



# BULLETIN

Canadian Conference of the Arts ~ Conférence canadienne des arts

## **NEW GOVERNMENT RESPONSE TO "LINCOLN REPORT" HESITANT ON QUESTION OF MAINTAINING FOREIGN OWNERSHIP RESTRICTIONS**

**Ottawa, April 7, 2005** - On Monday, the federal government tabled its response to "Our Cultural Sovereignty: the Second Century of Canadian Broadcasting", known popularly as the "Lincoln Report", in honour of the Chair of the Standing Committee at the time of its original release in June 2003, Liberal MP Clifford Lincoln. The newly released 60-plus page document, whose official title is "Reinforcing Our Cultural Sovereignty - Setting Priorities for the Canadian Broadcasting System - The Government of Canada's Second Response to the Report of the Standing Committee on Canadian Heritage", is definitely longer and more comprehensive than the original thirteen page government response of November 2003. Unfortunately, even though the document tries to address each of the Lincoln report's 97 all-party recommendations in order not to repeat being perceived as tentative and superficial (see CCA Bulletin 37/03, "A Cursory Response"), the Government's second response still lacks specific details on key policy directions and dollar figures in order to achieve expected goals. The full text is available here: [http://www.pch.gc.ca/progs/ac-ca/progs/ri-bpi/pubs/lincoln2005/Reinforcing\\_Our\\_Cultural\\_Sovereignty.pdf](http://www.pch.gc.ca/progs/ac-ca/progs/ri-bpi/pubs/lincoln2005/Reinforcing_Our_Cultural_Sovereignty.pdf)

Calling the Canadian broadcasting system a "powerful tool for reinforcing Canadian cultural identity and sovereignty", the response outlines the Government's action plan in three priority areas: content, governance & accountability, and looking to the future. The overarching goals of this plan are:

- Canadian broadcasting must:
  - o Further Canadian interests by supporting their sense of belonging to Canada;
  - o Encourage the creation of excellent and compelling Canadian content;
  - o Ensure a diversity of voices in Canadian communities.
- Canada's public broadcaster must deliver high-impact content that appeals to Canadians, but does not seek audiences at all costs.
- Canadian content funding must be used by creators to create, not to navigate a complex maze of funding sources.
- Canadians must continue to be served by a world-class digital broadcasting system that reflects Canadian values, ingenuity and creativity.

To achieve these goals, the response highlights specific measures that the Government intends to undertake to reinforce Canada's cultural sovereignty. Some of these key measures are:

- In relation to the Canadian Broadcasting Corporation (CBC), the Government will set aside an envelope for the CBC within the Canadian Television Fund (CTF) based on the historical average contributed by the CTF to CBC projects, and will request that the CBC delivers a strategic plan to the Government for the CBC television services in French and English by September 2005.
- Regarding the Canadian Television Fund (CTF), the Government will work with both Telefilm Canada and the CTF Corporation to investigate the efficiency and impact of the Equity Investment Program for television by April 2006, will assess the efficiency of the Fund, and will bring changes to the governance and administration of the CTF by June 2005.

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## CCA Bulletin — continued

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- The Government will continue to pursue the modernization of Telefilm Canada's legislation.
- The Government will continue to support the existence of the National Film board (NFB) with its current mandate.
- In relation to the Tax Credit System, the Government intends to use its powers as set out in section 7 of the Broadcasting Act to direct the CRTC to ensure that Canadians from communities of various sizes have access to an appropriate level of local and regional news and public affairs programming from a variety of sources.
- The Government will focus the mandate of the Canadian Audio-Visual Certification Office (CAVCO), and task it to conduct Canadian content certification on behalf of federal agencies and programs.
- Regarding the operations of the Canadian Radio-television and Telecommunications Commission (CRTC), the Government will:
  - o Request that it prepare annual reports concerning the steps it has taken to a) continue to provide regulatory certainty through timely decision making; and b) to review its rules and regulations to make them more effective, efficient, and streamlined.
  - o Explore the ability for the CRTC to impose monetary penalties to enforce broadcasting regulation in parallel with its ability to impose such penalties in the field of telecommunications.
  - o Ensure that the CRTC has the appropriate number of commissioners, with the appropriate levels of expertise to be effective in the context of the evolving environment, and that these appointments be made in a timely fashion.
- Concerning Aboriginal Broadcasting, the Department is currently reshaping its Aboriginal programs into a new integrated program framework dealing with Aboriginal languages and cultures.
- To address one of the issues of Access for Persons with Disabilities, the Government expects the CRTC to look at ways to put emphasis on accelerating closed-captioning, especially for French-language programming.

To date, the cultural sector's response to the report has been varied. The Canadian Association of Broadcasters (CAB) expressed that their organization was, "Pleased to see that the concerns of private radio, television and specialty broadcasters were considered and have been reflected in what amounts to a progressive and forward looking action plan for the Canadian broadcasting system." Conversely, the Coalition of Canadian Audio-visual Unions (CCAUI), which represents more than 50,000 workers in Canada's film and television industry, expressed that, "The federal government's response to the Lincoln report falls short by not calling for an overhaul of the CRTC's 1999 Television Policy... the root of the decline of English-language Canadian Drama."

Even though the CBC/Radio-Canada said they were "disappointed that the response did not address the Corporation's (new) local/regional plan to better serve Canadians," according to President and CEO Robert Rabinovitch, the response represented positive news, "In light of the ongoing repositioning efforts of Télévision de Radio-Canada and CBC Television's recently announced drama strategy". Relatedly, the advocacy organization Friends of Canadian Broadcasting produced an interesting draft memorandum to federal cabinet entitled "(Suggested) Framework Policies for the Canadian Broadcasting System", which was presented to Minister Liza Frulla at a March 7th meeting, and is available on their website at [www.friends.ca/files/PDF/MC-Eng.pdf](http://www.friends.ca/files/PDF/MC-Eng.pdf)



One issue of critical importance to CCA and its members, which is essentially still left unresolved despite the release of the new response, is the government's continued lack of leadership on the question of maintaining the current restrictions on foreign ownership in the broadcasting and telecommunications industries. The following two paragraphs are excerpted from page 32 of the response:

***Recommendation 11.5:*** *The Committee recommends that the existing foreign ownership limits for broadcasting and telecommunications be maintained at current levels.*

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

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

CCA National Director Jean Malavoy notes that, "CCA is deeply concerned about a drift towards relaxation, or worse, removals of the limits on foreign ownership in broadcasting based on needs identified in the telecommunications sector by the Department of Industry." The reasoning seems to be that in order to have sustainable competition in telecommunications new entrants must be better capitalized. And because new entrants, in some cases, are also in broadcast distribution, they will also need access to capital to ensure competition in this industry sector. And finally, because some of the same players are also involved in broadcast programming, it is a logical and inevitable consequence that the rules for broadcasting should also be relaxed. CCA does not share this view and we call on the federal government to heed the advice of this critical recommendation from the original 2003 Lincoln report.