



Monday March 15, 2007

Hon. Beverley J. Oda
Minister of Canadian Heritage
House of Commons
Ottawa, Ontario
K1A 0A6

By email and mail

Dear Minister,

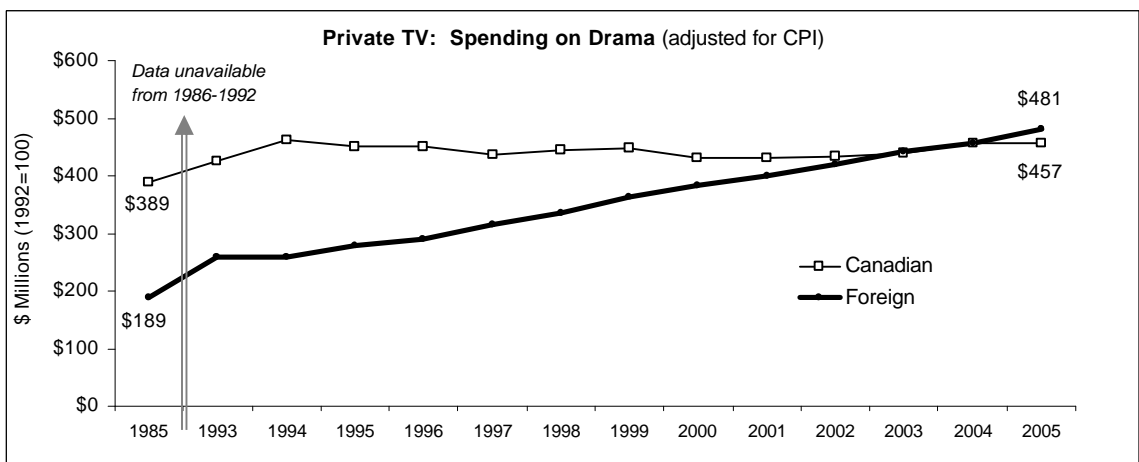
On March 5, 2007 I wrote to you to express serious concerns about the March 1, 2007 announcement by the CRTC that it would hold a public hearing beginning April 30, 2007, with respect to the proposed purchase by CTVglobemedia Inc. of broadcasting stations and services now controlled by CHUM Limited. We were particularly concerned that proceeding with this transaction in the absence of a policy hearing to determine the best way of structuring ownership in our broadcasting system would not ensure that Parliament's objectives for our broadcasting system are met to the greatest degree possible.

Since then, the CRTC announced on March 13 that it "will launch a proceeding to review issues relating to the Broadcasting Act's objective of ensuring that the broadcasting system provides Canadians with a diversity of voices." We certainly appreciate the fact that the CRTC has now recognized that concentration of ownership in our communications industry "raises important questions relating to the diversity of voices in Canada", and that rather than lumping them in a fast-track hearing on specific concentration of ownership issues, "[h]olding a public hearing in the fall will allow us to give these issues the thorough and in-depth study they deserve".

We do not believe however that the CRTC's "voices" hearing addresses the serious concerns we raised with you in our letter. Specifically, holding a hearing to consider how our broadcasting system ensures diversity of views in the broadcasting system after the CRTC has already heard applications involving Canada's largest broadcasters – CTV with respect to CHUM, CanWest with respect to Alliance Atlantis, Astral with respect to Standard and others such as Rogers, with respect to the A-Channel TV stations that CTV does not wish to buy – misses the key issue that prompted our letter to you in the first place.

The issue that we believe must be addressed is not how to ensure that Canadians have access to diversity of views and information from our broadcasting system after diversity of ownership has been reduced to a small oligopoly of often vertically integrated companies, but how to determine the ownership structures that will achieve Parliament's objectives for our broadcasting system, and in particular, high levels of high-quality Canadian programming.

We have repeatedly expressed our concern to the CRTC that despite ever-growing levels of concentrated ownership in television, private broadcasters' spending on Canadian content has continued to fall relative to their revenues. Because home-produced drama rooted in Canadian realities is one very important expression of a distinctive Canadian culture, we usually refer to this genre to illustrate the apparent failure of past policies. Thus, in 1994, Canada's private, over-the-air television broadcasters allocated 31.5% of their total revenues to Canadian content – in 2005, the latest year for which CRTC data are available, this amount had fallen to 25.9%. Contrary to the promises and commitments we have heard for years, although concentration of ownership has now reached the point where four companies obtain more than \$4 of every \$5 earned in private TV, these ever-larger companies' spending on Canadian television drama has actually declined over time – from a high of \$462 million (in real terms), to \$457 in 2005. Meanwhile, spending on foreign drama has grown steadily for more than a decade:



Source: CRTC, *Television Statistical and Financial Summaries* (various years), Statistics Canada CPI historical series

We simply do not see how the increasing concentration of ownership in private television has benefited Canadians' ability to have access to more and higher-quality Canadian drama, a promise repeatedly made at each CRTC hearing over the past 20 years or so. Yet as we believe Canadians are entitled to know how concentrated ownership benefits the hundreds of thousands of people employed cultural sector, we still think the CRTC offers the best mechanism for a calm, considered and realistically scheduled review of this important subject.

As we mentioned in our previous letter, we value the CRTC's expressed desire for open, transparent and accountable decision-making. Public participation optimizes the information, analysis and diversity of views available to tribunals such as the CRTC and the institution has a long history of such public consultations which have helped it set the course for Canadian Broadcasting for nearly forty years.

That said, we do not believe that the CRTC's current intention of holding a public hearing to consider a \$1.4 billion ownership transaction precisely 60 days after the hearing is announced either addresses our concern that Canadians require a policy on media ownership, or the concern that intervenors lack the time necessary to research, review and participate effectively in the CRTC's proceeding. We note that the CRTC has granted intervenors more time in other proceedings, such as the December 2006 report the CRTC filed on the impact of changing technology on our broadcasting system.

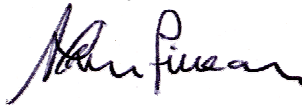
I would like to mention that, in keeping with our mandate to foster well-informed debates on cultural policy issues, we have not simply been waiting for the CRTC to announce hearings with respect to ownership or ownership transactions. The CCA has been seeking actively to begin research in this area since last September, when we began to try to obtain from the CRTC the general quantitative information we believe is necessary to understand the effects of concentrated ownership. Unfortunately, our efforts have so far not met with success, due to the CRTC's decision to protect the aggregated income and program expenditure data it received from private broadcasters over the last decade from any public review, a decision we have decided to bring to the attention of the Information Commissioner.

The CCA values your government's commitment to openness and transparency, as we value the CRTC's efforts to maximize public participation in its public proceedings. We remain concerned about the timing and time restrictions imposed by Public Notice 2007-3 on clear-headed discussions of the possible impacts on the cultural objectives of the *Broadcasting Act* of the current line up of mega-mergers.

We are therefore again asking you to request the CRTC to postpone its hearing on the CTVglobemedia acquisition of CHUM assets and to hold first a separate oral public hearing on ownership in Canadian broadcasting.

We thank you in advance for your attention in this matter.

Yours truly,



Alain Pineau
National Director

Cc. Mr. Konrad von Finckenstein, Chair of the CRTC
Members of the House of Commons Standing Committee on Heritage