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Chair

Mr. Gary Schellenberger

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● (0920)

[*English*]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): Order, please.

Mr. White, my name is Gary Schellenberger. I am the chair of the Standing Committee on Canadian Heritage. Thank you very much for making yourself available today.

For just about a year now we have been studying the role of the public broadcaster in the 21st century, and we felt it very important that we talk to you folks at BBC because we know how you've tackled some of the problems and how great a public broadcaster you are.

Before we start, I'm just going to go around the table and introduce our people. I will start with my clerk, Jacques Lahaie, and then another clerk, Catherine Cuerrier, the honourable Mauril Bélanger from the Liberal Party, Luc Malo from the Bloc Québécois, Mr. Bill Siksay from the NDP, Gord Brown from the Conservative Party—I don't know if he's related to your prime minister or not—and then we have our parliamentary secretary to the minister, Mr. Jim Abbott, and from the Conservative Party, Ed Fast. We also have our analysts, Lara Trehearne and Marion Ménard.

Welcome this morning. I don't know, sir, whether you have a brief statement to make before we have this, but we could start with questions. We're not going to hold to a strict time limit on questions unless someone gets really long.

Again, thanks for making this work, and I welcome you here. It's morning here in Ottawa, but I think it's evening in Britain. Am I correct?

Mr. Wilf White (Chief Advisor, Public Policy, British Broadcasting Corporation): It's afternoon, yes.

I'm very happy to begin with a statement or to go straight into questions, whatever the committee would prefer.

The Chair: We'll let you begin, sir.

Mr. Wilf White: Thank you.

Ironically, I was going to begin by talking about the challenges of new technology, and of course we faced the challenges of that technology in trying to make this video conferencing work: we couldn't get a line to you.

Here in the U.K., and I think all over the world, digital technology is producing a real challenge for public service broadcasting. We have just gone through the renewal of our charter and agreement, as I'm sure you know. In that process we agreed on new public purposes for the BBC, and our mission, in six points, is essentially: sustaining citizenship in civil society; promoting education and learning; stimulating creativity and cultural excellence; representing the U.K., its nations, regions, and communities; bringing the U.K. to the world and the world to the U.K.; and, in promoting those purposes, helping to deliver to the public the benefit of emerging communication technologies and services and taking a leading role in the switchover to digital television, which has already begun in the U.K. We hope to conclude that by the end of 2012.

Many of those purposes are timeless. They've been with us since the BBC was originally founded in the 1920s, but many are also new and could be achieved in exciting and new ways. I think the impact of digital technology can't be underestimated. Now, the demand for content is not simply for linear content, where people switch on the TV and the radio and see what's on, but for content delivered any time, anyplace, anywhere. The television could be something you're now watching on your computer or on your mobile phone. The radio could be something you're watching through your television or through your computer.

We've just launched a new product called the iPlayer, which will give everyone in the U.K. the ability to use broadband to watch any television or radio broadcast from the BBC that's been broadcast in the last seven days free of charge. This is radically transforming our business. It means that the content we provide can achieve its purposes much more effectively. You no longer need to remember to set your VCR to watch your favourite program. We can archive material and have it available to people for much longer than had ever previously been possible. So although our purposes are to some extent timeless, this change is a very exciting opportunity for us.

There's also a huge appetite growing for interaction, for personalization, for sharing content. We're finding more and more people want to offer their views on our programs on our website, and also use generated content—audio and film clips that they themselves have made. The range of devices that can create and receive that content is increasing constantly.

Some things don't change: quality, originality, trust. All those things matter as much as they always have. We have to respond to a much more demanding audience. The market here, and I'm sure in Canada and elsewhere, is in turmoil. Traditional competitors are under enormous pressure, but new competitors—people like Google and YouTube—are coming in all the time to challenge the role of public service broadcasters. At the same time, we face a constraint in our funding. There's a limit to what we can do. There's a limit to what people are prepared to pay for through the licence fee. We have to look very carefully at the balance of what we do through public funding and what we do commercially.

These are very exciting times for the BBC. I've deliberately kept this statement fairly short because I know that members of the committee will want to ask a lot of questions. I am very pleased to answer them. I hope we can cover everything you're interested in today.

Just to finish by introducing myself, I am the acting controller of policy for the BBC. I had a leading role in the negotiation of our charter agreement and the licence fee settlement. I have an ongoing role in discussions with the BBC Trust, which is our new regulatory body.

● (0925)

My colleague here, Daniel Wilson, is my deputy and has a particular interest at the moment in our regional activities, in which I know the committee has an interest.

My abject apologies once again for the wretched technical problems we have at this end. I think it does go to show that we are perhaps not always as good at responding to the challenges of technology as we would like to be.

Thank you, Mr. Chairman.

The Chair: Thank you very much for that, Mr. White.

I think we will move to the Hon. Mauril Bélanger for the first question.

Mr. Bélanger.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Thank you, Mr. Chairman.

Mr. White and Mr. Wilson, thank you for being here.

I want to explore the concept of the charter, first and foremost. The first question I would ask is, how did it come to be and why did it come to be?

Mr. Wilf White: That is a very interesting question.

Most broadcasters in the United Kingdom are governed by primary legislation, by acts of Parliament. The BBC is unusual in having a charter. It has always had a charter, and I think this is the seventh or eighth charter that's been issued. I think the reason we have a charter rather than an act of Parliament is that the feeling was that a charter would help to defend the independence of the BBC. It's granted to us by Her Majesty The Queen, admittedly with the advice of government. But it isn't something that is subject to amendment line by line.

This has been a tradition in the U.K. I suspect that if we were starting again, we would probably be governed by an act of Parliament rather than by a charter. As I say, this is our eighth charter, and it has been the tradition since we began in 1927.

Hon. Mauril Bélanger: Have they always been of 10 years' duration?

Mr. Wilf White: No, they have varied. Some have been as long as 15 years; some have lasted for as little as five years. The feeling is that 10 years is about right, I think, from the government's point of view. It gives us sufficient certainty to plan ahead, but it also allows government to review what we do on a regular basis and to ensure we're still doing what parliamentarians feel we should do.

That, of course, is another advantage of having a charter. In the U.K., acts of Parliament are generally not time limited. Having a charter—which is time limited—does give parliamentarians the opportunity to review the BBC from time to time.

Hon. Mauril Bélanger: Could you go into the three-year evaluation period the BBC has just gone through, leading to this renewed charter that just came into effect January 1, 2007? And could you tell us what the influence of the review was? What changed between the current charter and the previous charter?

Mr. Wilf White: There's been a lot of change, but let me start by talking to you about the process.

The process began with papers issued by both the BBC and the government. We produced a paper called “Building Public Value”, which talked about our vision of the future. The government produced a green paper, in which it put out its own view of what the BBC's role should be in public service broadcasting.

There were then meetings around the country with members of the public, and seminars, which again were open to the public but tended to attract people in the media industry and academics rather than the ordinary members of the public who'd attended the round-the-country meetings.

As a result of that process, we then came up with a white paper, which set out the government's views more firmly, and finally the charter and agreement.

Some of the things that changed are pretty fundamental. There was a major review of the way in which we are governed. It was felt that the old system of the BBC governors was not either independent enough of the BBC's executive management or rigorous enough in assessing what the BBC wanted to do in terms of new services.

The governors were replaced by a new unit called the BBC Trust. There are still 12 independent people appointed by government, but they now step back from the day-to-day management of the BBC and have a major role in setting the BBC's purpose remit, which is the way in which they feel we should aim to meet those six purposes I mentioned earlier.

They also set service licences, so every service we offer, every channel, every radio station, has a clear remit as to what it is supposed to be doing, which empowers it but also prescribes it.

We have also established a system of what are called public value tests, where, if we want to make significant changes to one of our services or to start a new service, we now have a rigorous process of assessing the public value of what we intend to do against its market impact, which is independently assessed by Ofcom. That replaced a system in which the Secretary of State gave approval for new services but in which there was a much less rigorous process for the assessment of both public value and market impact.

The public value assessment and test were originally proposals by the BBC, but they were very much in response to concerns from the commercial sector, who felt the approvals process for new services was not sufficiently rigorous. So that's one of the major changes.

I'm afraid if I were to list every change that was made I would intrude too much upon your time. I think those are perhaps the key changes.

● (0930)

Hon. Mauril Bélanger: Thank you. I may come back later to follow up on some questions, but I don't want to monopolize all the time here.

Thank you very much, Mr. White.

The Chair: Next, Maria Mourani.

[*Translation*]

Mrs. Maria Mourani (Ahuntsic, BQ): Thank you, Mr. Chairman.

Good morning everyone. Happy New Year, gentlemen.

My question concerns content. How do you determine British content as compared to foreign content? Do you have quotas you must comply with? Are these quotas set out in legislation? Exactly how does that work in England?

[*English*]

Mr. Wilf White: Yes, we have very specific quotas for original content that must be commissioned by us. Although we do show a number of programs that have been acquired from other countries, we have specific quotas to fulfill and those are set out in the charter and agreement.

Of course, that doesn't mean everything we commission we do on our own. We're very keen, in a number of areas, to promote the idea of co-production. For example, many of you will know that *Doctor Who* is a co-production with the Canadian Broadcasting Corporation. We also do a number of co-productions with American and other foreign broadcasters.

[*Translation*]

Mrs. Maria Mourani: What percentage of the content is British compared with foreign content?

[*English*]

Mr. Wilf White: It depends on the service. Let me just check the numbers here. I want to make sure I give you this absolutely correctly.

● (0935)

Mr. Daniel Wilson (Deputy, Public Policy, British Broadcasting Corporation): While looking for the figures on Britain, it might be worth adding that there are also European Union targets, pan-European targets, for European-commissioned programs, which apply to all broadcasters, including the BBC. Those are about, I believe, 10% of programs.

Mr. Wilf White: The percentages vary by service, but the average is around 80%.

[*Translation*]

Mrs. Maria Mourani: The British content is 80%, is that right?

[*English*]

Mr. Wilf White: It's 80%, because we're members of the EU. The provision says it must be European Union content rather than British content, but it is primarily British.

[*Translation*]

Mrs. Maria Mourani: All right.

Does the government provide all of your funding? If not, do you have any other funding mechanisms? How do you manage advertising?

[*English*]

Mr. Wilf White: The BBC does not have any direct advertising revenue at all. It's funded entirely by the licence fee, and by the profits from our commercial activities, which are separately run by BBC Worldwide. Those commercial activities do involve channels that take advertising, many of which are available internationally, but the BBC itself and its core public services have no advertising revenue.

[*Translation*]

Mrs. Maria Mourani: Therefore, you have other channels that air advertising and produce this income. When you talk about commercial revenue, exactly what are you referring to? Are you selling products, objects, those kinds of things?

[*English*]

Mr. Wilf White: Again, the licence fee is effectively a tax on every U.K. household that uses a television. That is imposed by legislation and collected by the BBC on behalf of the government. A commercial revenue is dealt with separately by BBC Worldwide, and yes, indeed, they do all the things you might expect. They run commercial channels, which are not BBC-branded in the U.K., but they also publish books, sell programs to other broadcasters, and publish DVDs and other merchandise, as you say.

[*Translation*]

Mrs. Maria Mourani: How is that tax collected from the population? Are people taxed when they buy a television set? Is it done on a monthly basis?

[*English*]

Mr. Wilf White: The legislation requires that everyone who has a set is obliged to pay the fee annually, but we allow people to pay it in instalments if they prefer. The fee applies per household. When someone buys a television we are notified of their purchase and their name and address. If that household does not have a licence, we then write to them asking them to license themselves.

Of course, as in Canada and no doubt elsewhere in the world, the vast majority of homes in the U.K. have a television licence. We do write to every home in the U.K. each year to ask them to renew their television licence. That's how the licence fee is collected.

Most people now have simply arranged to pay their licence fee by direct debit from their bank account, so it's not a very onerous requirement for them. We also accept payments over the counter, by cheque, by cash, by credit card, and online.

The Chair: Thank you very much for that.

We'll move on to Mr. Siksay.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Thank you, Chair, and thank you, Mr. White and Mr. Wilson, for taking the time to be with us today. We very much appreciate it.

I wonder whether you could say a little more about the governance structure. I know there's the BBC Trust and the executive board. Could you say a little bit about the various responsibilities they each have and how that structure differs from what was in place before the recent changes?

● (0940)

Mr. Wilf White: There are, as I say, 12 members of the trust. They're appointed by government. The idea in appointing them is that some of them have specific responsibilities. So, for example, we have a trustee for Scotland, a trustee for Wales, a trustee for Northern Ireland, and a trustee who has specific interest in the English regions. They come with a variety of backgrounds. Some of them have spent time in the broadcasting industry; others have had distinguished business careers, or in some cases careers elsewhere in the public service. We have, for example, a distinguished doctor as one of the 12.

Their role is to set the overall framework in which the BBC operates. I have mentioned already the purpose plans, which are drawn up in accordance with the six public purposes of the BBC. Those set out in a general way how the BBC ought to go about, for example, promoting education and learning.

The trust also approves and sets service licences, so that every service we have is told what its objectives are, what its scope is, and what its limits are.

They also, as I mentioned before, have a role in looking at any proposals we may have to make significant changes to any of our services or to start new services. All these things are within the trust's remit.

Finally, of course, they have the job of looking at our overall budget strategy, not going down into the detail of where every penny is spent but looking at how our budget priorities reflect what they feel the general priorities of the BBC should be.

Above all, the job of the trust is to represent the licence payer to see that we're meeting our public purposes, to see that we're offering real public value, and to see that we're offering value for money. So the other thing they have is a major role in auditing the BBC to ensure that we don't waste money, that we're as efficient as we can be, that we offer the maximum possible value.

Finally, of course, they are a source of help for licence payers who want to complain about any of our services. If you want to complain about the BBC, you can go directly to the executive and write to the controller of BBC One and say, "That program yesterday was a disgrace." If you're not satisfied with what he has to say about it, you can take it further and go to the trust and ask them to take forward your concerns.

Some of that is similar to what the governors did, but the governors never had quite the same role of assessment of public services that the trustees have now. They never had the approval power for new services or for changes to services. They are now a good deal more independent than the governors were. They have, for example, a unit of advisers, about 30 people, whose job it is solely to advise them and to scrutinize proposals from the executive.

Within that framework, the executive's job is to get on with the day-to-day running of the BBC and to do all the things that are within that remit: to commission programming, to manage budgets within the overall framework set by the trust, and to run the BBC from day to day.

Mr. Daniel Wilson: Let me add that the trust has also done a considerable amount of work in terms of the openness and transparency through which it operates. For instance, BBC management proposals for new services, for trials of new services—particularly the new services—are consulted on publicly. But also, for instance, summaries of their board minutes are published online, and they hold regular consultation sessions with licence fee payers. I think there's a greater emphasis in their work, when compared with the previous governors', on openness and transparency.

● (0945)

Mr. Wilf White: That's absolutely right. It is much more open than the old system used to be.

Mr. Bill Siksay: Can you tell us how folks are appointed to the trust or the executive board? If there are established criteria, what are they?

Mr. Wilf White: Appointments to the trust are formally made by Her Majesty the Queen, with advice from the Secretary of State for Culture, Media and Sport. So we're not involved in the criteria for selecting members of the trust.

The trust then appoints the chairman of the executive board and the director general. Below them are the members of the executive board, who are appointed by the director general. It's for him to decide who he wants and what qualifications he's looking for in those appointments.

Mr. Bill Siksay: I understand there are also audience councils, and trust members have a particular relationship, especially if they are regional representatives on the trust. Can you say something more about how that system works?

Mr. Wilf White: The audience councils are one way—but by no means the only way—of trying to assess public opinion. People who are interested in the BBC and what it does are invited to become members of the various audience councils. They hold regular meetings, and the trustee who has responsibility for that regional nation attends. They have a wide-ranging remit to comment on the BBC's services, offer feedback to the trust, and raise questions with them.

I think the trust would be keen to emphasize that is not the only way in which we seek to gauge public opinion. We do regular polling. We do a lot of public consultation, as Daniel mentioned earlier, whenever we have a new proposal for a new service. We try very hard to get the public to take an interest in what we do.

That process has been absolutely transformed in recent years by BBC online. In the past—and I think this is a problem familiar to many public bodies—you would try to get the public to comment on something, do everything you could to contact them, and end up with perhaps half a dozen letters. Now several thousand people regularly email us, offering views on message boards right across the online site. We are not short of feedback from the public now, and that's an enormous advantage to us, even though sometimes, to be honest, we can create so much feedback that it becomes overwhelming. But that is very much better than the half a dozen letters we used to get in the past.

Mr. Bill Siksay: Thank you, Mr. Chair.

The Chair: Thank you for that.

Mr. Siksay, hopefully we can come back with some other questions from you.

Mr. Fast, please.

Mr. Ed Fast (Abbotsford, CPC): Thank you, Mr. Chair.

Thank you to both of you for making yourselves available today to share your wisdom with us.

In our review of the role of the public broadcaster here in Canada, this committee has identified a number of prevailing themes. One of them is emerging technologies. Another one is the challenge of representing the many regions across a rather large country. But the third one is the whole issue of funding. That has been at the forefront of our discussions and has certainly been raised right across the country.

I'd like to ask you a few questions about how the BBC is funded. Can you tell us first of all what the total public requisition is?

Mr. Wilf White: The licence fees paid to the BBC amount to approximately £3 billion per annum.

Mr. Ed Fast: What does that translate to in per capita funding?

Mr. Wilf White: A normal licence fee is £135.50. There are some reduced fees for blind people and for people who still have black and white sets. But most people pay £135.50. That of course is a per household figure rather than a per capita figure. To get a per capita figure you would divide the £3 billion by the population of the U.K., which is 60 million people. So it comes to about £50 a head.

● (0950)

Mr. Ed Fast: When those public funds are delivered to the BBC, are they delivered as a global sum, or are there specific funding envelopes directed to specific programs?

Mr. Wilf White: The amount of licence fee attributed to the BBC is set by Parliament. We receive the annual grants in 12 monthly instalments. There are a lot of strings attached by Parliament to that sum. It's felt that the independence of the BBC means it should be the trustees who set the overall framework in which that money is spent.

Mr. Ed Fast: What role, if any, does the national government play in providing policy direction for the BBC?

Mr. Wilf White: Apart from agreeing to the agreement and issuing the charter every 10 years or so, on a day-to-day basis, there is none.

Mr. Ed Fast: All right.

I'd like to also address the issue of emerging technologies. We've received some notes, and a good backgrounder, on how BBC delivers some of its digital programs. It has been one of the challenges here in Canada. It appears that the BBC has been a leader in moving the nation into the digital age. In Canada it has been the exact opposite; CBC appears to be a follower rather than a leader.

Can you give us a general description of how you achieved that leadership role and how that's enabled you to fulfill the mandate and the charter you've now signed?

Mr. Wilf White: I think this very much comes down to the vision of one of our previous directors general, Lord Birt. Back in the 1990s, when, to be honest, many people were skeptical that the BBC should have a role online, he felt very strongly about it. Some people felt this was not for the BBC and that we should stick to what we did best—television and radio. John Birt had the vision to see that with the convergence in technologies, even 10 to 12 years ago, there would eventually be little distinction between radio, television, and online. If you're using the iPlayer today, are you online, watching television, or listening to the radio, and does it matter? There is a very exciting opportunity for audiences, as I mentioned in my opening remarks, to get more value out of programs they might otherwise miss. I think it has been a great success for us.

We began with text services online. There was no broadband in those days. Those text services were very strongly linked to our already popular television and radio services. They were promoted from those television and radio services. People who watched BBC One and saw a program, let's say about life in the Amazon rainforest by David Attenborough, and wanted to find out more, would be directed to the website where there would be more material. Some of it would be especially structured, for example, for children, who might be doing projects at school and that sort of thing.

There was always a strong link between our television and radio services and the online service. People started to think there must be something to this online business after all. It seems amazing that we're only talking about 10 or 15 years ago. In those days there were a lot of people who felt there was no real interest in the Internet, in online, and that it wasn't really anything to do with them. But as soon as they realized there was content that could attract them, they wanted to explore.

We looked at this a little while ago. It's very hard to be absolutely sure why someone went online in the first place. Some people were attracted by other things, but we reckon there are several million people in the U.K. who first bought a computer and an Internet connection simply because of the BBC's services, and then they discovered the rest of the Internet through us. That's quite an achievement. I think we're now driving a great deal of the move from narrowband to broadband, again, through services like our iPlayer, which I mentioned earlier, that give people on-demand access to audiovisual content.

● (0955)

The Chair: Thank you very much for that, Mr. White.

We'll return to Mr. Bélanger, please.

Hon. Mauril Bélanger: Thank you, Mr. Chairman.

Mr. White, I have a few quick matters. Does the licence fee also cover the radio networks, or BBC radio?

Mr. Wilf White: The licence fee funds the radio networks, but if you don't have a television and you only have radio, you don't have to pay a licence fee.

Hon. Mauril Bélanger: Thank you.

Is there a trend toward people resisting or refusing to pay the licence fee?

Mr. Wilf White: No. I'm pleased to say we think evasion of the licence fee is by about 5% of the population—and that figure has been reasonably constant for several years now.

Realistically, there is always going to be an element of evasion, particularly among people who move house a great deal, people who have rather transient lives. And that 5% has been pretty constant for the last five or six years.

Hon. Mauril Bélanger: Thank you.

Mr. Wilf White: It used to be higher, actually.

Hon. Mauril Bélanger: Is there a concern in the BBC that the technology would allow people to obtain the BBC programming without a television set?

Mr. Wilf White: Well, it's certainly possible in the future that people will increasingly consume their media via broadband rather than other means. But the law requires at the moment that if you watch any live broadcast content, however you watch it—even if you're watching it on your computer—you are obliged to pay a television licence fee.

Hon. Mauril Bélanger: Thank you.

Does the system you launched, the iPlayer, pose a possible threat?

Mr. Wilf White: Well, conceivably, but I personally think it's highly unlikely that we will end up with many media consumers in the future who never ever want to watch, for example, the World Cup live or the news live. I think there is always going to be a demand for live programming, even if people do time-shift a good deal of their viewing.

Hon. Mauril Bélanger: Thank you.

You say there is no commercial advertising. Is there non-commercial advertising, like public service announcements, embedded in BBC programming?

Mr. Wilf White: Yes, we do occasionally make public service promotions. For example, at the moment, as we move towards the digital switchover, we are doing what we can to promote the take-up of digital television. But that's on a purely non-commercial basis; we receive no revenue for that.

Hon. Mauril Bélanger: And when people pick up these same programs within the week by broadband using the iPlayer, are these messages also embedded in the programming?

Mr. Wilf White: No, I should have responded to your saying "embedded in the programming". These messages come in the continuity between programs, so they're separate from the programs themselves.

Hon. Mauril Bélanger: Thank you. I appreciate the clarification there.

I have another question about a service you've launched, which, I must admit, I'm not at all familiar with, and that's Freeview. Would you mind briefly explaining what that is to the members of this committee?

Mr. Wilf White: Freeview is essentially the brand name of digital terrestrial television in the United Kingdom. We have three thriving digital platforms: digital cable, digital satellite, and digital terrestrial broadcasting.

In the U.K., digital terrestrial broadcasting began as a commercial platform, but it failed; it went bust.

We then thought to ourselves, along with our fellow public service broadcasters, that it would not be in the public interest for there to be no digital terrestrial platform in the U.K. So we got together in a joint venture to revive the platform and to make it available.

If you want to get Freeview, you don't get a box from Freeview. You walk into any electrical retailer and buy a box. The costs start at around £20. You take it home, and in the majority of instances you can just plug and play it.

So the only money the BBC puts into Freeview is simply to pay its costs of carriage on the platform. And we don't have to acquire boxes for people and deliver them in the way, for example, Sky, our satellite operator, or Virgin Media, our primary cable operator, do.

The Freeview platform has been very successful in the U.K. There are now more Freeview boxes than satellite boxes, though the figures are broadly similar.

● (1000)

Hon. Mauril Bélanger: I have a final question, if I may.

Could you describe for us the relationship that exists between BBC and the private broadcasters in England? Is it cordial? Is it antagonistic? Do they even care about each other?

Mr. Wilf White: We certainly care about each other. I would say relations are pretty cordial. I see my opposite numbers, the public policy people from most U.K. broadcasters, and I like to think we get on pretty well with each other.

Realistically, we are, of course, competitors, and they are concerned that having public funding we stay honest and we don't go into what they would regard as commercial territory. They want to keep us as public service as possible and not commercial. They watch us pretty carefully when we're trying to launch a new service or to change one of our existing services, but I think relations are pretty good.

The Chair: Thank you.

We now go to Mr. Malo.

[*Translation*]

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Thank you, Mr. Chairman.

Thank you very much for being here with us today, gentlemen. It is a very great pleasure to be able to discuss the public broadcaster, both Canadian and British, with you today.

In your introduction, you told us about the changes you have made in the area of new technologies. You seem to be very enthusiastic about the progress you have made. I also see in the briefing notes that you have decided to see competitors like YouTube or Yahoo as opportunities to capitalize on rather than threats.

Could you tell us more specifically about the relationships you have decided to establish with such partners, who are very popular these days.

[*English*]

Mr. Daniel Wilson: If I might answer this one, I'd start by saying that places like YouTube have a very large audience. In terms of how we measure the public value the BBC creates, the reach we manage to achieve and the level of usage are among those key concerns. Doing deals with Google and YouTube is one way for us to get to audiences, particularly audiences who might be badly served by other ways of distributing BBC content.

The YouTube deal is one where we have three BBC channels on YouTube: a BBC channel, which is largely entertainment content; a news channel; and a BBC Worldwide channel, which focuses on the international aspect of our content. That content is provided in a BBC environment, whereas on YouTube ordinarily you'd see advertisements next to the content as it streams. When you click on the BBC channel you don't have the advertisements on the BBC public service offering. We are again sticking to our duty in our public service operations not to damage the commercial market unduly.

To give you a feel for the size of audiences we're talking about, the BBC recently did a deal with Bebo, the social networking site, where we provide short clips of BBC content, normally entertainment content, and that now is getting to 10.8 million U.K. unique monthly users. We are talking about a significant number of users.

Obviously it does have threats in terms of piracy and the context in which it can be seen occasionally. We do try, where possible in these deals, to make sure we retain control over the way in which the content is viewed.

● (1005)

Mr. Wilf White: Broadly speaking, I would characterize our arrangement as one where they want our content and we want their audience. There is mutual benefit in these arrangements.

[*Translation*]

Mr. Luc Malo: Financially speaking, is this also to the benefit of the corporation?

[*English*]

Mr. Daniel Wilson: If you look at the potential distribution costs in terms of distributing things online rather than, for instance, paying satellite carriage fees, there is potential for saving there, although obviously this is an issue of debate at the moment in terms of the level of demand for on-demand content. When this content is being hosted by other providers, then obviously they are paying for the bandwidth they need to show the BBC content online. To that extent there is a potential for saving there.

Mr. Wilf White: I should add, we don't get any revenue from these arrangements. We are not paid by YouTube for the provision of content. The financial advantage to the BBC is in terms of saving costs, not in terms of direct revenue.

[*Translation*]

Mr. Luc Malo: Indeed, earlier on you were talking about "'public value"'. I would simply like to know how you assess that criterion. Is it in terms of market share, of audience share? Is audience share a mark of success for you? I would just like to have a little more clarification on this concept and the way in which you assess it.

[*English*]

Mr. Wilf White: We have a formula for the assessment of public value, which we know as RQIV. Those initials stand for reach, quality, impact, and value for money.

We tend to assess the success of our services not by share but by reach. It is on how many people are attracted to the content, not on how we have done against our competitors.

Quality is also a very important component. A program that wins awards for its quality is regarded as having high public value even if its reach was not perhaps as high as we might have hoped.

Impact, again, is an important factor in the equation. How much did the audience like what they got? We have, for example, a radio network, Radio 3, which broadcasts only classical, some jazz, and world music. Its audience share is very small, but we know it is extremely valued by that audience, so its impact and quality are high.

Value for money comes in as well. Obviously your ideal program is one of exceptional quality that secures high reach, is very much appreciated by its audience, and, better still, was cheap to make. You don't always get all four. Value for money is not simply a basic formula of cost-per-viewer hour. I think we assess that against the other three factors. Did we get good reach? Did we get good quality? Was there real audience appreciation for what we did? We assess value for money on that basis.

The share is not something that is a primary consideration for us. Yes, it matters, of course. If people are watching our competitors far more than they watch us, then in time that starts to raise questions about value for money, doesn't it? It is reach rather than share on which we concentrate.

● (1010)

[*Translation*]

Mr. Luc Malo: Is this concept generally accepted and recognized by the bulk of the population, or are there certain criticisms levelled at this assessment formula?

[*English*]

Mr. Wilf White: If I'm honest, I'm not sure the general public is all that well initiated into the RQIV formula, but I think it does accord with how the public sees the BBC. We are far more often criticized for making programs that are too popular, that are too much like, people say, the programs of our commercial competitors, but we're rarely criticized for producing a program of high quality even if it had a small audience. I think the RQIV proposition actually is one that does accord with the way people tend to think about the BBC and tend to value us.

[*Translation*]

Mr. Luc Malo: Thank you.

[*English*]

The Chair: Thank you very much.

We will now switch to Mr. Abbott. Then we will do one complete round again, if that's all right. So please prepare your questions for the next round.

Hon. Jim Abbott (Kootenay—Columbia, CPC): Thank you.

Mr. White and Mr. Wilson, we certainly value this very much. It is going to be of great value to us in putting together our report.

I have a couple of questions relative to understanding the BBC as it might relate to our North American market. I want to ask quickly how you would describe what I would call market fragmentation.

One of the difficulties our public broadcaster is faced with in the North American market is the fact that most of the commercial networks now take ownership positions in programing and in networks that appear only on cable or satellite. Although the network itself, say CTV or Global, might be losing market share, the company ends up purchasing other companies that appear on cable or satellite, so their entire company doesn't necessarily lose market share. That's what's going on in North America.

I wonder if you could give us a description. Is there any parallel to that kind of thing happening in your market, at least as far as your audience is concerned?

Mr. Wilf White: I think we are subject to similar pressures. The interesting figure last year was that in peak time more people were watching the smaller channels than the big, historic BBC, ITV, and Channel 4 broadcasters. The margin was small, but that was a first and had never happened before.

The BBC is still, by quite a long way, the most watched television service in the U.K. as a single group, but other broadcasters are under very considerable pressure. I think the pressure is felt most acutely by our commercially funded counterparts—ITV and Channel 4—that also have to compete for commercial revenue with these other operators.

For us, ITV and Channel 4 market fragmentation has also offered opportunities. So we have been able to launch more channels of our own to recapture some of the audience that has been drifting away from BBC One and BBC Two. We now have BBC Three, a channel for younger adults; BBC Four, an arts and cultural channel; two children's channels; as well as News 24; and a channel covering the U.K. Parliament. Those channels help to bring back to the BBC some of the audience that our main networks are losing.

But yes, we are facing similar pressures to North America.

● (1015)

Hon. Jim Abbott: I'm not sure how accurate this is, but I would dare say that 90% of our Canadian audiences are getting their signals from cable or satellite and only 10% are reliant on on-air broadcasting. How would that compare to the U.K.?

Mr. Wilf White: The U.K. is very different. The vast majority of people are still receiving terrestrial broadcasting, either digitally or by analog. Digital penetration in the U.K. is around 85%, and more than one-third of that 85% is Freeview, which is the digital terrestrial system. So if you put together digital terrestrial at about 34% and the analog at around 15%, you can see that roughly half of the people in the U.K. are still receiving their broadcasts terrestrially.

Hon. Jim Abbott: That then would deal, in a way, with the market fragmentation. In other words, those people, if they are having their signals delivered terrestrially, do not have the same level of access as the Canadian viewer has on satellite or cable.

Mr. Wilf White: That's absolutely right. The number of channels that you get on digital terrestrial television does vary a bit according to where you live, but it can be anywhere between 30 and 60. In satellite and cable you're looking at upwards of 200, 300, or 400 channels. So yes, that does to some extent limit market fragmentation in the U.K., though I would say we are very conscious that our competitors for audiences are not all broadcasters these days, hence our discussions earlier about YouTube and broadband content. That also has a major effect on us, people getting their audiovisual content by means other than linear broadcasting.

Hon. Jim Abbott: Very quickly, on your content, your programming, one of the challenges we have in Canada, of course, is being right next door to the largest exporter of culture. It is their largest export, as a matter of fact. As a consequence, dominantly, with 20% of our population receiving services in French, nonetheless 80% receiving it in English, we have a challenge that the signal is fairly accessible to most people, because 90% of Canada's population lives within 100 miles of the U.S. border. That is challenge number one.

Challenge number two, technically, is how to define what Canadian content is. How does the BBC define what British content is, and what percentage of your programming is what you would call British content?

So there are two questions: one, how do you define British content; and two, what percentage is it?

● (1020)

Mr. Wilf White: U.K. content is essentially content that has been commissioned here. Obviously it doesn't have to be necessarily all made in the U.K., because we have BBC programs that are filmed entirely abroad.

In terms of the percentage of output on our channels that is British, as I say, it is over 80%. It varies a little according to the channel you're watching. On our children's channels, for example, we make a real effort to ensure that well over 90% of our broadcasts are British, because we think it is particularly important that children get to enjoy British-made programs, British-made content.

On other channels, on BBC Four, for example, the figure is a little bit lower, because one of the things that BBC Four tries to do is to show foreign films to a British audience, so of course it doesn't have the same insistence on British content as the children's channels do. But that's broadly how we operate.

Hon. Jim Abbott: I just need a little clarification. That is, you're saying it's a question of whether the BBC commissions the programming as opposed to there being a free-standing definition of what British content would be.

Mr. Wilf White: There are legal definitions, but the essential principle is that the programming is commissioned from the U.K.

Hon. Jim Abbott: Thank you.

The Chair: We'll switch now to Mr. Scarpaleggia.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Thank you, Mr. Chair.

Thank you, Mr. White and Mr. Wilson.

You may have gone over this at the beginning of your presentation. I came in a few minutes late, so I apologize if I raise an issue you've already covered.

What is the relative weight or presence of the BBC and all its channels in the British broadcasting system? The preconception that an outsider would have is that the BBC is British television. What is your relative market share? Are you the dominant player in the market?

Mr. Wilf White: Taken together, the BBC's television channels do get more of an audience than any other broadcaster's group of channels. BBC One and ITV, our principal network rival, get a pretty similar share. We are slightly ahead of them these days, but we used to be behind, and who knows, they may pull ahead again. The figures are broadly similar.

BBC Two comes out with a share around that of Channel 4, which is another major broadcaster. Just to tell you, the main network broadcasters in the U.K. are the BBC, ITV, Channel 4, and a smaller channel called Five. Five's audience is quite small. Not every part of the U.K. can receive Five.

My colleague, Daniel Wilson, very helpfully got me the figures for last year. In terms of reach, which is our principal source of measurement, BBC One in 2006-07 was reaching 78.4% of homes, as opposed to ITV, which was reaching 74.7%. BBC Two was reaching about 57% of homes, Channel 4 about 66%, and Five about 42%, whereas all the Sky channels put together were reaching about 33%. I hope that gives you a sort of sense of scale.

● (1025)

Mr. Francis Scarpaleggia: Thank you. It does, in fact.

Maybe to follow up on Mr. Abbott's line of inquiry, how much American content would you say, generally speaking, in rough figures, is seen by British viewers? Obviously, in Canada, it's overwhelming. But could you just give me a rough idea of how pervasive American content is?

Mr. Wilf White: I think if you're talking across television as a whole, there is quite a lot of American content on the commercial and digital channels, and indeed, we have some channels that show nothing except American content.

On the BBC, apart from the occasional Hollywood movie, there are actually very few American series. It's extremely rare. In the past, back in the 1970s and 1980s, we actually showed more American programming than we do now. And when we showed, last year, a series you might be familiar with called *Heroes*, which was quite an unusual purchase for BBC Two, people commented on how odd it was to see an American program on the BBC.

Channel 4 shows a little bit more American content than we do. They do buy American comedy and series like *ER* and *Desperate Housewives*—programs you'll be familiar with—but again, that doesn't dominate their schedule. And all the public service broadcasters in the U.K. do have to meet quotas for original production.

I think we're very lucky in the United Kingdom. We have the benefit of no near neighbours that speak English, apart from the Republic of Ireland, of course, and a really quite well-established habit of British viewers who prefer British content over American content. So of our top programs, in terms of share, none are American.

Mr. Francis Scarpaleggia: Thank you.

Prima facie it looks rather like...if the BBC wants an additional channel to protect itself against fragmentation, it doesn't seem to have trouble getting one. How are channels distributed in Britain? We have the CRTC here, and there's heavy lobbying of the CRTC by various broadcasters for rights. How does it work in Britain? If you want a channel, how do you get an additional channel?

Mr. Wilf White: The first thing I'd like to say, as the person whose job it was to get approval for our additional digital channels, is that I can assure you it was hard work. And if it looked easy, believe me it wasn't.

First of all, we own our capacity on Freeview; we own our multiplexes. So in terms of digital terrestrial distribution, we have a certain amount of capacity and we divide that up by the services we want to show through that capacity. On Sky and on cable we have to win our places, but they are obliged to carry public service channels.

In order to get approval for a new channel, what we do is first of all come up with the proposition from my side of the house, from the executive, a description of what the service is. We then take that to the trust, who agree with us how the public value of that proposition should be assessed. We put a submission to the trust saying this is what we'd like to do and this is what we think its value would be. The trust then makes a further assessment of that public value, consulting the public, consulting licence payers. Are they willing to pay for this? Do they want it?

Ofcom, the independent broadcasting regulator, assesses what its market impact is likely to be, and the trust then determines whether in its opinion the public value outweighs the market impact or not.

Finally, the secretary of state signs off the ultimate decision from a procedural point of view. He's not taking a view as to the merits of the case but on whether we have done the assessment properly.

It's a pretty rigorous process. I just got approval yesterday for a very small channel that will broadcast in Gaelic to the Gaelic speakers of the western isles of Scotland. We had to go backwards and forwards to the trust on a number of occasions to persuade them that this was a proper thing for us to be doing, etc.

So it is a pretty rigorous process.

● (1030)

Mr. Francis Scarpaleggia: Thank you very much.

The Chair: Thank you.

Ms. Mourani, please.

[*Translation*]

Mrs. Maria Mourani: Thank you, Mr. Chairman.

Mr. White, I would like to go back to funding. You spoke of a licence that the public pays for in order to have access to the BBC. I am not sure I understood correctly, and I would like some clarification. In Great Britain, does each person pay for a licence or a tax per channel? For example, here, one can access several channels through different distributors by paying a monthly amount. At home, do you have to pay a certain amount per channel, so much for the BBC and so much for another channel? How does it work?

[*English*]

Mr. Wilf White: The licence fee is a fee imposed per household regardless of what channels you watch. Under British law you have to pay a licence fee even if you never watch a BBC service. That's not very likely; almost everyone does use the BBC to some extent. But even if you don't, the licence fee is essentially a tax on the use of a television for any purpose.

We don't make any incremental charge for our services. They're then provided free to air. We're on every digital platform, so whatever digital service you have, you will get our services, and of course we're also available, or at least our principal channels are available, via analog.

Other channels, commercial channels, divide between the free-to-air channels like ITV, Channel 4, Five, and a number of others, and those that charge a subscription. If you want those channels, then you do pay an extra monthly sum, but you won't get any of them through Freeview because Freeview has no monthly subscription and is provided entirely free to air. The BBC does not, itself, operate any services by subscription.

[*Translation*]

Mrs. Maria Mourani: From what I understand, there are licence fees that exist, and the funds collected go to the BBC. In addition, the people who want to get other television channels must pay additional fees. In the end, how much do households pay to be able to watch television in the U.K.?

[*English*]

Mr. Wilf White: The majority of people pay only the licence fee, £135.50. But those who choose to pay a subscription will pay up to about £45 a month on top of that. The subscription packages start at around £10 or £12 a month and go from there to £45 a month. If you are a sports fan and you want all the movie channels, then you are paying £40-something. If you want fewer channels and you don't want the premium sports channels, you are paying more like £15 or £16.

Of course the situation is somewhat complicated by the fact that now both satellite and cable operators include broadband access in their subscriptions. So as well as getting television, in most cases you are getting broadband and very often a telephone service too. So it is quite difficult to draw out all these costs to say this is the cost of watching television. But for the majority of people the cost is very simply the licence fee and nothing more.

[*Translation*]

Mrs. Maria Mourani: As far as programs, series, television, films etc. are concerned, do you have a certain amount in your overall budget that is allocated to producers in order to create these productions or do you have access to funding from other sources?

For example, here we have the Canadian Television Fund. It allocates 37% of its budget to producers of the French and English networks of the CBC. Is the situation the same for you or are you in a position to produce your own programming through your own budget?

● (1035)

[*English*]

Mr. Wilf White: We don't have any access to a fund similar to the Canadian Television Fund. There is no equivalent in the U.K. But what we do, particularly with some of our more expensive productions, is we look for co-producers, for other broadcasters, who, in return for the rights to show the programs themselves, put money into the program to help us make it. I gave an example earlier: the CBC co-funds *Doctor Who*, but we also have support from the Discovery Network in the U.S. for many of our natural history productions. Increasingly, we look to maximize the value for licence payers by getting money from third parties, who essentially are buying the rights to the programs in advance by co-funding them. But there is no U.K. fund other than the licence fee.

[*Translation*]

Mrs. Maria Mourani: My colleague asked you earlier on if there were many people who did not want to pay the licence fee. You talked about roughly 5%, but you said that earlier on, it had been much higher. At the outset, when the government set up that system, did people protest a great deal, or did they accept to pay these fees?

[*English*]

Mr. Wilf White: The licence fee goes back so far—right back to the 1920s—that I am not quite sure what the reaction was when it was first introduced.

What I would say is the evasion rate, the 5% figure, is the people who don't pay. I guess it would be honest in answering your question to say the 95% who do pay probably pay with varying degrees of willingness, some because they know they have to by law and some because they genuinely feel we're offering good value.

I think the majority of British people do think the licence fee offers good value for money and I think the majority of members of Parliament think that. But of course some people will pay the fee rather less willingly than others.

The Chair: Thank you.

We now switch to Mr. Siksay, please.

Mr. Bill Siksay: Thank you, Chair.

I want to come back to the six public purposes that are outlined in the charter. At one point I think you mentioned purpose plans. Is there a specific plan that corresponds to each of those six public purposes?

Mr. Wilf White: Yes, there is. You'll find them on the BBC's website, if you're interested in that. If you go to the section of the website that's devoted to the trust, you will find all the documents that explain how purpose remits and purpose plans are implemented available on the website.

Mr. Bill Siksay: How are those purpose plans developed?

Mr. Wilf White: Let me explain. There are actually two things here. At a high level there are purpose remits, which are written by the trust. We get to see them, but they are very much the trust's proposals to us.

The purpose plans, if you like, are the executive's response to the purpose remits. So the remit sets out in broad terms that if you're going to promote education and learning, this is what we think you guys should do. The purpose plans are, okay, fine, now let's put some flesh on the bones. You've told us to do this, this is how we propose to do it.

The remits are rather more general than the plans. The plans put specific proposals together to meet the remits.

● (1040)

Mr. Bill Siksay: All right, that's helpful.

Can you tell us a little bit about the specific purpose plan for reflecting the U.K.'s nations, regions, and communities?

Mr. Wilf White: Well, I can give you some examples of what we're expected to do under it. I think that might be the best way to do it.

One of the things they expect us to do is commission a good deal of our content from outside London. The trustees are very concerned to ensure that we cover regional news adequately, that we commission programming from all over the U.K., that we try to promote access to the airwaves from minority communities, and in particular that we look to ensure that a reasonable proportion is not only made outside London but also outside England. The trust is very keen to ensure that a good deal of programming is made in Wales, Scotland, and Northern Ireland.

At the risk of sounding obsessed by *Doctor Who*, just because I have a nine-year-old son who watches it all the time, *Doctor Who*, for example, is made in Cardiff, in Wales, not in London. At the moment, we have a big push on to commission more from outside London and indeed to move a large body of BBC staff from London to Salford, which is next to Manchester in the north of England. That's something the trust is strongly supportive of.

Those are just a few examples of how they expect us to serve nations and regions. We also, of course, have a good deal of work online in the nations and regions. Every local community has a “my local” website, which they can go to; it's called “Where I live now”. You get local news, local weather for your area.

Mr. Bill Siksay: Are there specific targets related to regional production or development of production outside of London? Can you tell us what percentage did exist in London and what the goals are with regard to that change in where production happens for the BBC?

Mr. Wilf White: Yes. The quota that's been around for some time is that one-third of our production should come from outside London. The director general, talking about the quota only last week, said that he expected in a few years' time it would be more like 50%.

Mr. Bill Siksay: You mentioned earlier some other language production in the western islands of Scotland. Can you tell us a little bit more about other language work that the BBC does?

Mr. Wilf White: Yes. On television, we support Welsh television through versions of BBC Two in Wales and through a Welsh radio station. In Scotland, we have a Gallic radio station and website, to which we're now adding a Gallic television channel. We also have radio and online services in those languages and other minority languages.

We have, for example, a digital radio network, called the Asian network, which produces programming in Asian languages like Urdu, Bengali, Gujarati, and other languages of that kind.

We have quite a wide-ranging language proposition. Of course, separate from the main BBC, there's also the BBC World Service, which covers another, roughly, 40 languages.

The Chair: Thank you very much.

Mr. Fast.

Mr. Ed Fast: Mr. White, I'd like to ask you a question about your library of programming. What portion of your archive material do you make available over the various platforms you serve?

Mr. Wilf White: Well, the aim is to make all archive content that has come out in the last seven days available free to air via broadband. In some cases, we simply don't have the rights to do that. For example, if we've shown a Hollywood movie, we're not going to make that available on demand because the Hollywood studios would rather do that themselves. Frankly, I think there isn't the same argument for doing that as our own programming. We have a similar issue with sports rights, where the sports bodies would rather hold the rights themselves in some cases and offer their own on-demand service.

In addition to that, we're developing a commercial on-demand proposition that will make available a reasonable proportion of our content—yet to be determined, because it depends on how it works out and it hasn't yet launched—after seven days in return for a small charge. We're doing that in collaboration with our fellow public service broadcasters, the commercial broadcasters—ITV and others.

● (1045)

Mr. Ed Fast: Actually, one of the pieces of testimony that we heard here was from the creators of content who complained about the difficulty they've had in negotiating program rights for multiple platforms. I think what I hear you saying is you have a similar challenge.

How do you propose to address that challenge, especially since you have all of this material that has been produced for BBC or that you've purchased? It's shown once and could have significant value and yet it can't be shown because of disputes over programming rights.

Mr. Wilf White: This is something that Daniel has been looking at, so if I may, I'll pass the question to him.

Mr. Daniel Wilson: I think the way we've tried to do it really is to work in partnership with the independent producers and the other rights holders that we have to work with and try to take them through the journey of how people are accessing content now.

To begin with, and this was a couple of years ago now when we last negotiated the terms, it was a matter of really demonstrating how usage had changed, how on-demand was very much more important to audiences, and also going back to this point that the committee has mentioned about audience fragmentation. I think once we raised those issues with the rights holders, it became clear that it was in everyone's interest to have a more flexible approach, where we had platform-neutral access to rights and, for instance, things like the ability to show our programs on mobile phones, even if produced by independent producers, or for catch-up services, as Wilfert mentioned, factored into the deal.

So in terms of where that left us in terms of the value for money, I think it's fair to say we paid a little extra for those additional rights we were being granted for being able to have the catch-up services. But we didn't pay too much more because we recognized a lot of people using the additional on-demand service would be watching that as a substitution for watching it on traditional television channels.

Mr. Ed Fast: Thank you.

The Chair: Thank you for that.

We'll go to Mr. Bélanger for a short question and then I have one, sir.

Hon. Mauril Bélanger: I have two questions and they will be short.

I would be curious to know the extent to which—and I guess I can find this out myself by going to your website—the BBC uses its website to meet the education and learning components of the public purpose, number one.

Number two, in our notes and in your comments you refer to the royal charter and also the agreement. Can you distinguish between the two, and what are the major differences between the charter and the agreement?

Mr. Wilf White: Let me start.

I'm sorry, I was focusing on your charter and agreement question. So let me answer your second question first, and then you can remind me of your first one. The charter essentially establishes the BBC and sets out how it operates and its powers. The agreement then puts flesh on the bones and says these are the things the BBC has to do in operating within the powers given to it by the charter. So the charter essentially says here are your purposes, and then the agreement says here are how your purposes need to be put together and delivered.

I'm sorry, I missed your first question.

● (1050)

Hon. Mauril Bélanger: Thank you.

The first question was the extent to which your website is used on the education and learning aspect of your public purpose.

Mr. Wilf White: “Increasingly” is the answer.

We have found that school programming on television doesn't work the way it used to. It used to be very effective in promoting education and learning. Now, because of the time of day at which programming is broadcast and because different schools operate their curricula differently, we find that the linear provision of school content is not as effective as offering school content on demand. The great thing about broadband content for schools and for education is that it's always there. So a teacher can use it any time of day.

Better still, when the kid gets home and is doing some revision or some homework, he or she can also access that content. They don't have to worry whether, as in the past, they set the VCR to tape the program. It's there for them all the time.

So we are increasingly using broadband to reach children. We think that's the future.

Hon. Mauril Bélanger: Thank you.

The Chair: Thank you for that.

The question Mr. Bélanger just asked was one of the questions I was going to ask, but being the chair, I would like to ask one small question.

We have done some studies on digital theatres, or through our studies have talked about digital theatres in England and the British Isles. Do you have any agreement with these theatres that BBC content might be broadcast in them?

Mr. Wilf White: At the moment, no, generally speaking, we don't, but the proposal is occasionally put forward to us. I think we'd certainly consider that, because we are open to anybody who wants to show our content to a wider audience as long as they do it in a way that we regard as proper. If they're making commercial profit from it, then that has to be done on a commercial basis. But we have been quite keen to share content with people who are not making commercial profit, because we take the simple view that once licence payers have paid for our programs, they should get them as conveniently as they want, and if they want to go and see something in a cinema or a theatre, that's fine.

We recently did a very successful commercial spinoff where *The Blue Planet*—I don't know whether you saw this series, but it's a series about the seas of the world—was then reformatted into a sort of movie format. That showed in British cinemas and around the world, but that was done on a commercial basis by BBC Worldwide. It was pretty successful, I think.

The Chair: Thank you very much.

I must say, on behalf of the Standing Committee on Canadian Heritage, we thank you very much for this conference today and we appreciate your candid views. Again, on behalf of the committee, thank you very much to both of you for this great meeting.

Mr. Wilf White: Thank you, and my apologies again for the failure of our equipment. I'm rather glad the phone line wasn't operating or you might have heard some rather unparliamentary language from me.

Some hon. members: Oh, oh!

The Chair: Great. Thank you very much, sir.

The meeting is adjourned.

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