

For immediate release

No Evidence on the Public Record to Justify a Complete overhaul of CRTC Regulations , says DGC

Toronto, April 18, 2008 - The Directors Guild of Canada (DGC) appeared today at the Canadian Radio-television and Telecommunications Commission's (CRTC) hearing to review the regulatory frameworks for broadcast distribution undertakings (BDU's) and the specialty and pay TV services (discretionary services).

DGC called on the Commission to preserve key elements of the existing regulatory regime for BDUs and discretionary services since there is no evidence on the public record to suggest that a major overhaul of the rules is necessary. To that end, the DGC maintained that the access and genre protection rules must remain in place. They also urged the Commission to increase the support for original Canadian dramatic programming by the licensees under review.

"Clearly, the current regulatory regime is working well with BDUs and specialty services reporting profit margins of over 20%," said DGC President, Alan Goluboff. "Dismantling any of the key components of the regime would threaten the integrity and diversity of the broadcast system," cautioned Goluboff in his last appearance before the Commission as DGC President.

DGC also drew attention at the hearing to the lack of a quid pro quo from the BDUs who are seeking the elimination of access and genre protection rules for Canadian discretionary services, as well as access to new sources of revenues, such as advertising on VOD and local avails. "Despite leading the charge for these changes, the BDUs have not proposed to increase their contribution to the system in exchange for such profitable regulatory – or deregulatory measures," said Brian Anthony, DGC National Executive Director and CEO. "We urge the Commission not to allow the pendulum of deregulation to swing too far in favour of the BDUs. This in all likelihood will result in a diminished broadcasting system for Canada," added Anthony.

The DGC also expressed deep concern with the presentation made by CTVgm and Canwest yesterday. These broadcasters are seeking a fee-for-carriage for OTA signals, but are not proposing to direct any of the new revenue generated from that fee to original Canadian drama. "CTVgm and Canwest have essentially asked the Commission to amend the regulations to allow them to increase their combined annual revenues by \$150 million. Yet, they are not prepared to dedicate a single dime of that money to original Canadian drama. This is completely unacceptable and highly self-serving," said Monique Lafontaine, DGC Director of Regulatory Affairs and General Counsel. "Canadian drama is the type of content that is most in need of support yet the OTA broadcasters refuse to support it," added Lafontaine.

About the Directors Guild of Canada

The Directors Guild of Canada (DGC) is a national labour organization that represents over 3,800 key creative and logistical personnel in the film and television industry covering all areas of direction, design, production and editing. The DGC negotiates and administers collective agreements and lobbies extensively on issues of concern for members including Canadian content conditions, CRTC regulations and ensuring that funding is maintained for Canadian film and television programming.

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