ensure that distributors' business practices do not, as a result, obstruct an appropriate access to broadcasting services that are not part of larger groups, and that help to meet public policy objectives by ensuring a diversity of voices and content.

- Pursuant to Section 15 of the *Broadcasting Act*, the Government will request that the CRTC prepare annual reports concerning the steps it has taken 1) to continue to provide regulatory certainty through timely decision making; 2) to review its rules and regulations to make them more effective, efficient, and streamlined.

This approach is designed to improve the regulator's efficiency in light of the Government's broader smart regulation agenda.

- This approach is not intended to be a vast deregulatory agenda. Regulation of the Canadian broadcasting system serves a valid and necessary public interest function. Rather, it is designed to improve the regulator's efficiency in light of the Government's broader smart regulation agenda.

CRTC's powers to enforce broadcasting regulation

- Currently, the CRTC has several tools to ensure compliance including issuing a mandatory order to the licensee to comply, revoking or suspending a licence, or renewing a licence for a shorter than usual period, or choosing not to renew a licence. These tools have been appropriately used by the CRTC to ensure compliance with its decisions.
- That being said, **the Government will explore the ability for the CRTC to impose monetary penalties to enforce broadcasting regulation in parallel with its ability to impose such penalties in the field of telecommunications.**

Appointments

In March 2004, the Government of Canada announced a new merit-based appointment process.

- In March 2004, the Government of Canada announced a new merit-based appointment process for chief executive officers, directors and chairs of Crown corporations, which includes a parliamentary review. Organizations such as the CRTC were also asked to establish a competency profile for appointment purposes. In addition, under the provisions of the *Conflict of Interest and Post-Employment Code For Public Office Holders*, commissioners are prohibited from being employed by regulated companies for a year after they have left the CRTC.
- **The Government will ensure that the CRTC has the appropriate number of commissioners, with the appropriate levels of expertise to be effective in the context of the evolving environment, and that these appointments be made in a timely fashion.**

Relationship with the Competition Bureau

- The Government notes that the CRTC is mandated by the *Broadcasting Act* to pursue social, cultural and economic objectives. The Act gives the CRTC the necessary capacity to make decisions regarding the nature of the services and programming offered to Canadians and guiding the evolution and the structure of the industry. The Government has confidence that the CRTC will continue to balance these objectives in making its regulatory policies and decisions.

Performance Measurement

Recommendations 5.4, 5.11, 8.2, 9.9, 9.10, 12.9, 19.13, 19.14, 19.15, 19.16, 19.17

The Government places fundamental importance on the transparency and accountability of the Canadian broadcasting system, which can be seen in its policies of modern comptrollership. The Government has taken steps to ensure that the tools with which it supports the Canadian broadcasting system provide increased accountability.

**The Government places
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system.**

As noted, under the new governance framework for Canada’s Crown corporations, Ministers will issue a statement of priorities and accountabilities to Crown corporations within their portfolios. These statements will be subject to an annual review and help form the basis for a periodic review of the corporations’ performance.

With respect to funding programs, they will continue to be structured from the ground-up to be in compliance with Treasury Board guidelines on reporting. For example, in 2003, an audit of the CTF was conducted to provide an assessment of the management controls and risk management frameworks, as well as information that could be used to enhance its success in meeting its objectives. The Department of Canadian Heritage is now working with the CTF and Telefilm Canada to update the Results-Based Management and Accountability Framework for the Fund. The CTF’s Board of Directors is also working to improve its audience measurement data. As a new measure, **the Minister of Canadian Heritage will undertake to table the annual report of the CTF Corporation in Parliament.** The intent is to ensure reporting to Parliament of the results of this very important public-private partnership in support of Canadian television programming.

As for the CRTC, it is mandated under the *Broadcasting Act* to supervise the system as well as to regulate it. As required under the *Canadian Radio-television and Telecommunications Commission Act*, it issues an annual Performance Report in accordance with Treasury Board guidelines. In addition, the CRTC has an annual Broadcasting Policy Monitoring Report (BPMR) designed to “... provide an ongoing assessment of the impact of the many new regulatory frameworks implemented by the CRTC since 1997” and “... to foster a more open and better-informed discussion of broadcasting policy in Canada”. The BPMR has been revised in each successive year, to better achieve these objectives.

Although there is a great deal of information already available on the broadcasting system in various organizations, the Government recognizes that this gathering of information may not be taking place in the most systematic and efficient way. To further align performance measurement, streamline the collection of data, and better understand how measurements of value can be ascertained, the Government is assessing what information is already being collected, pinpointing gaps, and determining how best to address those gaps.

The Government will look at making it easier to find the information under one roof.

More specifically, the Government will look at making it easier to find the information under one roof. It will also address some of the gaps that have been identified, such as information on: the system's progress on diversity, gender equality, technological trends, the community, local and regional programming sector, and the CRTC's progress in streamlining its decision-making process. The Government notes that the *Broadcasting Act* provides the CRTC with the ability to use information and advice from other parts of the system to measure and undertake research. **The Government expects the CRTC to provide additional information in its BPMR to address the above-mentioned gaps. The Government will ensure that the BPMR is provided to Parliamentary Committees.**

The Government will continue its work to evaluate the performance measurement of the broadcasting system as it evolves. To effectively identify and track audio-visual works for both performance measurement and rights management purposes, many have suggested that all audio-visual content should be assigned a unique number to track investment, promotion and audience levels. **The Government agrees that the concept of assigning a distinct identifier is sound, and invites the industry to provide proposals in the context of the Government's current funding programs.**

6.0 Pillar 3 – Looking Towards the Future

In the previous two sections, the Government has set out actions that deal with issues as they apply to the current system. This pillar addresses those actions that are necessary to ensure that the system can adapt to technological changes, and that the right tools are in place to allow the Government to provide increased policy leadership as these changes come about.

Challenges

While the advent of new technologies holds promise, it also presents challenges to the current system and its future evolution. It provides increased choice and opportunity for Canadians and the industry but also increased challenges to the public interest. The digital transition can be looked at on both the short term and longer-term levels. In the short term, the existing digital transition for broadcasting has already started and much work has been done, both by the CRTC and by some players in the broadcasting system. Nevertheless some important challenges still exist. In the longer term, broader trends with respect to changes in technology will lead to significant changes in the system. Challenges for the short term include:

While the advent of new technologies holds promise, it also presents challenges to the current system and its future evolution.

- While cable and satellite are increasingly in a position to participate fully in the digital transition (including the high-definition television (HDTV) transition), there remain questions about the capacity available in the system and the impact this might have on the diversity of choices available to Canadians.
- In comparison to developments in the United States, very few broadcasters or producers have begun the transition to HDTV. The lack of HDTV production and broadcast raises serious questions as to whether the Canadian production and broadcasting industry will be able to answer the call if there is a quick move to HDTV by Canadians. The Government and the industry cannot afford to ignore the developments in the United States (whose over-the-air signals are available in Canada) and the impact they will have on consumer choice and preferences.

In the longer term, challenges include:

- Technological changes which are challenging business models as well as how Canadian cultural content is consumed. While current economic and distribution models may still be valid for the near future, they could also change quickly.
- Ensuring that Canadians' heritage is not lost due to deterioration in audio-visual content, changes in format, or technological evolution.

- The rapid pace of technological change is providing different ways to access cultural content, which is fragmenting the audience and requiring new methods for measuring success.

The Government's Approach

Canadians deserve a broadcasting system which is world class not only from a content perspective, but also from a technical perspective.

Canadians deserve a broadcasting system which is world class not only from a content perspective, but also from a technical perspective. In response to the many challenges in this area, the Government will focus on:

- Addressing the remaining digital transition issues that are not being dealt with by the current proposed regulatory approaches. This includes HDTV broadcasting and production, and the role that the public broadcaster can play in the transition.
- Preserving our audio-visual content.
- Putting in place the necessary tools to ensure that the Government can track trends and act on a proactive rather than a reactive basis.

The Current Digital Transition

Recommendations 6.5, 8.3, 12.1, 12.2, 12.3, 12.10

It is the Government's role to encourage the acceleration of the transition by working with the regulator and the industry to eliminate any impediments.

The transition is taking place at a different pace in all parts of the system, including the production, broadcasting and distribution levels, and each segment has its own set of challenges and concerns. It is the Government's role to encourage the acceleration of the transition by working with the regulator and the industry to eliminate any impediments.

At the policy and regulatory level, much of the work has been done. For its part, the Government has addressed key recommendations contained in the 1997 Report of the Industry Task Force on the Implementation of Digital Television, established standards for over-the-air digital television broadcasting in Canada, and published a plan which provides a digital spectrum allotment for every analog station. To set the framework for the transition, the CRTC has, among other things, issued a licensing policy framework to oversee the transition from analog to digital over-the-air broadcasting, published a regulatory framework for interactive television services and called for comments on a proposed framework for the licensing and distribution of high-definition pay and specialty services.

The Departments of Canadian Heritage and of Industry are working in partnership to focus on the remaining digital transition issues that are not being addressed by the proposed regulatory approaches. This includes, among other issues, orbital slots and HDTV production.

Distributors have raised concerns that not enough digital content is being produced. **The Government believes it is important that its programs should encourage producers and broadcasters to make the transition. The Government will review its current approach to ensure that its programs encourage, not impede, the transition.**

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The broadcasting industry has formed Canadian Digital Television (CDTV Inc.), a private sector organization which is working with the Government to coordinate the transition to DTV. However, the transition is not going as fast as expected as there is no clear source of increased revenues for private television. The Department of Canadian Heritage has also been working with the CBC to assess the capital funding requirements for the CBC's transition to digital television. The Government believes that the CBC can play a leadership role in the transition to digital television. **The Government invites the CBC to submit a fully developed plan for its transition to digital, including HDTV, encompassing both its transmission infrastructure and production costs.** However, the CBC is not the system's only over-the-air broadcaster, and the Government is confident that the CRTC will actively encourage the industry, and in particular, Canada's private conventional broadcasters, to accelerate their transition to digital.

The cost of the transition and the lack of business models to sustain those costs are not the only impediments for the industry. The lack of transmission facilities and the capacity of the system to distribute digital signals have also been raised as concerns. **The Government recognizes the importance of securing orbital slots for satellites to ensure that there is room for Canadian content as the transition occurs.**

With respect to the fees, the Government agreed to further study the orbital slot fees paid for use of radio spectrum at orbital positions by Canadian satellites that carry broadcasting services. This examination, which is part of a larger review of the way Canada licenses these satellites, is underway. The study involves consulting the Canadian satellite industry on an appropriate fee for the use of the radio spectrum by Canadian satellites at orbital positions, which is expected to take place in 2005. **Industry Canada expects that the results of this review of the fees, and a revised fee for affected satellite licences, would be carried in accordance with the requirements of the *User Fees Act* for consideration in 2007.**

In this rapidly evolving environment, the Government also recognizes the importance of preserving Canadian audio-visual materials. A strategic approach is being taken to ensure the best materials are preserved for, and accessible by, future generations.

The Canadian Culture Online Program of the Department of Canadian Heritage supports the digitization and online presentation of Canadian cultural collections, and has invested approximately \$59M to date in projects with the CBC, NFB, the National Arts Centre, and the Library and Archives of Canada (LAC). To ensure long-term accessibility, the program already requires that internationally recognized standards be adopted by fund recipients.

Under the Government’s feature film policy, important Canadian feature films are acquired, restored, and preserved. Telefilm Canada requires that producers submit copies of any work it supports to the LAC.

The LAC creates a single point of responsibility for the acquisition and preservation of audio-visual documentary heritage of national significance from both private and public sources, whether published or unpublished.

Planning for the Future

The Government recognizes that it needs to take the necessary steps today to plan for the future of the Canadian broadcasting system.

The Government recognizes that it needs to take the necessary steps today to plan for the future of the Canadian broadcasting system. The Government must be able to track broader trends in technology which may lead to changes in the mid to long-term future, challenging existing models and how Canadian cultural content is used. While current economic and distribution models may still be valid for the near future, they may change quickly, and rapidly impact the viability of existing players. As such, **the Government will undertake several initiatives to assess the trends in the adoption of various technologies, and evaluate their impact on current regulatory and policy models.**

This will enable the Government to monitor its cultural policy instruments to ensure they remain appropriate. The Government will also put into place the necessary instruments to ensure that it obtains research and policy advice on a timely basis.

7.0 Other Recommendations

Recommendation 5.1

The Committee recommends that the appropriate department develop a comprehensive and integrated Canadian programming policy and strategy that:

- (a) establishes clear goals for the programs that support the creation, production, distribution and viewing of Canadian television programming;*
- (b) includes a clear statement of cultural objectives, realistic estimates of the cost of meeting these objectives and a comprehensive set of performance measures;*
- (c) simplifies the process to obtain funding so that broadcasters and producers can focus on creation and;*
- (d) includes a strong emphasis on measures to ensure that Canadian programming is viewed by Canadian audiences and that it includes appropriate support incentives and performance measures.*

Recommendation 19.3

The Committee recommends that the responsible department develop a detailed and comprehensive policy statement for Canada's broadcasting system. This policy statement should expand on section 3 of the Broadcasting Act and include appropriate definitions of key terms.

and

Recommendation 19.4

The Committee recommends that the mandates of CBC, Telefilm, NFB and CTF be more precisely related to the goals of the broadcasting system. In developing these requirements government officials should work with all interested parties and pay special attention to ensuring a consistent approach to reporting results.

The action plan that the Government has outlined in the first part of its response addresses the Committee's recommendations by establishing the priorities that will guide the broadcasting system over the coming years. In setting its priorities, the Government is focusing on serving the needs of Canadians: the Canadian broadcasting system is a shared public good that must focus on the public interest. It has centred its initiatives on those that focus on Canadian content (both entertainment and information content), address governance and accountability issues, and look towards the future of the broadcasting system. It has put forward major steps to align the mandates of its audio-visual organizations, simplify access to funding, and reach wider audiences.

The Government's action plan will ensure that the broadcasting system is well prepared for the coming challenges and will be able to produce measurable results that will allow the Government to evaluate the efficacy of its policies and programs.

DTH Distribution

Recommendation 9.3

The Committee recommends that the Government of Canada take steps to ensure that the departments and agencies responsible for the Canadian broadcasting system continue to treat the system as a single system.

Recommendation 9.4

The Committee recommends that the federal government by Order in Council direct the CRTC to revisit its decision to exempt direct-to-home (DTH) satellite services from the provision of community television services.

Recommendation 9.6

The Committee recommends that the CRTC work with broadcasting industry stakeholders to find a solution for the carriage of local signals via direct-to-home (DTH) satellite, to ensure as much local programming as is appropriate and feasible is made available to subscribers. This solution, however, should not lead to reduced contributions by DTH satellite service providers to the Canadian Television Fund.

Recommendation 9.7

The Committee recommends that the Government by Order in Council direct the CRTC to require Canada's direct-to-home (DTH) satellite service providers to carry the signals of local television stations of the CBC/SRC.

Recommendation 10.7

The Committee recommends that the CRTC require direct-to-home (DTH) satellite services to provide CBC North programming to Canada's Northern regions.

The Government notes that it must seek to attain a balance between its desire to promote the carriage of local content with the capacity limitations of the DTH providers. A number of actions have been taken since the tabling of the Committee's report to address the issue of community, local and regional carriage.

Since the Committee's report, DTH providers have improved the distribution of private local stations (see CRTC Public Notice 2003–37). Furthermore, in March 2004, the CRTC renewed the licences of both of Canada's DTH service providers – Star Choice and ExpressVu – and imposed conditions of licence pertaining to the distribution of CBC and SRC stations. Currently, ExpressVu carries 16 CBC stations (9 owned and operated), while Star Choice carries 18 CBC stations (10 owned and operated), well above the CRTC-established minimum of 5 CBC and 5 Société Radio-Canada (SRC) owned and operated conventional television stations.

In July 2003, the CRTC issued its decision to ensure DTH providers meet new commitments to carry local stations in small markets, and contribute 0.4 percent of their gross revenues from broadcasting activities to a new independently operated fund

in support of local programming. This contribution is not to be taken from distributors' contribution to the CTF, as the Committee recommended.

Community Programming

Recommendation 9.1

The Committee recommends that the CRTC require all broadcast distribution undertakings to provide community groups and volunteers with greater access to community television facilities for the production of local and community television programming.

The Government agrees with the Committee that it is critical to ensure that community, local and regional programming is created. In the new community media policy set out in Public Notice 2002-61, the CRTC recognized the importance of local community programming and access by community groups and volunteers to community television facilities, and amended the *Broadcasting Distribution Regulations* to implement minimum programming and access requirements.

CRTC

Recommendation 19.6

The Committee recommends that the Government of Canada should require as part of a redefined CRTC mandate that CRTC regulations be reviewed by the appropriate department and approved by the Governor in Council.

and

Recommendation 19.9

The Committee recommends that the CRTC's regulatory supervision of the CBC be limited to the approval of new licence applications.

The Government is of the view that it would be inappropriate for the Governor in Council to approve CRTC regulations. The Government notes that these regulations are generally adopted following two public processes. First, the CRTC generally proposes regulations following a consultation process in which all interested parties are provided the opportunity to comment on them. Second, consistent with section 10(3) of the *Broadcasting Act*, all proposed regulations are published in the *Canada Gazette* and are subject to a call for comments providing licensees and any other interested parties the opportunity to make representations on the proposed regulations. These processes ensure that decisions are made with the benefit of the broadcasting system in mind, and are comparable with other regulatory bodies both in Canada and abroad.

The Government has instead indicated that it will use more often its power to direct the CRTC, pursuant to section 7 of the *Broadcasting Act*, to create and sustain coherence in the system.

The CRTC's regulatory supervision of the CBC cannot be limited to the approval of new licence applications. Section 5(1) of the *Broadcasting Act* requires that the CRTC regulate and supervise all aspects of the Canadian broadcasting system, which is comprised of public, private and community elements. Limiting the CRTC's regulatory supervision of the CBC would impede it from fully exercising its mandate to regulate and supervise the Canadian broadcasting system, as set out in the *Broadcasting Act*, and, in particular, from achieving the cultural objectives set out in the Act relating to the CBC. It would also limit the public's ability to participate in discussions on how the national public broadcaster should fulfil its mandate.

Performance Measurement

Recommendation 5.12

The Committee recommends that all changes to existing Canadian content policies and programs be evaluated at two-year intervals.

and

Recommendation 10.6

The Committee recommends that the Northern Native Broadcast Access Program, the Northern Distribution Program and related support measures be evaluated two years after renewed funding is made available.

Notwithstanding minor adjustments on programs on an annual basis, the Government monitors and reviews its policies and programs on a regular basis. A minimum of a three-year period is required by Treasury Board to measure the impact of the Government's policies and programs. The Government considers that a two-year evaluation period, as recommended by the Committee, would be too short a period to measure real results brought about by its policies and programs.

For example, a summative evaluation of the last three years of the CTF will be completed in June 2005. This allows for the Government to assess:

- the ongoing relevance of and rationale for the Fund;
- whether it has met its objectives;
- its cost-effectiveness as a Government program; and
- the potential alternatives to the CTF, if any.

A summative evaluation of the Canadian Feature Film Policy was also initiated in December 2004. The report is due in June 2005, and the Department of Canadian Heritage will report on the performance of the policy by March 2006.

The tax credit and the Canada New Media Fund will also be evaluated in 2005.

The NNBAP and NDP were last evaluated in June 2003. Furthermore, as noted above, the Department of Canadian Heritage recently examined its Aboriginal Peoples'

Program initiatives as a whole and is reshaping its Aboriginal programming into a new integrated program framework. Any new programs resulting from this examination would be regularly evaluated as is the current practice.

These processes are sound and the Government continues to have confidence in them.

Digital Transition

Recommendation 12.4

The Committee recommends that regulations be developed to prevent the manipulation or change in any way by distributors of signals downloaded to or by subscribers.

The Government notes that section 7 of the CRTC's *Broadcasting Distribution Regulations* states that distributors cannot alter or delete a programming service. With respect to HDTV, the CRTC stated in Public Notice 2003-61, that an over-the-air digital television signal distributed by a BDU to its subscribers should be of the same quality and in the same format as that received by the BDU, without any degradation. The CRTC will amend its *Broadcasting Distribution Regulations* to reflect this regulatory policy.

Recommendation 12.5

The Committee recommends that local stations should continue to have priority carriage through the digital transition.

and

Recommendation 12.6

The Committee recommends that simultaneous substitution be preserved during the digital transition.

Section (3)(1)(t)(I) of the *Broadcasting Act* states that distribution undertakings “should give priority to the carriage of Canadian programming services and, in particular, to the carriage of local Canadian stations”. The CRTC has issued a licensing policy framework to oversee the transition from analog to digital over-the-air broadcasting. The CRTC considers that the regulatory framework established for the analog environment must remain in a digital distribution environment, which includes priorities for the carriage of local stations and the protection of simultaneous substitution rights in its *Broadcasting Distribution Regulations*.

Recommendation 12.7

The Committee recommends that government policy allow all broadcasters and distributors to benefit fairly from the potential revenues available from a variety of new sources associated with their regulated activities.

Current policies do not prevent broadcasters and distributors from benefiting fairly from the potential revenues available, and, where there may be disputes, the CRTC has mechanisms in place to ensure that all parties are treated fairly.

Recommendation 12.8

The Committee recommends that the CRTC develop regulations to ensure that data collected by broadcasters and/or broadcasting distribution undertakings (BDUs) from the interactive and feedback capabilities of set-top boxes and other digital devices be in compliance with applicable privacy and consumer laws.

The Government notes that the current privacy and consumer laws apply to both broadcasters and BDUs, and will address the Committee's concerns about the data collected by set-top boxes and other digital devices.

Foreign Ownership

Recommendation 11.5

The Committee recommends that the existing foreign ownership limits for broadcasting and telecommunications be maintained at current levels.

The Standing Committee on Industry, Science and Technology recommended that the Government remove foreign ownership restrictions applicable to telcos and, to create a level playing field, that any changes be applied equally to cable and direct-to-home satellite distribution companies because they compete with telcos in the provision of Internet services. The Standing Committee on Canadian Heritage recommended about the same time that existing rules be maintained in order to protect Canada's broadcasting system from foreign domination.

For greater clarity, the Government wishes to indicate that it is not prepared to modify foreign ownership limits on broadcasting or content more generally. That being said, the Government has recently announced its intention to appoint a panel of eminent Canadians to review Canada's telecommunications policy and regulatory framework. This panel will be asked to make recommendations on how to move Canada to a modern telecommunications framework in a manner that benefits Canadian industry and consumers. In the context of this work, the panel may be helpful in shedding new light on this very important issue.

International Programming

Recommendation 16.1

The Committee recommends that the CRTC permit Canadian broadcasting distribution undertakings to offer a wider range of international programming, while being respectful of Canadian content regulations.

The Government and the CRTC have taken a number of steps to address this recommendation.

In August 2004, the Governor in Council appointed a panel comprised of the Honourable Clifford Lincoln, Roger Tassé and Anthony Ciancotta to study ways to improve Canadians' access to third-language public television services. The panel reviewed legislation, regulations and existing research on the status of third-language television services available in Canada. In addition, it held discussions with a number of people who are directly involved in Canada's broadcasting system or who are interested in issues of third-language services. These discussions included distributors, broadcasters, third-language programmers, non-governmental organizations, and individuals with a long involvement in the development or application of broadcasting policy in Canada. In its report, the panel noted that "the core of the Canadian broadcasting system, operating in the two official languages, must remain the principal instrument for the integration of immigrants into our Canadian society."

At the same time, in conjunction with its decisions on a number of international services, the CRTC began a review of its approach to assessing requests to distribute non-Canadian third-language services in July 2004 and announced a new policy framework in December 2004. The panel had provided its final report to the CRTC to inform the process. The decision will improve access to non-Canadian third-language programming services. Under the new rules, general interest non-Canadian third-language services will be allowed to enter the Canadian market even if they compete with existing Canadian services in the same language.

Since the Standing Committee's report, the CRTC has authorized several non-Canadian services, including third-language programming services and several English-language services, to bring the total to 107 non-Canadian services that are on its eligibility lists to be distributed in Canada. By opening the way for more third-language services to enter the Canadian market, the CRTC has addressed the Committee's recommendation to enhance the diversity of international programming offerings on the Canadian system. The new policy will also likely lead to other new non-Canadian services being authorized for distribution.

A related issue is the unauthorized decoding of DTH satellite television signals, whether consumers decode signals from Canada or the United States without paying for them or whether they pay a subscription fee to a foreign service that is not authorized to distribute its signals in Canada. A bill that was designed to strengthen the enforcement provisions of the *Radiocommunication Act* against unauthorized decoding died on the *Order Paper* when the June 2004 election was called. The position of the Government has been clear: our system is one of the most open in the world. It evolves to respond to Canadians' needs and it is important that it continues to do so. The system must maintain a balance between offering Canadians access to distinctive Canadian programming and showcasing the best programming the world has to offer. While improving what is being offered, we have to make sure that the system does not compromise access to Canadian services. As stated in the Committee's report, this balance is essential to the health of the system. **The Government will work to review the enforcement provisions of the**

Radiocommunication Act against commercial activities which are aimed at defeating or by-passing DTH companies' encryption security and providing unauthorized access to their signals.

International Trade Issues

Recommendation 17.1

The Committee recommends that the Department of Foreign Affairs and International Trade maintain the Government's position that culture not be part of any ongoing and future international trade negotiations.

and

Recommendation 17.2

The Department of Canadian Heritage should participate as fully as possible in any international discussions on broadcasting regulation.

The Government will continue to ensure maximum flexibility in international trade agreements to pursue and maintain cultural policy objectives, including those related to broadcasting. It will also continue to play an active role on any international discussions on broadcasting regulation.

The Government believes that countries around the world should maintain the means to ensure that their cultures can flourish. On that front, Canada has been a leader in international efforts to build support for an instrument on cultural diversity. Canada has actively participated in negotiations at UNESCO on the Convention on the Protection of the Diversity of Cultural Contents and Artistic Expressions and will continue to work to achieve an effective Convention that recognizes the dual nature of cultural goods and services, reaffirms the right of States to take measures in support of the diversity of cultural expressions, and enhances international cooperation.

In addition, official co-productions have become an increasingly important tool for the Canadian industry having: allowed producers to pool financial and creative resources to make projects that otherwise might not have been possible; contributed to a growing pool of quality films and television programs to which Canadians have access; and enhanced Canada's relations with other countries. **To continue to undertake and administer co-productions agreements that respond to Canadian objectives and the needs of the audio-visual sector, the Department of Canadian Heritage is consulting with stakeholders and revising its policy framework.**

Ensuring Diversity in the System

Recommendation 17.3

The Committee expresses its support for increased funding for efforts to enhance diversity in Canadian broadcasting. The CRTC, the CBC and the Canadian Television

Fund should seek ways to ensure that their policies and procedures reflect the need to enhance diversity.

As Canada's population becomes increasingly diverse, the Government recognizes that progress must continue to be made to ensure that diversity is integral to the make-up of Canada's broadcasting system. Since the Committee's report was first tabled in 2003, important steps have been taken by the three different parts of the Canadian broadcasting system: the regulator, the private broadcasters, and the agencies and programs with which the Government supports the system.

For its part, the CRTC is ensuring that there is a diversity of services. The CRTC already licenses a broad range of services specifically dedicated to reflecting diverse communities, and it has taken even further steps to ensure the presence of diversity in the system. On December 16, 2004, the CRTC announced a new policy framework designed to improve access to non-Canadian third-language television services.

Canadian services have also taken important steps individually to show the diversity of the Canadian population both in their programming and in their hiring practices. In addition, the Canadian Association of Broadcasters created the Task Force for Cultural Diversity in 2002 which released its report in July 2004, which included a set of recommended best practices and industry initiatives. The CRTC currently requires broadcasters to report on their plans for equitable employment and on-air representation, and has asked television licensees to file detailed corporate plans on cultural diversity.

The Government also recognizes the important role that the CBC, NFB, Telefilm and the CTF has as leaders in addressing diversity issues. The Government's programs should provide incentives, not impediments, to diversity.

The CBC announced at the 2003 Innoiversity Creative summit that it will increase its programming and training initiatives to improve its reflection of Canada's cultural diversity both in front of and behind the camera. In the coming year, the CBC plans on adding clauses to its licence agreements for productions to support the engagement of production personnel who are members of Canadian communities which have been traditionally under-represented in the Canadian television industry.

The CTF assists broadcasters in fulfilling their obligation to provide distinctive Canadian programming, which includes diversity objectives. Telefilm Canada recently completed a review of the projects it financed over the last three years to examine the extent to which minority groups were reflected.

In June 2003, the Department of Canadian Heritage, Telefilm Canada, the NFB and the Canada Council for the Arts announced the Spark Initiative to accelerate the inclusion of culturally diverse filmmakers and producers in Canada's audio-visual landscape. Furthermore, in December 2004, Telefilm Canada and the Canadian Film and Television Production Association announced their partnership on a producer mentorship program which will match ethnocultural and Aboriginal emerging producers with seasoned producers from the Canadian film and television industry.

Part II Fees

Recommendation 8.4

The Committee recommends that the Department of Finance and the Treasury Board, in conjunction with the Department of Canadian Heritage and the CRTC, study the rationale and fairness of Part II licence fees that are currently charged to broadcasters and distributors with a view to their elimination if found to be discriminatory. The results of this study should be reported to Parliament within one year of the tabling of this report.

and

Recommendation 8.5

If it is determined that Part II licence fees should be eliminated or reduced, the Committee recommends that the CRTC, in consultation with the Department of Canadian Heritage and relevant broadcasting industry stakeholders, be encouraged to develop a plan for the reallocation of all or a portion of the former value of Part II fees back into the Canadian broadcasting system.

In its previous response, the Government stated that a study of Part II fees is warranted. While the study is underway, a legal challenge has been launched on this issue. As the Crown is presently defending against the legal actions, it would be premature for the Government to comment at this time.

One Department

Recommendation 19.1

The Committee recommends the creation of a department of communications, responsible for the Government of Canada's support for broadcasting, telecommunications and cultural industries.

and

Recommendation 19.2

The Committee recommends that the Government consider whether a comprehensive Communications Act is required to integrate the existing Broadcasting Act, Telecommunications Act and Canadian Radio-television and Telecommunications Act into one piece of legislation.

To make meaningful headway on its priorities, the Government considers that significant benefits can be achieved without the significant disruptions that would be created by major structural changes in the system. In addition, the Government does not believe that legislative changes are needed at this time to meet the needs of the broadcasting system.

As such, the Government will not undertake a reorganization at this time. Nevertheless, it remains the prerogative of the Government as part of its ongoing evaluation to make changes to the way governmental machinery operates.

CBC

Recommendation 7.6

The Committee recommends that the appropriate department review the mandate of Radio Canada International, with a view to identifying the necessary resources required to strengthen its services.

As indicated in its first response, the Government has reaffirmed the mandate of CBC's international service – Radio Canada International (RCI) – and clarified the CBC's accountability for it. The funding for RCI has been integrated into the CBC's parliamentary appropriation, with the understanding that the service will remain a specified component of CBC's activities.

Recommendation 6.2

The Committee recommends that for greater clarity the Broadcasting Act be amended to recognize the value of new media services as a complementary element of the CBC's overall programming strategy.

The CBC's new media initiatives provide a new way for it to explore relationships with a young, diverse audience. The CBC/SRC is an innovator in the field of new media programming, converging traditional audio-visual programming with and online content.

CBC.ca and Radio-Canada.ca each now occupy the number one position as media websites in their respective markets.

Over the last four years, the CBC/SRC partnered with the Department of Canadian Heritage and other partners from the public and private sectors to create the CBC Archives section of the Corporation's website, which makes available CBC's radio and television historical and cultural heritage to Canadians. Canadian Heritage transferred an amount of \$8.62M to assist the development of more than 450 French and English thematic collections on specific subject matters including a "For Teachers" Zone especially designed to help teachers prepare lessons using the CBC Archives website.

The CBC is an unrivalled leader in new media, and, as expected of the public broadcaster, is raising the bar for other broadcasters.

Distribution of Provincial Educational Broadcasters and “Not-For-Profit Public” Broadcasters

Recommendation 7.7

The Committee recommends that the CRTC permit the national distribution of all English and French provincial educational broadcasters.

As noted in the Government’s previous response, the *Broadcasting Distribution Regulations* permit the distribution of all educational services on a discretionary basis. Extra-provincial carriage of these services have raised important program rights issues and increased competition between services. The Government believes that the current approach is appropriate.

Recommendation 7.8

The Committee recommends that the Broadcasting Act be amended to recognize not-for-profit public broadcasters as an integral part of the Canadian broadcasting system.

and

Recommendation 7.9

The Committee recommends that the CRTC be directed to ensure that audiences have fair access to not-for-profit public broadcasters on broadcasting distribution undertakings.

The *Broadcasting Act* does not recognize the category of “not-for-profit public” broadcasters. It recognizes public elements, which are generally considered to refer to undertakings under public ownership, such as the CBC and educational broadcasters such as Télé-Québec, and TVOntario. However, the notion of not-for-profit is not necessarily linked to public undertakings. For example, community broadcast undertakings, particularly radio undertakings, are generally considered to be not-for-profit.

The responsibility of licensing rests with the CRTC, whose decisions are based on a number of factors including the ability of a market to support a number of similar offerings, and the need to maintain an affordable basic service. The system has evolved with a mix of public, private and not-for-profit under the current wording of the *Broadcasting Act*. The Government believes that the current approach is appropriate.

Canadian-made Advertising

Recommendation 8.6

The Committee recommends that the Government of Canada study the existing tax credit system for advertisers with a view to making changes that would encourage the

increased production of local, regional and national Canadian-made broadcast advertisements.

and

Recommendation 8.7

The Committee recommends that the CRTC study the feasibility of imposing a requirement that Canadian broadcasters show a certain percentage of Canadian-made advertisements.

The Government considers that, as part of setting priorities, the resources available would be better used to support the development of Canadian programming instead of advertising.

Awarding Intervener Expenses

Recommendation 15.6

The Committee recommends that the federal government amend the Broadcasting Act to enable the CRTC to make regulations establishing criteria for the awarding of intervener expenses to those applicants who need access to the Commission so that the voice of community concerns and challenges can be heard.

Given the current resources available, and the Government's statement that it does not intend to amend the *Broadcasting Act* at this time, the Government believes it is more important to focus on supporting the production of Canadian content, and will not focus on awarding intervener expenses at this time.

Moreover, the Government notes that the CRTC's regulatory proceedings are among the most open and informal, and already encourage broad participation by Canadians.

MAPL System

Recommendation 8.1

The Committee recommends that the Department of Canadian Heritage create a committee composed of radio industry stakeholders to review and determine the level of success of the MAPL system. This study should include a review of definitions of Canadian content and the ways in which the system can foster the development of new artists.

The Government recognizes the importance of supporting the recording industry to maintain a healthy and competitive environment within which Canadian musical talent can flourish.

The CRTC is responsible for the MAPL system and regulation of Canadian content. The Government is confident that the CRTC will examine this recommendation within the context of the upcoming review of its Commercial Radio Policy. Stakeholders will

have the opportunity at that time to participate in the process. The Department of Canadian Heritage will closely monitor the CRTC's review and assess the need to launch its own study following the conclusion of the CRTC's review.

8.0 Appendix A – List of All of the Committee’s Recommendations

Recommendation 5.1

The Committee recommends that the appropriate department develop a comprehensive and integrated Canadian programming policy and strategy that:

- (a) establishes clear goals for the programs that support the creation, production, distribution and viewing of Canadian television programming;
- (b) includes a clear statement of cultural objectives, realistic estimates of the cost of meeting these objectives and a comprehensive set of performance measures;
- (c) simplifies the process to obtain funding so that broadcasters and producers can focus on creation and;
- (d) includes a strong emphasis on measures to ensure that Canadian programming is viewed by Canadian audiences and that it includes appropriate support incentives and performance measures.

The Government response to this recommendation is contained in 7.0 Other Recommendations

Recommendation 5.2

The Committee recommends that the existing point systems for certification, funding, and production of Canadian television programming be redesigned to:

- (a) recognize important differences among genres (e.g. drama, documentaries and animation);
- (b) recognize the nationality of the authors, directors, performers and technicians;
- (c) focus on the achievement of cultural objectives;
- (d) ensure that Canadian content reaches its audiences.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Tax Credit System

Recommendation 5.3

To achieve consistency and coherence, the Committee recommends that decisions about Canadian content be made by a centralized body mandated to administer Canadian content certification.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Alignment of Mandates

Recommendation 5.4

The Committee recommends that a distinctive identifier be assigned to each Canadian program to facilitate tracking of investment, promotion and eventual measurements of effectiveness (e.g., audience levels).

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement

Recommendation 5.5

The Committee recommends that the appropriate department evaluate the existing federal tax credit system that supports Canadian television programming to find means to improve the way support is managed and delivered to Canadian independent producers.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Tax Credit System

Recommendation 5.6

The Committee recommends that the appropriate department investigate the feasibility of developing a more flexible tax credit system for Canadian television production (e.g., levels of support that increase with more involvement by Canadian creators).

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Tax Credit System

Recommendation 5.7

The Committee recommends that the mandates of the Canadian Television Fund (CTF) and Telefilm Canada be reviewed and refocused to ensure a clear separation of responsibilities and, where necessary, greater synergies in areas where responsibilities must be shared. This review should include suggestions for the governance of the CTF.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Alignment of Mandates

Recommendation 5.8

The Committee recommends that the Department of Canadian Heritage investigate ways to create greater efficiencies in the administration of the CTF and Telefilm Canada, including the adoption of mechanisms that would allow for a centralized and harmonized application process and a reduced paper burden.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Canadian Television Fund (CTF)

Recommendation 5.9

The Committee recommends that the Equity Investment Program (EIP) used for television programming be evaluated to determine the costs and benefits of the current approach.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Canadian Television Fund (CTF)

Recommendation 5.10

The Committee recommends that the Canadian Television Fund be recognized by the Government as an essential component of the Canadian broadcasting system. This recognition must include increased and stable long-term funding. The CRTC should be directed to oblige licensees, with the exception of small cable operators, to contribute to the CTF.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Canadian Television Fund (CTF)

Recommendation 5.11

The Committee recommends that the Government consider establishing specific targets for all of its Canadian content policies and programs and that the appropriate agencies and departments report annually to Parliament on these targets.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement

Recommendation 5.12

The Committee recommends that all changes to existing Canadian content policies and programs be evaluated at two-year intervals.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Performance Measurement

Recommendation 5.13

The Committee recommends that the CRTC be directed by Order in Council to review its 1999 television policy for the exhibition of priority programming in prime time.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, An Efficient and Effective Regulator

Recommendation 6.1

The Committee recommends that Parliament provide the CBC with increased and stable multi-year funding (3 to 5 years) so that it may adequately fulfill its mandate as expressed in the *Broadcasting Act*.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, CBC

Recommendation 6.2

The Committee recommends that for greater clarity the *Broadcasting Act* be amended to recognize the value of new media services as a complementary element of the CBC's overall programming strategy.

The Government response to this recommendation is contained in 7.0 Other Recommendations, CBC

Recommendation 6.3

The Committee recommends that the CBC deliver a strategic plan, with estimated resource requirements, to Parliament within one year of the tabling of this report on how it would fulfill its public service mandate to:

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, CBC

- (a) deliver local and regional programming.
- (b) meet its Canadian programming objectives.
- (c) deliver new media programming initiatives.

Recommendation 6.4

The Committee recommends that the impacts and outcomes of the CBC's strategic plans (for the delivery of local and regional programming; Canadian programming; and, cross-platform, new media initiatives) be reported on annually and evaluated every two years. These evaluations should meet Government of Canada program evaluation standards.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, CBC

Recommendation 6.5

The Committee recommends that the CBC submit a plan to Parliament detailing its needs for the digital transition and that it receive one-time funding to meet these needs.

The Government response to this recommendation is contained in 6.0 Pillar 3 – Looking Towards the Future, The Current Digital Transition

Recommendation 6.6

The Committee reaffirms the importance of public broadcasting as an essential instrument for promoting, preserving and sustaining Canadian culture and recommends that the Government direct the CRTC to interpret the *Broadcasting Act* accordingly.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, CBC

Recommendation 7.1

The Committee recommends that the Department of Canadian Heritage take immediate and appropriate action on the recommendations of the McGregor Report on the needs of Northern and Aboriginal broadcasters.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Aboriginal Broadcasting

Recommendation 7.2

The Committee recommends that the rules governing the Canadian Television Fund and Telefilm Canada be amended, in consultation with APTN and other Northern and Aboriginal stakeholders, to more effectively address the special needs and conditions of Aboriginal television production and broadcasting.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Aboriginal Broadcasting

Recommendation 7.3

The Committee recommends that the Government develop a support strategy to ensure that Aboriginal programming intended for national audiences on APTN can be versioned in English or French, as required.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Aboriginal Broadcasting

Recommendation 7.4

The Committee recommends that the Governor in Council by order direct the CRTC to make it mandatory for all broadcasting distribution undertakings (BDUs), without exception, to distribute to all their subscribers the video and audio signals of the debates of Parliament via CPAC in both official languages.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Access to the Cable Public Affairs Channel (CPAC)

Recommendation 7.5

The Committee recommends that the CPAC signal distributed as part of the basic cable service be protected from displacement by closed circuit video programming, and that the Broadcasting Distribution Regulations be amended in this regard if necessary.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Access to the Cable Public Affairs Channel (CPAC)

Recommendation 7.6

The Committee recommends that the appropriate department review the mandate of Radio Canada International, with a view to identifying the necessary resources required to strengthen its services.

The Government response to this recommendation is contained in 7.0 Other Recommendations, CBC

Recommendation 7.7

The Committee recommends that the CRTC permit the national distribution of all English and French provincial educational broadcasters.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Distribution of Provincial Educational Broadcasters and “Not-For-Profit Public” Broadcasters

Recommendation 7.8

The Committee recommends that the *Broadcasting Act* be amended to recognize not-for-profit public broadcasters as an integral part of the Canadian broadcasting system.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Distribution of Provincial Educational Broadcasters and “Not-For-Profit Public” Broadcasters

Recommendation 7.9

The Committee recommends that the CRTC be directed to ensure that audiences have fair access to not-for-profit public broadcasters on broadcasting distribution undertakings.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Distribution of Provincial Educational Broadcasters and “Not-For-Profit Public” Broadcasters

Recommendation 8.1

The Committee recommends that the Department of Canadian Heritage create a committee composed of radio industry stakeholders to review and determine the level of success of the MAPL system. This study should include a review of definitions of Canadian content and the ways in which the system can foster the development of new artists.

The Government response to this recommendation is contained in 7.0 Other Recommendations, MAPL System

Recommendation 8.2

The Committee recommends that the Department of Canadian Heritage, in collaboration with the CRTC and radio industry stakeholders, develop a strategy to monitor and report annually on the extent to which the public policy goals for Canadian radio are being achieved.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement

Recommendation 8.3

The Committee recommends that the appropriate department study the annual orbital slot licence fees charged to Canada’s satellite companies to ensure that they do not place an unreasonable burden on the capacity of these companies to compete internationally.

The Government response to this recommendation is contained in 6.0 Pillar 3 – Looking Towards the Future, The Current Digital Transition

Recommendation 8.4

The Committee recommends that the Department of Finance and the Treasury Board, in conjunction with the Department of Canadian Heritage and the CRTC, study the rationale and fairness of Part II licence fees that are currently charged to broadcasters and distributors with a view to their elimination if found to be discriminatory. The results of this study should be reported to Parliament within one year of the tabling of this report.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Part II Fees

Recommendation 8.5

If it is determined that Part II licence fees should be eliminated or reduced, the Committee recommends that the CRTC, in consultation with the Department of Canadian Heritage and relevant broadcasting industry stakeholders, be encouraged to develop a plan for the reallocation of all or a portion of the former value of Part II fees back into the Canadian broadcasting system.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Part II Fees

Recommendation 8.6

The Committee recommends that the Government of Canada study the existing tax credit system for advertisers with a view to making changes that would encourage the increased production of local, regional and national Canadian-made broadcast advertisements.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Canadian-made Advertising

Recommendation 8.7

The Committee recommends that the CRTC study the feasibility of imposing a requirement that Canadian broadcasters show a certain percentage of Canadian-made advertisements.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Canadian-made Advertising

Recommendation 9.1

The Committee recommends that the CRTC require all broadcast distribution undertakings to provide community groups and volunteers with greater access to community television facilities for the production of local and community television programming.

Recommendation 9.2

The Committee recommends that the Department of Canadian Heritage develop a Community, Local and Regional Broadcast Policy in consultation with key broadcasting industry stakeholders, including public, private, community, educational and not-for-profit broadcasters and related interest groups.

Recommendation 9.3

The Committee recommends that the Government of Canada take steps to ensure that the departments and agencies responsible for the Canadian broadcasting system continue to treat the system as a single system.

Recommendation 9.4

The Committee recommends that the federal government by Order in Council direct the CRTC to revisit its decision to exempt direct-to-home (DTH) satellite services from the provision of community television services.

Recommendation 9.5

The Committee recommends that the Government investigate the feasibility of creating new digital channels for the distribution of the best of Canada's community, local and regional programming to Canadians.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Community Programming

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Informed Participation in Canadian Society

The Government response to this recommendation is contained in 7.0 Other Recommendations, DTH Distribution

The Government response to this recommendation is contained in 7.0 Other Recommendations, DTH Distribution

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Informed Participation in Canadian Society

Recommendation 9.6

The Committee recommends that the CRTC work with broadcasting industry stakeholders to find a solution for the carriage of local signals via direct-to-home (DTH) satellite, to ensure as much local programming as is appropriate and feasible is made available to subscribers. This solution, however, should not lead to reduced contributions by DTH satellite service providers to the Canadian Television Fund.

The Government response to this recommendation is contained in 7.0 Other Recommendations, DTH Distribution

Recommendation 9.7

The Committee recommends that the Government by Order in Council direct the CRTC to require Canada's direct-to-home (DTH) satellite service providers to carry the signals of local television stations of the CBC/SRC.

The Government response to this recommendation is contained in 7.0 Other Recommendations, DTH Distribution

Recommendation 9.8

The Committee recommends that the Department of Canadian Heritage create a Local Broadcasting Initiative Program (LBIP) to assist in the provision of radio and television programming at the community, local and regional levels.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Informed Participation in Canadian Society

Recommendation 9.9

The Committee recommends that the Department of Canadian Heritage in collaboration with the CRTC be required to issue an annual report on community television. This report should include information on training, citizen access and involvement (paid or volunteer), types of support and the hours and range of programming produced.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement

Recommendation 9.10

The Committee recommends that the changes to community, local and regional broadcasting that result from the implementation of the recommendations made in this report be evaluated by the appropriate department within two years of their introduction and at reasonable intervals thereafter (e.g., every five years). These reports should also be submitted to this Committee.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement

Recommendation 10.1

The Committee recommends that section 3(1)(o) of the *Broadcasting Act* be amended to read “programming that reflects the Aboriginal cultures of Canada should be provided within the Canadian broadcasting system;” This amendment would remove the qualifying phrase “as resources become available for the purpose.”

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Aboriginal Broadcasting

Recommendation 10.2

The Committee recommends that a fund be developed by the appropriate government department to assist Northern and Aboriginal broadcasters with capital equipment replacement costs.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Aboriginal Broadcasting

Recommendation 10.3

The Committee recommends that the Northern Native Broadcast Access Program (NNBAP) be preserved and that its funding be made stable and increased to reflect a reasonable inflationary increment.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Aboriginal Broadcasting

Recommendation 10.4

The Committee recommends that funds provided for the distribution of Northern programming (e.g., the Northern Distribution Program) adequately cover the cost of distribution.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Aboriginal Broadcasting

Recommendation 10.5

The Committee recommends that the appropriate departments, in collaboration with public and private broadcasters, develop a training program for Northern and Aboriginal broadcasters.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Aboriginal Broadcasting

Recommendation 10.6

The Committee recommends that the Northern Native Broadcast Access Program, the Northern Distribution Program and related support measures be evaluated two years after renewed funding is made available.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Performance Measurement

Recommendation 10.7

The Committee recommends that the CRTC require direct-to-home (DTH) satellite services to provide CBC North programming to Canada's Northern regions.

The Government response to this recommendation is contained in 7.0 Other Recommendations, DTH Distribution

Recommendation 11.1

The Committee recommends that the CRTC be directed to strengthen its policies on the separation of newsroom activities in cross-media ownership situations to ensure that editorial independence is upheld.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Informed Participation in Canadian Society

Recommendation 11.2

The Committee recommends that the CRTC put in place a mechanism to ensure the editorial independence of broadcasting operations. A report to Parliament should be made by an appropriate authority (e.g., Canadian broadcasting monitor) on an annual basis.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Informed Participation in Canadian Society

Recommendation 11.3

The Committee recommends that the Government of Canada issue a clear and unequivocal policy statement concerning cross-media ownership before 30 June 2004.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Informed Participation in Canadian Society

Recommendation 11.4

Until the Government of Canada declares its policy on cross-media ownership, the Committee recommends that:

- (a) The CRTC be directed to postpone all decisions concerning the awarding of new broadcast licenses in cases where cross-media ownership is involved.
- (b) Existing licence renewals that involve cross-media ownership be automatically extended (i.e., an administrative renewal) for a minimum of two years and a maximum of three years.

Recommendation 11.5

The Committee recommends that the existing foreign ownership limits for broadcasting and telecommunications be maintained at current levels.

Recommendation 12.1

The Committee recommends that the responsible federal departments and agencies develop a comprehensive plan for the digital transition in conjunction with the broadcasting industry and related public, private and not-for-profit stakeholders.

Recommendation 12.2

The Committee recommends that the digital transition be managed in such a way that the broadcasting system provides fair and open access to distributors, broadcasters, listeners and viewers.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Informed Participation in Canadian Society

The Government response to this recommendation is contained in 7.0 Other Recommendations, Foreign Ownership

The Government response to this recommendation is contained in 6.0 Pillar 3 – Looking Towards the Future, The Current Digital Transition)

(The Government response to this recommendation is contained in 6.0 Pillar 3 – Looking Towards the Future, The Current Digital Transition

Recommendation 12.3

The Committee recommends that appropriate hardware and software standards be established to protect listener’s and viewer’s investments in digital technology and to prevent the use of proprietary technology and anti-competitive behaviour that may limit fair competition and access to subscribers.

The Government response to this recommendation is contained in 6.0 Pillar 3 – Looking Towards the Future, The Current Digital Transition

Recommendation 12.4

The Committee recommends that regulations be developed to prevent the manipulation or change in any way by distributors of signals downloaded to or by subscribers.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Digital Transition

Recommendation 12.5

The Committee recommends that local stations should continue to have priority carriage through the digital transition.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Digital Transition

Recommendation 12.6

The Committee recommends that simultaneous substitution be preserved during the digital transition.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Digital Transition

Recommendation 12.7

The Committee recommends that government policy allow all broadcasters and distributors to benefit fairly from the potential revenues available from a variety of new sources associated with their regulated activities.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Digital Transition

Recommendation 12.8

The Committee recommends that the CRTC develop regulations to ensure that data collected by broadcasters and/or broadcasting distribution undertakings (BDUs) from the interactive and feedback capabilities of set-top boxes and other digital devices be in compliance with applicable privacy and consumer laws.

Recommendation 12.9

The Committee recommends that the Government work with broadcasting industry stakeholders to ensure that measurement and reporting techniques are devised to gauge the spread of Canadians’ uses of digital technologies.

Recommendation 12.10

The Committee recommends that the Department of Canadian Heritage establish a cost-sharing strategy to ensure that the archival footage of Canada’s broadcasters is not lost due to deterioration.

Recommendation 15.1

The Committee recommends that section 3(p) of the *Broadcasting Act* be amended to read “programming accessible by disabled persons should be provided within the Canadian broadcasting system;”. This amendment would remove the qualifying phrase “as resources become available for the purpose.”

Recommendation 15.2

The Committee recommends that a training program for closed-captioning and descriptive video services be developed and funded by the federal government.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Digital Transition

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement

The Government response to this recommendation is contained in 6.0 Pillar 3 – Looking Towards the Future, The Current Digital Transition

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Access for Persons with Disabilities

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Access for Persons with Disabilities

Recommendation 15.3

The Committee recommends that the federal government develop a program to assist broadcasters in providing closed-captioning and descriptive video services.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Access for Persons with Disabilities

Recommendation 15.4

The Committee recommends that once the appropriate training and assistance programs are in place, that escalating conditions for the amount of captioning and descriptive video provided by broadcasters be phased in with a view to reaching a target of 100% for captioning and descriptive video services.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Access for Persons with Disabilities

Recommendation 15.5

The Committee recommends that the *Broadcasting Act* explicitly instruct the CRTC to set rigorous requirements and enforcement mechanisms to eliminate discriminatory practices by broadcasters. These instructions must explicitly include the requirement that captioning and descriptive video services be phased in for all television programming with a view to reaching a target of 100% captioning and video descriptive services.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, Access for Persons with Disabilities

Recommendation 15.6

The Committee recommends that the federal Government amend the *Broadcasting Act* to enable the CRTC to make regulations establishing criteria for the awarding of intervener expenses to those applicants who need access to the Commission so that the voice of community concerns and challenges can be heard.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Awarding Intervener Expenses

Recommendation 16.1

The Committee recommends that the CRTC permit Canadian broadcasting distribution undertakings to offer a wider range of international programming, while being respectful of Canadian content regulations.

The Government response to this recommendation is contained in 7.0 Other Recommendations, International Programming

Recommendation 17.1

The Committee recommends that the Department of Foreign Affairs and International Trade maintain the Government's position that culture not be part of any ongoing and future international trade negotiations.

The Government response to this recommendation is contained in 7.0 Other Recommendations, International Trade Issues

Recommendation 17.2

The Department of Canadian Heritage should participate as fully as possible in any international discussions on broadcasting regulation.

The Government response to this recommendation is contained in 7.0 Other Recommendations, International Trade Issues

Recommendation 17.3

The Committee expresses its support for increased funding for efforts to enhance diversity in Canadian broadcasting. The CRTC, the CBC and the Canadian Television Fund should seek ways to ensure that their policies and procedures reflect the need to enhance diversity.

The Government response to this recommendation is contained in 7.0 Other Recommendations, Ensuring Diversity in the System

Recommendation 18.1

The Committee recommends that the Department of Canadian Heritage, in consultation with the Standing Committee on Canadian Heritage, develop criteria and guidelines by 30 June 2004, governing the nomination of CRTC commissioners as well as members to the Board of Directors of the CBC.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, An Efficient and Effective Regulator

Recommendation 18.2

The Committee recommends that the CRTC be reduced in size from 13 to 9 commissioners and that the abolition of regional commissioners be considered. Proper consideration should also be given to ensuring that there is a linguistic and regional balance and that a diversity of viewpoints and experiences is reflected in the membership.

Recommendation 18.3

The Committee recommends that to avoid an actual or potential conflict of interest or unfair advantage or the appearance of it, a person who resigns or otherwise ceases to hold office as a member or senior staff employee of the Canadian Radio-television and Telecommunications Commission shall not hold a paid or unpaid position within an industry regulated by the CRTC for a period of two years after their employment or membership ceases. This requirement shall be made a condition of Commission employment or membership. During this time, they should receive up to 75% of their regular salary if they are unable to find suitable employment other than in the broadcast industry.

Recommendation 19.1

The Committee recommends the creation of a department of communications, responsible for the Government of Canada's support for broadcasting, telecommunications and cultural industries.

Recommendation 19.2

The Committee recommends that the Government consider whether a comprehensive communications Act is required to integrate the existing *Broadcasting Act*, *Telecommunications Act* and *Canadian Radio-television and Telecommunications Act* into one piece of legislation.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, An Efficient and Effective Regulator

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, An Efficient and Effective Regulator

The Government response to this recommendation is contained in 7.0 Other Recommendations, One Department

The Government response to this recommendation is contained in 7.0 Other Recommendations, One Department

Recommendation 19.3

The Committee recommends that the responsible department develop a detailed and comprehensive policy statement for Canada’s broadcasting system. This policy statement should expand on section 3 of the *Broadcasting Act* and include appropriate definitions of key terms.

The Government response to this recommendation is contained in 7.0 Other Recommendations

Recommendation 19.4

The Committee recommends that the mandates of CBC, Telefilm, NFB and CTF be more precisely related to the goals of the broadcasting system. In developing these requirements government officials should work with all interested parties, and pay special attention to ensuring a consistent approach to reporting results.

The Government response to this recommendation is contained in 7.0 Other Recommendations

Recommendation 19.5

The Committee recommends that the Government of Canada review the CRTC’s mandate with a view to refocusing its role on cultural objectives, clarifying its role and establishing clear limits on its power to supervise, regulate, create and manage programs. This review should include consideration of how the CRTC is to relate to other agencies and organizations within the broadcasting system.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, An Efficient and Effective Regulator

Recommendation 19.6

The Committee recommends that the Government of Canada should require as part of a redefined CRTC mandate that CRTC regulations be reviewed by the appropriate department and approved by the Governor in Council.

The Government response to this recommendation is contained in 7.0 Other Recommendations, CRTC

Recommendation 19.7

The Committee recommends that the Government of Canada should as part of its review of the mandate of the CRTC clarify the respective roles and responsibilities of the CRTC and the Competition Bureau with respect to broadcasting.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, An Efficient and Effective Regulator

Recommendation 19.8

The Committee suggests that the Standing Committee on Industry carry out a review of the role and resource requirements of the Competition Bureau as it relates to competition within Canada's broadcasting system.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, An Efficient and Effective Regulator

Recommendation 19.9

The Committee recommends that the CRTC's regulatory supervision of the CBC be limited to the approval of new licence applications.

The Government response to this recommendation is contained in 7.0 Other Recommendations, CRTC

Recommendation 19.10

The Committee recommends that the federal government invite the CBC to come forward with a plan outlining its needs for additional radio and television licences for consideration by Parliament and the CRTC.

The Government response to this recommendation is contained in 4.0 Pillar 1 – Focusing on Canadian Content, CBC

Recommendation 19.11

The CRTC should have the power to impose a wider range of sanctions and more costly fines on those who fail to comply with regulations and in turn be directed to enforce these breaches of regulation.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, An Efficient and Effective Regulator

Recommendation 19.12

Once the mandate review of the CRTC has been completed, the Committee recommends that the Government of Canada ensure that the CRTC has the necessary resources and flexibility to carry out its redefined and clarified responsibilities.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, An Efficient and Effective Regulator

Recommendation 19.13

The Committee recommends that a renewed broadcasting policy include clear, measurable goals and objectives as well as a process for evaluation and accountability.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement

Recommendation 19.14

The Committee recommends that performance reporting requirements that match those of the Government of Canada’s Treasury Board and are related to the goals of the broadcasting system be added to the mandates of the CBC, Telefilm, the National Film Board and the portion of the CTF that is supported by public funds.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement

Recommendation 19.15

The Committee recommends that the responsible departments and stakeholders put in place a mechanism to collect relevant, timely and comparable performance measures on the Canadian broadcasting system. This mechanism should include measures to assess how well the Canadian broadcasting system is performing compared to the systems of other jurisdictions.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement

Recommendation 19.16

The Committee recommends that representatives from the responsible departments and agencies form a broadcast reporting and measurement committee to develop a public accountability framework and measurement system.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement

Recommendation 19.17

The Committee proposes the creation of a Canadian broadcasting monitor, incorporated into the Office of the Auditor General, to report annually on how well the objectives of the *Broadcasting Act* are being met.

The Government response to this recommendation is contained in 5.0 Pillar 2 – Governance and Accountability, Performance Measurement