

ORAL PRESENTATION

**TO THE
CANADIAN RADIO-TELEVISION AND
TELECOMMUNICATIONS COMMISSION**

SEPTEMBER 20, 2007

**PUBLIC HEARING
RELATING TO DIVERSITY OF VOICES**

ALAN GOLUBOFF

Mr. Chair, Members of the Commission and Staff,

My name is Alan Goluboff and I am the President of the Directors Guild of Canada. With me today is Tim Southam, a leading Canadian director and a member of the DGC. Tim has won many awards for his work, and his shows have garnered exceptional ratings on Canadian television networks. Our colleague, Monique Lafontaine, was planning to be here but has taken ill and sends her regrets. That said, Tim and I are very pleased to be here today to provide you with our comments.

In your opening remarks on Monday, you indicated that there were three areas of interest for you at this hearing. We are here today to speak to you about the second one, namely the diversity of programming choices. And within that framework, we will focus our attention on the decline in the amount of original scripted Canadian drama on our airwaves and the ongoing diminution of that key voice if measures are not taken to stem the decline.

TIM SOUTHAM

As a relative newcomer to your proceedings, I was surprised to find that the word “voice” has not been defined in a proceeding about “diversity of voices”. And I am told that it does not appear in the *Broadcasting Act* either. So I offer you the perspective of a Canadian director.

Drama is a voice. A diversity of dramatic productions is a diversity of voices. Canadian drama is a particular voice. High end Canadian drama is a particularly powerful voice that reflects Canadians to themselves. A reduction or elimination in the quality and/or quantity of Canadian dramatic productions equates to a reduction in the number of voices in our system.

At the last CTV licence renewal hearings, Trina McQueen noted that

“[M]ost of the viewing to television is in the dramatic genre. That is what people love to see on television...in general folks love a good love story, they love an imaginary story and that is what they want from television.”

If there are no Canadian dramatic voices to be heard on conventional TV, the gap will be, and has traditionally been, filled by American dramatic productions or less expensive genres of Canadian programming.

Yet Canadian broadcasters are reluctant to commission Canadian drama. Why is that? When I put myself in the shoes of a broadcaster, I realize right away that the core issue is not demand, but cost. With an hour-long TV magazine costing about \$25,000 and the license fee for an hour of Canadian drama costing more like \$150,000, would I as a national broadcaster voluntarily spend 600% more on a drama than I am spending on a magazine show to achieve even a 20% hike in ratings? Business logic says no. From a Canadian broadcaster's perspective, the economies of airing American drama are also much more favourable.

We believe that regulations should only be imposed when necessary, that is to correct a market anomaly. We also believe that this is such a situation. One regulation which would go a long way to preserving a major Canadian voice is one that imposes a minimum broadcaster expenditure on Canadian drama across both specialty and conventional television licences.

Lest we be accused of micro-management, we feel it is crucial to emphasize that the word "drama" captures a multitude of programming options. Not only is drama as diverse as the stories it tells and the themes and

cultures it explores, but the term also captures a wide range of discreet products, including one hour and half-hour dramatic series, one-hour and half-hour comedy series, television movies, dramatic miniseries, feature films, and internet programs. All these products can be deployed according to the best judgment of the broadcasters.

By its very nature drama also moves with the times, constantly updating itself to reflect the prevailing strands of our complex society. We are not arguing for a set of products on the verge of obsolescence. We are arguing for a Canadian version of the most popular entertainment format of all time, increasingly absent from our airwaves simply for reasons of economies of scale.

Ours is a community of talent on the verge of disappearing even though our primary product, drama, is at an all time high in popularity worldwide. We are asking that the same managed approach which has secured a broadcast sector in our small country against all market logic, also redress anomalies which are leading to the disappearance of a major collection of voices in our country despite clearly demonstrated viewer demand.

ALAN GOLUBOFF

Now that the incentive plan for Canadian drama is essentially dead as noted in the Dunbar-Leblanc Report, we think the Commission can safely conclude that you just cannot overcome the economic disincentives to the production of Canadian drama with “incentives”. They do not work. We need the Commission to state simply and clearly that broadcasters have an obligation both to fund and to air a certain amount of this targeted type of programming.

We understand that it has taken so long to get to this point that *conventional* broadcasters will now plead poverty. In the last round of licence renewals, you will recall that they argued that incentives were the way to go and that the Commission just needed to “trust them”. The results of the last 7 years speak for themselves.

We think the answer lies in the part of the Dunbar-Leblanc Report which recommends harmonizing across different types of television. We plan to bring a proposal to the Commission on October 9, 2007 when we file in the first round of comments relating to the BDU/specialty/pay hearing. While details are still being finalized, we can tell you that we are looking at expanding the

notion of a “station group” to embrace a company’s other holdings and not only its conventional stations.

But the critical concept is that more money, and we mean new money, is required in fewer targeted areas. The Canadian drama sector is in deep trouble. It needs the Commission to utilize its full toolkit of regulatory measures. It needs exhibition and expenditure conditions. It needs benefits packages that are truly incremental. It needs a CTF dedicated to 10 point drama and only to 10 point drama. And it should certainly include public disclosure of broadcasters’ expenditures on Canadian programming, especially Category 7 programming as occurred at the last round of licence renewals in 2001. DGC will be making more fulsome submissions on this subject on October 5, 2007.

While we realize that you will be dealing more specifically with this issue in forthcoming hearings, there are several points of intersection with this “Diversity of Voices” proceeding given its emphasis on ownership. First, transfer benefits on ownership changes have been all that kept the drama creation industry alive in Canada over the last licence term while broadcasters were reducing dramatically their year over year spending on it. Second, in

theory, consolidation should actually help in the creation of more drama, as it allows the creation of larger Canadian broadcasting entities. In theory, with larger and more diverse platforms, these larger broadcasters should be more capable both of exhibiting and of financing Canadian drama. Regrettably, unless required as a condition of consolidation, it has been proven that this will not happen, of course. And eventually the transfer benefits monies run out.

To be clear, DGC is not opposed to consolidation. For purposes of financing Canadian drama, it is preferable to have larger pools of capital even if it results in fewer doors to knock on for that elusive “green light”. But consolidation has to come with the requirement to fund and exhibit more Canadian drama.

In summary, this is a hearing about diversity of voices. We urge the Commission not to lose sight of Canadian drama as a voice. While that voice is growing weaker and fainter every year, it is still capable of being resurrected if there is a willingness on your part to believe in the sector. Otherwise, Canadian audiences will lose this voice and the talented Canadian craftspeople capable of making these productions will move on and cede the

last remaining shelf space in this genre of programming to their American counterparts.

We thank you for your attention and would be pleased to respond to your questions.