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Chair

Mr. Gary Schellenberger

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• (1530)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): Welcome, everyone, to meeting number 37 of the Standing Committee on Canadian Heritage.

Pursuant to Standing Order 108(2), we are studying questions regarding the Canadian Television Fund.

This morning we welcome on video conference Valerie Creighton, president of the Canadian Television Fund; Stéphane Cardin, vice-president, strategic policy planning and stakeholder relations; and Paul Gratton, chair of the board of directors.

Congratulations, Mr. Gratton. I understand you're recently appointed, so my congratulations for that.

I have just one thing to say before we hear your short presentation. The other day when we were delving into the CRTC's report on the Canadian Television Fund and things, as we sat around the table surmising what it meant, it seemed to me there were a lot of summations and it seemed we were going all over. So we thought we'd bring some of the people to our meeting today, hopefully to answer the questions, so that we're not just beating around the bush, going in every direction.

So welcome.

Who is going to give the report? Mr. Gratton, would you like to go ahead, please?

Mr. Paul Gratton (Chair of the Board of Directors, Canadian Television Fund): Thank you.

First of all, I would like to apologize for not having a written report prepared. I understand it's tradition to have about a ten-minute written summary, which aids in interpretation. But we were invited to come here late Friday, and I have been in the job less than a week. I don't even have business cards yet. I invited two people who will keep me honest and be able to answer your questions. I think our presence here today, above all, is to answer questions that you might have.

I did want to, at the front end, make a couple of observations about the CRTC report, based on one week on the job and my preliminary dealings with various people. We've had one board meeting.

I feel that the CRTC spent a fair amount of time giving proper analysis and depth and consideration to the many complex issues that were presented to it. This was a well-considered and well-

thought-out report in many ways. We are pleased with many of the recommendations, and we'll fulfill whatever the Department of Heritage decides in response to these.

Having said that, I think we're on the record at the hearing as having some concerns about the two-stream and two-board approach with a public-private split right down the middle. We are on record as saying we prefer a single stream, for a whole bunch of reasons, including the ability to coordinate the two sides.

It concerns us a little bit, as we go through the report, that there's not a lot of flesh on how the public side would be administered. There are many models that could be applied to a public side. You could return to a telephone-style evaluation based on artistic and aesthetic criteria. You could divide the public side into separate envelopes based on historical access only. You could divide the public side into envelopes that would change in size and nature based on some kind of measurement. It's very vague on what would happen on the public side. But on the private side, there seems to be a consensus that the broadcast or performance envelopes is the way to go and that audience growth will be the major criterion for recalibrating the envelopes year after year.

Consequently, the broadcasters who would be relegated to the public side have almost across the board reacted with some dismay to being, as they perceive it, ghettoized into a side of the fund that may or may not grow. I noticed that one of the proposals you've been considering is indexing the CBC's percentage of the broadcaster envelope, such as it currently is, to growth on the private side.

We saw a press release, a statement that came out from the educational broadcasters on Friday, decrying their own lot on the public side, should the recommendations of the CRTC be accepted by Heritage Canada. They, too, are fearful of being ghettoized, being trapped in a fund that does not grow.

So my first suggestion, just for the purpose of discussion, might be that if you are considering putting forth a recommendation on indexing, the indexing should apply to the entire public side of the envelope, so that it would grow in proportion to the private side.

My view is that if Heritage Canada, in its wisdom, decides to accept the CRTC recommendations and cut the public and the private into two completely separate funds, it behoves Heritage Canada at that point, if it accepts that recommendation, to accept the responsibilities that come with the splitting of the fund. Namely, it should be responsible for the funding of all the broadcasters on that public, not-for-profit side. It's inherent in accepting that recommendation. That's why I would suggest that an indexing of the entire public side so that it grows at the same time as the private side might make more sense than just saying that CBC deserves this but not the educational broadcasters or anybody else.

I realize there's some complexity there. Traditionally, educational broadcasters have been the responsibility of provincial jurisdiction. So there is some complexity, but I can't imagine a system in which the CBC would be allowed to be indexed while the educational broadcasters would be left by the wayside.

• (1535)

As I said, our first position is that we would prefer a single stream with one board. I would say that if two streams are the adopted method, our second position is that we would still prefer to have one board that could break up into two subcommittees. We have a model like that at Telefilm currently with the feature film advisory committee, on which I have sat for the last couple of years. We meet as a group. We discuss matters that are of common interest. Then we break off, and we follow our asymmetrical obsessions and concerns because the two markets in French and English Canada for cinema are not completely different, but they are very significantly different. Then we get together at the end of the day and make sure that one side hasn't made decisions that somehow confuse or affect the overall balance in the system.

I would suggest that having one board oversee two streams, if two streams is indeed where we end up, would have a tremendous number of advantages, because the complexities here are immense. One of the biggest crises, and there have been a few in the history of the Canadian Television Fund, was when we had licence fee top-up programs administered by the CTF and an equity investment program administered by Telefilm with different deadlines and different criteria for evaluation. Producers were caught between two doors and chaos ensued, and it was really in response to that that Heritage Canada had to decide what were the specific and respective roles of Telefilm and the CTF.

I suggest to you today that if you had two completely separate boards that went off and established completely separate criteria for the administration of these two pools of money, you would probably end up, despite the best of intentions, with all kinds of unintended crises, because there would be no central coordination.

I'll give you a simple example of what happens to a producer who wants to do an arts program and license his first window to CBC on the public side, according to rules that we can only guess at, and a second window on the private side. How does that affect measurement? How does that affect access? Can you guarantee that the two sides will coordinate?

My preference, if we actually go to two streams, would be to kind of still have one central board that would coordinate, so that there is

coordination between the two sides and not chaos. That would still respect the spirit of the CRTC recommendation.

As I said, our first preference, though—and nothing really has changed our mind—is to have the single stream we currently have, which is in many ways a successful public-private partnership. Despite all the history of the CTF, at the end of the day we have managed to react very positively to almost every challenge that's been presented to us. I mentioned in my acceptance speech at Banff that the CTF has been the flashpoint for every sectoral battle that could possibly occur between BDUs and broadcasters and public and private and French and English and producers, and yet at the end of the day we have always resolved our differences, buried the hatchet, come up with ever-improved rules, and moved on.

In some ways the history of the Canadian Television Fund, fraught with many crises and many unexpected results, has always managed to recognize that the sectors are captive of each other's goodwill, and the fund we have today and the general endorsement we got from most sectors of the industry at the CRTC hearing is tribute to the capacity of people to think reasonably and proceed on a mutually advantageous basis, recognizing that no one is going to get exactly what they want out of this. There is no perfect methodology for delivering money, but year after year we have perfected the model and come closer to it.

The danger right now with splitting it in two is particularly a public side that has no guidelines and no idea of how it would be administered and how to make sure it doesn't cause unintended problems with the private side that seems to be kind of functioning well.

I'm rambling on. I hope the interpreter could keep up.

That is my general observation after one week. I brought along people who could answer your questions in case I can't.

Thank you.

• (1540)

The Chair: Thank you very much for that.

Our first question will come from Mr. Coderre, please.

[*Translation*]

Hon. Denis Coderre (Bourassa, Lib.): Thank you very much, Mr. Chair.

Mr. Gratton, Mr. Cardin, Ms. Creighton, it is once more a pleasure to meet you again. You learn a lot when you go to the Banff World Television Festival. You can take the pulse of everything that is going on, so, as a result, we have news about the future of the Canadian Television Fund.

We Liberals are a little concerned, as you are, to see two different bodies. It seems to us to be a ghettoization of the airwaves. On one side, we have the private sector and on the other side, we have the public sector.

One of the reasons you are here today is that there is a valid motion from the Bloc Québécois on the future of funding to CBC/Radio-Canada from the Canadian Television Fund. I have to say that I share your view on the future and on the nuts and bolts of the fund itself. But I think that we should discuss a few points.

What do you understand by historical access? I agree to guaranteeing CBC/Radio-Canada's 37%. But when you say historical access, does that mean a percentage of the entire envelope, or does it mean exactly the same amount as before with indexing covering the shortfall which Heritage Canada would look after? Is that what you understand, Mr. Cardin?

● (1545)

Mr. Stéphane Cardin (Vice-President, Strategic Policy Planning and Stakeholder Relations, Canadian Television Fund): The contribution agreement with the Department of Canadian Heritage presently applies to our funding as a whole. The contribution agreement stipulates that 37% of Canadian Television Fund resources will be allocated to CBC/Radio-Canada. So that means 37% of all funding from public and private sources together.

Last year, using 2007-2008 figures, about \$96.5 million went to CBC/Radio-Canada, including some special initiatives. I understand, therefore, that the motion deals with the base funding amount, which at present is about \$96.5 million, and that it would be indexed.

Hon. Denis Coderre: So, in your view, the expression "historical access" means that the 37% applies to the entire envelope and that, even with one private-sector fund and one public-sector fund, the amount received by CBC/Radio-Canada should equal that amount.

Mr. Stéphane Cardin: In dollar terms, that would be so; in percentage terms, it would be in the order of 75% to 80% of the public-sector fund.

Hon. Denis Coderre: Personally, I am a friend of CBC/Radio-Canada, as are all members of the committee. But I do not want the future direction to be determined like an à la carte menu.

If we look at what the CRTC is recommending, we are almost asking other television broadcasters to choose which family they want to be part of. Vision TV and TV5 must decide if they want to be public or private. But there is a problem with APTN, the aboriginal channel. We could say that, when it is broadcasting in English or French, it should be on the private side. But when it is promoting aboriginal languages, it should be on the public side.

Do you not think that there could be a danger in separating public from private in this way, and having two separate boards? If we guarantee historical access to CBC/Radio-Canada, the losers will be the education broadcasters and anyone else who could be seen as public television, unless the government decides to give them an equivalent amount to prevent any losses.

Mr. Paul Gratton: I think that is a real danger, and it is precisely why no broadcaster in the public-sector group has reacted positively yet. Everyone is negative. No one wants to be caught in a sector that will not grow when they see annual growth on the other side.

Hon. Denis Coderre: Mr. Gratton, I find it interesting that the recommendation is to force cable distributors to pay. So there is no question of creating their own fund. But there is a problem.

[English]

There's a different stream now. We're talking about private and public, but we have to address the issue of new media. It's going to be huge, and it's the future.

We cannot only ghettoize between public and private—there's the language issue. There is a different sensitivity regarding the anglophone, aboriginal, and francophone productions. There are different levels or sensitivities, even if you have the same kinds of criteria specifically for private. But do you believe that one of the reasons why we shouldn't have two boards is exactly because there's a third stream called new media?

Mr. Paul Gratton: Because there is no source of funding for the new media, I think an overseeing board could go off and find little pockets of money to try to fund this, in the absence of new money coming from the government.

One board with a sort of overseeing function has more flexibility to address crises and to coordinate the roles on the two sides, even if they're very different in approach, to make sure there are no conflicts. And it could address simple things, such as what happens when CBC buys a private sector specialty channel. What is the impact of that? A board overseeing that would address it.

Quite frankly, even what happens on the public side remains of interest to the people who wouldn't structurally be on the board as it's presented. Private broadcasters would have a say, in that instance, and should have a say in the overseeing of the board. By the same token, you know about our double majority and how the independent committee would make the final decision.

So I see some advantages to a single board, if we go with the two streams. There are still more advantages to having a single stream and being able to provide an architecture for how we're going to go forward. It gives you more flexibility, even. But again, if double stream is the wisdom, I still think one board that makes sure there are no fundamental contradictions and disconnects between the approaches of the two sides is fundamental.

● (1550)

The Chair: We've stretched our time here a wee bit, but Ms. Creighton, was there anything you wanted to say on this at this particular time? I don't want to ignore you.

Ms. Valerie Creighton (President, Canadian Television Fund): I can't see when Paul or Stéphane are going to speak, so I didn't want to jump in on top of them.

As we look at this, if we step back and look at a bigger-picture policy question, the question for us at the CTF is always what it is we're trying to achieve. As we mentioned in our presentation, we believe that the system the CTF has meets the objectives of both the Broadcasting Act and a market-driven system.

If you look at the kinds of projects we fund—and I know that since the CRTC report came out, we're all very focused on which broadcasters go into which potential of the two streams—we need to remember that the CTF's legal obligation is with the actual producer.

Now, the producer has to have a broadcast licence, so it might be determined that if a project is more commercial in nature it would go to the private side. But the odd thing is that I don't think any broadcaster in the country, whether public or private, sets out to make a production that isn't going to reach an audience and be commercially successful. In fact, if we look at the CBC, many of their recent productions have very high audience numbers, certainly high enough that they could compete on the private side.

So although with the 37% that was directed to the fund by the contribution agreement.... And I think Mr. Coderre asked about historic access. That number was given to the CTF in the contribution agreement. If we look back at the history of CTF financing prior to the administrative change, when we provided the programming administration to Telefilm, CBC often drew as much as 50% of the funding allocation from CTF, for various projects that we finance through the producer itself, which happen to have a CBC licence. We ourselves aren't sure what the rationale for the actual 37% was, because if you look at the history of the CBC's draw, it has often been higher than that.

But we can make anything work. It just seems to us that from a logical, administrative-efficiency perspective, we have a system now that, as Paul has said, can look at the whole industry and provide the oversight and the overview, and we try to meet the current requirements of the contribution agreement on the language split, aboriginal financing, regional, etc. We'll certainly look at the two streams.

Obviously, like everyone, we have just received the report. We're starting to do a number of modelling exercises based on what the report has recommended, to see whether we can determine and predict any unintended consequences, so that when we respond to Heritage Canada, we can give them some concrete statistical information on the impact of APTN being split in the way they've suggested, the impact of the tax credit recommendation, etc. From a technical perspective we'll be doing all that work.

But philosophically, for us it's about doing the best program in the country of Canada and getting it to the widest audience, regardless of who the broadcaster is.

The Chair: Thank you for that.

Now we'll switch over to Ms. Mourani, please.

[*Translation*]

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

Good afternoon, madam. Good afternoon, gentlemen. Thank you for your information. I have some questions for you.

Mr. Cardin, you said earlier that CBC/Radio-Canada's 37% represents about \$96 million. I assume that covers both French and English productions.

•(1555)

Mr. Stéphane Cardin: Yes, it does. It is the sum of the two: CBC and Radio-Canada, as well as the affiliates like RDI, Newsworld, and so on.

Mrs. Maria Mourani: All the specialty channels, right. How is the amount of \$96 million divided between French and English productions?

Mr. Stéphane Cardin: SRC receives \$32 million and CBC receives \$62 million.

Mrs. Maria Mourani: So the amount provided for English productions is much larger.

Mr. Stéphane Cardin: Under our contribution agreement with Canadian Heritage, our funding is divided two thirds to English-language projects and one third to French-language projects.

Mrs. Maria Mourani: Fine. The division of funding into a public-sector stream and a private-sector stream, the \$96 million, or whatever the final amount is, may reduce the percentage below 37%, which should be looked at again because it will be one public-sector fund. You said that it would not be 37% any more, that it could be 75% or 80%, since...

Mr. Stéphane Cardin: I was just calculating \$96 million from the government's contribution of \$120 million.

Mrs. Maria Mourani: If the amount remains the same and the government adds no more money, will this division in funding lead, in some way, to fewer public-sector productions?

Mr. Stéphane Cardin: The division of the funding into two sections aside, there are the recommendations from the CRTC report last year. It recommended that all the special initiatives that we support, like French-language productions outside Quebec, productions in aboriginal languages, project development and assistance for dubbing and subtitling, adding up to about \$23 million, be part of the public-sector fund. Looking at last year, we calculated that the shortfall in the public-sector fund would now be in the order of \$7 million. So costs would rise to \$127 million, with available funding of \$120 million.

The fear has to do with the fact that we do not know what the government contribution will be. What we do know, however, is that in recent years, revenues from BDUs, like cable and satellite companies, have increased by an average of 7% per year. If you project for a certain number of years, private-sector fund revenues would be indexed, whereas, at the moment, there is no guarantee that the revenues in the public-sector fund would be.

Mrs. Maria Mourani: What would a five-year forecast for the shortfall be?

Mr. Stéphane Cardin: Simulations give results that vary somewhat. In some, the cumulative shortfall over five years could be more than \$100 million.

Mrs. Maria Mourani: \$100 million over five years? That would be a tragedy, a disaster. If the Minister of Canadian Heritage accepts the CRTC decision to divide the fund in two, the government will have to put money in the public-sector fund accordingly in order to avoid a disaster in five years.

Mr. Stéphane Cardin: That is what we said at the outset.

Mr. Paul Gratton: The decision has consequences that someone has to accept responsibility for.

•(1600)

Mrs. Maria Mourani: If the government had to provide funds, what would the total amount be? Would it be better to set a budget for four or five years and index it accordingly, or would it be better to decide how much to put into the fund each year?

Mr. Paul Gratton: A number of approaches are possible. If I understand your comment about indexing correctly, they would have to establish a percentage that would be the equivalent of the growth in the private-sector fund each year. There would be a base amount, accepting that there would be growth each year, then an adjustment or a top-up during the year to ensure the equivalency.

Mrs. Maria Mourani: So it was not a bad idea.

Mr. Paul Gratton: It bears repeating that isolating CBC/Radio-Canada is less defensible than indexing the public sector as a logical response to that CRTC decision.

Mrs. Maria Mourani: If the government accepted the split and agreed to increase the funding, do you think that the \$96 million dollar amount for CBC/Radio-Canada alone should be looked at again? You say that when the 37% is converted, it would represent 75% to 80% for CBC/Radio-Canada. If fund x were established, would that need to be looked at again? They could always say that CBC/Radio-Canada would still have 37%.

Do you understand what I mean? After converting the 37% from a single fund, you say that the \$96 million would represent, as it would, between 75% and 80%, which would be quite acceptable.

Mr. Paul Gratton: The danger is that we do not know the way the public-sector fund would work. It could be anything. They could say that 37% no longer makes sense and, from now on, they will give a fixed percentage to the public sector. They could say that envelopes will change annually as the result of some performance criterion about which we have no idea at the moment. Splitting the fund in two, especially with two separate boards, opens the door to a completely new and different approach that could change CBC/Radio-Canada's status.

The Department of Canadian Heritage could decide to split the fund on condition that CBC/Radio-Canada should never receive less than that percentage. Anything is possible. It would become very complicated if money from the private-sector stream could never move to the public-sector stream. If CBC/Radio-Canada were guaranteed a certain percentage, it would, at some stage, come at the expense of the educational networks, who are in the same envelope. It has to come from somewhere.

[English]

The Chair: I'm going to switch to Ms. Creighton.

Perhaps you'd like to respond also.

Ms. Valerie Creighton: Yes, in terms of the question on a planning process.

Up until now, at least, the Canadian Television Fund has always received its contribution from the federal government on an annual basis only. With the exception of the crisis year, we've never been notified that our funding is beyond a one-year time period. In the year when the two BDUs stopped payment, the minister at that time did announce a two-year funding program for the fund. We're in the final year of that now, so the government itself would have to change

the way it has historically been supporting the CTF in order to build toward a five-year plan.

If the CBC's amount were to be reassessed, the question would be, based on what? What is it that you're trying to achieve through that particular funding source? When the fund moved to the broadcaster performance envelope system, the reason that historic access originally, not only for the CBC but for all broadcasters, carried such a heavy weight was because we had to start that system somewhere. We looked at the past licensing patterns of the broadcasters across the spectrum, and historic access became one of the factors in the broadcaster performance envelope. We're moving slowly away from that as a factor that calculates the envelope, leaning much more heavily into audience.

The complexity around the CBC is because the 37% was always a certain and guaranteed amount. Their audience numbers were never factored into the calculation, although they were quite willing to do so. My only point was it would be a little difficult for us to plan out for five years when, at least historically, our funding from the federal government has been on an annual basis.

•(1605)

The Chair: Thank you.

We will now move to Mr. Siksay, please.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Thank you, Mr. Chairman.

I want to thank all of you for being here today.

Mr. Gratton, if your presentation is any indication, I think the CTF will be well served. It was even comprehensible to a new person like me, who is getting a lot of these issues for the first time.

I have to say that when you were explaining the difficulty you saw with the two-board system and talking about the need for one board and two streams, you gave the example of TV producers caught between two doors and chaos ensues. It sounded like you were doing a promo for a new situation comedy that was being developed.

Mr. Paul Gratton: As background, I sat as broadcaster representative on the board on five separate occasions throughout its history. I have actually served under every previous chair for at least one year. I actually have been there through every significant crisis. The one I was alluding to was a major crisis—not the only one, but a major crisis where producers were really caught between administrative structures that weren't particularly communicating at that point in time. The result was chaos.

Again, as throughout the history, the same people got together and resolved the problem. Quite frankly, in this case it was an intervention on the part of Heritage Canada, which divided church and state and said the CTF, through its board, would be the repository of policy, direction, and guidelines, and Telefilm would be the administrator of the guidelines and actually have the interface with the client base. That's worked out very well, and there's been peace in the valley ever since.

The issue was having two sets of rules, which were not centrally coordinated, out there for the fund. Back in those days, Telefilm's approach to the equity investment was not filtered through the CTF board, nor should it have been, as they didn't report to us. To me, the need for coordination is fundamental, even if you accept the two separate streams. It's not because I think the sky will fall but just because something awful will happen that nobody can anticipate even with the best of intentions. It's guaranteed—that's the history of this fund.

Mr. Bill Siksay: Thank you. I think that is very helpful advice for us as we look at this.

It strikes me that your comments were ultimately very supportive of the kind of motion the committee is considering from Madame Mourani.

This is a little off the specific topic of that, but I wanted to ask about the new emphasis on audience, for the private sector stream at least. Since I am new to all this, can you or someone explain how the broadcast performance envelopes work?

There were the four criteria in the calculation. Ms. Creighton said that the push now is more towards the audience criteria. Can you talk about how that calculation is made? And when Ms. Creighton says the push is more towards the audience, how will that affect the decision-making process?

Mr. Paul Gratton: I think I'll let the experts take a crack at it. Things might have changed since I last stepped down from the board.

Ms. Valerie Creighton: You go ahead. You've got the paper and numbers in front of you.

Mr. Stéphane Cardin: It is a competitive system, which is by genre and language between the different broadcasters. We have four performance factor weights: historic access that we've talked about, audience success, regional licensing, and above average licensing. There's an incentive there for broadcasters to pay higher licence fees.

For the current factor weights in the English-language market, the highest factor weight is on audiences at 40%; above average licence fees is at 10%; regional licensing is at 20%; and historic access is at 30%. In the French market it's somewhat different, with historic access still the predominant factor at 45%, audiences at 30%, above average licensing at 15%, and regional licensing at 10%.

Each year broadcasters will submit total hours tuned submissions for programs that the CTF funded in the previous broadcast year as well as a number—and this is a bit more complex—that we call CTF-ables. They're programs that we did not fund, perhaps because the broadcaster managed to finance them without our participation, but that would have been eligible under our guidelines.

These submissions are analyzed by our staff. They are placed on a secure portion of our website for scrutiny by other broadcasters. These submissions form the basis of the calculation for the audience success. As well, the licence fees paid are factored in to calculate above average licence fees and regional licensing. You meld all of that together and, as we said before, it's a competitive system. Basically it's how broadcasters performed; their allocations will go up or down from one year to the next.

One thing that has been discussed at the hearing, as Valerie said, is that when we created the system we had to start with something, so we started with historic access, but that factor has been declining over the years. One of the suggestions in the CRTC report is that this factor now be eliminated and we focus much more on audience success and keep the regional licensing factor and the above average licensing factor, but that they be capped at 30%.

Our staff is actually in the process of simulating those results based on the last year that we have, and we'll be able to bring that forward sometime soon.

● (1610)

Mr. Paul Gratton: In simple terms, our intention is to have a yearly report card, and it's almost out of 100, so everybody gets a different score and then it affects the calibration of the funds that are available within language groups and within genres.

Mr. Stéphane Cardin: And the BPE system represents about 95% of our total funding allocations.

The Chair: Thank you.

Mr. Fast, please.

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

I thank all three of you for visiting us today.

I'd like to start off by trying to get a definition of ghettoization. Mr. Gratton, you referred to the word "ghettoization". Am I correct in understanding you're simply referring to the fact that the private side of the equation will continue to grow, whereas the public side might stagnate? Is that what you referred to when you...?

Mr. Paul Gratton: Yes. That's perhaps a dramatic characterization, but it's taken from the lips of some of the broadcasters who would be on the public side. They feel they would be ghettoized if they were in a fund that did not grow. Quite frankly, if there were acceptance of an index, so that the public side would grow in lockstep with the private side—again, I don't want to put words into their mouths—I think a lot of their concerns would be alleviated.

The cost of production is going up at the same rate for everything that's being produced, for public broadcasters as for private broadcasters, so being caught in a fund that might not grow or might be subject even to cutbacks, depending on the political situation and what the priorities of the government are, is anxiety provoking, because these people are as proportionately dependent on the fund as the private broadcasters are. That's what I meant by ghettoization.

One would think that some of them would have responded with delight that they'd be absolved of the need to compete for audience with conventional broadcasters, which by their very nature are different and have different lead-ins and different reach with the audience and different mandates that lend themselves to rewards for having the biggest audience possible, both in terms of advertising revenue and pleasing their shareholders. Yet across the board the response from those people, including the CBC, who would be on the public side, has been that they don't really want to be there.

Even this morning I had a brief chat with Richard Stursberg of the CBC, who said, "We'd love to compete. We want to be able to grow. We think our line-up of shows has shown a lot of promise." So it was in that sense that I used the word "ghettoization". I was trying to characterize the negative response of the public and not-for-profit broadcasters.

Mr. Ed Fast: I think all three of you understand that the CRTC has made its recommendations to the minister. The minister is mulling this over and will presumably provide a response. Now, that response could be accepting all the recommendations, and it could be rejecting all the recommendations and restating the status quo. The minister also could accept some of the recommendations and come up with other proposals.

I would suggest to you that any motion to establish indexing is perhaps premature until we know what the minister's response would be. Do you agree with me?

•(1615)

Mr. Paul Gratton: I really believe it's up to this parliamentary committee to decide the appropriate time and the appropriateness of your motions. I simply want to state for the record that whatever the Ministry of Heritage decides, we will implement. Even if it comes to my overseeing the dissolution of this board and my own position, if that is the decision of the Minister of Heritage in response to the CRTC, we will do that.

I'm only reflecting the reaction of the community in the ten days since the report has come out. They have fed back a lot of stuff to us. And as insiders who have seen a lot of change, we have a few warning lights that are going off in terms of the CRTC's recommendations. And we feel that providing numbers, so that Heritage Canada can make a very informed decision in response to these recommendations, is probably our primary role.

You called us in today to express some opinions, so I haven't hesitated to do that, but I want to reassure you that we understand the process and what our role will be after Heritage Canada makes its final determination.

Mr. Ed Fast: I appreciate that.

So that I clearly understand what you mean by indexing, when you use that term are you referring to the CBC and the public side having access to the same increase in resources that the private side would have if in fact the CRTC's recommendations are accepted. Would I be correct in assuming that?

Mr. Paul Gratton: That is my understanding, yes.

Mr. Ed Fast: You understand that the recommendation actually only deals with CBC; it doesn't actually deal with the public side completely.

Mr. Paul Gratton: I understood that as well, which was my little two cents' worth. I suggested it might be easier to defend if it referred to the entire public side, because at that point you're essentially saying there are two categories of public broadcasters, the CBC and the educational and the not-for-profit, and we don't care about them, because they would not have the same benefit of lockstep growth with the private side, and I'm not sure that's an easy-to-defend position.

Mr. Ed Fast: Would you repeat for me what you expected to see in terms of the private side when it comes to increases in resources? I thought you quoted some figures. Was it 17%?

Mr. Paul Gratton: I see Valerie would like to answer that.

Ms. Valerie Creighton: Historically, the growth revenue on the broadcast distribution side was actually 9% last year, but it has averaged about 7% on an annual basis. We budget very conservatively. We only strike a program budget that's based on the actual revenue that we know we had from the BDUs in the previous year. Generally, we have seen that there's been that increase, so what we do at a certain point in time at the board—when we know the revenue has been higher than we budgeted, because we don't want to overspend revenue we don't have—is to reallocate that funding to programming.

I think your question also is.... Your motion, as I understand it, referred to only the CBC. Our concern is the entire spectrum of what might be considered placed in the public side, because we know there's already a shortfall there if you look at the other special initiatives that are directives as per the contribution agreement. We're assuming those would all be put in the public pot, so we're starting with a shortfall to begin with, and then if it were to be indexed and it would only be the CBC, the impact, not just on the educational broadcasters but all of those other very important programs, like the one Stéphane mentioned—French language outside Quebec, the aboriginal fund, etc.—would certainly take a very large hit. That is our concern.

I think the fund has always taken a view that our job is to provide support to programming according to our mandate, right across the country of Canada in all those different factions. So I think our worry on the indexing motion would be its limit to only the CBC at this point in time. Certainly there would be an impact on the other activities that would be, we suspect, funded under that public sector pot of money.

The Chair: Thank you very much.

Now Ms. Fry.

Hon. Hedy Fry (Vancouver Centre, Lib.): Thank you very much.

Having been here for the Canadian Television Fund's review hearings, we heard, as you well know, the two particular companies that were contributing saying they felt they didn't have enough say, felt that the fund should be distributed in a different manner and wanted to have more of a say. Without putting words in the CRTC's mouth, not that I necessarily agree with the recommendations they made, I think they were trying to square that circle a little bit and keep them from walking away with their toys, and keep them in the fund.

I agree with you, however. I think that what it has created is a ghettoization. You're absolutely right, the most important part of ghettoization is going to be the lack of competition.

I must say that I wanted to hear your comment on the recommendation that says that increased emphasis be placed on audience success as a criterion for access to the new private sector funding pool. For me, that is precisely what both Shaw and Vidéotron wanted. They wanted blockbusters, they wanted things that could play to the public. It didn't matter whether the quality was there, or whatever, and that is a great concern to me.

I'd like to hear a comment on that, because what you have is public broadcasters locked into a place where they have to be forced to compete among themselves. This, in effect, is not a really good thing for them, because they are trying to do Canadian programming that is quality, that may not be necessarily popular, but is esthetically good and whatever the other criteria are. I think that particular piece that allows the public sector to go in a totally different direction, with totally different criteria from the private sector, is going to create a real problem down the road.

You are also right, and I would like to hear what suggestions you may have with regard to the fact that the piece that comes out of Canadian Heritage, as you said, is yearly. Do you think it would enhance matters or make matters better if there were a five-year fund now, a five-year program? Do you think the \$120 million is enough, or should it become greater? What do you see happening to that fund over the next five years? Do you see that fund being restricted only to the private sector, or should it go into the big pot, the CTF?

• (1620)

Mr. Paul Gratton: Again, I think it comes down to structure and how the heritage minister responds to the CRTC recommendations.

What I've tried to suggest today is that there's a certain logical flow that comes from accepting the recommendation that there be two completely separate funds. I think at that point Heritage is accepting the responsibility. Whether it wants it or not or whether it's appropriate or not is a different debate, but it has to accept the responsibility for continuing to fund the public side if it agrees with the split between the two sides. It's just a corollary, to my mind, if you accept that structure. At that point there has to be the avoidance of a penalty to the people who are functioning on the public side.

Valerie's right: there is no consideration that's purely cultural, with complete absence of audience. I ran Bravo! for 13 years, and I can assure you that although we were trying for the highest quality in terms of reflecting the arts and much of it was very esoteric and not aimed at a broad audience, it was still aimed at an audience, so I would take a documentary on a painter and still decide whether it had succeeded or not within the relative goals that I had set for it.

There has to be some measure of success. Broadcasters do not operate disconnected from their audience. That's true for CBC, that's true for Knowledge Network, and that's true for everyone in the system.

I would argue that even on the private side, by the very nature of the fact that these are ten out of ten Canadian-content productions, there is, by definition, a cultural aspect to it. We're not doing co-productions with little aliens set in Seattle but shot in Vancouver. The

rules of the fund impose a certain high-end Canadian content that in my view is, by definition, cultural in its aspects. A program that is set in Canada, performed by Canadians, and written by Canadians, to me, has a cultural impact, even if it's about hockey.

People in Quebec get that. *Les Boys* is inherently cultural, even though it's a huge mass-market commercial success. In English Canada we tend to twist ourselves up in pretzels, but I would say that the CTF, by virtue of being able to access it and even if it's audience-driven, has a cultural aspect on every single program.

I don't know if I've answered your question.

• (1625)

The Chair: Go ahead, Ms. Creighton.

Ms. Valerie Creighton: The emphasis on the private fund in the report tries to direct criteria that would predetermine what a hit would be, and that's a very difficult thing. It's almost impossible to predetermine the success of a program in this business. *Corner Gas* would be an example of that. I was in Saskatchewan at the time, and I don't think anyone at the beginning of that program really anticipated the level of audience and commercial success that show would receive.

It is true that once an ongoing series has had its first run, you can pretty well determine what the audience response was and have a little more sense of whether you might have a hit on your hands. It would be a fairly simple thing to look at a show like that and ensure that it received financial support to continue and to continue to build that audience, but frankly, it's pretty tough. If we all knew the answer to what a hit would be, we probably wouldn't be working in this business in Canada; we'd be working for somebody in the U.S.

I just wanted to make a point, Ms. Fry, in relation to your question about whether the \$120 million is enough. We've never really had that conversation for a while, but I'll just point out to you that the issue of oversubscription in the industry largely has not gone away. With the broadcaster performance envelope, what we've been able to do at the fund is eliminate oversubscription from the fund itself because we know how much money we've got to work with and those resources are finite, but the oversubscription question has just moved to the door of the broadcaster. We still know there are about 50% more really worthwhile, good, potentially commercially successful projects and stories and ideas out there that will never see the light of day because the amount of resources has been completely finite for a number of years.

Would it help if the fund were extended? I think it certainly would. That conversation has been around for a long time. A number of lobbies by the industry itself have tried to have the fund renewed for more than a one-year period, but those decisions are outside the scope of our ability to answer that question. They really do remain with the federal government and with Canadian Heritage.

The Chair: Thank you.

We'll have Mr. Malo, please.

[Translation]

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

Good afternoon, Mr. Gratton. First of all, my congratulations on your appointment as Chair of the Board of Directors.

I would like to go back to the fact that the CRTC made this proposal to the minister. That was not by accident. There was a crisis, actually, and, in my opinion, the CRTC tried to find a solution. Your comments indicate that this solution is going to create other problems, as I see it.

Do you think that the CRTC could have made another proposal which might have resulted in a broader consensus?

Mr. Paul Gratton: It is very difficult for me to comment on results that are different from these. But I can say that, in my opinion, the entire process, including the results, has been well thought out. A lot of thought has gone into the document. Of the 11 recommendations, there are perhaps two or three that we have questions about, and even there, they are about small details. That is where the devil is always hiding.

I feel that it is very difficult for objective people, looking in from the outside, to foresee every hitch that could occur as things play out after structural changes, big or small, have been put into place.

A number of views that have been expressed date from years back. Finally, the CRTC has made the decision that we have before us, and it is not my role to criticize it. Our role is to look at the potential difficulties and to try to advise the Minister of Canadian Heritage when it comes to the final decision.

• (1630)

Mr. Luc Malo: We are talking about a historical threshold of 37%. Ms. Creighton said earlier that, in the past, the proportion of funds going to Radio-Canada and CBC from producers was actually 50%. My only question is why there is a gap of 13%. Is it because no productions went to private broadcasters or because the public sector productions were of higher quality or were better regarded?

Mr. Paul Gratton: Historical factors come into play there. First, the 50% figure varied greatly depending on the envelope and the genre. It was over 50% for drama. At one stage, CBC, in English Canada, became less interested in children's productions. Valerie was right when she said that, in some cases, it was more than 50%, but the percentage was not necessarily the same right across the board.

At one time, a number of decisions were made at Telefilm Canada. Under those circumstances, it was a different kind of competition. The emphasis was on the quality of the subject matter and so on. Knowing that there was not enough money for all the programs they were interested in, the broadcasters issued a lot of licences. The important thing was to spend money on one's own airwaves. Throughout that period, Radio-Canada and CBC were very aggressive when it came to licences. Their percentage went up, especially for dramas.

It is not quite correct to say that the percentage was 50% across the board for all genres. As I recall, that was not the case. When the decision was made to establish the percentage at 37%, that did not mean a gap of 13% in all cases. It would just have been in certain envelopes and for certain genres.

[English]

Is that correct, Valerie?

The Chair: Go ahead, Valerie.

Ms. Valerie Creighton: Thank you.

It depends totally on the type of programming that's done, because it's the producer who has a show, in whatever genre is being produced, who will go to the broadcaster with the mandate closest to what the show is about to try to seek a licence. Whether that's public or private doesn't really make that much difference. The producer's need is to get that licence.

So my point was that over the years, historically, the amount of money the CBC has drawn from the fund has varied. It has gone as high as 50% in some cases, in some genres. The 37% was just the number we were given. I believe that may have been the last four-year average or something like that, which Heritage Canada may have calculated in bringing that number to the CTF in their contribution agreement.

But it's totally dependent on the type of programming, what audiences are interested in that year, and really, what broadcasters are looking for. Producers will develop projects that meet those criteria.

The Chair: Mr. Abbott.

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

This has been exceptionally informative, and I thank the three of you very much.

One of the things I am trying to understand is growth in the private sector, and what you mean by that. At least I believe that's the term used a few minutes ago. There's an implication in the fact that most commercial broadcasters will be wanting to expand their stable of things, their inventory of programs they can put on the air.

Is that what we're talking about? Help us understand growth in the private sector.

Mr. Paul Gratton: What we're really talking about is the percentage of money the BDUs will be contributing to the CTF every year. Based on measurement in the last few years, there has been an anticipated growth of about 7%. Every year there are more satellite customers and more cable customers and we get a percentage of that, and that is what we mean by growth. We weren't looking at it from the point of view of the broadcaster. It's really just how much money would be coming in on the private side. The fund has generally grown year after year because of the growth in BDU contributions year after year, which is a percentage of the revenue. That is what we meant by growth.

• (1635)

Mr. Stéphane Cardin: To give you an indication, over the last five years, starting in 2003-04, it has grown from \$119 million to \$127 million, to \$138 million, to \$149 million, to \$165 million last year in 2007-08. It has been a steady growth of contribution from the BDUs to the CTF over those past five years.

Hon. Jim Abbott: Of course, at the risk of reciting Jim Shaw or reminding us of his commentary, nonetheless there is the factor of the commercial broadcasters wanting to say they want to be able to use that money in order to make money by having high-value shows.

How does that relate? In other words, I guess I don't fully understand what has been proposed by the CRTC. All of us conceptually have a big idea of what it is. If it didn't go that way, if the minister said we were not going to follow that particular advice, what advice would you have in terms of how to satisfy what is, at least on the surface, a fairly legitimate concern on the part of the private broadcasters, the private producers?

Mr. Paul Gratton: The specific concern you are referring to is their desire to make money off their Canadian content?

Hon. Jim Abbott: The major concern, if I understood Jim Shaw's presentations correctly, was that here is the money he and the BDUs and other entities are putting in there, and he just barely has one lone voice, and the private broadcasters are not given access or given opportunity to really influence the way in which the money is being distributed.

Mr. Paul Gratton: Well, I would say that's not factually correct, having been the private broadcasters' representative on the board on five separate occasions over the last ten years. We certainly had a voice.

The CAB has four representatives on the board. They are the voice of the private broadcasters in Canada. There are two specialty channel representatives and two conventional television representatives, two from English Canada and two from French Canada. We signed off on the guidelines and the rule changes year after year.

You know, we picked specific battles when there was pressure from the producers, the independent producers, to raise licence fees. We would try to dig in our heels and come up with charts to show how much money we lost for every hour of Canadian...certainly in English Canada; the mathematics are quite different in Quebec.

At the end of the day, we almost always voted unanimously for the guidelines. It was never over our protests. Nothing was forced on us. Again, I speak to the compromise in the system between the different sectors.

So I would say that Mr. Shaw, with all due respect... And here perhaps is where we failed to communicate clearly what was going on at the fund. One of the things I hope to do, if he wants to return my calls, is to actually get him to understand how the fund works. The fund was there to serve the interests of private broadcasters as well as the other people, and it did so with our cooperation and our sign-off on it.

I don't believe the CAB showed up at the CRTC and said "This is a terrible fund that doesn't address our needs". Everybody would like to see some tweaking, but private broadcasters have been very involved in the evolution of this fund. I think many of the things they've wished for have come to bear. Certainly one of my missions was to get an English-language drama envelope when I was a CAB representative. It took two years, but we succeeded in doing that. It was voted unanimously by everybody on the board.

So I think that's a mischaracterization in terms of how private broadcasters have been served by the fund. I say that as an informed insider on this particular matter.

Hon. Jim Abbott: Thank you.

The Chair: Ms. Creighton.

Ms. Valerie Creighton: I would just add that one of the concerns Mr. Shaw continued to raise in his campaign was that a lot of money is spent on programs at the CTF and there are simply no audiences for them. We demonstrated quite well, I think, in our presentation to the CRTC that in fact numerous programs made by the CTF reach very high audience numbers, well over a million, in both language markets. And again, it depends on the broadcaster; the specialty market has a very different reach from the conventionals.

In answer to your question, Mr. Abbott, we at the fund already have started to focus on ways in which we can put more emphasis on audience reach and audience growth and less on historic access—very close to what the CRTC has recommended, in fact, in terms of the factor weight criteria they've used for the private funds.

So I think one of the answers would certainly be...and Paul answered it on the board representation. There has always been the opportunity for the BDUs to be represented on the board. In fact, at our AGM in Banff, we added an additional seat so that direct-to-home representatives can actually contribute now on the board itself, as well as continuing to focus.... It's a mandate in the contribution agreement, in fact, that one of our major jobs is to increase audiences for the programming that's done through the CTF; we are looking at ways all the time. We have a working group over the summer that will be doing a lot of calculations to determine what the factor weight should be to ensure that this happens.

So that would be part of the answer back, for sure.

• (1640)

The Chair: Thank you.

Mr. Scott, please.

Hon. Andy Scott (Fredericton, Lib.): Thank you very much.

I'll add my congratulations to those of others who have gone before.

I don't think it should necessarily be surprising that Mr. Shaw would argue that this should be more market-driven: it's the business he's in. I also think it's also critically important for us to push back on that instinct, because it's a very sparsely populated, big country with lots of diversity in regions and all kinds of considerations such that, left purely to market forces, I wouldn't see much of my part of the country in this realm.

This brings me to the objectives of the fund and whether or not the CRTC's recommendation that more emphasis be placed on audience.... Can that be batched with the objectives of the fund to your satisfaction? That's one question.

To go backwards a little, the first question I wanted to ask and simply forgot in my reaction to the interventions around Shaw is: do I understand your position to be that you do not believe it's necessary to have two streams, but that if somebody decided that were going to happen you would also recommend that there continue to be a single board?

Mr. Paul Gratton: That's correct.

Hon. Andy Scott: But that isn't to be confused with the idea that you support the idea that there be two streams?

Mr. Paul Gratton: That's correct.

Hon. Andy Scott: Okay. Good.

Can the objectives of the board that are being outlined here be reconciled with an increasing emphasis on audience share? Is there not a tension there, and need I be concerned, coming from a small market region of the country, that somehow the fact that one of the criteria that will be reduced in order to increase the importance of market share has to do with regional production, as I understand you to have said earlier? That worries me a bit.

Finally, on the question of this notion that somehow they can walk away, they can't. The crisis wasn't that they were going to withdraw; the crisis, as I recall, was timing: that they were withholding, but not withdrawing. This is a licence fee; this is not generosity.

It occurs to me that clearly their interest would be to be able to put more money in types of productions with greater audience share, because that means they get to show programs that they make more money from, because the greater the audience share, the greater their advertising revenues that flow from it.

Mr. Paul Gratton: If I understood the Shaw and the Vidéotron positions, they did want to withdraw their money.

In its case, Vidéotron had a completely different approach and different structure for a fund that they would administer, and there was at least one dissenting opinion from a CRTC commissioner endorsing that world view within the Quebec context. In Shaw's case, it just wanted to withdraw the money and I believe redistribute it back to subscribers.

As to your question whether you can reconcile the pursuit of audience with some of the cultural criteria, my feeling is yes, that they're not inherently in contradiction. As Valerie has said, even if you're producing niche-target art programming, for example, you want to maximize the potential audience with the net niche.

No one spends a year or two of their life sweating and worrying—nobody is getting rich making this stuff, at the end of the day, really—and nobody is doing this in order to not have an audience. The same discussion occurs when we talk about feature films in this country and the abysmal box office. There are all kinds of impediments—budget sizes, marketing, access to screens—and there's a variety of factors that go in there.

God love the creative people in this country who continue, especially in English Canada, to do their damndest to try to reach out to that audience. As Valerie pointed out, honestly, since the arrival of the CTF, there are some extremely notable successes.

I used to run the Ontario Film Development Corporation, and I'd tell the analysts that if you say no 100% of the time, you'd be right 90% of the time, but it still doesn't make you smart. What I wanted was people who would champion specific projects, who would, against all odds, come up with a *Little Mosque on the Prairie* or a *Corner Gas* that somehow, despite all the structural impediments to finding a significant audience for Canadian drama, managed to do it.

That's the challenge and the business we're in. So I don't see a contradiction; I see it as a constant struggle and striving. I guess that unlike Shaw I think this is a noble battle that we should not give up and should keep striving towards winning. The fact that it's hard doesn't make it not worth doing.

• (1645)

Mr. Stéphane Cardin: Could I add a couple of points where there were some disconnects?

We have to bear in mind that this fund is about supporting under-represented genres: drama, children's programs, variety programs, and documentaries. Some suggestions were made at the hearing that, for example, if we were to go down the road of strict mass audience appeal, that could be reviewed and we would find ourselves financing game shows and reality television and so on and so forth, whereas in essence our view is that we'd be replacing private financing that is currently in place. That's one area of disconnect.

I'll go back a bit to Mr. Abbott's question, where there was another disconnect. The CRTC actually, in this latest report, didn't keep that recommendation. On the private side it was originally contemplated in the task force report that another measure should be return on investment. We had a bit of an issue with that, because for the majority of Canadian programs, all Canadian financing goes into the financing structure of the project from the beginning to make sure that the project is made. If we were to create a factor that would be based on return on investment, in most cases that return comes from the sale of the program on international markets, so what would be the primary policy objective? Would it be to make programs to attain the largest possible Canadian audiences, or would it be to try to make programs that will make as much money as possible on international markets? As I said, that recommendation was not brought forth in the second CRTC report.

The Chair: Go ahead, Ms. Creighton.

Ms. Valerie Creighton: I'll just assure you, Mr. Scott, that the aspect of regional activity remains one of the requirements of the contribution agreement. One of the ways we try to encourage that to happen is it is a factor weighed in the BPE system.

If you look at the success of Canadian television in the past few years, a lot of the really strong programming has certainly come from many regions of Canada. Our philosophy is that nobody has the monopoly on a good idea, so until somebody tells us differently, the aspect of continuing to support regional will always be there.

As Paul said, nobody gets up in the morning, whether they're a broadcaster or a producer, and decides they're going to make a really bad TV program today that nobody will watch. Everybody works as hard as they can to reach the maximum audience, and that applies right across the board. If we look at the history of where the great success stories for TV have come from, whether it is *Trailer Park Boys*, *Corner Gas*, or *Da Vinci's Inquest*, those are in the regions of Canada. As long as it remains a requirement for us, we'll continue to speak to that and address it in the actual calculations of how to create those envelopes.

• (1650)

The Chair: Thank you.

Go ahead, Mr. Del Mastro, please.

Mr. Dean Del Mastro (Peterborough, CPC): Thank you, Mr. Chair.

Mr. Gratton, I want to try to represent the average Canadian. If I'm the average Canadian and I look at this Canadian Television Fund, I understand that this is a fund that supports the production of regional Canadian broadcasting and so forth. Why would I care that this is being changed? Why would this impact me? Why would it matter to me whether the money is going to CBC or Global or CTVglobe-media or any of the other private broadcasters? Why would it matter to me, as long as I'm seeing good Canadian productions that I might be interested in watching?

Mr. Paul Gratton: Well, I'm not sure who or what an average Canadian is.

If you're saying that for significant chunks of the Canadian population there is not interest in Canadian drama, for example, and perhaps sports is where you get your Canadian culture, then I would say perhaps there's not much interest for that person, but by the same token, does this person have children? Are they watching children's programming anywhere on the dial? At least half of them are funded by the CTF.

Perhaps this person, even if they're not interested in watching a dramatic TV series on a public broadcaster, is concerned about what is being fed into the minds of his little girl and little boy and doesn't just want American models of superhero violent cartoons. Canadian children's programming sells around the world because it actually propagates a different value system of tolerance and diversity; sometimes it's quite subtle and sometimes less so, but it's different from American children's programming.

Mr. Dean Del Mastro: Are you suggesting those things would be lost if it were changed?

Mr. Paul Gratton: I'm saying that if the Canadian Television Fund didn't exist, the size and the quality.... Why should an average Canadian care about this? Would an average Canadian care about the rules on how the money is disseminated? Probably not. But I would suggest to you that the average Canadian probably does care about the results on the television set.

Mr. Dean Del Mastro: I'm not questioning that. I'm only saying that the changes they've suggested have been to allow for alternative revenue streams, for the stream to be divided somewhat differently. And that's what I'm asking you.

There has been some suggestion that this would be a ghettoization of public television. If I'm the average person at home.... For instance, Mr. Cardin brought up that the funding could be used for reality TV or game shows. So if I'm the average Canadian at home.... We recognize things like *Survivor*, for example; probably half the population watching TV on the night that it's on is watching it. Why wouldn't I want to see something in the Canadian Arctic that would be similar? Wouldn't that offer value and wouldn't it drive people to want to watch? And in so doing, wouldn't you learn something about the Canadian Arctic? I'm simply thinking about these things.

Mr. Paul Gratton: Oh, yes, absolutely. It's probably not a bad idea. Maybe you have a future as a television programmer.

The key issue is whether or not that kind of show requires public money in order to complete its financing. And as Mr. Cardin pointed out, most of this stuff can be funded by the industry itself through pre-sales, etc.

The crisis, where there was always a gap in financing and where it was very hard to complete, was almost everything produced in Quebec, because the world market for Quebec programming is fairly limited outside of children and animation, and almost across the board in English Canada unless you were doing commercial co-productions that were not recognizably Canadian.

I was running Space for a number of years and there was a lot of science fiction that was technically Canadian—six, seven, eight points out of ten—and I would argue it never got CTF funding and didn't require it. And there are many average Canadians who really enjoyed those shows and there were a lot of Canadian actors and technicians who benefited from the production in Canada. My view is that lots of Canadian, right across the board, is good.

But when you talk about this fund and this particular very special recognition from both government, which is funding it, and the cable and distributors who have agreed to put money into it in order to keep their capital expenditure, the 50%, it was actually one of the more ingenious creations of the CRTC and of government to put together this fund to encourage the production of the most difficult-to-fund Canadian content in all these genres, which is ten out ten points Canadian content.

The average Canadian kind of benefits from having it out there as an option, even if he or she may not choose to personally spend their time watching the stuff due to personal preference.

• (1655)

Mr. Stéphane Cardin: A rubber hits the road type of answer to your question, which Paul brought up before, is that essentially, given that we don't know what the criteria of a public stream would be, there is always the possibility that certain programs—which would have to apply to both funds—might, given different eligibility criteria, not get made. So you'd have a potential for less programming than we presently have with the current systems.

The Chair: Very short, Mr. Del Mastro.

Mr. Dean Del Mastro: Thank you.

My local cable company, for example, a COGECO affiliate, receives funding from this fund and they do an awful lot of local programming with it. They cover a lot of community events. They do a better job, actually, than my local CBC affiliate does in covering community events. They cover parades and all sorts of things. How would this change affect them? What would it mean to them? Would it result in potentially more funding for them, less funding for them, or would it affect them at all?

Mr. Paul Gratton: They don't get directing funding from the CTF for their cable channels. That's a redistribution of their own benefits. And part of their requirement to the CRTC is to maintain that cable fund. So this wouldn't affect your community cable channel at all.

Mr. Dean Del Mastro: Thank you.

The Chair: Ms. Creighton.

Ms. Valerie Creighton: I would add that the revenue that comes to the CTF from the BDU's revenue, that 5% that everybody talks about, 80% of that 5% comes to the Canadian Television Fund. For the other 20%, those BDUs are allowed to contribute to their own funds.

One other example that comes to mind is some of those independent funds, like COGECO or the Shaw Fund, for example, the kids fund...it's a great program. In fact, the CTF and the Shaw Fund are partners on many, many projects in this country. Stéphane may have the exact number, but I think it was something like 78% to 82% of what the Shaw Fund supports financially is also triggered by CTF financing. So in many cases—not on the community channel side, but with many of the programs that are financed by the private funds—the CTF is also a partner.

The Chair: Thank you.

Mr. Siksay, do you have questions?

Mr. Bill Siksay: No, I'm fine, Chair. Thank you.

The Chair: I thank our witnesses very much for their participation today. I hope our questions have been answered around the table.

Hon. Denis Coderre: I have a point.

The Chair: Mr. Coderre always has to have a point.

Hon. Denis Coderre: I think it's for the benefit of everybody.

You have an amazing annual report.

Ms. Valerie Creighton: That's just the stakeholders' report so far. The annual report is coming next.

Hon. Denis Coderre: I would appreciate, if it's possible, getting a copy. I looked smart because I read all those charts. Since it's bilingual, it would be an asset for the members of our committee. Can we have a copy of it, please?

Ms. Valerie Creighton: Absolutely.

Hon. Denis Coderre: Thank you.

The Chair: Thank you very much for that.

We'll just take a short recess, and then we will have to deal with Ms. Mourani's motion.

• _____ (Pause) _____

•

• (1700)

The Chair: We're back to business here.

I'd like to deal with Ms. Mourani's motion.

Ms. Mourani, would you like to read your motion again, please?

[Translation]

Mrs. Maria Mourani: Yes, Mr. Chair. I read it last week as well. It reads as follows:

That, pursuant to Standing Order 108(2), the committee report the following to the House at the first opportunity:

The Standing Committee on Canadian Heritage recommends that the government commit to allocating to the Canadian Television Fund long-term funding that is indexed to private sector increases so that the share allocated to CBC/SRC productions is always at least 37% of total funding regardless of the government's follow-up to the recent CRTC recommendations on the Canadian Television Fund.

I know that Ms. Fry wants to move an amendment and I completely agree with it.

[English]

The Chair: We've heard the motion.

I understand Ms. Fry has an amendment to the motion. Ms. Fry, could you make your amendment, please?

Hon. Hedy Fry: Thank you.

[Translation]

It would add the following:

The envelope of public funding allocated traditionally to the other public, not-for-profit and educational broadcasters must also be maintained and similarly indexed.

• (1705)

[English]

That is inserted after “*global*” and before “*quelles que soient*”. In English it says, after “total funding” followed by a period:

The envelope of public funding allocated traditionally to the other public broadcasters and to educational programs must also be maintained and similarly indexed.

The Chair: Okay.

Mr. Abbott.

Hon. Jim Abbott: This raises a very interesting question, because I believe Mr. Coderre asked the question right at the beginning. It is completely unclear. If you take 37% of the total funding of the CTF as it presently stands and it is applied to the allocation to the CBC—that's the way it sits right now—and then you split it approximately 55% and 45%, or whatever it is, this is a very substantial decrease for the CBC, because it's talking about 37% of 45% of the total fund.

Hon. Hedy Fry: They are talking about the whole fund.

Hon. Jim Abbott: Where does it say that here?

Hon. Hedy Fry: It says it in the statement....

Mr. Chair, perhaps what I—

Mr. Ed Fast: That's the total funding of what?

Hon. Hedy Fry: It's the total funding of the Canadian Television Fund, which is indexed to private so that the share allocated is always at least 37% of total funding. The actual noun there, the subject of the verb, is “Canadian Television Fund”.

Mr. Chair, I think it is traditional to speak to your amendment first to explain it to people.

The Chair: Mr. Abbott, I think you want to make your point. Could you make your point again?

Hon. Jim Abbott: I don't know that I have a point as much as I have a question. It's not really a point. I don't understand, with no disrespect to Ms. Fry, "total funding", the 37% of "total funding". I don't understand the wording. Maybe we've gone from French to English, and the English isn't at all clear. I don't get it.

The Chair: I'm going to go to Mr. Coderre and then over to Mr. Chong.

[Translation]

Hon. Denis Coderre: Mr. Chair, perhaps...

[English]

The Chair: You're sneaking in, but we'll let you go first, and then I'll go to Mr. Siksay.

[Translation]

Hon. Denis Coderre: We asked Mr. Gratton questions, and I am sure that you will remember that I specifically asked—it was exactly along the lines of your question, Jim—what was meant by "historical access" and whether we were talking about total funding. We must make sure that we really mean 37% of total funding.

In my opinion, something is missing, but it could be handled with a friendly amendment. We would add the words "historical access" in parentheses after the word "total". If we do not refer to historical access anywhere, the problem remains. In French, if we say "fonds global", meaning public sector funding, that means all the funding contributed by Canadian Heritage. Under those conditions, saying 37% of the public-sector envelope would reduce the amount.

[English]

But in English, when we're talking about "total funding", we should refer it to the total envelope from CTF. What you are looking for is the percentage of what it will represent in the future, even though it will split between private and public.

That's why I was asking the question regarding historical access. It's not 37% of the public envelope, because if that's the case, we'll now eventually have a decrease. You want to make sure that you keep that \$96 million. What we have to do is add "*accès historique*"—"historical access"—because you have a reference.

I will talk about the amendment later on.

The Chair: We're going to talk about the subamendment.

Just before we go to Mr. Siksay, because I've overlooked him—I'm sorry about that—I would think, if I didn't hear it said by witnesses today, that 37% would represent 75% to 80% of that, if it were split in half. It would be 75% to 80% of the public fund that would be then CBC's.

Am I correct? Did we hear that?

A voice: Yes, you are.

The Chair: Okay. That's just for a little clarity. But it is a little ambiguous here, when you see—

I have to go to Mr. Siksay, but we have to talk about Mr. Coderre's subamendment.

Is that what you want to talk to? Okay. Mr. Chong.

• (1710)

[Translation]

Mrs. Maria Mourani: It is just a clarification.

[English]

The Chair: Okay. I've been advised that we can all smile and everything, but there isn't such a thing as a friendly amendment.

I'll take a friendly amendment anyway. I don't always go by the rules.

Mrs. Maria Mourani: I agree with that.

The Chair: Mr. Chong, please speak to it. You're on.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Thank you, Mr. Chair.

I think the problem is that the French version says *indexé selon*, and in the English version it says "increases so", and that's logically not correct. What that word should be replaced with is the word "and". So I'm suggesting that in the English motion we replace the word "so" with the word "and", and in the French version *selon* with the word *et*. It doesn't follow that just because you have indexation, the CBC's going to get its 37% share. It doesn't make logical sense.

I'm suggesting that it read as follows:

The Standing Committee on Canadian Heritage recommends that the government commit to allocating to the Canadian Television Fund long-term funding that is indexed to private sector increases and that the share of the Canadian Television Fund allocated to the CBC/SRC productions is always at least 30% of total funding.

That logically makes sense. As it's currently proposed, it doesn't.

[Translation]

In French:

Le Comité permanent du patrimoine canadien recommande au gouvernement de s'engager à accorder au Fonds canadien de télévision un financement pluriannuel et indexé selon les augmentations de la part du secteur privé; ...

[English]

Hon. Denis Coderre: Michael, as a matter of fact the English represents totally what's written right now in French, so keep the French.

Hon. Michael Chong: Okay, so forget about the French part, but I think the English part is more correct that way.

The Chair: Hang on. I have to listen to Mr. Siksay before I go to anybody else.

Hon. Hedy Fry: Why, Mr. Chair? Why do we have to listen?

The Chair: It's because he can say that he would forfeit to you.

Mr. Denis Coderre: I can't believe you answered that.

The Chair: All of a sudden I looked at the list and I've taken everybody else.

Go ahead, Mr. Siksay.

Mr. Bill Siksay: Thank you, Chair.

I think Mr. Chong's English version is helpful. If we could agree to that as a reasonable translation of the French, then I think that we'd be on to something. That's what I'd like to say about that aspect.

I would also like to speak to Madam Fry's amendment, but this isn't the time to do that. I support the suggestion by Mr. Chong.

The Chair: Okay.

Let's go to a sub-subamendment of Mr. Chong.

Mr. Bill Siksay: Call the question.

Mrs. Maria Mourani: We have a lot of subamendments.

Hon. Denis Coderre: I have a point of clarification on procedure.

The Chair: Go ahead on a point of clarification on procedure.

Hon. Denis Coderre: Am I correct in understanding that if we have a friendly amendment and a friendly subamendment because the movers agree to take it as if it was hers, then we don't have to have all those debates on subamendments and amendments?

The Chair: I'm not going to get into legal terms, but I think if we can come up.... We can accept that. I will.

Hon. Denis Coderre: Okay. Merci.

Hon. Hedy Fry: Mr. Chairman, on that point, I need to respond to Mr. Coderre's suggestion.

I do think that it's not only the mover of the motion who we have to convince with the subamendment; obviously there are other people around this table who may need to hear reasons to convince them. They may not be convinced, actually, so....

• (1715)

The Chair: Okay. What I'm going to do is go back to Mr. Chong's motion, or the motion Mr. Chong made. Do we have unanimous consent to what Mr. Chong said?

Some hon. members: Agreed.

The Chair: Okay, so we're down to funding, period. Correct?

This is the way it reads, and we've all accepted this unanimously:

The Standing Committee on Canadian Heritage recommends that the government commit to allocating to the Canadian Television Fund long-term funding that is indexed to private sector increases and that the share of the Canadian Television Fund allocated to the CBC/SRC productions is always at least 37% of total funding.

Correct?

Mr. Bill Siksay: Should that be "total CTF funding"?

No, it's "total funding"; sorry.

The Chair: We already have "CTF" up ahead.

Mr. Bill Siksay: You weren't eliminating the last phrase, were you?

Hon. Michael Chong: It's as you read it. That's what I have written.

Mr. Bill Siksay: You were eliminating the last phrase of the government's follow-up?

Hon. Michael Chong: What I had assumed was that Hedy's addition after that was to follow.

The Chair: I'm just going up to there, and we all agreed to that.

Now Mr. Coderre has a little....

Hon. Denis Coderre: The only thing is, can we put between parentheses, after "total funding", "historical access"—*accès historique*? There's a reference, and we know what we're talking about, and I don't think we can play with the numbers afterwards: we know what it means. It's global, total, or whatever you want to call it, but it's an historical access, a term of reference.

The Chair: Do we have unanimous consent to add in brackets, after "total funding", "historical access"?

Mr. Dean Del Mastro: Can I have a point of clarification here?

I'm really lost. I don't know whether I'm the only one who's lost as to exactly where we are on this motion right now. We had an amendment, then we had a suggested friendly subamendment, and we had a second friendly amendment to the amendment.

I don't even know where we are. I don't know how this actually reads right now.

The Chair: Strike off the last subamendment, because it was accepted unanimously from Mr. Chong.

Now we're at the subamendment of Mr. Coderre, to put in brackets, after "37% of total funding", the words "historical access".

Mr. Dean Del Mastro: Just for clarification, the only thing we have actually done to this point to the original motion is change the word "so" to "and". Is that correct?

The Chair: No.

Mr. Dean Del Mastro: We've added the words "of the CTF" after the word "share". Is that correct?

That was done by unanimous consent—is that correct?

The Chair: Yes.

Mr. Dean Del Mastro: Okay, and now we are talking about another subamendment after the word "funding". Is that correct?

The Chair: That's correct, and it's in brackets: "historical access". Again, it's a term of reference.

Mr. Malo.

[*Translation*]

Mr. Luc Malo: I do not know if this is right, but according to what is written here, we are on a break.

[*English*]

The Chair: Everybody wants a break, and we'll get it if we all cooperate here and get this thing done. We're going to have a break in 12 minutes, come hell or high water, because we're going to adjourn on time.

Hon. Jim Abbott: This is important. We aren't in camera? Are we being recorded, or what is going on here?

The Chair: It's a public session.

Hon. Jim Abbott: Okay. That's all I wanted to know. I just wanted to know what our status is.

•(1720)

The Chair: Anyway, do we have unanimous consent for Mr. Coderre's "historical access" to go in brackets?

Mr. Ed Fast: What's historical access?

Hon. Denis Coderre: That's a term of reference. It's coming out from what this is all about. The Canadian Television Fund and the relationship vis-a-vis CBC/Radio-Canada always spoke in those terms: that you have an historical access of 37%.

It's a term of reference. I'm not reinventing the wheel. I don't play smartass. I'm just referring to what already exists.

Mr. Ed Fast: I understand that. It's just to clarify in my mind.

In the past, since the creation of the CTF, has the CBC always received the 37%?

The Chair: That's an average.

Mr. Ed Fast: If it's an average, that's not historical. I think you're confusing things more than anything else. Leave it out and keep it clean.

The Chair: I'm going to Mr. Malo and then Ms. Fry.

[Translation]

Mr. Luc Malo: Canadian Heritage set the 37% criterion. That was set when the fund was established. It is not mathematical; it is not an average or anything like that.

[English]

The Chair: Okay, Ms. Fry.

Hon. Hedy Fry: Just to speak to the issue of Mr. Coderre's amendment, I think we heard today, and what Madame Mourani is asking for, is a floor, a minimum. And they have said there is an historical average of a minimum of 37% over the years. They may sometimes get 50%, but it's never gone below 37%. I think that's what that amendment is trying to say, that it's an historical average.

Mr. Ed Fast: We use 37% because it's specific, it's clear, rather than muddying it with historical....

Hon. Hedy Fry: But he's just putting that in brackets. It's an explanatory piece for anybody who's reading the recommendation.

Hon. Denis Coderre: If I don't have consent for it, take it out.

Mr. Ed Fast: I wouldn't use it.

The Chair: Okay, we don't have unanimous consent.

Ms. Mourani.

[Translation]

Mrs. Maria Mourani: When Mr. Coderre says "historical access", the 37%...

[English]

it's just for precision for you, because in French it's very clear. So to help you to understand in English, we added the historical access. That's it. But in French,

[Translation]

"total funding" says it all. That is why I do not understand the problem with the words "historical access".

[English]

Mr. Ed Fast: So are we including it in the English, but not in the French version?

Leave it out.

Hon. Denis Coderre: We'll have a beer on that, and I'll explain to you how the CTF works and what they were talking about with the reference.

Mr. Ed Fast: I understand how the CTF works.

Hon. Denis Coderre: Forget about it. I want the motion passed.

It's okay.

The Chair: So that's gone.

Now we go to the amendment from Ms. Fry. It would be after "funding", and would read:

The envelope of public funding allocated traditionally to the other public broadcasters and to educational programs must also be maintained and similarly indexed.

Hon. Hedy Fry: Mr. Chair, there is just one thing I wanted to add to that. Mr. Siksay just asked me if I would, and I think it's a good idea. It would say "to the other public broadcasters, not-for-profit, and educational programs". So he wanted to put in there "not-for-profit", because if you look at the Canadian Television Fund's objectives, they do include not-for-profit.

Hon. Denis Coderre: We have to use the same reference as the CRTC.

Hon. Hedy Fry: Yes.

The Chair: Okay, so that's in there. So after "public broadcasters" it will include "not-for-profit"—

Hon. Hedy Fry: —"and educational broadcasters".

The Chair: So take out "and" too. Would the sentence then read: "The envelope of public funding allocated traditionally to the other public broadcasters, not-for-profit—"?

Hon. Hedy Fry: Take off "broadcasters", Mr. Chair, so it would read, "to the other public, not-for-profit and educational broadcasters".

The Chair: Ms. Mourani.

[Translation]

Mrs. Maria Mourani: Could you repeat the amendment and the entire motion?

[English]

The Chair: Okay, what I have here now is:

The envelope of public funding allocated traditionally to the other public, not-for-profit and educational broadcasters must also be maintained and similarly indexed.

Mr. Abbott.

•(1725)

Hon. Jim Abbott: Does such a thing exist?

I think we're in general agreement that 37% is a number that has traditionally been going to the CBC. So that's an absolute percentage we're talking about.

Does this other thing, which we're saying has traditionally existed, in fact exist? I don't know. I'm asking the question.

The Chair: Just to answer that—and I hope I'm not out of line—I understand that the whole fund right now increases about 7% every year. What they're talking about is a cost of living increase indexed not only on the private side, but also the public side.

Am I correct?

Hon. Hedy Fry: Yes.

Hon. Jim Abbott: I understand that, but my question still stands. If I deduct 37% from 100%, I know what percentage is going to other places, including the not-for-profit, educational broadcasters, and so on and so forth, including the commercial broadcasters, and so on and so forth. So that percentage, the 63%, is distributed from all of them, but I suggest that the amendment presumes that 10%—to pick a number—of that 63% goes to these educational broadcasters. But whether there is a traditional envelope, I don't know that to be a fact.

Mr. Ed Fast: I don't know that there is.

The Chair: Ms. Fry.

Hon. Hedy Fry: In case it is split in two, there will be envelopes for both. We said that we'd like the CBC to continue with the 37% of the total fund. But there has to be an average of what, over the last few years, has been given to the not-for-profit aboriginal, educational, and other public broadcasters. We need to know how much they have been getting. That's why you develop traditional averages. We want to make sure that the traditional average doesn't drop and that it is also indexed. This is what the people who were here said they would like to see.

Hon. Jim Abbott: Pardon the absurd argument for just a second. Let's presume for the sake of argument that during the entire life of the CTF, 2% has gone to the category you're talking about—

Hon. Hedy Fry: I think they gave us an amount.

Hon. Jim Abbott: —and last year, 20%. So the average therefore is 10%. What does that mean? It's totally indefinite, and I don't know that such a thing actually exists.

The Chair: Mr. Coderre.

Hon. Denis Coderre: I think there are two things here. If you remember, when I spoke at the beginning, that's why I was seeking more answers. My thanks to Mr. Gratton and Ms. Creighton and Mr. Cardin. We don't want to play a menu à la carte. We need to protect the 37%, the historical average from the total fund. At the same time, there will be some sacrifice. If you apply what the CRTC recommends, you will have a public envelope and a private envelope. We want to make sure that if we are supporting that 37%, as I am, there's a price to be paid by those educational and other broadcasters. We want to make sure that we protect them also.

I can understand when you talk about the percentage and all that, but I think the purpose of the amendment should be protection for the other broadcasters in the public sector who also want to have a piece. We don't want to lead them for nothing. That's the purpose of the amendment, and that's why we should support it.

The Chair: Mr. Fast.

Mr. Ed Fast: I wanted to speak on another amendment dealing with the issue of indexing and private sector increases. I think you're

going to find this problematic because of the way it's worded. But I'll defer to the discussion we're having right now on the latest amendment.

The Chair: I don't know how long we want to debate or what we're going to debate on this motion. But if Mr. Abbott was wanting to respond, or if we're going to bring another amendment, then I'm going over to Ms. Mourani and then Ms. Fry, and this meeting is going to be over very shortly.

• (1730)

Hon. Hedy Fry: This is a friendly amendment and Madame Mourani has accepted it. So I think we should just vote for the amended motion.

The Chair: The bell's ringing.

[*Translation*]

Mrs. Maria Mourani: Right.

Mr. Chair, if Mr. Fast has an amendment on the private sector, he should make another proposal, another motion, and we will discuss it. At the moment, we are specifically discussing the public sector. That is our topic.

Just now, Ms. Fry said that her amendment was a friendly one, and I agree. I have no problem with that, but I think we should call the question. We debated it a lot last week and we have heard from the Canadian Television Fund. I think that we have looked at the question from all sides, Mr. Chair.

[*English*]

The Chair: Mr. Fast.

Mr. Ed Fast: Mr. Chair, I've been very patient. I've sat back as these different amendments were proposed and discussed. I haven't really participated in that except in a very minor way. That's because I'm waiting to address the whole issue of the wording, “indexed to private sector increases”. That term can be interpreted two different ways, and the last thing you need is a loosey-goosey motion that the minister is being asked to act on. If it takes next Thursday to get this finished, that's fine. But I want to make sure this is done right.

The other thing we haven't done is debate the merits of the motion itself. I have some difficulty with it. We're presupposing that the minister is going to act in a certain manner. We have no idea what her response to CRTC's recommendations is going to be. She has many different options, and this motion presupposes that we're going to go into a two-stream scenario. This assumption may very well be wrong. So I'd hate to go down that road. I think this is premature. But even if it wasn't premature, the motion as it stands right now still has a serious problem because of the wording, “indexed private sector increases”. I want to address this issue before we're finished.

The Chair: Ms. Mourani.

[*Translation*]

Mrs. Maria Mourani: Mr. Chair, I call the question, please.

[*English*]

Hon. Denis Coderre: She can't call the question.

Mr. Ed Fast: We haven't even finished debating the amendment.

The Chair: The person who made the motion has called for a vote, and I'm ready to take the vote.

Mr. Del Mastro.

Mr. Dean Del Mastro: I'd like you to check with the clerk, Mr. Chair, because I believe I have the opportunity to debate this as amended, and I have not been granted that opportunity.

Mr. Ed Fast: We haven't even voted on the last amendment, let alone the main motion.

Mr. Dean Del Mastro: There's no such thing as a friendly amendment.

The Chair: We didn't accept the friendly amendment unanimously, and friendly amendments are usually unanimous. Right

now we will vote on Ms. Fry's amendment. The bells are ringing. We have to debate after that, so we'll vote on Ms. Fry's amendment.

The amendment is that "The envelope of public funding allocated traditionally to the other public, not-for-profit and educational broadcasters must also be maintained and similarly indexed...".

(Amendment agreed to) [See *Minutes of Proceedings*]

• (1735)

The Chair: Ms. Mourani.

[*Translation*]

Mrs. Maria Mourani: I call the question on the motion as amended, Mr. Chair.

[*English*]

Mr. Ed Fast: This is not tyranny.

The Chair: I've been instructed that we have to debate the motion. Right now we have a vote coming up in the House, so there's no time left to debate the motion.

I will adjourn the meeting.

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