

**NOTES FOR A PRESENTATION
ALAIN PINEAU, CCA NATIONAL DIRECTOR
CRTC REVIEW OF COMMERCIAL RADIO POLICY PN 2006-01
18 MAY 2006**

MERCI.

BONJOUR M. LE PRÉSIDENT ET MESDAMES ET MESSIEURS LES COMMISSAIRES. JE M'APPELLE ALAIN PINEAU ET, DEPUIS NOVEMBRE DERNIER, J'AI L'HONNEUR D'ÊTRE LE DIRECTEUR GÉNÉRAL DE LA CONFÉRENCE CANADIENNE DES ARTS.

THE CANADIAN CONFERENCE OF THE ARTS IS AN ORGANIZATION WITH A LONG AND PROUD TRADITION OF SERVICE TO THE COMMUNITY, AND TO A SUCCESSION OF CANADIAN GOVERNMENTS AND PUBLIC AGENCIES. FOR MORE THAN 60 YEARS, THE CCA HAS REPRESENTED THE INTERESTS, AND BEEN THE NATIONAL VOICE, OF CANADA'S ARTS AND CULTURAL COMMUNITIES, FROM NORTH TO SOUTH, EAST TO WEST, ENGLISH AND FRENCH.

ARTISTS, CULTURAL PRODUCERS AND THEIR ASSOCIATIONS, FROM EVERY MEDIUM AND EVERY PART OF THE ARTISTIC CONTINUUM – CREATORS, PRODUCERS, DISTRIBUTORS, EXHIBITORS AND THE HERITAGE INSTITUTIONS – ARE UNDER THE CCA UMBRELLA. MANY ARE INDIVIDUAL CCA MEMBERS, TENS OF THOUSANDS MORE ARE CONNECTED TO US THROUGH PROFESSIONAL CULTURAL ORGANIZATIONS IN EVERY ARTS DISCIPLINE, AND TRADE ASSOCIATIONS IN ALL CULTURAL INDUSTRIES.

IL ME FAIT GRAND PLAISIR DE VOUS PRÉSENTER AUJOURD'HUI LE POINT DE VUE DE LA CCA DANS LE CADRE DE CETTE AUDIENCE DONT L'IMPORTANCE NE FAIT AUCUN DOUTE. IL Y A PLUSIEURS ANNÉES QUE LA CCA N'AVAIT PAS COMPARU DEVANT LE CRTC. QUANT À MOI, MA DERNIÈRE INTERVENTION REMONTE A 1995, QUAND JE PRÉSIDAIS LA DÉLÉGATION DE RADIO-CANADA QUI FAISAIT UNE DEMANDE LICENCE POUR UN SERVICE AUDIO PAYANT. J'AI EN EFFET PASSÉ 34 ANS AU SERVICE DE RADIO-CANADA, LES 9 DERNIÈRES CONSACRÉES AU LANCEMENT ET À LA GESTION DE GALAXIE, LE SERVICE COMMERCIAL DE MUSIQUE CONTINUE DE RADIO-CANADA QUI EST ACTUELLEMENT LE SERVICE DOMINANT DU GENRE AU PAYS. À CE TITRE, J'AI ACQUIS UNE CERTAINE FAMILIARITÉ AVEC LES QUOTAS DE CONTENU CANADIEN, LE DROIT D'AUTEUR ET LA CONTRIBUTION FINANCIÈRE AU DÉVELOPPEMENT DU TALENT MUSICAL DE CHEZ NOUS.

THERE IS NO DOUBT THIS IS A TIME OF SIGNIFICANT TRANSITION FOR CANADIAN RADIO BROADCASTERS AND FOR THE MUSIC INDUSTRY WITH WHICH THEY HAVE A LONG-STANDING SYMBIOTIC RELATIONSHIP. AUDIENCES, PARTICULARLY YOUNGER CANADIANS, ARE INCREASINGLY USING NEW DISTRIBUTION TECHNOLOGIES TO RECEIVE MUSIC, NEWS AND INFORMATION. WEBCASTING, PODCASTING, DOWNLOADING AND ALL THE OTHER BUZZ WORDS ARE HAVING A REAL AND SIGNIFICANT IMPACT ON BOTH SECTORS. WHILE YOUNG PEOPLE ARE AS PASSIONATE ABOUT MUSIC AS EVER, MUSIC SALES IN CANADA HAVE DECLINED DRAMATICALLY IN THE PAST FIVE YEARS. YOUNG AUDIENCES ARE MOVING AWAY FROM RADIO: THERE ARE MANY REASONS FOR THIS, BUT LET'S FACE IT, COMMERCIAL RADIO IS LARGELY RESPONSIBLE FOR THAT REALITY BECAUSE THEIR TRADITIONAL BUSINESS MODEL MAKES ALMOST ALL OF THEM FOCUS ON THE SAME DEMOGRAPHICS, AND THEREFORE THE SAME FORMATS, TO SUIT ADVERTISERS.

OVER THE LIFE OF THE POLICY YOU ARE GOING TO ESTABLISH, RADIO BROADCASTERS WILL INDEED BE FACING INCREASED COMPETITION, FROM STREAMED AUDIO THAT CAN ORIGINATE ANYWHERE IN THE WORLD TO THE RECENTLY LICENSED SATELLITE RADIO SUBSCRIPTION SERVICES.

POURQUOI LA CCA SE PRÉOCCUPE-T-ELLE DE LA SANTÉ DE L'INDUSTRIE DE LA MUSIQUE OU DES FINANCES DE LA RADIO COMMERCIALE? À CAUSE DU CONTENU CULTUREL DONT ELLES SONT RESPONSABLES. LES MUSICIENS, LES COMPOSITEURS, LES INTERPRÈTES ET LES

PRODUCTEURS CONTRIBUENT DE FAÇON SIGNIFICATIVE À LA DÉFINITION DE CE QUE NOUS SOMMES ET DE CE QUE NOUS AVONS À CONTRIBUER À LA COMMUNAUTÉ INTERNATIONALE .

ON A FAIT AMPLE ALLUSION DEPUIS LUNDI AUX SUCCÈS NATIONAUX ET INTERNATIONAUX DE NOTRE MUSIQUE. MAIS IL NE FAUT PAS OUBLIER CE QUI EST À L'ORIGINE MÊME DE CE SUCCÈS: LA RÉGLEMENTATION QUE CE CONSEIL, DANS SA SAGESSE, A MIS EN PLACE IL Y A UN PEU PLUS D'UNE TRENTAINE D'ANNÉES.

WE MUST ENSURE WE CAN BUILD ON THIS SUCCESS AND CONTINUE TO PROVIDE CANADIANS, AND THE WORLD, WITH A RICH DIVERSITY OF CANADIAN MUSIC IN EVERY IMAGINABLE GENRE, AS WELL AS A CANADIAN PERSPECTIVE IN NEWS, SPORTS AND OTHER INFORMATION PROGRAMMING THAT IS LOCAL, REGIONAL AND NATIONAL.

CCA BELIEVES THAT CRTC REGULATIONS ARE THE KEY TO ACHIEVING THIS OUTCOME, BOTH IN THE OLD TECHNOLOGIES AND IN THE NEW. HISTORY SHOWS THAT WHERE WE REGULATE, THE CANADIAN PRESENCE IS MUCH STRONGER THAN WHERE WE DON'T REGULATE – WE NEED ONLY LOOK AT CANADIAN TELEVISION AND MOVIES FOR PROOF. FOR TELEVISION, THERE ARE PUBLIC FUNDING PROGRAMS, *BROADCASTING ACT* PROVISIONS, CRTC RULES AND REGULATIONS. THERE ARE CONTENT RULES AND LICENCE REQUIREMENTS. FOR MOVIES, CANADIAN PUBLIC POLICY IS LIMITED PRIMARILY TO FUNDING, THE SIGNIFICANT MISSING PIECE IS CANADIAN CONTENT RULES IN THEATRES, WHICH HAVE NOT BEEN INTRODUCED FOR A VARIETY OF REASONS. AND WHAT HAS BEEN THE OUTCOME? AFTER 50 YEARS, WE HAVE A GENERALLY EFFECTIVE TELEVISION SYSTEM, AND MANY BELIEVE THAT THE RECENT PROBLEMS CONCERNING ENGLISH-LANGUAGE TELEVISION DRAMA HAVE A LOT TO DO WITH REGULATORY CHANGES THE CRTC MADE IN 1999. IN CINEMA, WE CONTINUE TO STRUGGLE TO ACHIEVE EVEN A 2% MARKETSHARE IN ENGLISH MARKETS. REMEMBER THAT THE TALENT POOL OF THE TWO INDUSTRIES IS MORE OR LESS THE SAME, SO THE PRIMARY DIFFERENCE WE CAN POINT TO IN ANALYZING WHY WE ARE MORE SUCCESSFUL IN ONE OF THESE SECTORS IS THE NATURE OF THE REGULATIONS AND THE CONTROL OF DISTRIBUTION SYSTEMS.

VOUS AUREZ VU DANS NOTRE INTERVENTION UN ACCENT MARQUÉ SUR LA NÉCESSITÉ, NON SEULEMENT DE MAINTENIR LA RÉGLEMENTATION POUR LA RADIO COMMERCIALE , MAIS DE RECONSIDÉRER DANS LES MEILLEURS DÉLAIS L'EXEMPTION DE 1999 CONCERNANT LES NOUVEAUX MÉDIAS. AVEC RESPECT, NOUS NOUS DEMANDONS OÙ EN EST LA RÉVISION DE CETTE DÉCISION, PROMISE POUR 2004? LA CCA CROIT QU'IL EST CRITIQUE D'ASSURER UNE PORTION SUBSTANTIELLE DE CONTENU CANADIEN SUR LES SERVICES DE MUSIQUE OFFERTS PAR ABONNEMENT OU AUTREMENT, SUR INTERNET ET DE REVOIR LA DÉCISION ABERRANTE DE CONTENU CANADIEN SUR LA RADIO SATELLITE.

SO THAT THERE IS NO MISTAKE, CCA BELIEVES INTERNET BROADCASTERS CAN AND SHOULD BE REGULATED TO ENSURE THAT THEY PROVIDE AN APPROPRIATE SUPPLY OF CANADIAN MATERIALS IN THEIR PUBLIC OFFERINGS. OBVIOUSLY, THESE REGULATIONS CANNOT BE CANADIAN CONTENT RULES AS THEY EXIST IN THE TRADITIONAL MEDIA SINCE THE MATERIAL IS NOT SCHEDULED AND BROADCAST IN THE SAME WAY, BUT THE PRESENT SITUATION IS UNTENABLE. WE ALL WANT CANADA'S BROADCASTERS TO TAKE FULL ADVANTAGE OF THE OPPORTUNITIES OF THE INTERNET OR OF DAB, IF IT EVER MATERIALIZES. BUT WHEN THEY DO SO, THEY ARE NO LONGER REGULATED, AND THEY CAN EFFECTIVELY BE IN COMPETITION WITH THEIR OWN, REGULATED, OFFERINGS.

INTERNET SERVICE PROVIDERS SHOULD ALSO BE REGULATED, AS DISTRIBUTION UNDERTAKINGS, WITH APPROPRIATE REQUIREMENTS TO PROVIDE ACCESS TO CANADIAN SITES AND CONTENT, AND TO MAKE A FINANCIAL CONTRIBUTION TO ARMS-LENGTH FUNDING AGENCIES THAT CAN BE USED TO DEVELOP NEW CANADIAN CONTENT FOR THE INTERNET AND OTHER MEDIA .

IN CCA'S VIEW, IF SUCH REGULATIONS ARE NOT INTRODUCED SOON, WE WILL SEE PRECIPITOUS DECLINES IN THE PRODUCTION OF CANADIAN CONTENT MATERIALS OF ALL KINDS, AND OUR CULTURAL INDUSTRIES WILL EITHER BECOME MARGINALIZED OR MERELY BRANCH PLANT PRODUCERS.

AU CAS OÙ NOUS N'AURIONS PAS ÉTÉ SUFFISAMMENT CLAIRS, LA CCA SOUTIEN QUE LES RÈGLES DE CONTENU CANADIEN SONT L'ÉLÉMENT CLÉ DU SYSTÈME RÉGLEMENTAIRE. DANS LE CONTEXTE ACTUEL DE LA RADIO COMMERCIALE, NOUS CROYONS QU'IL EST TOUT À FAIT APPROPRIÉ ET RÉALISTE D'AUGMENTER LE CONTENU CANADIEN POUR LA MUSIQUE DE CATÉGORIE DEUX À 40% OU PLUS, OU MÊME DAVANTAGE SI ON SONGE À INSTAURER UN SYSTÈME INCITATIF, DANS LEQUEL CAS, IL FAUT ÉTABLIR UN PLANCHER D'AU MOINS 35%. DANS LE CAS DE LA MUSIQUE CLASSIQUE, MON EXPÉRIENCE COMME RESPONSABLE DES CINQ CHÂÎNES CLASSIQUE DE GALAXIE ME CONVAINCT DE LA FAISABILITÉ DE PORTER LE CONTENU CANADIEN À AU MOINS 25% ET POUR LE JAZZ, À AU MOINS 20%. DANS TOUS LES CAS, CES PROPORTIONS DEVRAIENT ÊTRE MESURÉES SUR UNE BASE DE TROIS HEURES DE DIFFUSION, DE FAÇON À METTRE DÉFINITIVEMENT FIN AUX TENTATIONS DE GHETTOÏSER LA MUSIQUE CANADIENNE AUX HEURES DE TRÈS FAIBLE ÉCOUTE. ENCORE UNE FOIS, MON EXPÉRIENCE À GALAXIE M'A DÉMONTRÉ DE FAÇON TRÈS CLAIRE QUE LA MUSIQUE CANADIENNE, ET PARTICULIÈREMENT LES NOUVEAUTÉS, NE FONT PAS FUIR L'AUDITOIRE SI LA PROGRAMMATION EST FAITE DE FAÇON COMPÉTENTE.

CÔTÉ FRANCOPHONE, NOUS APPUYONS LES REPRÉSENTATIONS FAITES PAR NOS COLLÈGUES, PRESQUE TOUS MEMBRES DE LA CCA, DE MAINTENIR LA POLITIQUE ACTUELLE DE 65 ET 55 %.

IT IS CLEAR FROM THE PUBLIC RECORD IS THAT CANADA'S COMMERCIAL RADIO SYSTEM IS FINANCIALLY HEALTHY AND THERE IS A GOOD REASON TO EXPECT THAT IT WILL CONTINUE TO BE SO FOR THE NEXT FIVE TO TEN YEARS. RADIO IS A USEFUL VEHICLE FOR ADVERTISERS, BECAUSE THE MEDIUM IS LOCAL, TARGETTED AND EASILY MEASURABLE.

CCA THEREFORE BELIEVES IT IS APPROPRIATE FOR THE CANADIAN TALENT DEVELOPMENT CONTRIBUTIONS MADE BY COMMERCIAL RADIO BROADCASTERS TO INCREASE DRAMATICALLY, TO LEVELS THAT AT LEAST RETURN IT TO THE 1995 BALLPARK. WE HAVE PROPOSED \$10 MILLION, OTHERS HAVE PROPOSED SUBSTANTIALLY MORE. WE ALSO THINK IT IS QUITE APPROPRIATE TO REQUIRE A BENEFITS PACKAGE OF 10% OF THE VALUE OF THE TRANSACTION WHEN OWNERSHIP TRANSFERS TAKE PLACE. AND WE ALSO BELIEVE STRONGLY THAT NEW MEDIA, INTERNET AND SATELLITE RADIO NOTABLY, SHOULD BE ASKED TO CONTRIBUTE SIGNIFICANTLY MORE TO CANADIAN TALENT DEVELOPMENT, THIS CONTRIBUTION BEING INVERSELY PROPORTIONAL TO THE CANADIAN CONTENT THEY OFFER.

LET ME FINISH BY MAKING A FEW COMMENTS ABOUT THE DEBATE THAT SEEMS TO HAVE EMERGED ABOUT HOW THESE CANADIAN TALENT DEVELOPMENT FUNDS SHOULD BE DISBURSED. CCA BELIEVES THAT FACTOR/MUSICACTION SHOULD CONTINUE TO PLAY A LEAD ROLE IN THE SYSTEM. THEY PRESENTLY OPERATE ABOUT 20 DIFFERENT PROGRAMS ACROSS A BROAD SPECTRUM. THERE MAY BE A ROLE FOR THE MORE TARGETTED PROGRAM OFFERED BY THE RADIO STARMAKER FUND/ FONDS RADIOSTAR, WHICH ASSISTS ARTISTS WHO HAVE ALREADY ACHIEVED A CERTAIN LEVEL OF SUCCESS. THERE MAY ALSO BE A ROLE FOR THE PROVINCIAL MUSIC INDUSTRY ASSOCIATIONS, WHO HAVE A BETTER HANDLE ON LOCAL NEEDS THAN ANYONE ELSE. BUT THERE MUST CONTINUE TO BE A PLACE FOR FACTOR/MUSICACTION, AN ARMS-LENGTH AGENCY THAT RECEIVES PUBLIC FUNDS AND THUS ADHERES TO STRICT OPERATING AND ACCOUNTABILITY STANDARDS.

I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE MR. CHAIRMAN. THANK YOU.