

PBC21: Public Broadcasting in Canada for the 21st Century

**A SUBMISSION TO THE
BROADCASTING & TELECOMMUNICATIONS
LEGISLATIVE REVIEW**



JANUARY 2019

CONTENTS

	Page
I Who We Are ...	1
II Conjuring a Future	2
III Why a National Public Media Service?	6
IV Design for CPM/MPC	7
V FUNDING: a Contemporary Approach	10
VI Where the Money Goes	12
VII Transition: Action Required	13

APPENDICES

- A: Design: "A New Start"**
- B: Lessons of History**
- C: Financial Data graphs and Public Broadcasting Funding Chart**
- D: Proposed Revisions to 1991 Broadcasting Act**

It's time to reinvest in public broadcasters. They are creaky vessels, battered by decades of cutbacks and challenges, but they're still one of our best tools for protecting democracy and building healthy societies.

Sue Gardner
Public Broadcasting, its Past and its Future,
Knight Foundation, 2018

I WHO WE ARE ...

1. The participants in Public Broadcasting for Canada in the 21st Century (PBC21) are a loosely affiliated group of concerned Canadians who care deeply about the CBC/Radio-Canada - its past, present and especially its future. Each of us has a history with the Corporation 'on air' or in production, administration or management from east to west coasts and in the Arctic or through the regulatory process. While we share similar views, each of us in PBC21 speaks as an individual. None of us is currently employed by or contractually committed to the Corporation or any related agency. Furthermore, we understand that the clock cannot be turned back and that nostalgia for a 'golden age' is not a helpful tool for thinking constructively about the future.
2. Since our 2011 decision to become actively involved in the policy and regulatory processes that underpin Canada's national broadcasting system, we have highlighted the need for government action to address evolving – and urgent – system and service anomalies. Rapid industrial convergence and consolidation amid unprecedented technological change have tested the logic underlying various regulatory assumptions in a broadcasting environment totally constrained by moth-eaten legislation.
3. Each institution has its own life span. We welcome the willingness of the current Government to address the challenge of enabling this country's many constituencies – including the complex broadcasting and audiovisual sectors – to partner in design of the foundation of a vigorous domestic and global media presence for Canada. Key to this exercise will be re-invention of a national public service capable of addressing the **contemporary** information and entertainment needs of Canadians. That is the focus of this submission.

II - CONJURING A FUTURE

4. The rapid growth and audience penetration of digital media (audio, video and text) over a variety of platforms (phone, tablet, computer, video screen) and the concurrent movement of advertising away from traditional media to digital platforms has collapsed the business models for conventional local, regional and national news organizations world-wide, including those across Canada. In fact, the Internet has effectively erased borders – formerly geographically-defined ‘markets’ and the hegemonies they create are receding into the past, replaced by website pay-walls and subscription streaming services.
5. The popularity of high quality, high-budget entertainment content (costing as much as \$10 to \$15 million per episode) offered by global streaming services (Netflix, HBO, Amazon Prime, Disney etc.) has resulted in massive audience fragmentation and “cord-cutting”. Consumers have been reconsidering their relationships with conventional cable and satellite distributors operated by Canada’s telecommunications companies (Bell, Shaw, Rogers, Videotron, etc.) in favour of subscription, web-based streaming services now available from ISPs, most of which are also operated by Canada’s large telecommunications companies.
6. Concurrently, conventional American television networks are shifting emphasis from traditional Over-The-Air (OTA) and Cable/Satellite distribution of their programming toward proprietorial, streamed digital options. CBS All Access is the first such initiative; it is available directly to Canadian subscribers over the borderless Internet. (CBS All Access contains current and archival programming, live sports and news, an amalgam of all of CBS main and specialty services.) NBC, ABC, Fox and other U.S. providers like Disney are developing their own digital offerings and all of these will eventually be directly accessible by Canadian subscribers.
7. For decades, American television producers/networks have traditionally supplied the bulk of the entertainment content seen on English Canada’s conventional commercial television networks (CTV, Global, CITY-TV, etc.). But with U.S. streaming services soon to be directly available to any Canadian subscriber, the already declining Canadian TV networks may no longer constitute a practical – or profitable – means of reaching Canadian audiences. It is now clear that the essential business model of private TV broadcasting in Canada (i.e., buy established and heavily promoted US product cheaply and sell ads, assuming virtually none of the development cost) is disintegrating.

8. Led by CTV and Videotron, Canada's commercial broadcasters are currently developing proprietorial digital brands in an effort to transition current OTA and cable/satellite audiences to their own streaming options (e.g., Crave, CTV Movies; CTV Vault, CBC's GEM, Club Illico and ICI.TOU.TV). It is too early to know if viewers will find these Canadian streams of sufficient appeal to make them viable or choose instead to subscribe directly to American content suppliers.
9. Regardless of their choices, however, the collapse of network advertising models and the erosion of conventional OTA and cable/satellite distribution will likely bring an end to most - if not all - commercial television stations and to the competing local, regional and national news and information services they have provided in Canada. Should this occur, the job of informing our citizens and providing some Canadian themed and sourced culture and entertainment content at local, regional and national levels may fall solely to our national public broadcaster, the Canadian Broadcasting Corporation/Radio-Canada (CBC/R-C).
10. In recent years, CBC English television in particular has focused much of its resources on competing with national and international distributors of entertainment content and on licensing Canadian content produced with an eye to global distribution. PBC21 is convinced that this is a mistaken course for our national public broadcaster and a misinterpretation of its mandate.
11. CBC-TV is simply not resourced to go head-to-head with the budgets Netflix, HBO, Amazon, etc. can access to generate large quantities of entertainment content. Neither should it attempt to do so. There is no obvious lack of attractive popular entertainment in the existing commercial market. And indeed, a significant amount of it is already produced by American companies in Canadian facilities, utilizing Canadian crews and performers.
12. There would be value in a Canadian public media service engaging in the production of high-quality Canadian cultural and entertainment content, but first it must commit resources to addressing the local, regional and national news and information needs of Canadians. Only then should the public system develop and/or license high quality Canadian entertainment content for distribution on its Canadian streaming service.
13. The potential demise of newspapers and the local and regional news services of commercial television stations and networks will profoundly affect citizens in Canada and elsewhere. A retired Republican board member of the U.S. Corporation for Public Broadcasting, Howard Husock recently wrote: "*The guiding principle of public media must be the goal of*

filling a media role that helps inform and uplift the citizenry in ways that commercial producers fail to do.... The collapse of the economic model for local newsrooms and the vast reductions in the ranks of local newsroom staffs are just the sort of threat to a well-informed democratic citizenry that cries out for a public media role.”¹

14. Similarly, as we have noted, the ‘business models’ of the key elements of our broadcasting system have been undermined by the emergence of the digital option. The impact has been particularly critical for the CBC/R-C. At the same time as its public funding was being systematically reduced, our national public broadcaster was facing two additional challenges: first, to maintain its relevance in a radically evolving technological and service environment and, second, to chase advertising dollars with its television and digital services as the market shifted beneath them – and in the face of mounting protests from private broadcasters and newspapers beset by the same pressures. (The staged restoration over five years of the previous major budget cut has not effectively ameliorated these problems.)
15. When the Canadian Broadcasting Corporation was founded in 1936, it was decided to supplement available public funding in two ways – by extending the reach of the service through the facilities of private, commercial broadcasters and by selling advertising space on the CBC’s airwaves. Neither of these methods fit with the ethos of public broadcasting – then or no; rather, they were an untutored response to the realities of the 1930s. Over time, market conditions changed and the CBC’s private radio and TV affiliates moved into the purely commercial sector. In the mid-1970s, commercial revenues on CBC’s radio services had declined to the point of insignificance and, given their continuing, negative influence on programming, were eliminated, allowing those services to assume their current, distinctive presence in the nation’s radio spectrum.
16. CBC’s overall television advertising revenue has been in decline since the beginning of the century. The gross for 2017-2018 – some \$318 million² – is, in constant dollars, about \$100 million less than it was 20 years ago. Yet the impact earning that money has on programming choices continues to be a major factor in compromising the character of the Corporation’s television and digital services – and the effect of commercial revenue shortfalls over the years has noticeably spread to the radio services, as well. A few years ago, a senior CBC executive described CBC-TV as “a

¹ “Public Media Must Imagine Itself for a New Era – or Give Up Reason To Exist”; Howard Husock (VP for Research and Publications (Manhattan Institute); The Current; December 7, 2018

² Figures reported for TV and Digital advertising revenue in the CBC Annual Report, 2017-2018, p. 102, found at <http://www.cbc.radio-canada.ca/site/annual-reports/2017-2018/documents/2017-2018-annual-report-cbc-radio-canada.pdf>.

publicly supported commercial network.” That is not what our public broadcaster’s founders set out to create – but it accurately defines what, to an unacceptable degree, it has become.

17. That is why, in this submission, we advocate for an end to the pursuit of commercial revenue on all the CBC/R-C’s platforms. Alternative funding mechanisms are now available and, given the current disruption of the commercial marketplace, relinquishing that revenue – and the associated competition – can best serve both the public and private components of the system.
18. A further pressure on informed citizens is the ready availability to newcomers to Canada of streamed audio and video content from international sources. It is essential for both established and recently arrived Canadians that this be balanced by news and information at all levels of the Canadian community and, wherever possible, to news outlets that express a range of domestic opinions and points of view.
19. Despite the increasing access to various sources of information on different platforms, studies show that television remains the main source of information for most Canadians. Should the private television infrastructure fail, informing Canadians and providing Canadian themed and sourced culture and entertainment material at local, regional and national levels could become the sole responsibility of our national public broadcasting service, the Canadian Broadcasting Corporation/Radio Canada (CBC/R-C).
20. Despite substantial resource challenges and while being far from perfect, Radio-Canada seems to be better meeting the needs of its audiences and the expectations of its public service mandate. As now constituted and directed, however, CBC’s English Services have been unable to satisfy – or even to mount a convincing case for the resources necessary to achieve – its current mandate, let alone express the vision and command the resources required to address its audiences’ needs for public service media locally, regionally and nationally.
21. Moreover, PBC21 is concerned that CBC/Radio-Canada has failed to harness its news, information and entertainment programming to fulfill its mandates and promote a thorough understanding of the cultures of our two official language communities. Instead, CBC and Radio-Canada have created two distinct broadcast silos that rarely co-operate with or acknowledge each other. This does not serve Canada well.

22. Finally, it is our belief that the regulatory and legislative processes needed to address the issues facing CBC/R-C and to equip our national public media system for the challenges ahead, have significantly lagged behind the evolution of technologies and consumer demands in and on the media marketplace.
23. In our November, 2016 submission to the Cultural Policy Review Committee, PBC21 stated, "The time for tiptoeing, for caution is long past ... for restructuring the design and funding of a contemporary broadcasting system for Canada." We suggest that what is now at stake is nothing less than our national identity.
24. This document recommends a course of action that requires immediate attention by the Government of Canada to build upon the shell of the current national public broadcaster and create a new, contemporary national public media service for all Canadians.

III – WHY A NATIONAL PUBLIC COMMUNICATIONS SERVICE?

25. In our 2016 submission to the government's consultations on *Canadian Content in a Digital World* PBC21 also noted the exponential changes our communications media had experienced in the past few decades – adding that the pace of that change showed no signs of abating. Since then, as Section II of this paper emphasizes, the evolution of both communications technologies and the way we use them has, if anything, accelerated. As we approach the end of the 21st century's second decade, the quip that "There's an app for that" can be made almost without fear of contradiction.
26. The problem with all this – and it *is* a problem – is that the overwhelming proportion of what's now available at the tips of our fingers is not of our own making. As excellent and useful as much of it can be, it speaks to us as members of a global community and, particularly, a community of global *consumers* – not as citizens of a sovereign democracy with its own strengths, weaknesses, idiosyncrasies and obligations.
27. As citizens, we need to be conscious of the commonalities that bind us together, of the knowledge that enables us to play productive roles in our own communities and our own nation as well as to engage as citizens of the wider world. To accomplish those ends, we must be able to rely on a healthy, national system of communication designed specifically to support *our* needs, *our* challenges and day-to-day realities. In other words, we need a pan-Canadian voice that speaks to *our* distinct identity – and,

because of our nation's size and the diversity of its geography and peoples, a true national conversation among Canadians can only be achieved if we all have access to our various local, regional and national voices. Bluntly put, that is not something commercial enterprise can – or ever will – deliver.

28. As was the case in the 1920s and '30s when national public broadcasting began in this country, these services must be recognized as essential to Canadian nationhood. And, given that they cannot arise naturally from the commercial marketplace, the most appropriate mechanism to provide them is a national, public media organization supported by a core appropriation of public funds.

IV – A NEW NATIONAL PUBLIC MEDIA SERVICE: CANADA PUBLIC MEDIA/MEDIAS PUBLICS CANADIENS (CPM/MPC)

29. In August 2017, PBC21 submitted to the former Minister of Canadian Heritage a plan titled "*PERSPECTIVES ON PUBLIC MEDIA IN 21ST CENTURY CANADA*" in which we made recommendations for restructuring the design and the funding mechanisms of Canada's media, and traced important moments in the history of media regulation that have contributed to the current challenges facing our national public broadcaster.
30. We recently updated two major sections of that document (*Design: A New Start* and *Lessons of History*) in order to reflect the rapidly changing events that have occurred over the 16 months since the submission of *Perspectives*. We have appended those sections to this document. What follows is a summary of our recommendations for a new, national, non-commercial public media service which, for purposes of differentiation, we have renamed: *Canada Public Media / Médias publics canadiens (CPM/MPC)*.
31. To begin, CPM/MPC must be seen as heir to the long-established seminal principles of 'public broadcasting'. While that term may seem inadequate to describe the plethora of both passive and interactive options available in 2019, the principles of public service are as valid today as they were in the less crowded era when they were first developed. Accordingly, we urge that the guidance they offer be heeded and reinterpreted to suit the needs of today's audiences. Those principles are:
 - a. **Universality** – the services of the public media company must be accessible to all citizens, wherever they may live in Canada.

- b. **Diversity** – the services must be diversified in terms of the kinds of content they offer, their intended audiences/users and the topics they cover. The objective is to provide for the interests of all potential consumers over the range of offerings, rather than for attracting the largest possible audience at all times.
- c. **Independence** – critically, the services must be - and be seen to be - free of political influence and commercial pressures. The value of all the public media services and, most particularly, journalistic elements is directly tied to their credibility. As they are designed to serve all citizens – and are paid for by all citizens – their validity cannot be put at risk by any perception that they are beholden to special interests.
- d. **Distinctiveness** – while all media operate in a competitive environment, we do not create public media services simply to have more of the same things that are already provided in the commercial marketplace. But that is not to say public media should focus solely on subjects and genres of programming that competing providers ignore. Instead, public media must strive to distinguish themselves by the range and appeal of their offerings, using their status to explore creative options that might not be practical for commercial operators and, within the resources available to them, setting standards of quality for others to emulate.

Distilled to their essence, these criteria may be expressed quite succinctly – ***the sole raison d’être for a national public media organization is public service.***

32. With these principles as its foundation, we propose that CPM/MPC be unambiguously empowered to use all available platforms to engage Canadian citizens with the information they need to actively participate in the democratic process and in the cultural life of Canada. More specifically, we propose that:

- (i) **CPM/MPC shall:**
 - Be commercial-free in all of its services
 - Comprise radio, television and digital platforms.
 - Distribute programming of the highest achievable quality and competence, stimulating excellence in an evolving media environment in both official languages and several indigenous languages

- When practicable, on television and digital video, make content available in both official languages through the use of subtitles or dubbing.

(ii) Broadcast Radio:

The French and English divisions of CPM/MPC shall each operate two, terrestrially-distributed radio services:

- The first: primarily talk: news, current affairs, information, discussion and documentary, and
- The second: music and the classical and popular arts, drama, literature, etc.

(iii) Digital Audio:

The French and English divisions of CMP/MPC shall each have a variety of digital audio services, including:

- Real time and on-demand access to radio services and radio programs.
- Various ancillary music and entertainment content.

(iv) Television:

The French and English divisions of CMP/MPC shall each operate:

- A conventional OTA television network of news and information, current affairs, discussion, documentary and carriage of major national and cultural events, thereby eliminating the need for the subscription-only specialty channels CBC-NN and RDI.
- The network will be built on a "ladder" of contributions from renewed and re-staffed local, regional and national sources.

(v) Digital Video

The French and English divisions of CMP/MPC shall each provide digital video services including,

- Real-time digital access to their OTA television services.
- A single commercial-free streamed entertainment service built on the assembly of Canadian independent drama, comedy, arts, documentary and cultural production for permanent, universal access by Canadians, with audio or subtitled translation provided in both official languages.³

³ For this service we have adopted the model proposed by John P. Roman in his 2016 submission to the Cultural Policy Review Committee and found at

(vi) **News Resources**

The product of all CPM/MPC news-gathering in all media shall be made available at no charge to private sector news agencies (newspapers as well as electronic media), for their use with appropriate credit.

V - FUNDING: A CONTEMPORARY APPROACH

33. PBC21's assessment of the budgetary requirements of CPM/MPC is based on the following factors:
- That CPM/MPC will be 100% non-commercial on all platforms, and that most of its annual budget will be provided as a national appropriation from the Government of Canada.
 - That CPM/MPC will fully fund all its in-house and independently-produced programs, with some allowance for participation in distinctive international co-productions
34. PBC21 calculates that the successful operation of the renewed national public media service will require annual funding of between \$2.2 and \$ 2.6 billion. This represents an increase of between \$1.1 and 1.5 billion from current funding levels for the national public broadcaster.
35. Such a funding level would represent a per capita contribution to national public media of \$68 per annum, an amount that is still well short of the international *average* funding for public media systems (\$89/person/ year).
36. We recommend, however, that in light of the impact of technological change, the annual budget increase of between \$1.1 and \$1.5 billion required for the renewed public media system should be dual-sourced.
37. Currently, Canadians contribute \$34 each per year to fund their national public broadcasting service. To restore its effectiveness after decades of neglect and enable it to confront the geographic and cultural challenges extant across the northern half of North America, renewed public investment is essential. Increasing the per capita contribution to \$50.00 per year would add a critical - but insufficient - \$400 million to the annual Parliamentary appropriation.

http://www.canadiancontentconsultations.ca/system/documents/attachments/e987c78d8467871c59a942a3bc1b478600946500/000/004/395/original/John_Roman_CCDW.pdf?1478195347

38. To achieve true distinctiveness and transformation of Canada's national public broadcasting/media service will require modernization of its traditional funding mechanism. Over the past decade, Canada's telecommunication's companies have enjoyed stunning revenue growth,⁴ mainly derived from expansion of their wireless and internet operations, both of which successes have been driven by access to media: news, entertainment, sports and gaming. Meanwhile, these umbrella corporations have offered no assistance to the funding of Canadian production other than through mandatory (but declining) contributions to federal content programs (CMF, etc.) by their cable and satellite subdivisions. Their declining participation has made it necessary for the Government of Canada (a.k.a., the Canadian tax payer) to make up the difference.
39. It is longstanding Canadian cultural practice that those who benefit shall contribute. In decades past, as Canadians shifted from OTA broadcast reception to co-axial cable or satellite signal delivery, those distributors became de facto production partners, contributing 5% of their annual gross revenue to approved funding mechanisms. It is now certain that the future of video distribution will be internet-based through both wireless phone and home internet delivery and, following the lead of France,⁵ it is surely appropriate to harness these new systems as the most contemporary funding partners for Canadian program production.
40. Data assembled by the CRTC ⁶ indicate that in 2016, Wireless and Internet revenue for Canadian Telecommunications sector amounted to \$33.46 billion and, in 2017, \$35.06 billion. If only half the customary annual 5% revenue contribution were directed to topping up public service resources (i.e. 2.5%), it would have generated some \$800 million annually, the operating funds required to revitalize Canada's national public media.
41. As noted above, this budget would be sufficient to enable the national public media system to fully fund its domestically produced programming – both in-house and independent productions – and in so doing substantially reduce the draw on other federal content production funding mechanisms (CMF, Telefilm, etc.)

⁴ 70% of which in 2016 and 72% in 2017 were supplied by growth in Wireless and Internet services revenues.

⁵ In 2013, the European Court of Justice ruled in favour of the French government's decision to tax its ISPs/telecoms to support a non-commercial France Télévision; report found at <https://www.telegeography.com/products/commsupdate/articles/2013/06/28/eus-court-of-justice-rules-against-ec-in-french-telecoms-tax-dispute/>

⁶ CRTC Monitoring Reports, 2016 and 2017.

VI - WHERE THE MONEY GOES ...

42. CBC/R-C's local and regional – as well as national and international – news and information resources have been drastically reduced over the past three decades through a series of budget cuts and the Corporation's decision to attempt to compete with commercial television entertainment programming, forcing a scooping of budgets from all levels of radio and from television news and current affairs programming to enrich budgets at the TV entertainment and digital operations level and thus attract more commercial revenue. Meanwhile, across Canada, commercial radio and television newsrooms and newspapers have seen drastic reductions in resources, and some have ceased operation altogether.
43. PBC21 considers the strength of the local-regional-national-international "ladder" of research and reporting to be an essential element of the proposed CPM/MPC service. Therefore, much of the increased funding and resources proposed for CPM/MPC will be directed toward revitalizing its news and information services at all levels.
44. PBC21 believes that its proposals with respect to redevelopment of the national public broadcasting service should also offer major benefits to Canada's struggling newspaper sector.
 - Advertising revenues currently captured by CBC/RC's media activities will be available for redirection to private media, print, OTA and online.
 - As well, the product/output of the enhanced CPM/MPC newsgathering service will be made freely available to private news agencies at all levels (local, regional, national) in exchange for proper attribution/credit for their use and repurposing.
45. As noted above, increased annual budgets will make it possible for CPM/MPC to fully fund its in-house and independently produced programming at all levels, with significant new requirements to be introduced to safeguard service development:
 - Discrete budgets shall be allocated to each platform (radio, television, digital) of each language service and, once allocated in response to approved operating plans and performance targets, will be deemed irrevocable for the term of the budget.

- Inter-regional reflection in all media shall be supported by greater cooperation between regions and between French and English services and be provided with appropriate resources.
- Resources shall be assigned to local and regional CPM/MPC centres to develop cultural and public service programming and to share such programming between regions where appropriate.

VII - TRANSITION: Action Required

46. Canada now has the opportunity to design a contemporary communications infrastructure that will serve its complex national needs – and craft the policies on which this essential, responsive and reliable service can be grounded. In contemporary parlance, it's an *awesome* challenge!
47. With the benefit of hindsight, it is your assignment to weigh the facts and that intimidating assembly of imponderables – technical and creative – that stretch into mid-century and beyond. In this exercise, hindsight provides the only certainty. The Panel is aware of the history and how concessions that once seemed unavoidable permanently compromised the system's original objectives.
48. This month you will receive a deluge of suggestions for legislative reform, only some of which will be anchored in practical system assessment. In your hands is the task of addressing known and competing interests, weighing them against first principles and weaving the 'ifs' and certainties into a system that ultimately will serve the unique communications needs of all Canadians, and for decades to come. The process will be neither quick nor easy. An interim report to Government is likely in six months time. Your analysis and recommendations must be in the hands of the Minister of Canadian Heritage by the end of January 2020.
49. Because of the complexity and sensitivity of this issue, the Government of Canada may wish to prepare a White Paper for public consideration before introducing new legislation. With or without this process, we anticipate that the relevant Minister will eventually submit to Cabinet a policy proposal addressing the legislative changes required to update Canada's broadcasting and telecommunications sectors.
50. After consideration and debate at the Committee level, recommendations for change will come before Cabinet and, once agreement is reached,

French and English drafts of the necessary legislation will be drafted by experts in the Department of Justice and returned for Cabinet approval.

51. With Cabinet's agreement, the draft legislation will receive first and second reading, allowing for discussion and debate. At this point it is likely to be referred to a Standing Committee of the House or Senate for clause by clause review, with witnesses called to assist in the process. When this process is completed and the Committee has agreed on any changes, it will report its recommendations to the House which will then vote on all proposed amendments before tabling the bill for third reading. Once it has received majority approval in the House of Commons, the new communications legislation will then be sent to the Senate for its sanction before it can receive Royal Assent and be gazetted as law.
52. This process is outlined here only to highlight its inherent complexity and the probable timeline required to launch the extensive legislative changes that are necessary. Moreover, it is clear that the Panel can only address the necessary legislative redesign subsequent to decisions about the broadcasting and telecommunications infrastructure that will best serve Canadian needs. This, in turn, will necessarily involve examination of regulatory options and intricacies - and perhaps such knotty policy issues as how much industry concentration is enough.
53. In fact, the passage of new legislation will be only the beginning of the transformation process. Changes in private and public sectors will take time to accomplish if labour, service and investor issues are to be dealt with equitably. The least conservative among us anticipate the extent of change on which Canada is now launched cannot be accomplished in less than four years from the tabling of your report.
54. As already discussed, much of Canada's information system is already in jeopardy. The newspaper sector has shrunk drastically. Radio and TV stations are struggling to retain sufficient staff to cover important local and regional issues, and major daily papers are now being threatened with cyber-attacks. This is the challenging environment in which Canadians will go to the polls in October 2019 and it is unlikely to improve in the absence of the changes your panel is committed to achieve.
55. PBC21 is convinced that, in a system structured and resourced to serve Canadians' unique needs, there is room for information and story-telling, for celebration and enjoyment of the breadth of creative expression manifest throughout our diverse and vibrant population. We appreciate the opportunity to participate in this critically important process and are

committed to achievement of the necessary changes before the Federal election in October 2023.

Respectfully submitted by participants in PBC21, among whom are



Bruce Steele



Alain Pineau



Paul Gaffney



Jeffrey Dvorkin



Frank Koller



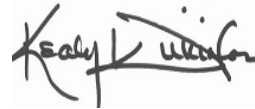
Bernie Lucht



Wade Rowland



David Schatzky



Kealy Wilkinson

APPENDICES:

A: Perspectives' Design: "A New Start"

B: Lessons of History

C: Financial Data

**D: Proposed Revisions to 1991
Broadcasting Act**

APPENDIX A: A New Start⁷

III A New Start

There are 3 key elements to the proposed National Content Distribution System:

- i) A commercial sector composed of private content distribution entities (aka telecommunications corporations);
- ii) A newly constituted public media system which, for the sake of differentiation, we have titled **Canada Public Media /Médias publics Canadiens (CPM/MPC)**;⁸
- iii) A new funding agency: the **Content Development & Distribution Fund/Fonds de développement & de distribution de contenu (CDDF/FDDC)** to help finance CPM/MPC, support local and regional media, and assist private media who wish to develop and distribute Canadian content.

For discussion, here are suggested steps for moving toward these objectives.

1. RESTRUCTURING CANADA'S MEDIA SYSTEM

- 1.1 Restructure the Canadian Broadcasting Corporation/ Radio-Canada. For the sake of this document, it will become **Canada Public Media /Médias publics Canadiens (CPM/MPC)**.
- 1.2 **CPM/MPC** shall be a non-commercial Crown Corporation acting at arm's-length from government.
- 1.3 Redirect the current federal appropriation for CBC/R-C to CPM/MPC, and increase the annual appropriation to \$1.5 billion, still well below the average per capita expenditure of all nations with public systems This appropriation is to be set within the

⁷ From 'Perspectives on Public Media in 21st Century Canada' PBC21, August 2017.

⁸ Note: this phrase is used to clearly distinguish the current CBC/R-C from its new incarnation.

framework of a five-year Memorandum of Understanding with Parliament.

- 1.4 End the current system of Canadian Content regulation. Remove levies on cable and satellite distribution companies and wind-down most - if not all - related funding agencies and programs, and broadcast regulations governing Canadian content.
- 1.5 In lieu of Canadian Content regulations previously imposed on private broadcasters, a newly constituted **Content Distribution Fund/ Fonds de développement & de distribution de contenu (CDF/FDC)** shall impose a 2.5% levy on the wireless and internet revenue of telecommunications corporations, the private data distributors who now own and operate private television, cable, satellite and Internet systems delivery systems. In 2017, the income from this levy would have generated some \$1.7 billion.
- 1.6 Of the monies thus collected:
 - two-thirds shall be directed to **Canada Public Media /Médias publics Canadiens.**
 - One-third shall be available for private data distributors on a per-project basis to support the acquisition and distribution of Canadian content programming on their platforms.
- 1.7 Any portion of the funding for private data distributors that is not distributed by year-end shall be re-directed to the **CPM/MPC.**
- 1.8 Private broadcasters shall be required to maintain local news services as long as they continue to transmit signals over-the-air (OTA).
- 1.9 Private broadcasters shall be released from all existing content regulation when they cease transmitting OTA. This measure may encourage private networks (and national publishers) to move quickly toward online-only distribution. Such action could free up local frequencies and markets for use by local and regional entities wishing to serve local audiences and advertisers, as well as for possible extension of local/regional services from **CPM/MPC**

2. ELEMENTS OF CANADIAN PUBLIC MEDIA

The following set of values and principles for **Canada Public Media /Médias publics Canadiens (CPM/MPC)** are proposed with three goals in mind:

- **CPM/MPC** must be operated as a *not-for-profit* public trust, a dedicated instrument of Canadian cultural and democratic life.
- **CPM/MPC** must focus primarily on telling the stories of Canada and Canadians at home and abroad, interpreting the world through a Canadian perspective and offering a broad range of social and cultural content to inform, entertain, challenge and inspire its audience.
- **CPM/MPC** must reflect Canada's regions, people and cultures.

GENERAL

- 2.1 All forms of **CPM/MPC** service (Television, Radio, Online) shall be entirely commercial-free, and operate at arm's-length from political, commercial and religious agencies.
- 2.2 Each of the six services (Radio, Television, Online: English and French) shall function as a corporate subsidiary of its parent company and be provided with an annual budget, the amount of which is to be made public at the beginning of each fiscal year.
- 2.3 **CPM/MPC** shall create and distribute programming in French and English and in select Indigenous languages.
- 2.4 A minimum of 80% of all programming on **CPM/MPC** shall be 100% Canadian in content. Up to 20% of **CPM/MPC** programming may be acquired through partnerships with domestic (e.g. provincial) or international public broadcasters, through "exceptional acquisitions" (e.g. Olympic coverage, special news features, etc.) or via partnerships with other sources.
- 2.5 Original **CPM/MPC** programs and formats may be leased to commercial distributors as desired.
- 2.6 **CPM/MPC** will resume the use of – and reasonably compensate - freelance contributors and freelance content creators.

DISTRIBUTION

- 2.7 **CPM/MPC** services shall be distributed OTA and on cable, satellite and online. Distribution redundancies are intended to ensure continuous availability to all Canadians, especially in the event of regional or national emergencies and/or interruption of online service.

TELEVISION/VIDEO SERVICES

- 2.8 **CPM/MPC** shall offer regional and national scheduled video services on one OTA television channel in English and one in French over regional transmitters. The programming focus of these channels will be on news, information, current affairs and documentary programming in addition to live coverage of events of social and cultural significance. Most of these programs will be produced 'in house'.
- 2.9 **CPM/MPC** will jointly operate a national streamed, on-demand video service providing 100% Canadian programming designed to enlighten, entertain and challenge viewers (e.g. drama, comedy, documentary, dance/music, children's). All programming will be produced by Canada's independent production sector. Access to this service will be free-of-charge to Canadian viewers/households. All programming will be provided with soundtracks in both official languages and/or with subtitles.⁹ All programming so acquired will be held in Canada's national program inventory and remain permanently available for use by Canadian audiences.
- 2.10 **CPM/MPC** will pay the full cost of all independently produced programming on its OTA and streamed services. It will share with its independent production partners the costs of foreign marketing and in profit from the sale of international distribution rights of all such programming.
- 2.11 **CPM/MPC** shall maintain in-house local and national video production resources adequate for production, packaging and presentation of news, current affairs, and some information/cultural content

⁹ We have here adopted the model proposed by John P. Roman in his 2016 submission to the Cultural Policy Review Committee and found at http://www.canadiancontentconsultations.ca/system/documents/attachments/e987c78d8467871c59a942a3bc1b478600946500/000/004/395/original/John_Roman_CCDW.pdf?1478195347

RADIO/AUDIO SERVICES

- 2.12 English and French divisions of **CPM/MPC** shall each maintain two audio (radio) networks.
- 2.13 Audio One shall be an Information, News and Current Affairs service. Audio Two shall program the best in a broad range of domestic entertainment programming: drama, music, comedy, history, science, literature and arts.
- 2.14 Audio services shall be presented in a regular broadcast schedule (over-the-air), as well as being available 'live online' and 'on demand' as podcasts or other formats.

ONLINE SERVICES

- 2.15 **CPM/MPC** shall provide online access to all audio and video services.
- 2.16 **CPM/MPC** shall maintain discrete program and corporate web sites.

NEWS

- 2.17 A news department for each of **CPM** and **MPC** shall coordinate service for Audio, Video and Online news, with appropriate provision for services to Indigenous communities.
- 2.18 The local and regional English and French language services of **CPM/MPC** shall each be responsible for creating a weekly news summary of events in their communities for broadcast in primetime in the other official language.
- 2.19 **CPM/MPC** shall present on its audio, video and online services, three types of daily newscasts, updated as required:
- i) regional newscasts produced in each **CPM/MPC** location;
 - ii) a daily national newscast of stories from the regions;
 - iii) daily newscasts of national and international content
- 2.20 **CPM/MPC** news resources will be staffed by teams of multi-Media-literate reporters, specially trained to organize multi-platform reporting, with time afforded for research and supported by access to sources of national and international content-support.

REGIONAL

- 2.21 **CPM/MPC** shall be required to maintain an interlaced chain of robust local, regional, and national outlets/stations with responsibility for local news, information and cultural programming.
- 2.22 Local and regional **CPM/MPC** outlets will be encouraged to choose formats, styles of content, timing and delivery methods that best serve the needs of their audiences.
- 2.23 Regional **CPM/MPC** outlets will be encouraged to share programs of common interest, join in diverse configurations during emergency situations and create occasional one-off or short-term networks as required to meet service objectives.

CONTENT ARCHIVES

- 2.24 As rights expire, all programming produced for the exclusive use of CBC/R-C and successor institutions shall be archived in a Canadian Media Depository and made accessible to Canadians online at no additional cost.

3. GOVERNANCE STRUCTURE

There shall be a tiered governance structure for **Canada Public Media/Médias publics Canadiens [CPM/MPC]**. The membership of each tier shall be refreshed with qualified individuals chosen for their understanding and appreciation of the primary purpose of **CPM/MPC**, which is described as:

A national meeting place where the diverse, dispersed population of Canada may gather to share in the civic and cultural exchange of ideas and concerns, and participate in an informed manner in Canadian society and democracy.

3.1 **CPM/MPC** shall operate at arm's-length from governmental, commercial and religious influence.

3.2 **CPM/MPC** shall operate distinct but parallel and cooperating services in English and in French, each of which will also address the special needs and interests of northern and Indigenous communities.

3.3 The **Board of Directors of Canada Public Media/Médias publics Canada** shall consist of fifteen (15) members: one member from each province and territory, a Chairperson and a President. The Board of Directors shall oversee and direct the global affairs of the **CPM/MPC**. The Chairperson shall be appointed by the Governor-in-Council and from among their number, and the President/Chief Executive Officer shall be appointed by the Board of **CPM/MPC**.

3.4 The **President /CEO** shall appoint an Executive Vice-President from within the **CPM/MPC** who will be responsible to the President for management of the operations of the **CPM/MPC** and adherence to its public service policies.

3.5 The **President/CEO** shall appoint **Vice-Presidents** and a **Senior Management Team** to oversee day-to-day media operations. Wherever possible, appointments shall come from within the institution, not excluding the possibility of an external appointment where persons of suitable background and demonstrated commitment to the mission of public media system are available.

3.6 Each province and territory shall have a **Regional Director** appointed by the President who shall oversee the day-to-day functioning of **CPM/MPC** within their regions.

3.7 Each **CPM/MPC** location with a staff of five or more persons shall have a **Local Manager** appointed by that location's Regional Director to run day-to-day operation at the local service site.

Regional Directors of **CPM/MPC** may apply to the Board of Directors and the President for permission to make adjustments to the governance structure within their jurisdiction appropriate to their particular cultural practices and issues, within the intent and function of the overall Governance Structure as outlined above.

4. ADMINISTRATIVE STRUCTURE

Operational schemata for **CPM/MPC** were devised to facilitate conversations among Canadians – "*people talking to people*". This idea is at the very root of the service.

4.1 **CPM/MPC** shall conclude with Parliament, through the office of the Minister of Canadian Heritage, a five-year Memorandum of Understanding laying out its business plan and the public

appropriations to be given to it by Parliament to fulfill its mandate.

- 4.2 **CPM/MPC** shall report to Parliament annually through the Minister of Canadian Heritage or such other Minister as may be designated in legislation.
- 4.3 **CPM/MPC** shall present a regularly scheduled “town-hall” discussion about its operations and performance and their relationship to its mission and mandate at least annually in audio and video formats on all platforms.
- 4.4 **CPM/MPC** shall constitute Canada’s local, regional and national emergency media system.
- 4.5 Each **CPM/MPC** language service shall have an **Ombudsperson** with a staff of appropriate size to acknowledge and respond to concerns regarding the operations of CPM/MPC. The Ombudspersons shall report to the Board of Directors and be chosen for their skill in mediation, and knowledge of and commitment to the public media mission and mandate. The **Ombudsperson** shall participate regularly in **CPM/MPC** “town hall” forums, responding to the public and reporting on the affairs of the public media system.
- 4.6 A **CPM/MPC** Regional Centre shall be located in each provincial or territorial capital. Each major city with a population of approximately 200,000, shall host a **CPM/MPC Location** to provide radio, television and/or online services for communities adjacent to its area.
- 4.7 Each Regional Centre and location shall be responsible for developing programming suitable to the needs of its audiences, and shall utilize its resources and mix of platforms to facilitate its audiences’ engagement in the national public conversation at the heart of the **CPM/MPC** mandate.
- 4.8 Co-operation in sharing, trading and co-producing content between **CPM** and **MPC** and among locations will be deemed a priority, and
- 4.9 **CPM** and **MPC** services shall meet regularly to explore new ways to share programming ideas and content.

5. FUNDING CANADA PUBLIC MEDIA /MEDIAS PUBLICS CANADA

- 5.1 **CPM/MPC** shall be funded through appropriations from the Parliament of Canada within the framework of a five-year Memorandum of Understanding.
- 5.2 Funding from the **Content Development & Distribution Fund/Fonds de développement & de distribution de contenu (CDDF/FDDC)** shall augment federal appropriations for **CPM/MPC**, as described in 1.3 and 1.6.
- 5.3 Other funding mechanisms (Foundations, bequests, sponsorships, etc.) shall be considered and implemented as the Board deems appropriate and consistent with the public service objectives of the **CPM/MPC**.

6. LANGUAGE SERVICES OF CPM/MPC

A taxi driver in Montreal recommends that his English-speaking passengers practice their French by listening to Ici Musique and watching the news on Radio-Canada. An English cabinet-maker in Kitchener, Ontario learns to speak French by listening to Radio-Canada in his shop every day for ten years. Digital platforms open up entirely new possibilities for French and English Canadians to share their news, culture and visions of this country.

As it now stands, most English-Canadians are less familiar with the news and culture of French Canada than they are with events in Paris, and many French-speaking Canadians are equally unaware of events in English Canada. In the distant past, mild attempts were made to share some content such as the occasional exchange of recorded concerts, attempts to adapt sit-com formats or the occasional two-language production. Almost the only success came with the very first such attempt, *La famille Plouffe*.

But most symphony and pop recordings have now been curtailed due to budget cuts. French-speaking Canadians do not lack for access to American pop culture, but an alien audience listening to English media might be surprised to learn that a francophone population even exists

in Canada. Aside from a weekly CBC Radio music program, *A Propos*, and the summer 2017 replacement half-hour, *Seat at the Table*, and the occasional news report (usually in a time of crisis in Quebec), the only recognizably Francophone voice heard with regularity on CBC is that of Chantal Hébert, a panelist on *The National: At Issue*. After eight decades, our national public broadcaster has yet to come to grips with bridging *les deux solitudes*.

Current translation software is admittedly imperfect but it will improve in time, especially as artificial intelligence technology develops. And with time, resources and encouragement, creative young minds will produce entertaining multi-lingual content (à la *Bon Cop, Bad Cop*) on multiple platforms.

Of course, there will be challenges. For example, what manner of speech in either language should be employed to represent the accents and speech patterns of Newfoundlanders, Quebecers or Indigenous voices so that the program remains credible? An atmosphere of willingness, tolerance, humor and grace will be required to overcome such hurdles.

But the goal is communication: people talking to people, despite barriers. The redesign of our public media and the creation of **CPM/MPC** should provide us with the opportunity to address this domestic challenge and its global implications.

Now is the time to decide how inclusive our 21st century national public media service should be and what sort of partnerships might be forged with relevant agencies to best serve all Canadians.

APPENDIX B: Lessons of History¹⁰

Canadians could be forgiven for believing that except for details of ownership and funding, our private and public English-language television broadcasters are essentially the same. They all provide Canadians with some measure of high-quality programming. But most of the content aired on our domestic English channels – private or public – could fit seamlessly into the schedule of any commercial network anywhere in the western world.

Canada’s broadcasting system was not designed to be that way. It was meant to have two distinct but complimentary parts – private broadcasters and a national public broadcaster service. Untangling their current similarities and re-establishing clear distinctions is *crucial* to reinventing public media in Canada.

CBC/R-C came into being because our young nation desperately needed a mechanism that would allow Canadians to get to know one another across vast distances and to counter the American programs and commercial messages that were already flooding our airwaves in the 1920s and ‘30s when the battle cry became, “It’s the State or the United States”. We wanted to harness the creative skills and energies of Canadians and use them as the main source of content on our own electronic media.

In Ottawa, the government-of-the-day concluded that a publicly funded radio system was the only way to deliver domestic content across this country that was meant to inform, entertain and enlighten Canadian listeners. Private broadcasters saw little profit-potential in that mission. Now, as then, Canada’s private radio and television relied on popular American and American-style content to attract the largest available audiences to the messages of their advertisers. As the old industry adage goes, “We sell time for money.”

Serving the citizens of Canada and serving commercial imperatives are two distinctly different missions. Yet, over time, the style and content of our public and private media – especially that of their television services - have become almost indistinguishable. There is a variety of reasons for this.

¹⁰ From ‘Perspectives on Public Media in 21st Century Canada’, PBC21, August 2017.

First, neither our public nor private television networks produce most of the programs they carry. Instead, they lease the rights to broadcast Canadian-made drama, comedy, reality, variety and sports shows made by independent producers. These "Cancon" shows are seldom made *exclusively* for the Canadian networks. To generate profit, they must be designed to attract international buyers as well and this inevitably waters down recognizable Canadian features.

Canadian networks pay only a small percentage of the total production cost of Canadian programs, with a portion of the payment often made only after programs are delivered and aired. But the Canadian broadcaster's conditional letter of interest in a program proposal unlocks a complex mechanism of domestic tax credits and grants, equity and bridge financing and sponsorship that covers *most* of the cost of production. Often, in order to seal the deal and guarantee some profit, independent producers must also lease their shows to foreign buyers.

Thus, regardless of which Canadian network – public or private - is first to sign on to a new venture, "indie" producers must build a good measure of marketability and homogeneity into a Cancon project to satisfy both domestic *and* offshore clients and their multi-national financial partners. As noted above, this too often leads to the loss of the Canadian cultural component of those productions.

This complex Cancon funding system was launched decades ago. CBC/R-C's participation was then essential to jump-start the development of a vibrant independent production sector - but the intent was never to denude the public broadcaster of its production capability. Over the years, this strategy has met with success, accelerated the growth of our nascent production industries, created jobs in the cultural sector and, with Canadian content quotas, encouraged otherwise reluctant private broadcasters to air Canadian-made shows. It is, however, a cumbersome, out-dated apparatus, and we have been reluctantly forced to conclude that it has not succeeded in generating a significant canon of *distinctively* Canadian programming. So why does CBC/R-C participate in it? Why not repeat the successes of the '50s and '60s and make its own unique Canadian programs just for Canadians and play to its mandate? This leads to considering the second main reason for the similarities that we see between the public broadcaster and its private counterparts.

The current fiscal models barely permit CBC-TV, and to some extent Radio-Canada television, to *address* their mandate, let alone serve it

properly. Successive governments – save for the present one – have cut annual appropriations to the Corporation for a variety of reasons, chief among them being complaints from private media companies that ‘the taxpayer subsidized CBC is an unfair competitor’.

Given the distinct differences in their missions and mandates, the idea that public and private broadcasters are in competition would verge on the absurd but for one fatal circumstance: the carriage of advertising on CBC/R-C’s French and English TV and specialty channels and online. It is only because of commercial solicitation that competition for audiences and for revenue exists.

These private industry grievances have wedged the public broadcaster between the proverbial rock and hard place. Governments have cut its budgets and directed it to be much more self-sustaining (i.e. increase its commercial sales revenue), while private media protest the resulting ‘interference in the marketplace’. Over the years, these constant pressures have significantly eroded the breadth and originality of the program offerings of both CBC and Radio-Canada television services.

Management’s first response to cuts was aggressive lay-offs and attrition, as well as amalgamations, reductions and elimination of services. Throughout the process, many “old guard” managers struggled to protect the public service mandate. But as the measures they enacted failed to fully address the revenue short-falls, ‘new blood’ was recruited from business and private media, and charged with making the Corporation lean, viable, popular and self-supporting.

Unfortunately, many of the new hires were unencumbered by media knowledge, let alone commitment to the mandate of the *public* broadcaster. They did, however, share in the belief that CBC programs must attract *larger audiences*, who would in turn attract *more advertising* and make the network more *self-sustaining*. Until those goals could be met, they would enact further ‘efficiencies’ and reductions. In the end an assumption grew that, if the national public broadcaster could not stand on its own as a business, then free-market forces should determine its fate.

The effort to make the Corporation a self-supporting commercial entity has been a dismal failure. In point of fact, it has largely succeeded in achieving the opposite result. While almost all traditional media are suffering the loss of audience and advertisers to online media, declines at CBC-TV have been especially steep.

To address short-term financial shortfalls, the Corporation has had to drop, farm out or sell off much of its documentary programming, sports and music streaming, most jazz, pop, folk, country and classical music recording, as well as staging, properties and costumes, and find ways to “off-load” its archives and eliminate other activities, heritage collections and revenue streams. In lieu of responding to requests for immediate additional funding, the Corporation is permitted to operate with modest annual overages, a temporary solution that only delays the inevitable.

Budget cuts and the ubiquity of American media have affected the public broadcaster’s English services more than those of Radio-Canada. French-speaking Canada is not immune to the influences of US popular culture, but Radio-Canada TV has remained more attuned to its mandate and mission to provide distinctive programming than has CBC-TV, language barriers not explaining all of the differences. And, sadly, there is little programming cooperation between CBC and Radio-Canada; insufficient effort has been made within our public media to address the two solitudes – or the diversity - of Canadian audiences.

CBC *Radio* has managed to continue to address much of its public service mandate, as well as its excellent ratings. But it too has been transformed. Corporate management has regularly raided radio’s budget to shore up television, and the result is radio schedules riddled with repeats. Programming resources and staff have been greatly diminished, especially in the regions. To a large extent, the same can be said of R-C Radio.

CBC Radio has also become – dare we say – more American. Stories and expert opinions are more easily (and often) plucked from south of the border than sourced from the now-denuded Canadian regional operations.

There is more behind this Americanization than budget cuts and competition for audiences. When Radio-Canada International (RCI) closed its short-wave service and moved to online distribution (rci.ca) in June of 2012, it also reduced its broadcast languages from 12 to 5 (English, French, Spanish, Arabic and Mandarin), eliminated delivery of special international language newscasts and skewed more toward North American listeners. Americans already had access to the domestic services of CBC/R-C Radio over-the-air from border stations, online (cbc.ca and ici-rc.ca), and on Sirius-XM radio. As well, the

stations of National Public Radio lease a number of popular CBC radio shows for broadcast in the USA.

Feedback from American stations and listeners may have further encouraged CBC Radio programs like "q", "*The Sunday Edition*", "*As It Happens*", and others to air noticeably more content about American celebrities, culture and issues. "*The Sunday Edition*" has now been dubbed 'New Yorker radio' because of regular appearances by *New Yorker* magazine contributors. And while coverage of American pop culture may attract younger listeners to CBC Radio, the attention given to it by some shows has had controversial outcomes, such as when "Q" (now dubbed "q") accepted 'financial assistance' from a US record company to travel to California and interview its top selling artists.

Meanwhile, contributions from CBC's regional stations have markedly declined in lock step with cuts to regional resources. We cite here the example of Regina, SK:

- Some 500 people worked for English and French, radio and television in Regina in the early 1990s. Fewer than 50 are employed there now. Even in this digital age, those are very steep cuts!
- In 1995, all CBC-TV's Saskatchewan regional newscasts were reduced from one hour to 22 minutes, plus commercials. All weekend newscasts were eliminated.
- During the late 1980s and early '90s, the Regina plant produced ample regional and network content, including a daily and a weekly network television series, a highly-rated network radio series, a popular regional weekend morning TV show for youth and a weekly regional cultural radio program. None of these shows or replacements for them is currently in production. Regina's television studios and control rooms are empty and dark. Saskatchewan no longer has any regular network presence of any kind, and it is not the only province in that position. We are far from "People talking to people" or "The National campfire".

Most CBC English-language network programming now originates from the CBC Broadcast Centre in Toronto, a building specifically designed with the capacity to produce all CBC English radio and television network programming should the need arise. The building was completed just a few years before the current Canadian-content funding program was introduced and the independent production industry began supplying all CBC entertainment programming. As with

most CBC buildings across the country, much of the Broadcast Centre is now for lease. Two floors have recently been taken over by private public relations firms, and a large TV studio has become a basketball court. In Montreal, the Radio-Canada building has been sold and most of its studios are in the dark.

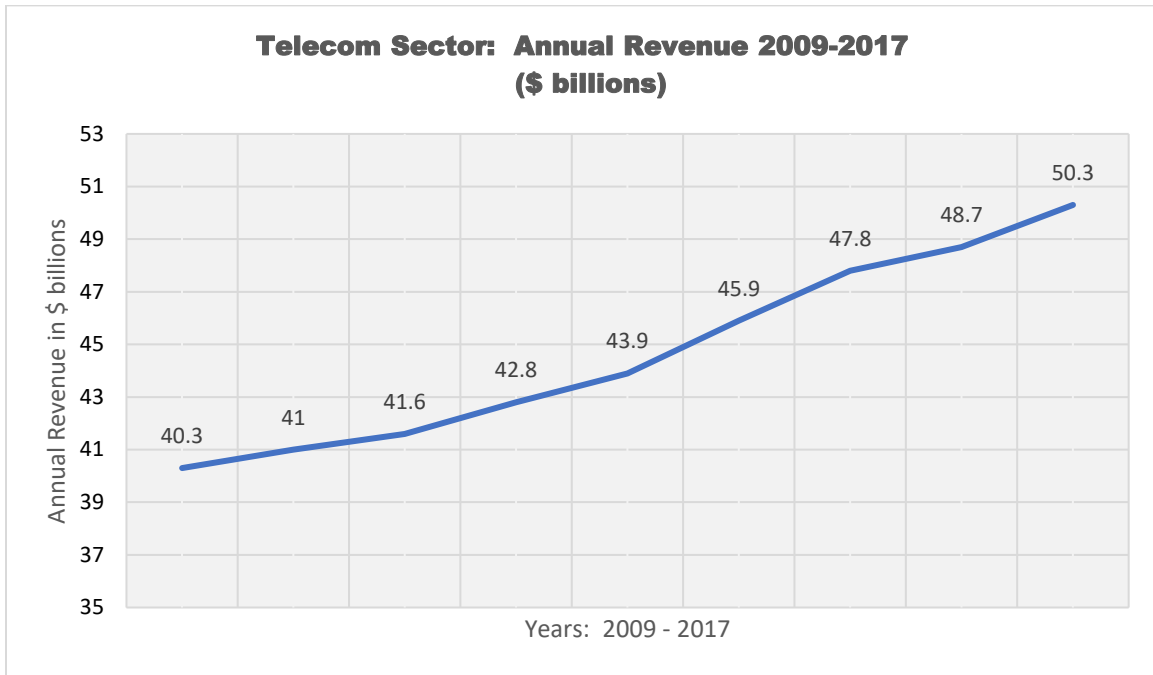
Local media play two crucial roles in the democracy of our huge, sparsely populated nation. They serve the commerce and culture of our communities, and they give 'the hinterlands' a voice to speak to the rest of the nation and to contribute to *the Canadian experiment*. It is certainly important to secure a place for Canada's cultural industries in global markets, and to seek cultural protection in our international trade agreements but we are concerned that in the process of marketing our cultural products abroad, perhaps too little attention has been paid to the role of media here at home, and at considerable cost to our cultural sovereignty.

In this digital age, immigrants can easily stay in touch with home in their first language at any time of day or night. Social media users can create personalized universes. Each of us can stream content from anywhere. But our local, regional and national media are in imminent danger of disappearing.

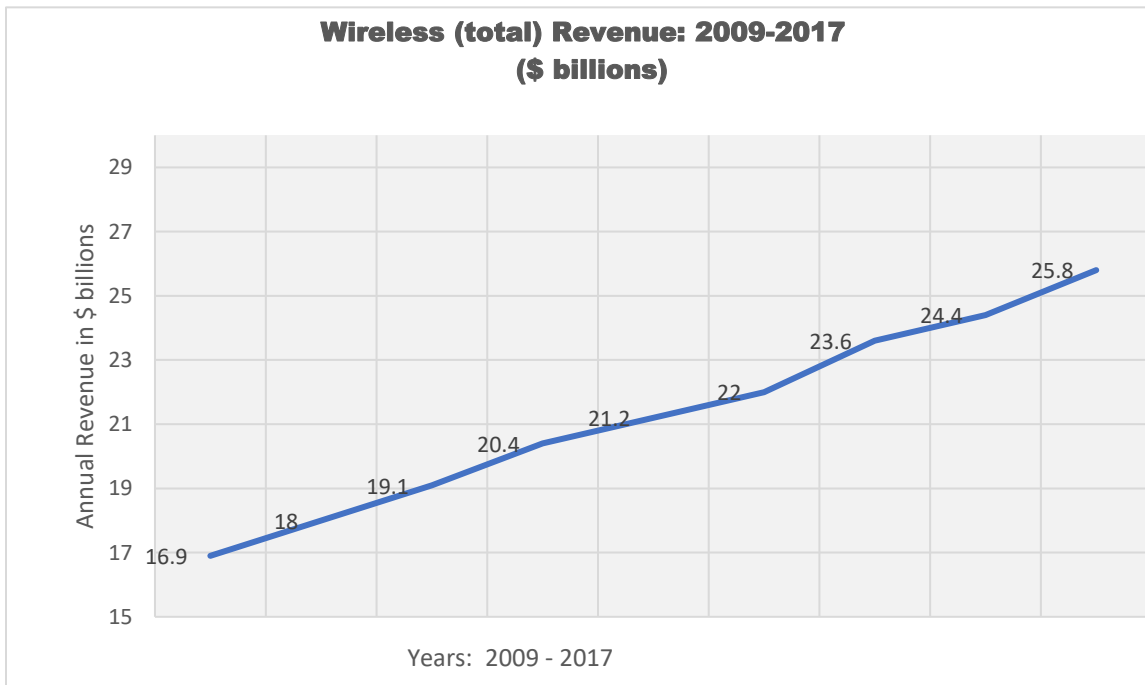
Now more than ever, the job of providing Canadians with Canadian content resides with our public media. But after years of study and detailed review, the signatories to this document have concluded that our public broadcaster, CBC television in particular, is straying further and further away from its public service mandate. Further, we feel that the service cannot be redeemed, and that the faux-commercial nature of its current corporate culture needs to be uprooted.

It is time to re-invent the public media system. We must create a contemporary structure where partnerships with other cultural institutions such as the NFB/ONF and the NAC/CNA can thrive, and experienced broadcasters can be harnessed to guide young talents in creating the public media system essential to 21st century Canada.

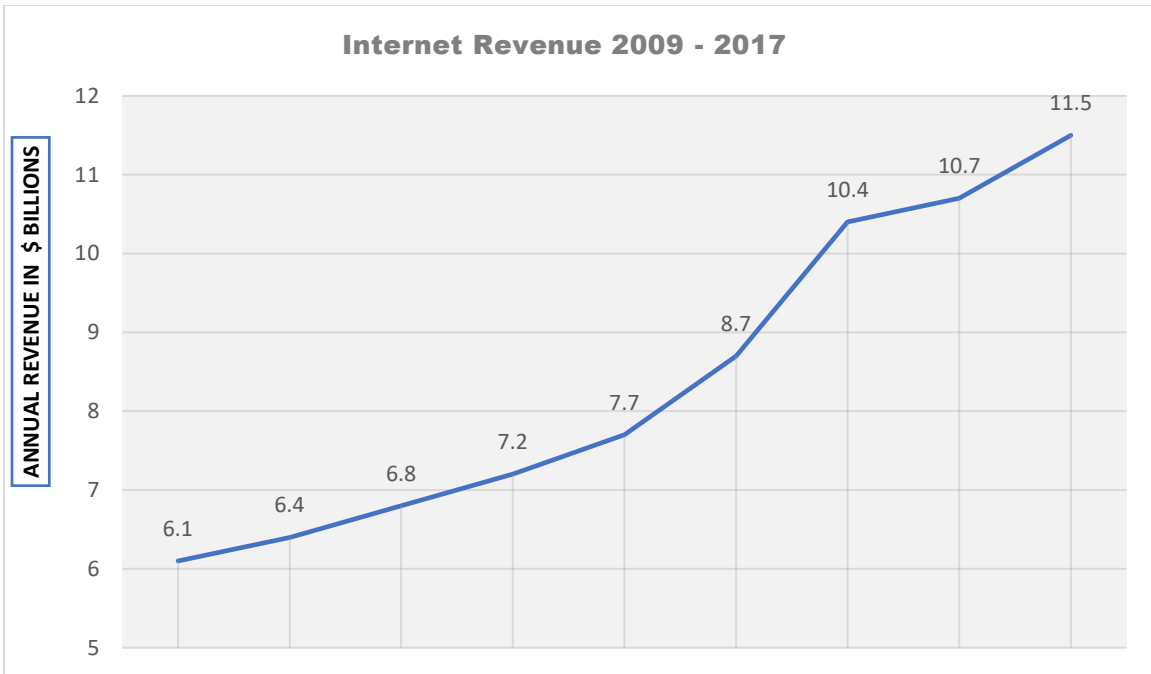
APPENDIX C: Financial Data



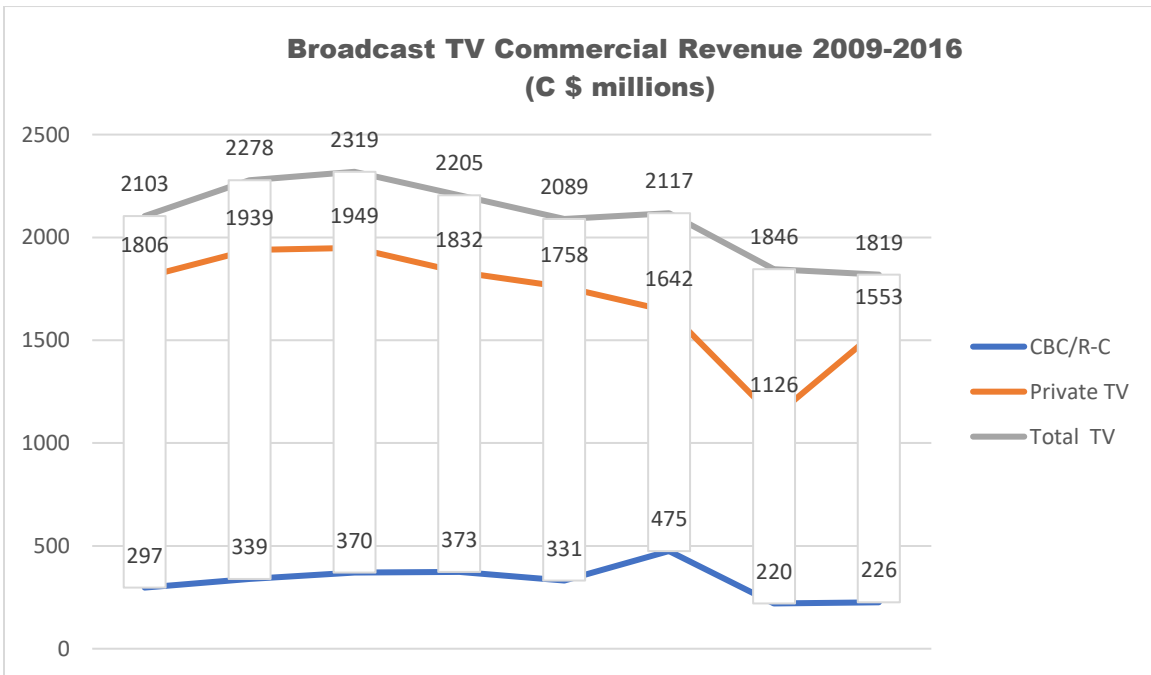
Source: CRTC Communications Monitoring Reports, 2010 – 2018



Source: CRTC Communications Monitoring Reports, 2010 – 2011

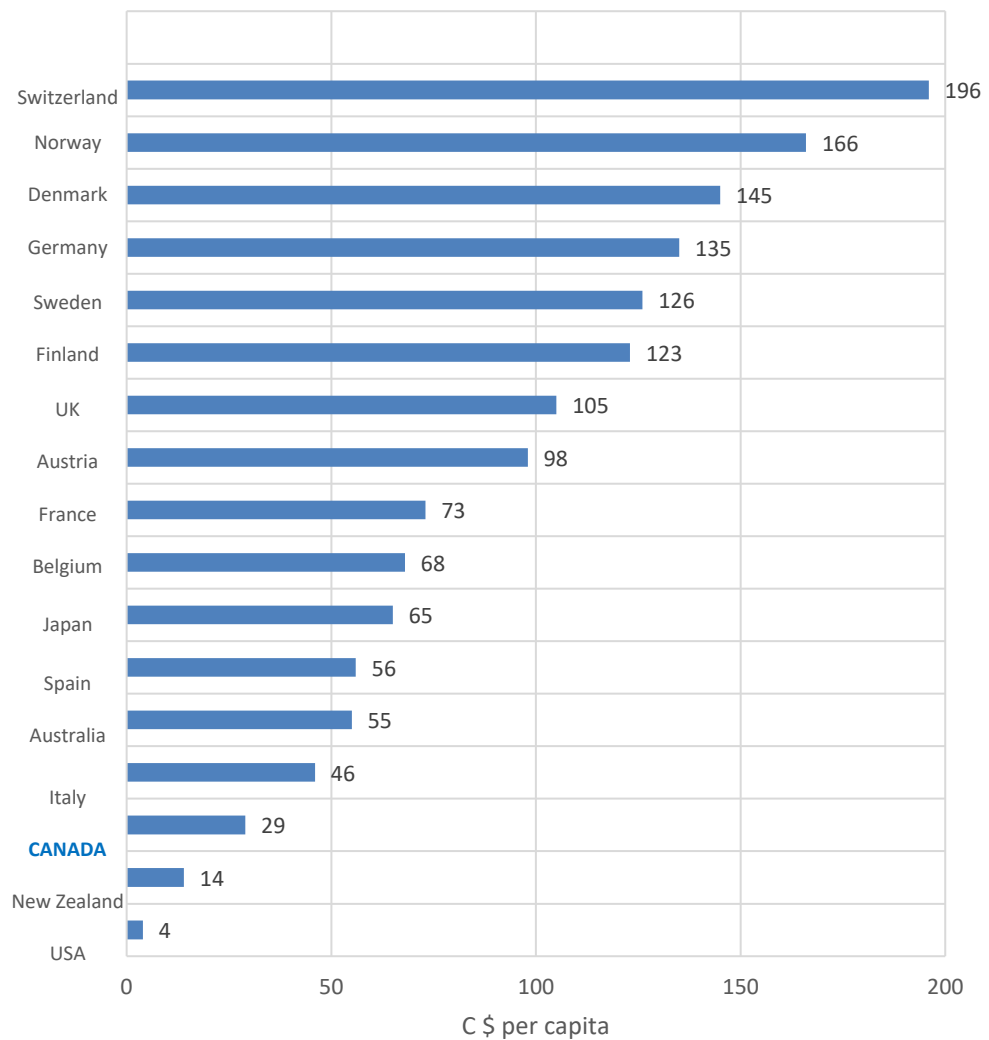


Source: CRTC Communications Monitoring Reports, 2010-2018



Source: CRTC Communications Monitoring Reports, 2010 – 2017.

**Public Service Broadcasters' Per Capita Funding
2016**



Source: International Comparison of Public Funding for Public Service Broadcasting, 2016. Final Report May 25, 2018 prepared for CBC/Radio-Canada by Nordicity.

In 2016, the international average of per capita funding for public service broadcast3ers was C\$87. In 2018, increased federal funding raised the annual per capita contribution to CBC-Radio-Canada to \$34.00.

APPENDIX D: Proposed Revisions to 1991 Broadcasting Act

Below are suggestions for a revised "Communications Policy for Canada", based on Section 3 of the current Broadcasting Act, that provide continued support for a domestic communications system but acknowledge three key facts:

- Canada cannot presently regulate the day-to-day operation of foreign-based services like Netflix, HBO, etc. – beyond requiring that they pay HST where applicable.*
- The likelihood that Canada's major commercial TV networks may cease OTA operation within a decade, and*
- The continued need for a vibrant national public communications service that maintains the essential functions of legacy media while providing access to digital national and international options.*

- 3(1) It is hereby declared that as the communications policy for Canada that
- that the Canadian communications system shall be effectively owned and controlled by Canadians;
 - that the Canadian communications system makes use of radio frequencies in the electromagnetic spectrum that are public property;
 - that, taken together, the domestically-owned public and private sector components provided by the Canadian communications system constitute a single system essential to the maintenance and enhancement of national identity, cultural sovereignty, and democratic processes;
 - that the Canadian communications system, operating primarily in English and French, shall provide access to domestic and foreign services in these and other languages as enabled by technology and resources;
 - that English and French domestic components of the Canadian communications system share common aspects but operate in different conditions and must be capable of responding to distinct cultural and other imperatives;
 - the domestic elements of the Canadian communications system shall

- (i) safeguard, enrich and strengthen the social, cultural, political and economic fabric of Canada;
- (ii) encourage the development of Canadian expression by providing a wide range of services whose content reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by offering information and analysis concerning Canada and other countries from a Canadian point of view;
- (iii) through the content and employment opportunities it provides, serve the needs and interests, and reflect the circumstances and aspirations of all Canadians, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of aboriginal peoples within that society;
- (iv) be readily adaptable to scientific and technological change;
- (v) contribute to the creation and presentation of Canadian programming and ensure its accessibility to disabled persons as technology and resources permit,
- (vi) make predominant use of Canadian creative and other resources in the creation and presentation of programming, unless the nature of the service provided by the undertaking, such as specialized content or format renders that use impracticable, in which case the undertaking shall make the greatest practical use of those resources;
- (vii) shall be responsible for the content they offer and shall ensure it is of high standard;

(g) The programming provided by the domestic elements of the Canadian communications system shall

- (i) be varied and comprehensive, providing a balance of information, enlightenment and entertainment for people of all ages, interests and tastes;
- (ii) be drawn from Canadian and international sources;
- (iii) include educational and community services that are essential components of Canada's communications system;
- (iv) include programming that reflects the indigenous cultures of Canada;

- (v) provide a reasonable opportunity for the expression of differing views on matters of public concern, and
- (vi) include a significant contribution from the Canadian independent production sector.

(h) **Canada Public Media (CPM)**, as the national public media service, shall provide radio, television and online services with a wide range of programming that informs, enlightens, engages and entertains.

(i) The programming provided by Canada Public Media shall

- (i) be predominantly and distinctively Canadian and focus primarily on telling the stories of Canada and Canadians at home and abroad, interpret the world through a Canadian perspective;
- (ii) be drawn from local, regional, national and international sources;
- (iii) be available free of charge at point of reception by all Canadians on radio, television and internet platforms;
- (iv) be operated as a not-for-profit public trust, a paramount and non-commercial instrument of Canadian life;
- (v) act in the public interest to provide Canadians with impartial, high-quality and distinctive content which enhances their understanding of local, regional, national and global issues and enables their participation as informed citizens in all aspects of the democratic process;
- (vi) be in English and in French, reflecting the different needs and circumstances of each official language community, including those of English and French linguistic minorities;
- (vii) celebrate unique Canadian events, personalities and achievements in a non-commercial environment free from advertising content;
- (viii) contribute to shared national consciousness and expression by reflecting Canada's regions, peoples and cultures to national and regional audiences, while serving the special needs of those regions,
- (ix) strive to be of equivalent quality in English and in French.

With respect to Part III of the 1991 Broadcasting Act, the following change would be necessary to reflect the introduction of the CPM/MPC

- **Board of Directors**

(2) There shall be a Board of Directors of the Corporation consisting of fifteen directors; one director shall represent each province and territory, in addition to the Chairperson, all of whom will be appointed by the Governor in Council, and the President, to be appointed by the Board of Directors.