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## Standing Committee on Canadian Heritage

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**Chair**

Mr. Gary Schellenberger

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•(0835)

[English]

**The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)):** [*Technical difficulty—Editor*]...in the 21st century.

This morning we have witnesses from the Writers Guild of Canada and the Writers' Union of Canada.

I guess we have the Writers Guild of Canada first on the agenda.

If you would make your presentation, Ms. Parker, then we'll have the other witnesses, please.

**Ms. Maureen Parker (Executive Director, Writers Guild of Canada):** Certainly.

Good morning, everyone. Thank you for travelling to Toronto on a Friday morning. Of course, the weather is good, so we hope you get out of here and get some even better weather for the weekend.

I am the executive director from the Writers Guild. The Writers Guild of Canada welcomes the opportunity to appear before the Standing Committee on Canadian Heritage in its study of the role of the CBC as public broadcaster in the 21st century.

Sitting with me is Rebecca Schechter, president of the Writers Guild, and Kelly Lynn Ashton, director of industrial and policy research for the Writers Guild.

For those of you who don't know us, the WGC is the national association representing more than 1,800 professional screenwriters working in English language television, radio, and digital production in Canada. WGC members are the creators of uniquely Canadian stories, such as the hit series *Little Mosque on the Prairie*, and movies of the week, like the award-winning *Human Cargo*.

To clarify, because there can be confusion, we differ from the Writers' Union beside us because they represent writers of books while we represent writers of screen material.

In this committee's list of themes and questions, you raised many issues that we could spend all day or longer discussing. However, we'd like to focus on just a few themes: first, the CBC's financial instability and the impact it has on the ability to fulfill its mandate, including specifically the impact on drama on the CBC; second, the challenges and opportunities of digital platforms; and, third, how changes to the governance structure could positively impact the CBC.

Is the CBC fulfilling its mandate, and does it have sufficient funding to do so? The Writers Guild sees no need to change the mandate itself as set out in the Broadcasting Act. It clearly defines

what the CBC's goals should be as the Canadian broadcaster. However, the CBC's ability to fulfill its mandate has been severely handicapped by insufficient funding.

Over the years the CBC's appropriation has been slashed. A guaranteed envelope at the CTF was one attempt to address the drop in funding, but let's all keep in mind that the CTF is a fund producer. It allows the CBC to license programs as other broadcasters do, rather than fund their full production costs, which clearly they don't have the money to do. Any cut in the CTF envelope would make it impossible for producers to finance their productions through the CBC, and the CBC would be incapable of covering that shortfall.

CBC is one of the least-funded public broadcasters in the industrial world on a per capita basis. Last year CBC received \$33 per capita from the government, while the BBC received \$116. Not only does the BBC receive so much more than the CBC, but it also receives stable funding for a period of six years, while the CBC depends on annually approved appropriations. We use the BBC as our yardstick because it is internationally recognized as the best public broadcaster in terms of quality, quantity, and international reputation.

Becky.

**Ms. Rebecca Schechter (President, Writers Guild of Canada):** Good morning, everybody.

The CBC needs adequate, stable, and permanent funding if it is to have any hope of fulfilling its mandate to be distinctively Canadian, to reflect the regions, to contribute to the flow of cultural expression, to contribute to national consciousness and identity, and to reflect the multicultural and multiracial nature of Canada.

Only with permanent A-base funding can the CBC plan for the future in terms of development, production, and infrastructure, not to mention allowing it to take advantage of new opportunities as they arise. For example, it usually takes several years to develop and produce a prime time episodic series. The pilot script for *Little Mosque on the Prairie* was commissioned in June 2004, produced in June 2006, and aired in January 2007.

Financial uncertainty means the CBC can't develop many series because they don't know if they'll have the money necessary to produce them when they're ready. They also don't have the necessary funds to develop many projects. Well-funded U.S. broadcasters know they have to develop many projects in order to produce only the best and to thereby ensure a chance of audience success. In Canada, broadcasters—and particularly the CBC—don't have a very high development-to-production ratio in episodic series.

Adequate funding could have many positive impacts on the CBC's programming and overall health. With sufficient funding, the CBC can return to its pre-1999 levels of production of one-hour dramas—once the cornerstone of the schedule. In 1999 the CBC licensed six one-hour dramas, for a total of 79 episodes or 79 hours of television. In 2006 the CBC was down to two one-hour dramas, for a total of only 26 episodes. That's a fairly stunning 66% reduction over seven years.

Canadians have demonstrated time and again that their favourite programming is the one-hour drama. In a recent BBM listing of the top 30 programs in Canada, 19 were one-hour dramas, despite the *American Idol* juggernaut and several highly rated hockey games that fell into that period. There will always be room for event programming and sports programming, but the audience's primary commitment to television is to one-hour dramas, like the American programs *Grey's Anatomy* or *House*.

The only way Canadian one-hour dramas can hope to penetrate the top 30 is if enough series are produced with adequate budgets and if they are aired in consistent time slots and receive adequate promotion.

The CBC's *Intelligence* was critically acclaimed, but couldn't find an audience because it ran against the highly rated *House*, which is not only very expensively produced, but is also, like all U.S. TV, promoted to within an inch of its life. *Intelligence* also failed to resonate because it only had 13 episodes to build an audience; U.S. series have between 20 and 24 each season, giving them lots of time to grow and maintain their audiences.

• (0840)

**Ms. Maureen Parker:** Questions have been raised during this committee's review as to whether the Broadcasting Act needs to be amended to include digital content and delivery as part of the CBC's mandate, or whether it should even be in that business. As Mr. Rabinovitch has said to this committee, "At the end of the day, it's the content that counts", not the method of delivery, or, in other words, the CBC's mandate is to create content that addresses the needs of the regions and reflects Canada back to it. The mandate does not limit how the content is to be delivered or in what format it is to be produced.

The CBC needs to be competitive with its fellow broadcasters and has a positive obligation as the public broadcaster to test the boundaries of digital content and delivery as part of the flow and exchange of cultural expression. That means distributing TV by any and all platforms, including digital, and making the back catalogue of programs available through digital distribution. While the cost of digitizing the old content is being assisted by the Department of Heritage, there is still the issue of use rights to the talent, and the CBC needs to have funding to cover that cost.

Digital platforms also mean reaching out to audience with additional content that keeps them engaged between episodes or seasons, provides them with additional information, back stories or characters, and provides them with ways to interact with the world that the program has created. We know the growing list of terms: webisodes, mobisodes, mangasodes, interactive television, interactive storytelling, ITV, and so on.

Rarely does the CBC pay for additional digital content by increasing its licence fee to producers who commission the work from screenwriters. It is absolutely wrong to ask screenwriters and other artists to subsidize the CBC by working for free, and it is unconscionable that our public broadcaster would take this position and try to make it appear reasonable. The answer to keeping pace in the digital world will not come from squeezing free work from artists such as screenwriters or refusing to pay use fees to talent. Rather, the CBC needs sufficient funding to take advantage of new opportunities that digital platforms provide, because if it doesn't, it's going to lose more of its audience and cease to be relevant.

The CBC also needs to update its infrastructure for digital and HD transmission. The FCC in the U.S. ordered the switch from analog to digital broadcast by February 2009, which means that U.S. broadcasters will only be broadcasting in digital signal after that date. This includes the ability to broadcast in HD, which will have greater penetration as households convert to digital.

Conversely, the CBC has said it will need another 10 years before it will be competitive with HD and digital production and broadcasts. It costs money to produce in HD, to license programs in HD formats, and to broadcast in HD. It is inevitable that consumers with new HD TVs will switch to U.S. channels broadcasting HD programming if they can't get what they want on the CBC. Additional moneys for HD and digital are necessary if the CBC wants to stay competitive.

As a public broadcaster, the CBC needs to reflect a diversity of voices. We think the CBC does this best when it offers the public a variety of choices: historical programs, performing art programs, comedy, regional dramas, professional sports, and local news. These are all of interest to Canadians across the country. If these are not on the CBC, many of these programs will not be anywhere else. This is why we have chosen to have a public broadcaster, but when the CBC is not adequately funded, it relies too heavily on advertising revenue and sacrifices many worthy programs in the name of ratings.

As well, it's only by being distinct that the CBC can hope to attract audiences away from other broadcasters. No matter how you look at it, the CBC is competing with every other broadcaster for their audience. The CBC share of audience has consistently fallen since 1993. While some of the drop in audience is due to the growth of specialty channels, the CBC has lost half of its audience since 1993, while the private conventionals have only lost one sixth. When an audience migrates to another channel, it takes time and a lot of programming to earn back their trust and loyalty. CBC is slowly moving in the right direction with shows like *Little Mosque on the Prairie*, but it is only one series in one half-hour in an entire schedule. More needs to be done to win and keep audiences.

● (0845)

**Ms. Rebecca Schechter:** The CBC should offer distinct or niche programming in order to attract that audience, but it's unrealistic to suggest that the CBC should get out of the advertising and ratings game completely and leave the field to the private broadcasters. We do believe there is a place at the CBC for ads and for ratings, but neither should be the primary motivator of programming decisions.

As we mentioned in our submission, we're concerned that the CBC has placed too great an emphasis on event programming because of its overreliance on advertising revenues. It had to do this because of the erosion of government funding over the years. One of the risks of this strategy in an increasingly competitive market is that the CBC can lose event programming, as it did with the Vancouver Olympics, to private broadcasters with deeper pockets. The entire industry was worried about the consequence to the CBC and Canadian television if the CBC didn't secure a renewed agreement with the NHL. While we can now breathe with relief again, we should not relax. The extreme reliance on one private contract makes things inherently unstable.

The CBC should be able to soldier on regardless of which event programs it wins or does not win. This can only happen if ad revenues are the icing on the cake, with the cake being the reliable, stable government funding of the CBC budget.

Sports can and should be one element in an integrated programming schedule. In fact, we believe that *Hockey Night in Canada* belongs on the CBC at all costs, because it draws audiences to our public broadcaster, it attracts substantial ad revenues, and, quite frankly, it's our national obsession. Professional sports, local and national news, well-promoted drama series, comedies, specials—these all attract audiences to the CBC and drive audiences to other less broad-based areas of the schedule.

*Little Mosque On the Prairie* is again an example of what the CBC would be able to do on a larger scale if there were more money. *Little Mosque* was highly promoted on the CBC before it aired, including with ads on *Hockey Night In Canada*, which guaranteed a large audience for the promotion. CBC also dedicated a substantial amount of its publicity budget to *Little Mosque*, plastering billboards around major cities and staging a memorable publicity stunt with camels and free falafel in downtown Toronto.

The result was an unprecedented 2.1 million viewers for the first episode. The series held an average audience of 1.2 million viewers through its eight-episode run, which put it on par with U.S. series like *Lost* and *Criminal Minds*. Unfortunately, because of budget

limitations at CBC, this priority on *Little Mosque* had another result: lack of promotions for other worthy series.

Yes, we want more drama on the CBC. Should it become the only home of Canadian content? We think not. This idea has been floated in the past and more recently in front of this committee. As far as we're concerned, it's a non-starter. Canadian audiences would not be well served by turning the CBC into the only home of Canadian programming. Already, with consolidation in the private sector, most recently the CTVglobemedia acquisition of CHUM, Canadians are seeing the diversity of voice in broadcasting shrink considerably. If CBC were the only home of Canadian content, then we would drop from having three gatekeepers for our voices to having one. There would be fewer programmers to pitch, a narrower range of ideas would be broadcast, and a much smaller talent pool would develop. This is not in the public interest, and we cannot point to its being a successful model in any country around the globe.

Further, private broadcasters are given their Canadian content obligations at the price of their simulcast privileges, priority carriage, and a host of other protections they receive from the CRTC to shield them from competition with U.S. broadcasters. Private broadcasters have a role to play in a Canadian broadcasting system using simulcast U.S. programs to drive audiences to Canadian programs. Canadians learned about *Little Mosque* while watching *Hockey Night In Canada*. They also learned about *Corner Gas*, *Degrassi*, and *Robson Arms* when each of these shows earned the coveted post-*American Idol* time slot on CTV.

A healthy Canadian broadcasting system needs to have a balance of audience-driven private broadcasters with Canadian content obligations and a well-funded public broadcaster with its Broadcasting Act mandate as its primary focus. Both need intervention and support to allow the Canadian broadcasting system to flourish in the face of the significantly larger and better-funded U.S. market.

● (0850)

**Ms. Maureen Parker:** It's hard to talk about mandate without talking about the adequacy of the CBC's budget. CBC acknowledges this when it talks about having a contract with Parliament, the to-do list set out in the Broadcasting Act. Parliament now needs to provide the CBC with the money to get the job done. The specifics should be worked out by the CBC board and the management team.

This brings us to governance. We do not expect Parliament to authorize a larger appropriation for the CBC without improved governance and accountability for how the money is to be spent. This committee has received many worthwhile suggestions for improving the CBC governance structure. Whatever changes are made, the board needs to be a more effective management vehicle.

CBC management, and specifically the president, need to be accountable to the board rather than to the Department of Canadian Heritage. This is the standard model of board governance, and the one used by the BBC Trust. The board should have the time and the skill to provide oversight of CBC management decisions in a way that Heritage is not set up to do. The board can act to ensure that management plans both support the mandate and are the wisest use of the financing available. In turn, they will report to Heritage and to Parliament.

In order to do that, though, the board needs to be composed of individuals with relevant experience in broadcasting, distribution, development, and production. We do not think just anyone has the right expertise to sit on the board of the CBC.

The BBC Trust requires its candidates to be able to demonstrate an understanding of public broadcasting. Right now the CBC board is operating in a vacuum, without any formal structure for input from the viewers or other stakeholders. Taking another lesson from the BBC, we suggest that the CBC establish formal councils made up of representatives from regions and stakeholders—like writers—who can regularly provide the board with insight and perspective on the impact the CBC is having. Given the right tools, the CBC board can ensure that its funding, at whatever level, serves its mandate.

We appreciate the standing committee's concerns about the CBC and its ability to fulfill its mandate. Again, thank you for allowing us to share our perspective with you.

**The Chair:** Thank you for that.

Ms. Windsor.

**Ms. Deborah Windsor (Executive Director, Writers' Union of Canada):** My name is Deborah Windsor, and I'm the executive director of the Writers' Union of Canada. I'm delighted to be here.

[*Translation*]

Good morning. Thank you for giving me an opportunity to participate

[*English*]

in the Standing Committee on Canadian Heritage's investigation into the role of CBC/Radio-Canada as a public broadcaster in the 21st century.

• (0855)

The Writers' Union of Canada was founded by writers, for writers, in 1973, and it has evolved into the national voice for approximately 1,600 authors of books, in all trade genres, with a mandate to promote and defend the interests of its creator membership and all Canadians' freedoms to write and publish.

To ensure that Canadians enjoy the option of a viable and culturally distinctive public broadcaster in the 21st century, the Writers' Union of Canada urges the Government of Canada to put in

place a formula to provide increased stable funding to CBC/Radio-Canada so that it can provide programming as prescribed in its existing mandate as set forth in the Broadcasting Act of 1991.

We encourage the government to take appropriate measures to stabilize broadcasting policy in Canada in order to guarantee this stable funding, to guarantee adherence to the cultural diversity inherent to our cultural sovereignty, and to guarantee the continued existence of public broadcasting in all forms as a viable choice for Canadian broadcasting audiences.

We encourage the government to provide funding to CBC/Radio-Canada to ensure that this country's public broadcaster can take advantage of the 21st century's technology options and increase its efforts to protect Canadians from the homogenization, deterioration, and narrow informational alternative that results from media convergence and foreign ownership of media.

The relationship between this country's writers and its public broadcaster, the CBC, has been in existence virtually since broadcasting began in this country in 1906. Over time, Canada's writers and the CBC have shared a welcome and inspired responsibility in articulating the wonder, magic, diversity, and integrity of this country's diverse culture and imposing geography.

This successful marriage of writing and broadcasting has not only helped to make household names of writers such as Pierre Berton, Morley Callahan, Margaret Atwood, Mavis Gallant, Gabrielle Roy, and others too numerous to mention here, but the integration of radio plays, essays, commentaries, fiction, and poetry into the daily programming on CBC/Radio-Canada has served to broaden the artistic and cultural foundations of Canadians for many decades.

The Writers' Union of Canada endorses the mandate of CBC/Radio-Canada set out in the Broadcasting Act of 1991. We feel the eight mandated requirements represent our similar collective perspective on how best to reflect this country's cultural and informational requirements successfully. In recent years, however, the Writers' Union of Canada has become alarmed at changes in CBC/Radio-Canada programming that reflect a turning away from the aforementioned mandate.

We have written letters to the CBC and we have met with CBC representatives to express our distress at a number of specific changes. These include what appears to be a general move to infuse CBC programming with broadcasting influences from the Internet, various private broadcasting sources nationally and internationally, and perceived digital broadcasting developments, which results in duplicating programming more properly provided by private sector broadcasters.

This gradual abdication of CBC/Radio-Canada's mandate has resulted in significantly reduced literary content in CBC programming. This dramatic reduction in programming featuring books and writers has had a negative impact on publishing in Canada. As writers, we do not believe that a demographically younger audience has no interest in culture and literature. In our estimation, any pursuit of younger listeners by CBC/Radio-Canada needs to include a healthy dose of literary culture.

Much of this general deterioration in programming can be attributed to a lack of stable and appropriate funding, an increasingly fuzzy approach to management based on a failure to align or clarify broadcasting mandates and policy in general, and a lack of commitment to guiding principles pertaining to foreign ownership, media convergence, and cultural sovereignty, which Canada has traditionally upheld in order to promote this country's artistic and cultural diversity.

We have presented you with a brief that will examine these related components of the current and future CBC/Radio-Canada policy and programming, offering you a series of recommendations along the way.

● (0900)

It is the view of the Writers' Union of Canada that CBC/Radio-Canada has a vital role to play in Canada's cultural community in the 21st century. That role is clearly defined by the mandate given to it in the Broadcasting Act of 1991.

Distinctively Canadian in nature culturally, historically, and artistically, CBC/Radio-Canada programming has been deteriorating in recent years because of a lack of appropriate funding. Accordingly, the mandate of this cherished institution has fallen victim to shortsighted and unrealistic austerity measures and ambivalent government approaches to such issues as media convergence. To reverse this deterioration, the Writers' Union of Canada respectfully makes the following recommendations:

First is that the Government of Canada immediately put in place a formula to provide increased funding to CBC/Radio-Canada to permit it to provide programming prescribed in its existing mandate so that Canadian radio audiences have the option of listening to a distinctly Canadian public broadcaster.

Second is that the Government of Canada take whatever measures appropriate to stabilize broadcasting policy in Canada to reflect guarantees for stable funding and adherence to cultural diversity inherent to our cultural sovereignty.

Third is that the Government of Canada provide additional funding to CBC/Radio-Canada to ensure that its public broadcaster can take advantage of the 21st century technological opportunities.

Fourth is that the Government of Canada dramatically increase its efforts to protect Canadians from the homogenization, deterioration, and narrow alternatives that result from media convergence and foreign ownership.

I respectfully submit this short presentation. You have the long brief.

Thank you very much.

**The Chair:** Thank you very much for both of those presentations.

Now we'll go to questions.

Mr. Scarpaleggia.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Thank you for those excellent, very well-prepared, and comprehensive presentations.

I agree with the need for stable funding, but one issue that interests me is the relationship between the CBC and the CTF. Do you believe in the current model, whereby CTF funding sort of makes up for previous cuts to CBC's budget? Do you believe that's what the CTF does, can do, and should continue to do into the future, assuming that CBC and CTF will have some level of appropriate, sustainable funding?

In other words, if there were stability in both of those funds—considering that the CBC has funds—would that be just as acceptable to you as the situation was before the CTF, when CBC was the channel for funding productions, and so on?

**Ms. Maureen Parker:** I think CTF financing is absolutely essential. I wish I could believe that down the road there will be enough money available for the CTF to go exclusively to other private broadcasting productions.

I think it's important to remember that the CTF is a production fund. It doesn't run with CBC. It's a fund for various types of productions: drama, documentaries, varieties. That production then finds a home on many different networks.

**Mr. Francis Scarpaleggia:** I understand that, but from your point of view, representing writers, do you care where the money comes from?

**Ms. Maureen Parker:** No. There's a licence fee that's paid for a program and then that program is sold to a broadcaster. What we want to ensure, of course, is that there's enough money in the production and development system to finance productions properly.

CBC doesn't cover the cost of everything out of the CTF. The CTF—and this is a very different issue—doesn't spend enough on development, for example. The CBC does take on a lot of those development costs. The CTF is primarily a production fund.

**Mr. Francis Scarpaleggia:** Can you elaborate on your point about the CBC getting involved in the development of the CTF? What do you mean by "development"?

● (0905)

**Ms. Maureen Parker:** My boss, Rebecca Schechter, is also one of the creators of *Little Mosque on the Prairie*, so maybe she'd like to talk about what development is.

**Ms. Rebecca Schechter:** Development is when you write the script, essentially. When they want to put a series on the air, the first thing you do is have an idea for what the series should be and then go to a broadcaster, often with a producer, and pitch it. If they like it, they commission a script. That's the first stage of development.

There is some funding at CTF for development, but not a lot. I don't know whether it's at CTF, but there is supplemental funding. But it needs to be supported elsewhere.

Then from the script stage.... The CBC right now is shooting pilots of some of the scripts they get written, and then evaluating the pilots and deciding whether the project should go on the air or not, and then going forward with full production.

**Mr. Francis Scarpaleggia:** But it's basically because the CBC has this capacity to run pilots that private producers don't have.

I guess what I'm getting at is, wherever the money is coming from, somebody has to develop the idea for a script, whether it be a private broadcaster, a private producer, or in-house at the CBC. We're trying to sort out why the development can't be done totally by the private sector, why it has to be the CBC that is doing the development.

I'm trying to find a reason why the CBC should be more involved in development.

**Ms. Rebecca Schechter:** When you're pitching a project, if you have an idea for a series, you might take it to all three—the only three broadcasters that are out there—to pitch it. They have development people who listen to your idea. Two of them may love it and one of them may not.

It's very hard to get that development going without the belief that a broadcaster is committed. Producers rarely—almost never—develop something in isolation from at least a commitment from a broadcaster to partly fund the development.

The private sector, in fact, can't work in isolation from the broadcasters. In the case of the CBC—

**Mr. Francis Scarpaleggia:** The CBC is more apt to take risks on developing Canadian stories than a private broadcaster would be.

**Ms. Rebecca Schechter:** Well, what we want is that they put more of our stories on the air; that they'll have more time slots to fill, so they'll develop more shows to fill them.

**Mr. Francis Scarpaleggia:** Thanks.

**Ms. Maureen Parker:** I don't think it should be the only home—

**Mr. Francis Scarpaleggia:** No, I understand that.

**Ms. Maureen Parker:** —but they do it best.

But what we think is that the CBC has a particular voice. They're interested in types of production that CTV isn't. We talk a lot with the broadcasters. CTV will say they're looking for shows that put everyone in the tent, like the *Corner Gas* show. That appeals to everyone of all ages; it's clean comedy, etc. The CBC will put something a little edgier on, because they'll have a different time slot, etc.

That's why you need the variety of broadcasters.

**Mr. Francis Scarpaleggia:** Don't get me wrong. I have no problem with the CBC having the financial resources to be an

incubator for more leading-edge Canadian drama or content. I was trying to understand the relationship.

**The Chair:** Thank you.

Ms. Bourgeois.

[*Translation*]

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Thank you, Mr. Chairman.

Good morning.

I first like to ask a question of Ms. Parker. On page 12 of your brief, you make a suggestion about regional councils which I find very interesting. I hope that I have understood it correctly, since I agreed to allow the brief to be distributed only in English. Are you talking about regional councils that would feed into the new council that you are recommending for the CBC?

**Ms. Maureen Parker:** I apologize, Ms. Bourgeois, that my presentation was not in French as well.

**Ms. Diane Bourgeois:** You can speak to me in English, since I have interpreters here.

• (0910)

**Ms. Maureen Parker:** I have studied in French and I should try to speak it.

[*English*]

Perhaps it's better. It's not a French class.

I guess, yes, we are suggesting that we want to set up regional councils. We think the governance of the CBC really needs to be addressed. Whereas, of course, we very strongly believe additional financing is required, we do want it to go hand in hand with governance remodelling. One of those things would be regional councils made up of a variety of stakeholders, audiences.

I talk to my colleagues who listen to the CBC a lot, who are, for example, incensed that the radio schedule has been flipped around completely in the last week with no way to find their regular programs. That's the kind of feedback the CBC seems to need. There seems to be a stopgap between what's happening with the board, management, audience, and the other people, such as Rebecca, who develop their content, who produce their content and distribute their content. They seem to be operating in a vacuum.

We know now that the seats haven't been filled; there is no president. It really is in quite a state of disarray.

[*Translation*]

**Ms. Diane Bourgeois:** In the regions we visited, francophones outside Quebec called for more local and regional programming. They wanted to see themselves reflected in the television programs that their taxes are paying for.

Do you think that the members of your association would be interested in producing programs that could reflect the identities of these minority communities? It seems to me that it is very difficult for the CBC to find journalists interested in covering local and regional events, such as what the francophones that we met in Yellowknife are doing. Do you think that you have scriptwriters who would be interested in portraying life in francophone communities outside Quebec?

[English]

**Ms. Maureen Parker:** I'm just going to start this off and then pass it over to our president.

Yes, we do believe there should be regional production, both in terms of news and sports. In terms of dramatic and documentary content, those productions are made in different regions throughout the country. For example, *Little Mosque on the Prairie*—and I'll let Becky speak about that—started in Saskatchewan. That does reflect regional diversity. It's a little bit different in English Canada from what it is in Quebec for Radio-Canada.

In terms of dramatic or documentary programs, that production is regional, because it's funded through the federal agency, the CTF, with regional envelope requirements.

**Ms. Rebecca Schechter:** Of course, our membership is national. Screenwriters do want to reflect the place where they live—Canada, the city, the town, all of that reality. The truth of production in this country right now is that the hardest thing to do is to get a show on air that is about Toronto. The broadcasters, including the CBC, want to do shows about everywhere else, because there is a regional thing. We don't object to that, but that is the reality.

In terms of the French element, we have some bilingual writers, but the French writers in the country are represented by SARTEC, I believe. So for French production, that would not be the screenwriters who are members of the Writers Guild.

[Translation]

**Ms. Diane Bourgeois:** Ms. Windsor, you talked mainly about culture. For a Quebec sovereigntist like me, this is something that is extremely important. In my opinion, we are currently seeing an invasion of American culture in Canada.

What do you think?

• (0915)

**Ms. Deborah Windsor:** Of course, that is true. I come from Nova Scotia, and my family is Acadian.

[English]

It's only been quite recently that the expulsion of the Acadians has been actually recognized. These are our stories—the stories of the Acadians, the stories of the franco-Ontarians, and the stories of Whitehorse in the Yukon. This is who we are. This is how we identify ourselves.

We also are a multicultural country, with people coming in with wonderful stories from where their roots lie, and that is also part of who we are.

Unfortunately, we are a large geographic country. We cover an extremely broad expanse of land, yet we are bordered by an

extremely large population density that also speaks English. It puts Canada in a unique situation in the world, in that we have a large producer of English language content, which is the primary language in Canada, that we are constantly in combat with, yet if you were to go to the States and talk to people at various festivals, you would find that Canadian books, whether from a francophone like Antonine Maillet or Gabrielle Roy or from Margaret Atwood, are in great demand. We are recognized for our uniqueness in our culture, yet we do have an extremely difficult challenge with this broad-based country to the south of us.

In addition to that, we have won extreme awards internationally. We have three writers right now in for the Man Booker award. We are recognized abroad, and we need to continue to invest into our acknowledgments abroad, which will generate new revenue into Canada as well as allow us to share in our own culture.

**The Chair:** Thank you very much for that.

Mr. Angus is next.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Thank you for the presentations this morning. You touched on many of the issues I think that have been percolating around this table.

I'd like to begin with the issue of governance structure. When we had the lockout, I found many Canadians were shocked to find that we didn't have a chair of the board and that we weren't getting the programming we taxpayers had paid for. It seemed the CBC was suddenly looking like a very listless ship heading for the rocks.

Out of that, the governance hasn't changed. We still don't have a chair of the board, we don't know how people are appointed to the board, and there is a question whether the people at the top are the right people to be making judgment calls at the CBC in terms of programming and direction with their limited budgets.

What concrete recommendations would you make to change the governance structure so that it is more accountable?

**Ms. Maureen Parker:** We have dealt with this matter at length in the paper presentation that we filed as well, but the short of it is that we're very interested in the BBC model. We spent some time last fall, Rebecca and I, visiting the BBC, as most of us have in our industry. Of course, it's such an impressive model.

Obviously there are a lot of things they can do differently because of their demographics and their size and their revenue, but there are a lot of things we can learn from the BBC. One of these is governance. They have remodelled their structure so that their board is actually made up of people who understand and know public broadcasting. They're not political appointments; they're appointed because these people understand the nature of the business.

Also, their senior management reports to the board, not to the department, which is really not set up to directly oversee an arm's-length organization. Everyone has their own job at Canadian Heritage, and it's very difficult, if not impossible, to manage another organization. We think that has probably led to some errors in judgment with respect to managing the CBC's resources and with respect to some of the challenges they have faced in the last two years.

We do believe it starts with a strong board. Most organizations are set up that way. I know I report to a board; I don't report to another outside organization. There has to be some responsibility and accountability in place, and that's what we find to be very much lacking. We don't want senior management running the CBC; we want the board to run the CBC, and the board needs to be injected with some new life.

• (0920)

**Mr. Charlie Angus:** In this discussion of CBC we continually refer to the private broadcasters, because they're basically in the same market and there are elements of overlap. I want to ask you a couple of things about the relationship, partly your relationship as people who are pitching shows to private broadcasters and to the public broadcaster, and also some of the suggestions that have come forward.

For example, our friends at the Canadian Association of Broadcasters came forward to help us build a strong public broadcaster. What I got out of it was that we should take away CBC's ability to get money from advertising and give that to private broadcasters; keep CBC out of local television news and give that to the private broadcasters; and stay off the Internet, because that's where the private broadcasters are going. I didn't really see much in it for public broadcasting. We're talking about losing a lot of revenue, and nobody's coming forward with how we're going to replace that. The other suggestion, of course, was that we give *Hockey Night in Canada* to the private broadcasters as well, and then CBC will really be able to do its job well.

I guess I have two questions. One is, if we give all that to the private broadcasters, how is the \$50 million or \$60 million we're going to throw at them from the CTF going to offset those massive bloodlettings and losses?

Secondly, as to an obligation to the private broadcasters, they're intercepting American shows and throwing Canadian advertising in its place. They're protected by Canadian law from competition from the U.S., even though they're showing U.S. shows, especially in border towns. There is simultaneous substitution. Section 19.1 of the Income Tax Act protections are giving between \$330 million for private networks and for specialty services up toward \$900 million a year. I asked the Canadian Association of Broadcasters what we're getting out of it. What's in this for the Canadian public when the only thing on CTV and PrimeTime is *eTalk*?

I'd like to get your perceptions on this.

**Ms. Maureen Parker:** On your first question, I think it's crazy to assume that CBC will not need ad revenue; there's just no feasible way the public broadcaster can survive without ad revenue. In the best of all possible worlds, yes, it would be a great idea, but it's not realistic. I think what we're trying to grapple with is making the CBC better within the confines of what is possible, so ad revenue is essential.

*Hockey Night in Canada* is absolutely essential. I'm from a small northern town. I was up there visiting my family, and what do you do on a Saturday night? You watch the hockey game. That drives people to the CBC, where they might see an ad for *Little Mosque on the Prairie* on a Tuesday night and then think, I might watch that. I was really quite alarmed when there was the possibility that the CBC

wouldn't be able to afford *Hockey Night in Canada*, because I just thought that would be the end of the public broadcaster.

So we have to ensure that the public broadcaster has enough money to properly bid on cornerstone pieces of the schedule. They have to be allowed to be competitive, and to do that we have to ensure that the parliamentary appropriation is appropriate.

In terms of getting out of the area of Internet news, etc, I would say no. That would just decimate their entire regional base, and it could in no way be a good idea for the public broadcaster. We understand where the privates are coming from, but they serve a very different audience, and an audience that our members like to write for as well. I don't understand the pettiness of why they deny that the CBC must have ad revenue. You know, the privates do very well; CTV now has the Olympics. There's enough for everybody to share. We think it's just essential that the CBC has a mix of programming in order to attract and retain an audience.

In terms of the privates and their obligations, there's one point I want to make today, because we heard this so many times from Mr. Manera when he was with the CBC. We obviously watched his presentation as well, and dissected it. This whole notion that the CBC could be the only home of Canadian content is just the kiss of death for the creative community, and I think for Canadian audiences and our industry. I can't say that strongly enough. I can come up with monetary reasons, and we will do that for you, but not today.

Charlie, you've hit some figures.

But in terms of creative ability—and Rebecca has already spoken to this—you cannot have a viable industry where there is one broadcaster, one channel, for all of our industry to pitch. If you know how the CBC works, you know they have production executives, development executives. It's not a big pool; there are about four people working at the CBC who make all of the creative decisions. That means that four people in this country determine what Canadian content goes on air. That's not acceptable to me as a citizen, and I can't imagine it would be acceptable to many others.

Also, private broadcasters bring other things to the game. As CTV has told us many times, the big tent approach is what they're looking for. Our members want to work for CTV; they want to work for Global. It's a different type of programming. The ladies at Global have told us they want to make programs for the youth demographic. *Falcon Beach* is written by our writers.

That allows the talent pool to write different things, with different voices, and it ensures there is enough opportunity out there to grow a small talent pool. We're not looking at a large pool; we're not a huge industry, but we do need diversity. And right now, there really are only three broadcasters to pitch. If the CTVglobemedia acquisition of CHUM goes forward, it will be another broadcaster we have lost. Space has done a lot of original programming, using screenwriters, directors, performers, producers. Again, it may not be to your taste, but it is out there and it's available.

• (0925)

I just can't say strongly enough what a crazy idea this is, and I really hope we don't put any energy into pursuing that.

**The Chair:** Thank you.

We have to try to keep our answers a little shorter. That particular time took almost 11 minutes. Because we did start about five minutes late, I will run an extra five minutes.

Mr. Fast.

**Mr. Ed Fast (Abbotsford, CPC):** Thank you, Mr. Chair, for my 11 minutes. I'll try to pare my questions down, but I have so many questions I have to ask.

What I'd like to do first of all is address a comment you made, Ms. Schechter. It has to do with the fact that the number of dramas and dramatic episodes has been reduced since 1999, and 1999 seems to have been some kind of a watershed year for that. Can you tell me what happened in or about 1999 that would have brought this about?

**Ms. Rebecca Schechter:** Maureen might be able to answer it better than I can. It seemed as though there was a bit of a perfect storm in 1999 in our industry concerning drama that partly had to do with a change in the CRTC policy for the private broadcasters. That was one of the things in the storm.

The other thing was that European broadcasters decided to put quotas in their own system for their own programming. There was a fairly healthy pre-sale market of Canadian series into Europe, and those sales were substantial, so we could fund that final 10% or 15% of our budgets from a European pre-sale. Because they regulated themselves to have their own programming on television, those sales dried up, and the only stuff that was saleable...we were in competition with *ER* for one time slot and *ER* won. So that bit of the budget dried up.

The other thing that happened at that time was that Alliance and Atlantis merged, and that affected our production industry in not a very good way. Alliance had been almost the only thing we ever had here that was close to a studio that could produce drama. The merged corporation wasn't very interested in production, and within a year or two it basically said "We don't want to do this anymore". It has essentially become a broadcaster, with the exception of *CSI*.

So those three elements combined.... I think the thing that affected CBC most was that element of European sales.

• (0930)

**Mr. Ed Fast:** The market was reduced.

**Ms. Maureen Parker:** There is one last key element, but that's—

**A voice:** She knows the scripts.

**Mrs. Maureen Parker:** The last element was that the CBC in 1999 lost the guaranteed envelope at the CTF. That had a huge effect on the CBC, because without that guaranteed envelope they had 50%. They didn't have money to produce series—again, that's the production money we were just talking about earlier with Francis—they couldn't commission, they didn't develop, and we dropped from 79% to 26%. Now, in the last year, I think it was last year, they got their envelope back, so now they're at 37%.

**Mr. Ed Fast:** They're at 37%.

**Ms. Maureen Parker:** Yes, exactly.

With 50%, lost; now they've come back at 37%. So now you're seeing them start to get back into the game.

**Mr. Ed Fast:** All right. I'm trying to cover a whole bunch of questions.

To Ms. Windsor, I was disappointed to hear that the literary content on CBC has been reduced. I think you gave some reasons for that. More specifically, you stated that it was CBC's attempt to duplicate programming that was already being provided on the private broadcasters that brought this about. Am I characterizing your comments correctly?

**Ms. Deborah Windsor:** Yes and no.

Our concern is that there were more programs on CBC radio. They did interviews of writers and literary works, and these have been replaced with what we've been referring to as the "dumbing-down". We've met with CBC senior staff, and they have told us that they're trying to reach a broader audience, a younger audience, and therefore programming that was there for literary programs, arts, and cultural dialogue has been removed and replaced with elevator music. And that is our concern.

**Mr. Ed Fast:** Would you agree with me that we need to find a larger audience for what CBC is producing? Obviously, CBC wants to survive in an incredibly competitive industry.

I'm not surprised that CBC would try to somewhat dumb down what it's producing, because it's possible that we are raising students and young adults who are perhaps either not as literate or as aware of the rich literary heritage Canadians have.

**Ms. Deborah Windsor:** Okay.

**Mr. Ed Fast:** Did I hit a nerve?

**Ms. Deborah Windsor:** We're going to have to put some people on the Yann Martel book list.

I don't agree that our younger Canadians need to be dumbed down to. I think they are young, electronic, savvy, and cool, and they have a literary hunger and a cultural hunger that needs to be addressed. And we do them a disservice by making assumptions on their behalf as to what they want to hear.

If you were to look in the book world, we have incredible young writers. That says to me that they appreciated writing at an even younger age. When the Writers' Union was started 30 or 35 years ago, the average age of the writers, the members of the union—and you had to be a professional writer to join the union, you had to have created a book, had it produced by a recognized publisher, and had it sold in the marketplace—was 48 to 49.

When you graduate from school, you don't just write your first book. It's not like a lawyer or a doctor. It takes a period of time.

• (0935)

**Mr. Ed Fast:** Could I just interrupt? Our time is short.

**Ms. Deborah Windsor:** Yes.

That age has dropped. It has dropped drastically. What I'm saying is that our younger Canadians are much more savvy. We don't need to dumb down to them. We might have to look up to them.

**Mr. Ed Fast:** That's a good point.

Has CBC acknowledged that there is less literary content in its programming?

**Ms. Deborah Windsor:** Yes, they have. And they've made it very clear that it's to reach out to a broader audience.

**Mr. Ed Fast:** They've justified it. They've rationalized it.

**Ms. Deborah Windsor:** No, they've given us a response to the question, but they haven't substantiated it.

**Mr. Ed Fast:** They haven't addressed the problem, have they?

**Ms. Deborah Windsor:** No, they have not.

**Mr. Ed Fast:** All right. That's what I really wanted to—

**Ms. Deborah Windsor:** No, they haven't.

**Mr. Ed Fast:** All right.

**The Chair:** Keep it very short.

**Mr. Ed Fast:** I'll keep it very, very short.

Let's talk about *Little Mosque on the Prairie*. *Little Mosque*, of course, was being produced in Saskatchewan, but my understanding is that much of the production has now been shifted to Toronto. Is that correct?

**Ms. Rebecca Schechter:** Yes, that's true.

**Mr. Ed Fast:** And is this going to be typical of what happens? We start a production in one of our regions and then we shift it to Toronto, presumably because of cost efficiencies.

**Ms. Rebecca Schechter:** There is some degree of cost efficiency. There is also the fact that Saskatchewan is having a bit of a production boom and we weren't actually able to get the facilities there to get the show on the air for January. In the current run, I believe, a quarter of the show is going to be shot in Saskatchewan.

**Mr. Ed Fast:** Oh, okay. I assumed it was because it was more efficient to do it in Toronto, but you're saying that it's actually because the resources aren't available in Saskatchewan, because they're already busy with other productions.

**Ms. Rebecca Schechter:** That's right. That was certainly true in November when we produced the eight that were on air in January.

**Mr. Ed Fast:** So it wasn't an anti-regional bias.

**Ms. Rebecca Schechter:** Absolutely not. Or if it was, it had something to do with flights into Regina. That was another reason it was impractical. We had to fly an actor in from L.A., and you can't get from L.A. to Regina directly. So we need to talk to Air Canada.

**Mr. Ed Fast:** Thank you, Mr. Chair.

**The Chair:** Thank you very much.

I must say, just as one of your briefs said, that we could talk about this all day, I'm quite sure. And we are going to talk about it all day, but we have other people who want to make some presentations.

So thank you very much for your presentations.

We'll recess for a very short time until our next witnesses come forward.

Thank you.

• (0935)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (0945)

**The Chair:** Thank you, and welcome back.

I'm going to ask people to try to keep your presentations as close to 10 minutes as you can. I ask our members around the table to keep their questions concise, and maybe the answers could be about the same, so that we don't get too far behind.

We have to leave shortly after 11:30. This group may not get quite the whole hour, but we'll be there.

We'll start off with the Directors Guild of Canada with the first presentation, please. It will be followed by the Canadian Media Directors Council and the Canadian Media Guild.

Thank you.

**Ms. Pamela Brand (National Executive Director and Chief Executive Officer, Directors Guild of Canada):** Good morning, Mr. Chair and members of the committee. My name is Pamela Brand. I'm the executive director and CEO of the Directors Guild of Canada.

With me today is Monique Lafontaine, who is the general counsel and director of regulatory affairs for the DGC.

We are very pleased to be here today to discuss the mandate of the CBC. It's a very important issue to Canadians across the country and indeed to our members.

Since its inception, the CBC has played a critical role in showcasing Canadian stories. It contributes to our shared consciousness and sets the stage for a national dialogue on matters that are relevant to Canadians. Many of our members have worked on and continue to work on productions broadcast on the CBC. These include *Little Mosque on the Prairie*, *Intelligence*, *Prairie Giant: The Tommy Douglas Story*, *Da Vinci's Inquest*, and many others. Without a doubt, the CBC is the leading cultural institution in our country.

Our remarks today touch upon the key recommendations set out in our written brief. We'll begin by discussing the critical role of the CBC in Canada's broadcast landscape.

The CBC is an essential part of the Canadian broadcasting system. It is the champion of Canadian content and provides an important window for Canadian programs in prime time. It is through the CBC's innovation that we've had the opportunity to see such high-quality Canadian programs as *The Beachcombers*, *Da Vinci's Inquest*, *The Newsroom*, *This Hour Has 22 Minutes*, the two Trudeau mini-series, *Canada Russia '72*, and *Shania: A Life in Eight Albums*, to name but a few. Several of these programs have had long runs on television and have been licensed for broadcast in many countries around the world.

Supporting the creation and broadcast of Canadian programs is a key part of the CBC's business plan. Nowhere else on the television dial is the support greater for Canadian programs. This was confirmed last month when the CRTC released its most recent financial information for private conventional broadcasters. Those numbers showed that the private broadcasters reduced their spending on Canadian drama programs by 25%, from \$48 million a year to a paltry \$36 million, yet they increased their spending on foreign content by \$69 million, almost twice the amount of the total budget for Canadian drama.

Given this reality and given the economics of the Canadian television market, it is essential for the telling of Canadian stories on television that we have a strong public broadcasting service in our country. At a time of consolidation of media companies, the proliferation of broadcast services, and the launch of many new platforms, it is more important than ever for Canada to have a strong public broadcaster. This will allow Canadians to continue to have access to Canadian programming that speaks to them in the new television environment.

Monique Lafontaine is now going to speak about funding at the CBC.

• (0950)

[Translation]

**Ms. Monique Lafontaine (General Counsel and Director of Regulatory Affairs, Directors Guild of Canada):** Thank you, Pamela.

Good morning.

[English]

As you've surely heard many times during this proceeding, and indeed twice this morning already, the most significant issue facing the CBC is the level of funding it receives. The reason this keeps coming up is because it is indeed the critical issue for the CBC.

Over the past 12 years our public broadcaster has faced tremendous reductions to its budget. In the mid-1990s its government appropriation fell by close to \$400 million. Although there have been some small increases, the budget has not recovered.

Currently the CBC receives about \$930 million from the federal government. This does sound like a lot of money. However, when we consider the CBC's broad mandate, probably the broadest, the largest of any public broadcaster in the world, the extensive

geographic area to be served—the CBC covers five and a half time zones—and the number of broadcasting services provided, ten radio or audio services, eight television networks delivered over various platforms in both English and French, and two full-service websites, when we consider all of that, it becomes clear that the level of funding is not enough.

Moreover, government funding to the CBC is quite small when compared to that of public broadcasters around the world. A recent study showed that Canada was very near the bottom of the list of the 18 countries, with the CBC at \$33 per capita. Switzerland and Norway led the pack with \$154 and \$147, respectively. The BBC, one of the world's leading public broadcasters, receives about \$124 per capita or has a budget of about \$7 billion.

Note that the cost of producing one hour of high-quality Canadian programming in Canada is not any cheaper here than it is elsewhere—in Britain, for example. In order for the CBC to properly fulfill its mandate and to be a program leader, it is essential that it receive increased and stable funding from the federal government as soon as possible.

In recent years the decline in public funding has caused the CBC to rely more heavily on other sources of revenue, particularly advertising sales. In 2005-06, more than 50% of the revenues of the CBC's English language television network came from commercial sources. Mr. Rabinovitch himself has asked whether that service can call itself a public broadcaster when more than 50% of its revenues come from commercial sources.

The reliance on commercial revenue is having an inevitable impact on programs. CBC executives are seeking more popular content. They're also strongly considering ratings when making their decisions. While ratings are relevant to any broadcaster, they should not be the primary concern of a public broadcaster. The CBC should be focusing on developing a recognizable brand and engaging Canadians in a national dialogue. It should not be chasing ratings.

In order for the CBC to better fulfill its public service mandate and to focus more on innovative Canadian programming, it should move away from its reliance on commercial revenues. Of course, we say that this should only take place in a situation where their government appropriation is increased.

Turning now to the mandate, in the DGC's view, the CBC is meeting its public service mandate on many fronts. The radio services are top-notch in connecting with audiences, Radio-Canada's French language television network has successfully repositioned itself, and the public broadcaster has a strong Internet presence in both English and French. It is also venturing into new areas, such as podcasting and digital radio.

While the CBC is doing a valiant job of meeting its mandate given the resources that are available, there is room for improvement. In particular, the service that is having the most difficulty is the English language television service. The following are our recommendations for that service.

Number one is Canadian drama. The CBC should be supported in its plan to be a leader in broadcasting original Canadian drama. The public broadcaster has a significant obligation to support and acquire audacious, entertaining, and leading-edge Canadian dramatic programming.

Number two is alternative sources of funding. The CBC should continue to forge strategic alliances with other broadcasters to help support the creation and broadcast of Canadian programming, particularly drama.

The CBC should be required to broadcast 100% Canadian content in the prime viewing hours. Currently, that's at about 80%. The evening schedule is Canadian.

As for Canadian feature films, the CBC should be required to broadcast more new Canadian feature films in order to provide Canadians across the country with the opportunity to see the feature-length films that are made here.

• (0955)

Next is commitment to Canadian programs. In order for the CBC to be a content leader, it is essential that it be fully committed to the Canadian programs it airs. This can be achieved through promotion, cross-promotion, advertising, and scheduling.

**Ms. Pamela Brand:** Another component of the CBC's mandate that we'd like to address is the regional reflection. As stated, the CBC has a very broad mandate. Most elements of the mandate are essential for the CBC and should be maintained. These include the cultural, bilingual, and multicultural components of the service. The CBC's mandate should, however, be limited to reflect available resources if there is no political will to increase public funding to the CBC. While this is a delicate issue, the DGC recommends that the standing committee review the regional component of the CBC's mandate. We respectfully request that you consider a new approach to defining service to the regions and make a recommendation to Parliament in that regard.

A final point that we'd like to make relates to new media. A new media presence is essential for the CBC—and indeed for all broadcasters—to continue to reach audiences and to ensure an important place in the new broadcast environment of the 21st century. As mentioned, the CBC has a strong new media presence, offering radio podcasts, mobile content, and online news. These offerings should be maintained and developed. To do this, adequate funding to the CBC must be provided.

Monique.

**Ms. Monique Lafontaine:** In closing, we would like to reaffirm that the CBC is doing a very good job in reaching its mandate given the limited resources it has. More funding is, however, essential for Canada's public broadcaster to maintain and develop its leadership role in the creation of Canadian programming, particularly drama. This is the role for the CBC. No other broadcaster will do it.

Increased funding will allow the CBC to reduce its reliance on commercial revenues and focus more on providing content that speaks to Canadians. We urge this committee to recommend to Parliament that the level of funding to the CBC be increased. Without increased funding, the CBC's mandate should be limited to reflect the resources that are available. We encourage the standing committee to recommend to Parliament that it enunciate a new approach for the public broadcaster to reflect the regions.

We thank you for this opportunity to provide you with our comments, and we'd be pleased to answer any questions you may have.

**The Chair:** Thank you very much.

We'll now go forward to the Canadian Media Guild and Ms. Lareau.

**Ms. Lise Lareau (National President, Canadian Media Guild):** It looks like it.

Oh, no, talk about timing.

**Mr. Bruce Claassen (President, Canadian Media Directors Council):** Hi.

**The Chair:** Hello.

It's the Canadian Media Directors Council.

**Mr. Bruce Claassen:** That's right.

**The Chair:** Mr. Claassen, I knew you were here earlier. Welcome. Please keep your presentation as short as you can.

**Mr. Bruce Claassen:** I've got one page.

**The Chair:** Great.

Thank you.

**Mr. Bruce Claassen:** I'm president of the Canadian Media Directors Council. As a point of reference for some of you who may not be aware, the Canadian Media Directors Council represents the bulk of the commercial purchasers of media time in Canada, which includes the purchase of television time from CBC and Radio-Canada. We represent 80% to 90% of all the purchases in Canada, which is roughly about \$7 billion to \$8 billion in media purchasing. I'm here today to represent the interests of the colleagues I work with in putting forward our point of view with respect to what we believe is the CBC's mandate.

I have about six or seven points, many of which are not inconsistent with statements I've briefly heard here. I'll be focusing on the television side of the equation, because radio is non-commercial. We don't really have an interest in that particular media, nor do we really have a role and a voice to add to that.

The Canadian Media Directors Council believes that a strong and healthy CBC TV is obviously of tremendous value to Canadian TV advertisers. In the context of what's happening today, with an increasing concentration and amalgamation of media owners in this country, ensuring there is a competitive environment in which there are many voices and opportunities is of tremendous value and interest to us as buyers. Therefore, a healthy CBC TV is something we wholeheartedly endorse.

We also believe that CBC TV represents a valued commercial outlet for advertisers, and it helps to contribute to an overall healthier commercial TV marketplace within Canada. If anything, I guess these comments reflect the notion that we clearly believe the advertising component—and I suppose the revenue portion of that—is certainly of importance to CBC TV, but it is important to us in terms of being an outlet in which to reach Canadians.

The CMDC strongly believes that CBC TV should emphasize the carriage and creation of quality programming of interest to a broad spectrum of Canadians. My colleague Pamela commented on the fact that TV revenues for CBC represent a substantial portion of its entire funding. As quality programming is ensured for CBC, its audiences will remain and potentially grow. There's an extremely direct correlation between audience growth or audience size and revenue. To give you an idea, if the average audiences for CBC TV rose by only 25%, that would add close to \$100 million to the entire funding formula for the CBC. We strongly urge the creation and acquisition of quality programming, whether that is Canadian programming or other types of programming. We don't have a point of view there; it's the notion of quality programming that reaches a broad spectrum of Canadians.

The CMDC strongly believes that CBC TV should remain active in presenting top-rated sports programming in Canada. Canadians are extremely strong in many sports that are of somewhat minor interest to certainly our American counterparts. I think CBC has done a laudable job in representing that. Curling is one simple example. We believe CBC should maintain its position as a strong carrier of sports. Clearly that is of interest to Canadians, and it certainly reflects those sports in which Canada has a strong presence and standing.

CMDC strongly believes that CBC has the opportunity to reach unique audience segments, who may traditionally be very light TV viewers, with quality programming that is not readily available elsewhere in Canada. I'm probably supportive of the directors guild in stating that. There is programming that is uniquely Canadian and programming that is unique to the kinds of audiences that are attracted to CBC TV. Those audiences are of value to the advertisers in this country. We urge the CBC to continue to maintain initiatives in that programming arena.

The CMDC strongly believes that CBC TV should equally value the carriage and creation of top-rated programming. What we mean is that the value should be focused on quality programming and not necessarily exclusively focused on the source of that programming. Again, the source of that programming does not mean U.S. versus Canada. It means that it doesn't necessarily have to be produced by CBC. It could be produced by independent producers. It could be produced in other countries in the world perhaps. Basically, the focus

should be on the quality of the programming in terms of equal value relative to where the source of that programming comes from.

• (1000)

Last but not least, and not perhaps surprisingly, the CMDC strongly believes in the continued commercial status of CBC TV.

And that's the end of mine.

**The Chair:** Thank you very much for that presentation.

Now we'll switch to Ms. Lareau.

**Ms. Lise Lareau:** Good morning.

I'm a TV producer in my other life at CBC, and I do know what a clock looks like, so I will keep my remarks to what your needs are too.

I'm Lise Lareau. I am national president of the Canadian Media Guild. I'm joined by Marc-Philippe Laurin, who is the president of our branch at the CBC, and by Benoit Cantin, who is the host of an Ontario regional radio program called *L'Ontario aujourd'hui*.

We are representing the front-line folks at CBC, the people who make the programming we're talking about, the people who sell ads, the people who support all that broadcasting—all the hosts, the producers, the stars, the non-stars, all of it.

You've heard a lot of good over the past few weeks and you've heard some bad things about our national public broadcaster. In the end, what we really hope you do—you four parties sitting together on a committee—is retain the idea that CBC is an important cultural institution that we all love, and agree among you, even on just a few things.

A lot of us at this table—I see a couple—are veterans of these hearing processes examining where the CBC is going. If I can ask you just to find a few things that you can all agree on and that survives minority politics, all of us who are at the CBC would be really grateful.

I trust you've read our brief, "A cry for help". It gives you some idea of where we come from. Today we're concentrating on the recommendations and not the crying, because we want to focus on the positive and not the negative.

Despite the hard times our members have endured over the last few years, the overwhelming majority of us are excited to go to work every day to deliver news, to deliver analysis, laughs, tears, companionship, and food for thought to Canadians. They work to reach the diversity of Canadians, no matter where their audiences are, where they live, how old they are, or how they choose to connect to the CBC.

It's important to point out, as they say, that it's not your grandmother's CBC anymore. It's changed. Since the CBC was before you, the national radio ratings came out. In four urban markets, the morning radio show is number one. It says a lot.

The CBC is more urban than you'd think, and it's appealing to a younger age group than what you'd think. TV shows such as *The Rick Mercer Report*, *The Hour*, and *Tout le monde en parle* appeal to Canadians of all ages—and that's rare on TV and radio—who are interested in engaging in laughing about political, social, and cultural issues that are rocking our country.

Perhaps most importantly for the 21st century, this programming is increasingly connected to and often available solely on new media platforms. As I know the CBC reiterated to you earlier, cbc.ca has become one of the most popular Internet downloads available to Canadians.

The news services of CBC/Radio-Canada remain the most trusted sources of information. We know that. From the investigative reporting of *the fifth estate*, which just broke a lot of news lately about the lottery scandal in Ontario, and *Zone Libre*, to the day-to-day coverage provided by all its extensive radio and TV news teams, Canadians really rely on the CBC and Radio-Canada to inform them. It's become part of our fabric. And there's a lot of life in the place, no matter what it sometimes looks like.

At the same time, it should be noted that I would not be representing our members if I did not say that for many of us the CBC is not a livelihood. It really is a life's work and it's a calling. Their commitment comes through with virtually everything they do. And that's why, after all these years of financial uncertainty, debates, and various struggles, people in this country still support the CBC and they are scandalized when it's taken away from them.

What would solve some of the problems we've been dealing with and you've been hearing about? Well, for starters, a positive and long-term mandate from Parliament. You've heard it from many people. If we're not clear about what the CBC is doing, it's tough to function. So we echo the CBC and Radio-Canada in calling for a 10-year mandate that sets out Canadians' expectations from their public broadcaster. That's a really basic start.

•(1005)

Second, and equally basic, is increased and stable funding. You've heard about the Nordicity study from many who have come before you showing where the CBC ranks in the world in terms of funding. We know it's at the very bottom of the heap. New Zealand and another country are at the bottom. It doesn't matter really where we fall in the funding, based on per capita per year, considering who our closest neighbour is. The average is \$80 per year for all industrialized countries. Now the CBC is at \$33 per year per capita, as you've heard. We're recommending it be upped to \$45 per capita, be phased in over the next 10 years, and be indexed to inflation, a key thing. The CBC and others have been before you and said it's fine to have one figure, but if that's not indexed to inflation, you're losing year over year.

I know you're tired of that, but I wouldn't be doing my job if I didn't reiterate it.

If this committee or others come out with a proposal to replace some of that funding or to eliminate ads from the CBC, my friend here wouldn't be happy. I'll talk about that in a little while, but we would obviously have to look at \$45 per capita. It probably wouldn't be enough in that context.

Why does the CBC need more money? It needs more money to reach Canadians wherever they are with radio, TV, and new media programming. You've heard the desperate calls for this, and we'll talk about it a bit later. In addition, if I could change one single thing at the CBC, it would have to be the governance structure that would allow it to be free from political interference and truly accountable to Canadians. We'll talk about that a bit later.

First, I'll throw it over to my colleague, Marc-Philippe Laurin.

•(1010)

[Translation]

**Mr. Marc-Philippe Laurin (President, CBC Branch, Canadian Media Guild):** Good morning. My name is Marc-Philippe Laurin, and I am President of the CBC branch of the Canadian Media Guild. I represent employees at the CBC outside the province of Quebec. In my daily work, I am a technician and associate producer for local CBC radio in Ottawa.

I would like to talk a little about what is happening to the infrastructure of our public broadcaster. The guild is very concerned about the fact that the CBC clearly does not have the financial resources to protect its cultural and technological assets, which enable it to provide programming on all its platforms to reach all Canadians, including minority language groups in every region.

[English]

CBC/Radio-Canada's infrastructure, we believe, is in decline. This is of some concern to us. Many of the decisions faced by the CBC today to change some major parts of its infrastructure are, we believe, in part because it cannot defend the expense when so much of its programming is now bought from independent producers. I want to be clear here. While we certainly support the role that independent producers play in providing Canadian content, we also believe that CBC and Radio-Canada must continue to be able to produce original programming that cannot be found anywhere else on the dial.

As you know, CBC/Radio-Canada is also proposing to greatly reduce its provision of free television over the air with the transition to digital. This is due to the fact that the CBC again does not have the resources to upgrade all its existing TV transmitters. We know you've heard about this already, and we share the concerns of smaller centres, such as Kamloops, B.C., which is losing free access to their public broadcaster over the airwaves. We think that is just wrong. This not only disenfranchises Canadians in small towns and in rural areas, but it would also fundamentally change the public broadcaster's role to one of a specialty service sandwiched within a 200-channel universe, as opposed to being one of a broadly accessible public service.

The public broadcaster's leaders have stated this is a public policy question, and we entirely agree with them. Even in Germany, where only about 5% of the population picks up TV signals over the air, the public broadcasters were required to fully replace analog transmission with digital without losing a single viewer. It was a matter of public policy for them, and we believe it should be one for Canada also. That's why we are urging Parliament to provide one-time financing to CBC/Radio-Canada to allow for the upgrade of its existing transmission infrastructure from analog to digital.

The public broadcaster must continue to provide broad access to CBC/Radio-Canada programs over the airwaves to all Canadians in all parts of Canada, to every single viewer.

I would like to pass along the microphone to my friend, Benoit.

• (1015)

[Translation]

**Mr. Benoit Cantin (Member, Canadian Media Guild):** Good morning, my name is Benoit Cantin. I have been a journalist and host at Radio-Canada for seven or eight years now. Thanks to the corporation and my work, I have had the opportunity to spend time in many parts of Canada. I have worked in Ottawa, Toronto and Vancouver. My assignments have taken me to many places, including Winnipeg, Saskatoon, Edmonton and Whitehorse.

Radio-Canada is extremely important for francophones! Owing to the quality and variety of the programming it offers throughout Canada, it is an exceptional broadcaster. Wherever you are in Canada, the programming has a local flavour. For example, you can listen to the morning radio show in French in Moncton, discover the social issues affecting Albertans simply by watching *Le Téléjournal* in that province and savour the charming Franco-Manitoban accent on CKSB.

What is striking when you visit the various regions in Canada is not only that you find francophones there, but that they defend their language and culture staunchly and vivaciously. Whether they are many or few, whether they are concentrated in one place or scattered over a large area, these francophones grow up, go to school and live in French.

Much of the credit for what I would call this amazing achievement goes to Radio-Canada, which has been playing a crucial role in support of these communities for the past 50 years. It brings people together, but it also acts as a catalyst for the French language. The public broadcaster must maintain and even strengthen its presence in Canada's regions, which make Canada's francophone colourful. Radio-Canada is a tremendous boon to francophones who in turn respond by being a faithful audience of radio and television programming.

I can give you an example. Just two years ago or so, when the Radio-Canada British Columbia signal began to be transmitted to Whitehorse, Yukon, francophones there kept telling us how happy they were. They told me that they were finally going to be able to see other francophones. So there is a very special connection between francophones in minority communities and Radio-Canada.

The concerns of francophones in Toronto are not necessarily the same as those of francophones in Victoria. And francophones in Sudbury and Regina do not experience the same things. This regional diversity must be reflected in the radio and TV programming provided by Radio-Canada. That is what gives its richness, its strength and its *raison d'être*.

In short, Radio-Canada must maintain its presence in the regions, and this presence is more important than ever today when we have so many channels, satellite radio, the Internet, etc. Radio-Canada is like a lighthouse in an anglophone sea for francophones.

Thank you.

[English]

**Ms. Lise Lareau:** You've probably heard in the last few weeks all about the technological advances—the Internet, new media—and certain people are arguing that we need less. There's just more diversity out there. In my view, there's a misconception that there's more information available to everyone. I would argue there is a whole lot of opinion, interaction, blogs—no question about it—but it's actually gotten to be more difficult to get news and stories about what's going on in our local communities. You ask any newsmaker across the country. It's harder to get local news now than it ever has been. Probably mostly it's because of consolidation. Probably a whole other group of people should study that. But local news is in trouble. It's not being done anymore. It's not being done in the big markets, the little markets, and the ones in between. This is one of the reasons this committee, I think earlier, urged the CBC to develop a plan to reinvigorate its local and regional services.

Well, the good news is that CBC has now begun doing just that. It's increasing its local TV news programming, going from half an hour to an hour, and adding regional lifestyle programs to the TV schedule. It's a great move. We applaud it, because as journalists and consumers of Canadian news, we've witnessed firsthand this decline in local programming. But it's being done without any new money, and it's being done on a hop, skip, and a prayer. Our people are working hard at these programs, but there is no new money for them, and there will be glitches, and it won't be what it could be if it were funded properly. So that's another reason, again, to look at increased funding.

I know that Bev Oda, in a speech she gave here in Toronto in the winter, about eight weeks ago, mentioned the need for local programming and the lack and deterioration of local programming over the last five or six years.

So as the CBC moves to fund this local initiative, what it means is that it must either cut from other important areas and/or focus on more commercial priorities in prime time. We don't like either of those things. You heard from the group earlier this morning about how the CBC has moved away from literary programming, as an example. I know you were engaged with the...I don't know the name of the organization. I believe this is a direct result of a broadcaster that recently has been compelled to program for advertising revenue, and it can no longer do the things it should as a public broadcaster.

So we urge that you not only recommend the increase I spoke of earlier—the appropriation to \$45 per year per Canadian—but that you also dedicate some of that new funding to the provision of local news and programming, and you make that specific.

As I mentioned earlier, please pay attention to the many calls you've heard from other groups, not just us, for a change to the governance model at the CBC. Look, governance is not sexy and no one likes to spend a lot of time on it, okay? I get it. But we live with it every day, and it needs to be changed. As I said earlier, after 10 years of doing my job, I can say we have to come up with a new model for governance at the CBC. Please, if you do one thing as a coordinated group, it would be highly appreciated.

Do you know that now the president and CEO of CBC serve at the pleasure of the PMO? Therefore, it's not entirely clear where the buck stops within the CBC. Governments of the day are understandably reluctant to interfere in CBC management, and we don't want them to, but when the president serves at the pleasure of the government, it's a very grey area. It's certainly not the best framework for good decision-making, no matter who serves in the job. So the board of the CBC needs to be able to hire and fire the president. That's a basic in governance.

Where should the members of the board come from? We recommend that the board be appointed by an all-party parliamentary committee, either yours or another one, based on a set series of qualifications. I know others who have been before you have recommended that the appointments could continue to be orders in council and then confirmed by Parliament. There are a few variations of this model. In the end, what's important is that whatever method you recommend, it has to be open and transparent. As others have said, there must be a separate chair and president.

• (1020)

These are recommendations, because the CBC will only be better if it has true independence from the government, if it's perceived to be independent from the government, and if it operates in such a way that people are accountable for their decisions.

**Mr. Marc-Philippe Laurin:** I see Mr. Schellenberger looking at me, but this is the last couple of paragraphs.

[*Translation*]

In closing, we would like to reiterate the three key messages in our presentation.

[*English*]

The first message is that CBC/Radio-Canada provides an important public service, and it must be strengthened in the rapidly changing digital age of the 21st century. Parliament must increase its allocation to the public broadcaster from the current \$33 per Canadian to \$45 per Canadian per year over the next 10 years. This would bring Canada closer to the average among industrialized countries when it comes to the funding of such an important service to its population.

Finally, Parliament should provide the public broadcaster with a 10-year mandate. This new mandate would respect the values and needs of Canadians across the country. There must be a strong commitment to support local and regional programming. And lastly, before the 10-year mark is reached, the mandate should be reviewed via, again, a public process such as this one and by Parliament.

[*Translation*]

That concludes our presentation. On behalf of Lise Lareau and Benoit Cantin, I would like to sincerely thank you for having given us this opportunity to add our voices to this important debate. We are open to your questions and will be pleased to answer them.

[*English*]

**The Chair:** Thank you.

We have one round at five minutes each, and I'm going to be strict.

• (1025)

**Ms. Tina Keeper (Churchill, Lib.):** I want to ask about your recommendation on the governance structure. We've heard that numerous times. You have suggestions and other presentations have their suggestions on what the governance structures should be. Could you talk about why you're so desperately seeking a new governance structure? What do you think have been the impacts of the governance structure as it is?

**Ms. Lise Lareau:** Where do I begin?

I don't want to be negative about the people serving in the positions. With that in mind, I would say the lockout was probably the best example, the most black and white example. To this day, it was never clear who was going to end that lockout. Was it Canadians? Was it the PMO directing the president?

The PMO at the time told us, "You know what, we can't direct the president. He serves at pleasure and we don't want to interfere in the CBC's business." So the government doesn't want to interfere in the CBC's business, but the government appoints the president. You get where I'm going here: nobody could end that lockout.

I'm not going to do the history lesson, but it ended in a combination of political will on the part of the government of the day and of Canadians being tough and saying, "End this thing." But there was no one person who ended this thing. That was a good example.

There are others, in key policy decisions, where the board has not been sufficiently informed, primarily because many of them are appointments. They're not necessarily there because of their broadcasting experience. We've heard and we know the deliberations of how often some very key policy decisions do not get debated at length.

I would say the people inside would treasure a governance change. With the fact that the president now again is the chair—because there has been no chair—don't forget, that was the very situation we were in just before the lockout. The president and the chair were the same person, because Carole Taylor had just stepped down. When that happens, there is a convergence of interests. The chair of the board must keep the public interests in mind. When that chair is the same guy who heads the management team, we have a convergence of powers and interests in one person, and that's highly negative.

I'd be pleased to talk about it elsewhere. There are many more examples. I don't want to dwell on the individuals either. It's not an individual problem. The president of the day could be the best person known to mankind and these problems would still persist.

**Ms. Tina Keeper:** It's a structural problem.

**Ms. Lise Lareau:** Yes.

**Ms. Tina Keeper:** I have a quick question for the Directors Guild.

We have heard from ACTRA and the Writers Guild. Have you seen a significant impact on your members in terms of the loss of dramatic programming at the CBC?

**Ms. Pamela Brand:** Absolutely, we have. We've seen our directors who don't work; many of them are unemployed, as are production designers and art directors. The decline in dramatic programming at the CBC, as well as by private broadcasters, has had a huge impact.

**Ms. Tina Keeper:** Thank you.

**The Chair:** Thank you.

Ms. Bourgeois.

[Translation]

**Ms. Diane Bourgeois:** Thank you, Mr. Chairman.

Good morning, ladies and gentlemen. My first question is for Ms. Brand.

I believe that there have been a few changes to page 4 in the French version of your brief, which I received a bit before this morning.

**Ms. Monique Lafontaine:** Would it be possible for us to receive a copy of that version?

**Ms. Diane Bourgeois:** The guild recommends that the CBC/Radio-Canada television networks start to reduce their dependency on advertising income. Do you have any other alternatives to propose for how they might increase their funding? Some of the corporation's financial resources do come from that source.

[English]

**Ms. Pamela Brand:** Yes, we do. We would encourage partnerships with other broadcasters, as a really good example. We really take the BBC model. We think it's probably the best public broadcaster in the world, and that's a model that we would encourage. They have a lot of partnerships with other broadcasters in the U.K. as well as outside of the U.K. If you take, for example, the series, *Rome*, which has been very popular, it was done between the BBC and HBO. That's the kind of thing we would encourage. We would also, of course, always say that more funding is needed from the government, that there needs to be a larger government appropriation.

We do believe that the commercial imperative, though it's important—CBC does need to attract audiences—doesn't allow the CBC, if it has to be responsible and respond to advertisers, to be really innovative, to be really cutting edge, to really pick up on those kinds of issues, either in dramatic programming or in other areas, to be independent, or to take the risks and the experiments. The BBC is able to do those things because it doesn't have to report to the advertisers. That's the model that we would strongly recommend.

● (1030)

[Translation]

**Ms. Diane Bourgeois:** Thank you.

My second question is to Ms. Lareau's group. I would like to start by congratulating you, Ms. Lareau, for your courage and frankness this morning. The fact that you have come to tell us about your personal experience is quite remarkable.

Mr. Cantin, you delivered a forceful argument for francophones outside Quebec regarding the importance of Radio-Canada to this group. They in fact have come in to speak to us. While I agree with you, I do have a few reservations. I think that Radio-Canada has helped unite francophones outside Quebec; however, they are not satisfied with the services Radio-Canada is offering at the moment.

If the Corporation's funding were increased, would you agree that it should be required to be more transparent and detailed in its accountability practices?

**Mr. Marc-Philippe Laurin:** Would you please repeat the last part of your question?

**Ms. Diane Bourgeois:** If Radio-Canada's funding were increased, as you request, would you agree that it should be required to be more transparent and detailed in its accountability practices?

**Mr. Marc-Philippe Laurin:** I think that as of September 1<sup>st</sup> of this year, Radio-Canada will come under the Access to Information Act. So, as of that date, the general public will have access to all this information.

Some decisions have been made, but I cannot speak for Radio-Canada management. Regional and local programming is a subject that has been much discussed internally by employees and management. It is very difficult for us as employees and programming suppliers to feel that the options available to us are limited when it comes to distributing programs and pictures that will allow people throughout the country to see themselves reflected on screen.

The past 10 years have been extremely difficult at Radio-Canada. Some decisions made by the public broadcaster did not please everyone. In that regard, would greater transparency make it possible to broaden the debate? I would be inclined to think it would. I think that is one of the aspects of the review of Radio-Canada's mandate. We hope that the conclusions or recommendations you come up with will answer this question. We are in favour of direct involvement by the Canadian public, rather than a government body that manages the public broadcaster. We think the network belongs to Canadians, and that they must be involved. To do that, there must be even greater transparency.

**Ms. Diane Bourgeois:** You and the other witnesses have talked about Canadian culture. In my opinion, culture and knowledge are two different things. Culture is someone like Gabrielle Roy, for example, and knowledge is the information provided by the media. However this is part of culture.

Do you not think that the committee must make a choice? Should we be choosing culture or financing over culture?

•(1035)

**Mr. Marc-Philippe Laurin:** I say that there is really no choice: both must be chosen. At the moment, the regions are broadcasting a lot of news and information, but there is no talk about culture. There are no programs that talk about the people in the regions and the communities, and that is what is missing.

I do not know whether you find this answer satisfactory, but this is certainly our view.

**Ms. Diane Bourgeois:** Very well.

Thank you, Mr. Chairman.

[English]

**The Chair:** Thank you.

We'll go to Mr. Angus.

**Mr. Charlie Angus:** I'm going to front-load my question so that I cause less stress to our honourable chair, here.

We were in Winnipeg, and we got a very disturbing picture, from both the francophone community and the English-speaking artists, of the disappearance of regional programming and of the vitality that had been there, even 10 years ago, and how much it's dried up. Some of that, perhaps, is the result of a funding crisis. Some of it seems to be a case of the empire striking back, the empire being Montreal and Toronto. That's the sense in the regions.

I'm looking at the disappearance of capacity in a centre like Winnipeg to do its own programming, and the sense is that we're centring it in Toronto and Montreal. But then I look at the decision to shut down the design team here in Toronto, to get rid of the capacity we have here in the city to do programming.

I want to ask you, first, why you think we're seeing a disappearance of programming in the regions. Second, why do you think the decision was made to get rid of the capacity to do programming here with the design team? And third, it would seem to me that there's quite a vast set of resources being shut down, with the wardrobes and the sets. They must have quite a value. Is that going to be put on eBay, or do you have any idea what's going to happen with that?

**Ms. Lise Lareau:** I'll start with this.

When you have your tour at CBC this afternoon, I do hope you ask to see the design area. That is the area where there are costumes and props and where these massive sets are located. It's all shutting down May 31, but until you actually see it with your own eyes, you don't realize what the CBC is about to lose. So please ask for that on your tour.

Why is the design department shutting down? There are three main reasons. One is because of Canadian Television Fund rules. The CBC has made a decision that it is not going to produce its own programming, other than in news and current affairs. It could do it, but it's financially onerous to do it under the current Canadian Television Fund rules. This particular management team really wants to focus on buying outside programming, and they believe it's to deal with the funding crisis. They believe that because of the lack of

money, they need to go into very commercial television to attract ads.

Because of the lack of money, Toronto real estate looks pretty good; those areas take a lot of real estate, so they're going to—and they would say it if they were here before you—“monetize” their real estate assets and use the area where design is now located to potentially lease to stores, banks, or whatever. Our broadcast centre, our one-stop shopping broadcast centre, will be a broadcast centre as we know it no longer. It's very, very sad.

We've been trying to get the City of Toronto interested in preserving some of this cultural heritage, but ultimately I don't think it's up to the City of Toronto. I applaud Mayor Miller for being interested, but ultimately this is a Canadian decision.

In Montreal, Radio-Canada's design area is thriving, and management there has decided that it needs to keep it thriving, that it's the centre of the Montreal production industry. The same could be true of our design centre, but they're in a money crunch and they see a way out; they believe it's time to sell off assets, and this is a key asset. It's very, very sad.

That's the design story in five minutes or less. There's a lot more to it. I urge you to try to look at it; it's very sad that we're about to lose it.

•(1040)

**Mr. Marc-Philippe Laurin:** I'd like to add one little thing to that. I think it also marks a fundamental shift in the CBC's thinking. I think for years the CBC has always hoped to be able to return at some point in time to in-house original programming that it creates and owns, and that it can then display on all its different platforms, but I think there's now a recognition, from the message that was sent by Parliament maybe some 20 years ago with the installation of the CTF and the moving of money from the CBC to the fund, that they're no longer going to do that and that's not going to happen anymore; it's going to be done in co-productions across the country. You're going to be in alliances.

We understand the importance of independent producers, but we also think there's a role for the CBC in creating its own original programming, which is not bound by any licences or anything it has to sign away to somebody else, to a third party, who's realistically looking to make money. If you're an independent producer, you're looking to provide a project and create something that's going to make some money, and not necessarily just end up on a shelf someplace. Sometimes some of the best stuff we have ends up on a shelf someplace, but everybody keeps referring to that documentary—it didn't make a cent in commercial revenue, but, boy, we all remember that documentary.

That's what's happened here. The CBC has moved away from that, in drama and in comedy especially. They've made a conscious decision to do that.

Therefore, when I was talking about the infrastructure earlier, why keep this? What are we going to do with it? They've made a decision to shut it down, and that's 50-plus years of television—props, costumes, heritage, everything—that is going to be sent out to museums, sold off, archived...we're not sure. We're not sure where it's going. We've asked the question and we haven't had a solid answer on that either.

**Ms. Lise Lareau:** You may want to ask that question before your review wraps up, because this has all transpired while you've been doing your review.

Going to your governance question, we had appealed to the board to take one last look at this decision. My understanding is they spent two minutes discussing it at their last meeting. It's another example I think of a decision made by a small group of people against what is in the broad public interest.

**The Chair:** I just want a clarification of one thing, and then I'm going to go to Ms. Brand.

For clarification, when were the changes made to the CTF? Was it 20 years ago?

**Ms. Pamela Brand:** No, it was 10 years ago.

**The Chair:** But you mentioned 20 years ago.

**Mr. Marc-Philip Laurin:** Yes, 20 years ago there was a change in government appropriations to the CBC. The budget started getting smaller and smaller, and there was a whole debate about the CBC, co-producers and the CBC, the signing agreements, and the problems that revolved around those issues. But it was 10 years ago that the CTF was created.

In the years leading up to that, there was a constant debate about the CBC's role and its involvement in the production of Canadian drama and comedy.

**The Chair:** Okay, thank you.

Ms. Brand.

**Ms. Pamela Brand:** I just want to make a comment on the in-house production. The Directors Guild of Canada, and I believe the Writers Guild of Canada and other creators' associations, have for many years—not just for the CBC but for other private broadcasters as well—fought very hard to have independent producers, particularly with respect to dramatic programming, do the work, simply because it's a very key question of creators' rights.

If there is more dramatic programming in-house at the CBC, our directors don't get their rights from the CBC. They are the co-authors, with the screenwriters, of the audiovisual work, and until that issue is settled, we cannot agree for more dramatic programming to be done in-house at the CBC or at other private broadcasters. That is absolutely essential. The CBC has not been helpful there.

**The Chair:** Okay, thank you very much.

Because of the time limitation we have, I've asked Mr. Fast, if he has any questions, to get them to you.

We are going to recess right now for a very short time. We'll try to make a quick changeover.

I thank our witnesses here this morning. We will start the questioning next time with Mr. Fast.

We'll recess.

•(1040)

(Pause)

•(1050)

**The Chair:** Welcome back to our next session for this morning. I apologize as we start to run a little bit behind today.

We now have presenters from the City of Hamilton, the Centre for Community Study, and the Canadian Broadcast Museum Foundation. I would ask Brian McHattie, please, to make your presentation. If we try to keep them as brief as we can, then we can all ask some questions.

Thank you.

**Mr. Brian McHattie (City Councillor, City of Hamilton):** Thanks very much, Mr. Chair.

I'll be making the presentation on behalf of Hamilton, and Sonja is here in support, so we'll take the 10 minutes to do that.

Good morning to everyone on the committee. My name is Brian McHattie, and I'm a city councillor from the west part of Hamilton. It's my second term on council, and I'm enjoying it.

Particularly, I want to thank you for allowing me to be here today. We have a raucous council meeting going on around the budget back in Hamilton as we speak, so it's nice to be here in Toronto this morning to avoid it. I guess I'll get back there for the tail end of it this afternoon.

I am here today with Sonja Macdonald from the Centre for Community Study. It's a non-profit community research organization that's been working with the City of Hamilton to expand the level of media diversity for our community, both on the radio side and the TV side.

We'd like to thank the committee for the opportunity to comment on the CBC's mandate. As with the other presentations you've heard this morning, the focus of our presentation will be on the crucial importance of the local and regional elements of the national broadcaster's existing mandate.

Our appearance today is in line with the city's ongoing commitment to creating a diverse local media environment in Hamilton. We believe CBC needs to be a central actor in our community to assist in building and reflecting our diverse voices back to us in Hamilton, and of course to the nation right across the country.

What we'll provide you with today, not having benefited from the presentations you had in other cities, is in our case, I would suggest, a case study into the challenges around regional expansion from very much a local perspective—a municipality's perspective, as compared with that of the provincial and national levels that you may perhaps receive more often in the presentations.

Let me begin by providing members with a very short overview of our community. As you may know, Hamilton is the ninth largest census metropolitan area, or CMA, in Canada, with a population of almost 700,000 residents. The CMA is comparable in size to Quebec City and to Winnipeg, and it has always been one of Canada's top 10 cities by population. Hamilton is located approximately 60 kilometres southwest of where we are today in Toronto. We're at the western tip of Lake Ontario.

The Hamilton media environment is quite unique. Despite the size, Hamilton is underserved in local media, with only one local television station and one local news talk radio station. Compare that with Quebec City and Winnipeg. Each of those communities has four local television stations and three local news talk radio stations, so there's a substantial difference there.

One central reason, as you'll guess and as will jump to in your minds, I'm imagining, is that the private sector has not invested in traditional broadcasting in this region because of market barriers related to Hamilton's proximity to Toronto, where we are today. This is fueled by the assumption that local Toronto content serves the needs of the Hamilton audience. However, the facts just don't bear this out. An example of it is that Toronto's top-rated morning radio show, CBC Metro Morning, gains only a 4.7% share of the Hamilton audience. It's just down the way, 60 kilometres down the lake, but there's a very different response in Hamilton.

In spite of these facts, recent CRTC decisions have rejected applications to create additional local TV stations to serve the Niagara and Hamilton region. The result of this circumstance is that over one million Canadians in this region are not adequately served by local programming in television or radio. This demonstrates a particular special need that should be addressed by the CBC in terms of fulfilling their commitment to serving the regions of Canada.

The market barrier in our region has been compounded by two important changes in the Canadian media environment since the last revision of the CBC mandate. These are the increased concentration of media ownership in our country and the CRTC's relaxation of quantitative requirements of local programming for private broadcasters.

As you're well aware, the CBC followed the pattern set by private broadcasters in the late 1990s as they withdrew from local and regional programming. In our case, the local CBC bureau was closed in 1992. This left our community without local links to CBC regional affiliates or to the national network. It has resulted in a reduced relevance of the national broadcaster in the region and a reduction in the representation of our region on the national network.

● (1055)

While we understand that the CBC has been faced with financial restrictions since the mid-1990s in particular, many of the decisions CBC management has made to improve the financial condition of the national broadcaster have come at the expense of the regions in Canada. The regions have lost local service and connection to the national network, despite the continued contribution to the CBC budget by Canadians through their taxes. For Hamiltonians, this means they receive no local service for their \$22.5 million contribution to the national broadcaster's annual government allocation.

In his presentation to you in late March, Mr. Rabinovitch acknowledged the geographic gap in CBC coverage, mainly in radio. In the CBC's regional expansion plan that was presented to this committee in February 2005, the broadcaster identified that three million Canadians in communities larger than 50,000 do not receive local CBC service. Hamilton represents one-quarter of that total geographic gap right across the country. Hamilton is also the single largest city identified in this plan without any local CBC service whatsoever.

At this point I need to say that Hamilton certainly does support the additional regional expansion dollars for CBC radio, because it is through radio, perhaps more than television, that a broadcaster's success is tied to its ability to stay local. This is an idea that the management of CBC has acknowledged, but it has yet to take practical action to address its own identified gap. The need to address this gap sooner than later is important, as the CBC may lose its opportunity to access appropriate frequencies in these markets where it does not currently serve Canadians—for example, in southwestern Ontario and the GTA, both very congested markets from a radio frequency perspective. There are few viable frequencies still available at this time, particularly in the Hamilton region. Therefore the intention of CBC to address the geographic gap may be severely stunted if it does not take action now to reserve appropriate frequencies for future development.

While we support new regional expansion dollars for CBC radio, we are concerned that CBC management is spreading its limited resources too thin, rather than providing its essential mandated services to Canadians. It is hard for our community to understand how the management of the national broadcaster can make arbitrary decisions to invest millions of dollars in purchasing American reality TV programming, or investing in satellite radio, which is a subscription service reaching perhaps only 1% of Canadians, while for a fraction of these costs it could provide over one million Canadians in the Hamilton, St. Catherines, and Niagara regions with regional service that we already subsidize through our taxes.

We are here today to express to the committee our real concerns about the priorities and actions of CBC's management in its commitment to local and regional service. Our city has taken a proactive approach to addressing the lack of media diversity in our community. We've made representation at the CRTC and private broadcasters—Sun TV in particular recently—and we have been in discussions with CBC for close to three years. During those discussions we have spent our own money and time to identify opportunities for the CBC to come to our community. We've rallied support from across the region, and we sought and received support from our federal MPs from all national political parties.

Despite our best efforts, we sit before you today frustrated and at a loss. Mr. Rabinovitch has spoken eloquently about his commitment to return to local and regional service. He's also spoken about how he will not duplicate the private sector. Hamilton is a community without a CBC presence. We are the single largest community in CBC's geographical gap, and the private sector will not develop local services in our community because of market barriers. We are really the poster community to demonstrate CBC's commitment to regional service, yet year after year they continually pass by opportunities to invest in the Hamilton region. They have not even opened a bureau that would provide Hamilton with a service commensurate to communities one-sixth our size. Simply put, this is not fair and has to end now.

In our written brief we presented the committee with five recommendations for your consideration during your deliberations.

First, the community needs to broaden the understanding of special needs of regions to include communities like Hamilton, which are underserved in terms of local media.

Second, the CBC must reinvest in Canada's regions as a result of changes to the national media environment.

Third, the committee should establish an evaluation mechanism for CBC management that is based on merit and need that can guide, in an open and transparent manner, the way in which regional investments are made.

•(1100)

Fourth, the CBC must take appropriate and immediate steps to rectify their geographical gap in services. Specifically, they need to establish a local presence in the Hamilton region, the largest unserved community in their gap. I think I've said that about four times now, so it will get through, I guess.

And five, CBC use of new media and new technology should occur only where it supports and facilitates the principles of their mandate.

The Standing Committee on Canadian Heritage has a very important task at hand in the review of the mandate of the public broadcaster in the 21st century. We've tried to present to you the real challenges, the case study we face in Hamilton, and the lack of equity found in the CBC's fulfillment of their mandate.

We hope you incorporate the lessons learned from the Hamilton experience. Certainly there's a need for more dollars for regional expansion. CBC radio is our particular interest, and we feel that's important for the regions right across the country. We feel that our experience in Hamilton with CBC management has not been the best and that changes can be made with the existing system as well, a combination of the two.

Thank you.

**The Chair:** Thank you.

Ms. Wilkinson.

**Ms. Kealy Wilkinson (Executive Director, Canadian Broadcast Museum Foundation):** Mr. Chairman, members of the committee, my name is Kealy Wilkinson, and I'm the executive

director of the Canadian Broadcast Museum Foundation. With me today is David Taylor, a member of our board of directors.

We're very grateful, of course, for the opportunity to be here to emphasize the importance of Canada's broadcast heritage and CBC/Radio-Canada's special and very necessary role in that respect.

The physical and programming assets that were built up and acquired over seven decades by the corporation are the result of the investment of public moneys generated in the early years, mainly by licence fees paid by individual set owners, and then from about 1953 onward by parliamentary appropriations, in addition to commercial revenue.

**Mr. David Taylor (Director, Canadian Broadcast Museum Foundation):** The importance of the artifacts, collections, information, and program archives that the corporation has assembled at its network headquarters and its stations and production centres across the country cannot be overemphasized. They are a public trust. Taken together, they document the story of Canada's development in the last century.

We recognize, of course, that the CBC's core business is not running museums or the development of national collections, but the fact is that as a result of its national broadcasting mandate, it has become both an integral part of the history of Canada and the inadvertent guardian of major collections, everything from resplendent costume collections to amazing photo archives—all irreplaceable. Canadians should be grateful to the CBC for having these in their possession.

All of this must be of interest to members of this committee, because you too share responsibility for telling the story of broadcasting and its pivotal role as the electronic railroad in nation building in the northern half of North America. The CBC's archives and collections are a keystone of the building blocks for that important saga and must be preserved and accessible so that the story can continue to be told.

•(1105)

**Ms. Kealy Wilkinson:** For seven decades, Canadians have invested in development of their national public broadcaster, making it possible for the corporation to link Canadians from coast to coast.

First there was radio, with programs like *The Happy Gang*; *Un homme et son péché*; *Hockey Night in Canada*, of course; *Radio-Collège*; Matthew Halton and Marcel Ouimet reporting on the war in Europe during World War II; and *Les Joyeux Troubadours*, *Just Married*, *Tante Lucille*, and so many other programs that were beloved by Canadians.

Then along came television. We had *La Famille Plouffe*, *Génies en herbe*, *Mr. Dressup*, *Les Beaux Dimanches*, *The Juliette Show*, *La Soirée du hockey*, *Hockey Night in Canada*—again, of course, this being Canada—*Point de mire*, *This Hour Has Seven Days*, *Friendly Giant*, *Appelez-moi Lise*, *La Boîte à lunch*, and *The Tommy Hunter Show*. All kinds of programs became icons in Canadian households.

Over the years, the CBC has become a treasure trove of assets from these times. Thousands of programs, millions of photographs, interviews, equipment, whether they be creative assets like programming or the costumes, sets, and props used in their creation by the talented people who made the programs, or whether they be in the physical plants—all of these have been developed by CBC/Radio-Canada in order to achieve their mandated programming responsibilities and for the benefit of the people of Canada.

**Mr. David Taylor:** The demands of the corporation's mandate are such that despite major public investment, there's never been enough money to do it all. Since 1974, the corporation's budget in constant 2007 dollars has been effectively stagnant, while the costs of programming, distribution, and new technology have been increasing year by year. So priorities have had to be established, and in that process, heritage preservation and the celebration of people and programs have generally had to take second place to the demands of production and other pressing corporate imperatives.

Nevertheless, in the 1990s, Radio Canada, very much to its credit, launched a major heritage project. Construction of state-of-the-art storage vaults began in 1997, followed by digitization of its radio and TV program archives and development of an effective and efficient cataloguing system. About the same time, CBC began work on the development of its own preservation programs, and by 1998, the pressure was on to transfer their radio and television programs from the original recording media to more contemporary formats. For a major program producer like the CBC, with its multiple networks, this indeed is a daunting task involving hundreds of thousands of hours of radio and television programming and including vast stores of news material, such as news magazines, which clearly document many key aspects of Canadian history. They also make up the largest and most significant portion of the corporation's regional collections and will likely be the fastest-growing genre.

**Ms. Kealy Wilkinson:** And it will take years to complete, because cleaning, restoration, and transfer of analog to digital media takes on average about 11 hours for each hour of programming—11.3 hours actually, according to L'INA. Given the CBC's current programming inventory, they're looking at 30 years of work by one technician to complete just one component. By the time that's done, of course, the format will be close to four decades old. It will be obsolete, and well past time for starting to transfer it again.

The CBC Museum, which was referenced by you previously this morning, is a very modest facility. It was launched as a broadcast centre in 1994 and eventually given an annual budget that ranged from \$50,000 to, last year, \$148,000. However, the museum staff, who work only part-time, have both—that's right, there are only two of them—received termination notices effective the end of May of this year. So very shortly there will be no one charged with safeguarding the thousands of artifacts in the museum's care.

Furthermore, as of that date, as you know, the CBC's costumes, props, and set collections will also have been disposed of or dispersed to interested third parties. Working with staff in the costume department at the broadcast centre here in Toronto, the foundation has been able to identify a very limited number of special costumes, related to iconic programs, that represent the work of major designers. For the moment, we'll be taking these into our own collection so that they can be preserved and integrated eventually into a national broadcast collection for Canada.

• (1110)

**Mr. David Taylor:** Of course, the closure of the design department and disposal of the costume collection have been major issues. But the larger tasks of safeguarding historic artifacts and building and maintaining the program archives are ongoing. In fact, they are huge and will require considerable strategic thinking if a satisfactory resolution is to be found.

In most of the developed world, responsibility for broadcast heritage is shared between private and public institutions. For the information of the committee, we have deposited with the clerk a summary of the processes used in a number of countries, which you may find to be of interest for your review. We'll just mention a few here.

Last December, the Netherlands Institute for Sound and Vision opened a new building to house its broadcast museum and three extensive program archives to preserve and make accessible some 700,000 hours of its culturally significant programming. This operation is a joint venture of the Dutch government with national broadcasters and private corporations. In 2005-06, Australia's National Film and Sound Archive, a Commonwealth government organization with a budget of \$52.1 million annually and hundreds of staff dedicated to preserving Australia's electronic media, in addition to the ABC, the Australian Broadcasting Corporation, maintained a program archive for its own use but worked in conjunction with NFSA in building the national collection.

**Ms. Kealy Wilkinson:** This year, the 938 staff at L'Institut National de l'Audiovisuel will spend the Canadian equivalent of \$170 million, 100% of which is provided by the national government, on the collection and preservation of France's radio, television, cable, and satellite programming—an assignment they've been working on since 1975. France is unique in that it's the only country in the western world in which broadcast heritage is recognized to be a solely public function.

There are, as you can see, a number of models and variants that Canada could adapt for its own use, and there are more that we've tabled with the clerk. In all of them, CBC/Radio-Canada, as our national public broadcaster and a major source of local, regional, and national programming, must be positioned, and resources play a major role.

We believe the importance of this responsibility should be referenced in the corporation's mandate and that funds should be earmarked to deal appropriately with the trove of historical material it currently holds. In order to achieve this, it's going to be necessary for CBC/Radio-Canada to develop strategic precepts that will guide the application of its heritage responsibility on a national basis. In future, this will also enable the corporation to participate actively with institutions with complementary interests like Library and Archives Canada, Office national du film du Canada, private broadcasters, and ourselves, so it can play a suitable role in the development and celebration of Canada's national broadcast collection.

For these reasons, we therefore propose that the legislative mandate of the CBC now contained in the Broadcasting Act, I think of 1991, be slightly amended, particularly with reference to subparagraph (vi), so that it would read in future:

contribute to shared national consciousness and identity through its programming services and by preserving programming and related artifacts that tell the evolving story of the social, economic, cultural, and political history of Canada.

Thank you for your attention. We'd be happy to answer any questions you may have.

**The Chair:** Thank you for that.

We'll give the first question to Mr. Fast.

**Mr. Ed Fast:** Thank you, Mr. Chair.

Since my time is short, I'm going to focus on a question to Councillor McHattie.

I come from the city of Abbotsford, which has just recently joined the ranks of the CMA, although we only represent about 200,000 people rather than your 700,000.

Can you give me an idea of which communities your CMA includes? Does it include St. Catharines, Burlington, and places like that?

•(1115)

**Mr. Brian McHattie:** Thank you, Mr. Chair, for that question to Mr. Fast.

It includes Burlington. It's Grimsby, Hamilton, and Burlington in the CMA.

**Mr. Ed Fast:** In your comments you made a number of recommendations. One seemed to be almost a throwaway, but I don't think that's what it was intended to be, and that was the last one. I believe what you suggested is that the use of new media should only be applied where it supports CBC's mandates. You didn't go into an explanation of what you meant by that.

New media has been the focus of some attention in our hearings. CBC has been constrained to a certain degree in its ability to expand into new media platforms. There has been a suggestion from some parts that there should be free rein to provide its content on whatever media platforms are available. You're suggesting that's great, but there's a restriction there. Could you comment?

**Mr. Brian McHattie:** I'm going to ask Sonja to say a few words.

**Ms. Sonja Macdonald (Director, Centre for Community Study):** Thank you.

Because of the presentation time we had today we wanted to limit our comments, but within our written brief we go into a little more detail about what we mean in terms of the use of new media. In particular, we think, for example, that cbc.ca is an excellent tool for a national broadcaster to be able to reach into communities to provide up-to-date information both in news information as well as cultural production and other things in terms of connecting with those communities and then bringing that information back to both the regional and national levels.

They've also made efforts—and satellite is one example of an attempt into new media that we do not see—as a community, as a positive step. Our reason is that we think it was a bit of a pre-emptive strike. It was a \$7 million commitment in 2006, and communities like ours don't necessarily see the return on investment. In the longer term, that platform hasn't necessarily been proven to really be serving the core audience of the CBC, which are Canadians. In terms of new media, that's one of the concerns we have.

**Mr. Ed Fast:** I think what you're suggesting is that the money that was invested in satellite radio...and also, you did mention in the same breath earlier the whole issue of reality show programming. You don't believe that was value for money, and you believe that in fact local and regional programming would have been a much better investment for Canadians. Am I characterizing that correctly?

**Ms. Sonja Macdonald:** Correct, yes.

**Mr. Ed Fast:** That's my question. Thank you.

**The Chair:** Thank you.

Mr. Scarpaleggia.

**Mr. Francis Scarpaleggia:** I have a very brief question before I give my time to Ms. Keeper.

It concerns the museum of broadcasting artifacts. Could you just remind me, is it all located in one spot?

**Ms. Kealy Wilkinson:** The CBC museum?

**Mr. Francis Scarpaleggia:** Yes.

**Ms. Kealy Wilkinson:** Yes, it's on the ground floor as you walk in from Wellington Street, and if you're going to be visiting there today, you might well just pass by. It has an exhibition facility on that floor, and then if you go through the atrium in the first level sub-ground there is another small exhibition facility, storage space, and offices where everything is managed from.

**Mr. Francis Scarpaleggia:** And you were saying you just don't have the funds to...? Are you up against limitations on—

**Ms. Kealy Wilkinson:** I must make it clear, sir, we are in fact not representing the CBC broadcast museum itself. We are a different foundation, but we do have a great concern for the future of the CBC museum because of the artifacts it holds, and—

**Mr. Francis Scarpaleggia:** What is the nature of your concern, that they don't have enough money?

**Ms. Kealy Wilkinson:** They do not have sufficient resources in which to properly exhibit and preserve the material they have. And currently, of course, they're in a situation where they will be losing 100% of their staff, so there is no—

**Mr. Francis Scarpaleggia:** Here's my question. If the government were to give more money to CBC, of course, because it's an arm's-length organization, the government would not be directing the funds and then breaking it down and saying that of this extra \$100 million, please give \$1 million to the museum in the CBC building, and so on. You just can't do that. I would think the top management at CBC would say they need that extra money for programming, and so on.

It would seem to me an interesting suggestion that this collection, which is invaluable, which is extraordinary and linked to our history and culture, should perhaps be transferred to the Museum of Civilization in order to be properly funded, and for all Canadians to see when they come to the national capital.

What do you think about that? And I don't want to put you on the spot. You can say you have no comment.

• (1120)

**Ms. Kealy Wilkinson:** There are a variety of resolutions for this kind of thing. In the event that the CBC is determined to be an ongoing and significant member of the heritage community, I think there are obviously ways in which the Government of Canada can preserve that kind of position and ongoing activity.

If, on the other hand, it's felt that there are proper resolutions and better resolutions for the amount of material that it currently holds and will obviously collect in the future, then I think that, too, will have to be addressed, either legislatively or with direction from the Government of Canada.

One of the solutions could be in fact a *mariage de convenance* with another heritage institution of that kind. But so far that has not occurred. And the fact is that we stand in jeopardy of losing a great deal of material because there has in fact been no direction.

**Mr. Francis Scarpaleggia:** I agree, and I thank you for bringing that up, because sometimes these important issues get lost in the broader discussion.

Thank you.

**Mr. David Taylor:** If I might respond further to that, I don't want you to think that our interest is only in the museum—

**Mr. Francis Scarpaleggia:** I don't, no.

**Mr. David Taylor:** —exclusively that, or in the wardrobe area, which you will see is resplendent with wonderful costuming. But tucked away in the archives departmentally are treasure troves of important Canadian cultural artifacts.

So when we talk about a strategy, we really mean that somehow there needs to be some very good strategic thought put to how we deal with what is there, because we understand it's really not the business of the CBC. How do we deal with what's there so it's not lost, and then how do we get it to a point where it's accessible to Canadians? And there's the issue of the continuing evolution of that collection, because today is tomorrow's history.

**Mr. Francis Scarpaleggia:** I would suggest, Mr. Chair, if I may, that part of our report, or one recommendation, should be dedicated to that issue, especially since we did not produce a museums study.

**The Chair:** That'll be noted.

**Mr. Francis Scarpaleggia:** Thank you.

**Ms. Tina Keeper:** Do we have time for another question?

**The Chair:** I don't think we do. This is what happens. Questions turn into debate, and that's good. That's what we're here for.

But we'll move on to a very short question from Ms. Bourgeois.

[Translation]

**Ms. Diane Bourgeois:** Thank you, Mr. Chairman.

My question is to Ms. Wilkinson. Your foundation began its activities in 1994. On whom do you depend?

[English]

**Ms. Kealy Wilkinson:** We depend on the broadcast industry, by and large. We are supported by private and public broadcasters, in the main. It was an initiative generated principally by broadcasters who came together and recognized that there was a significant problem developing around the issue of broadcast heritage. There didn't appear to be a resolution, so we were funded basically to begin development of the national broadcast collection and to examine options for development, eventually, of a museum of Canadian broadcasting.

• (1125)

[Translation]

**Ms. Diane Bourgeois:** I would like you to be more specific and tell me who asked you to establish the Canadian Broadcasting Museum Foundation: was it broadcasters, the government, the Canadian Broadcasting Corporation?

[English]

**Ms. Kealy Wilkinson:** Basically, it was an initiative launched originally by the AFBS, Actra Fraternal Benefit Society, and then drew in public broadcasters, private broadcasters, such as CTV and cable broadcasters, and those sorts of things.

I should note, however, that I may have misled you. We were actually launched as a foundation in 2000 and granted charitable status in 2001.

[Translation]

**Ms. Diane Bourgeois:** In the brief you submitted, I see that one of the members of the board of directors Cecil Rabinovitch, who is a consultant. Is that a man or a woman? Is he or she related to Mr. Rabinovitch?

[English]

**Ms. Kealy Wilkinson:** Yes, she is in fact. She is a heritage expert and the wife of the current president of the CBC.

[Translation]

**Ms. Diane Bourgeois:** What did CBC say in response to Ms. Rabinovitch's concerns, since she is a heritage expert?

[English]

**Ms. Kealy Wilkinson:** The CBC members on our board and Madame Rabinovitch both support this intervention strongly.

[Translation]

**Ms. Diane Bourgeois:** Fine. Thank you.

[English]

**The Chair:** Thank you.

Mr. Angus.

**Mr. Charlie Angus:** I'll try to make my questions quick.

Mr. McHattie, in terms of the Hamilton market, normally 700,000 people in a prairie city would have their own morning show and an afternoon drive home show—at least on radio, notwithstanding television.

You mentioned how much listenership there was for the present morning show, Andy Barrie's show, for CBC. I've never heard Hamilton mentioned on Andy Barrie's show; it might have been, but I've never heard it.

How many people are listening to that presently, and what kind of business case would there be to have a morning show coming out of Hamilton?

**Mr. Brian McHattie:** The CBC Toronto show has a very small listenership in Hamilton, I think because of the irrelevance of much of what is covered on CBC Toronto. There's wonderful music and interesting traffic reports, and those sorts of things, but it really doesn't have the Hamilton content. I'll go as far as saying that *Ontario Morning* covers a lot of rural areas and other communities across the province, such as London, and particularly southwestern Ontario, and it has a lot more Hamilton content.

We, of course, don't have access to *Ontario Morning* in our jurisdiction. We've actually had discussions with CBC and asked them, if they were to get a frequency in Hamilton in the short term—if, say, an AM frequency became available—to put *Ontario Morning*, the Ontario show, on the Hamilton station.

The talk radio show I mentioned, CHML in Hamilton, is the one that people listen to in the mornings, rather than CBC Toronto.

Maybe, Sonja, you could add to that.

**Ms. Sonja Macdonald:** In terms of their coverage area, the CBC has placed Hamilton in with the Toronto frequency. So, as Councillor McHattie stated, we get the 99.1 feed, which is the Toronto morning radio show, which, as you correctly state, does not reflect Hamilton—although their traffic reports are now expanding, and I don't know if that has to do with our community or with the fact that traffic is expanding in the region.

But beyond that, I think one of the other issues is, as Councillor McHattie said, that the Ontario feed is, well, two things. The first thing is that the Ontario CBC, which is a provincial service, does provide greater opportunity for stories from Hamilton, yet we don't have access to that because we don't have the frequency where we can pick that up in our community.

The other thing is that when we started this effort several years ago, one of the first things we did was to seek out comment from our community in terms of whether this was something they were interested in. We received hundreds of responses from Hamiltonians saying they loved the CBC; they loved to be able to connect,

particularly in radio, to the CBC national network, but they hate the fact that they don't hear themselves, and they're very tired of hearing all about Toronto, because it isn't of relevance to them, and they don't know the cultural significance of activities going on in their community if they don't have that access.

**Mr. Charlie Angus:** Thank you.

I'll turn to Mr. Taylor and Ms. Wilkinson now for a quick question.

Mr. Taylor, you'd mentioned the treasure troves that are basically hidden away. We're not talking about the obvious iconic relics, but pieces of tape, old shows. I think it was the Battle of Ortona on which we heard radio coverage played recently, of the CBC coverage at the time, and it was absolutely breathtaking, basically putting us right there.

I'm thinking of what's going to happen to all this, because you present a very dismal picture in terms of a lack of resources to digitize, to chronicle. In particular, we talked this morning about the wardrobes and the sets. You're telling us that, basically, the two museum staff are gone this year. We don't know what's going to happen to the value of that. Could you give me a sense of what's at stake if it's just left to whatever whim comes along?

• (1130)

**Mr. David Taylor:** I think you're creating an accurate characterization of the situation, because it's just not on the radar screen for people who are trying to do other things. The priority is down the ladder, and I think naturally enough. If you're sitting in a corner office and you have to do some new programming and you have new media, heritage just doesn't get to the top of the pile.

When you start to think of things that have been squirrelled away in the various departments and that people have in their files...many people have said, "I have to preserve this, because this is too important to let it go somewhere else", and all of a sudden you find that across the country the CBC and other organizations are just resplendent with these little treasure troves that have to be ferreted out. This is why we suggest that there needs to be a strategy for the CBC to be able to unearth this and then provide a means of using it and making it accessible.

With respect to the museum, we have been advised that the museum will close. If you are on a tour, you'll see the museum itself, which is open to the public, but you'll see that there are also two vaults that house a number of other artifacts, among the many others that reside within the system.

I think the message is not clear, but the message is that we, the CBC, hope to try to use some of these artifacts in new spaces that we may be creating, but the route of that is very clear, and who's going to look after the artifacts, administer the artifacts, keep track of them, and look after their preservation is not at all clear.

**Ms. Kealy Wilkinson:** If I might, Mr. Angus, that only covers the artifacts and the heritage material that's sitting here in Toronto, in the broadcast centre. In each station and in each region of the country where the CBC exists, there are similar treasures, perhaps on a smaller scale but of equal cultural and social importance.

**The Chair:** Thank you for that.

I must say that I've enjoyed this immensely. Museums are close to my heart, and so are community events.

I think that the media should cover community. This is something we heard in Yellowknife and right across the country. Not only in the spoken word, but also in newspapers, the local media has taken a backseat. I have seen it in my community.

I used to be a paper boy; I delivered papers for five years.

**A voice:** And he got elected.

**The Chair:** And I got elected.

**Voices:** Oh, oh!

**The Chair:** There were a lot more reporters out in the community. In talking to ordinary people now, it seems that our papers and news airwaves are full of national and international media and we forget about the local people.

Coming from Stratford, as I do, and talking about costumes and artifacts—with the Stratford Festival's 50 anniversary a couple of years ago, I know their archives are very important.

Also, when I looked through your brief, referring to the *Plouffe Family*, I can remember watching the show as a youngster. I have been told that they are all gone. There are three left out of that series.

I know when I first came on this committee, we were putting the library and the archives together. There was quite a debate. I know how much in disrepair some of our archival places were and how some of our national treasures have been lost.

So I applaud your initiatives in those cases, and I hope we can put something forward for the people of Hamilton and the district.

Thank you very much for your presentation.

We will recess until 2 o'clock.

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