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**For immediate release**

**Don't relax the rules for BDU's, Pay & Specialty Services warns Directors Guild of Canada**

*Toronto, October 19, 2007* - The Directors Guild of Canada (DGC), independently and as part of the Coalition of Canadian Audio-visual Unions (CCA), filed submissions today with the Canadian Radio-television and Telecommunications Commission (CRTC) regarding the Commission's review of the regulatory frameworks for broadcast distribution undertakings (BDU's) and the speciality and pay TV services.

"The current regulatory framework has been highly successful in maintaining the goals of the *Broadcasting Act*. It works well as it is and dismantling any key component of it would threaten the integrity and diversity of the broadcast system," says DGC President, Alan Goluboff. "We're strongly advocating preserving the existing mechanisms for the undertakings under review and improving support for Canadian programming overall," he adds.

In its submission, the DGC urges the CRTC to maintain broadcaster expenditure requirements for the pay and specialty services. These measures have ensured the creation of a wide range of high quality Canadian programming over the past 25 years. "Evidence clearly shows that if left to market forces, broadcasters would not license and commission higher cost Canadian programming. Expenditure requirements have thus far, served the system and Canadians well. The CRTC must maintain these rules," says Monique Lafontaine, DGC General Counsel and Director of Regulatory Affairs.

Because of robust broadcaster profits, the DGC also proposes disallowing specialty and pay TV licensees to use Canadian Television Fund (CTF) license top-up fees to reach their Canadian programming expenditure requirement. In the last two years alone this rule has allowed \$55.1 million to leave the system. This practice not only represents a significant loss to the creation of original Canadian programming but is an unnecessary crutch for the already successful broadcasters.

Raising the required BDU contributions for Canadian programming from 5 to 6 per cent and apportioning some of that increase towards new media is also recommended by the Guild. "These contributions are essential for ensuring the presence of high quality, original Canadian drama on TV," says Lafontaine. "The cable operators are making money hand over fist and are more than able to increase their contribution at this time," she says.

The DGC will participate in the CRTC public hearings beginning February 4, 2008 in Ottawa.

**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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