

**INVESTIGATION OF THE ROLE  
OF A PUBLIC BROADCASTER  
IN THE 21<sup>ST</sup> CENTURY**

**PRESENTATION  
TO THE STANDING COMMITTEE ON CANADIAN HERITAGE  
OF THE HOUSE OF COMMONS  
BY THE NATIONAL FILM BOARD  
MAY 1, 2007**

Good day, Mr. Chairman and members of the Committee.

My name is Claude Joli-Cœur and I am acting Government Film Commissioner and Chairman of the National Film Board of Canada (NFB). Today I am accompanied by Deborah Drisdell, Director of Strategic Planning and Government Relations at the Film Board.

We are pleased to be here today to discuss the important role of the CBC in the Canadian cultural landscape and its important contribution to the overall public policy objectives of the Canadian government.

**THE AUDIOVISUAL ENVIRONMENT OF THE 21<sup>ST</sup> CENTURY**

The transformation from analog to digital formats is the basic technological change that is transforming the audiovisual sector. This transformation is affecting the creation, development, production, distribution, exhibition and the nature of social engagement across all audio-visual media, including broadcasting.

The new digital technologies allow consumers themselves to generate and exchange audiovisual material with peers through interactive distribution channels that do not occupy scarce broadcasting frequencies. As a result,

the transition to digital formats is creating new exhibition platforms that are continually reshaping the traditional audiovisual environment and fragmenting audiences. It is also increasing the mobility of audiovisual content so that Canadians can access this content anywhere, anytime.

The digital revolution, including the rise of the Internet, has permitted the decentralization of production and distribution so that “hits” and less successful entertainment products and services can exist side by side. Indeed, a flourishing retail business has arisen that focuses exclusively or predominantly on the “long tail” of specialized or niche product offerings.<sup>1</sup> The National Film Board of Canada (NFB) and other niche suppliers are now offering a spectrum of audiovisual products and services destined for a multitude of mobile devices, such as iPods and video cellular telephones, as well as for other new digital platforms.

The universality of media activity has been accompanied by the entry of large corporations such as Bell Canada, Telus and Quebecor into new and traditional media, opening the door to innovative forms of partnership with non-traditional partners, including the NFB. At the same time, the universal nature of digital media is inducing changes in industrial organization by encouraging horizontal integration, vertical integration and cross-media ownership designed to capture economies of scale and of scope.<sup>2</sup>

This raises several public policy issues. We are involved in a digital world where the buzz is all about social networking and on line video; the large media sites revolve around social networking and video presentations. Globally, 100 millions consumers are watching videos on line every day.

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<sup>1</sup> The “long tail” refers to the distribution of the demand for each of the many variants of an entertainment product or service in a given market if each observation is represented in a graph with volume on the vertical axis. A demand curve of this type approximates a power law distribution (a sloping curve that is concave downward) with a long tail to the right. See Chris Anderson, “The Long Tail”, *Wired*. October 2004.

<sup>2</sup> In *Diversity of Voices Proceeding*, Broadcasting Notice of Public Hearing CRTC 2007-5, 13 April 2007, the CRTC announced a public hearing in September 2007 to review its approach to ownership consolidation in the Canadian broadcasting industry.

What they are watching is significantly American, we talk of a borderless universe; but it is not quite the case. Virtual realms do not mean realms without context. If MySpace or YouTube allow anyone to upload, to partake in it is within a particular kind of context, driven by certain sets of values and conditions. And of course commercial interests are quickly figuring out ways to appropriate these sites.

This is not to deny the necessity, importance, and vitality of those efforts; it is to say that it cannot do what the public space can do and must do.

We have a duty to Canadians to provide a space for public discourse, for a social networking based on public values. We need to do it in ways that leverage the particular expertise of our various public sector institutions such as the CBC and the NFB. The private sector cannot and will not take on this role.

## **PUBLIC POLICY INTERVENTIONS**

These changes lead to increased pressure on traditional broadcast undertakings to adapt their businesses and to be more aggressive in reaching, and retaining, audiences.

These transformations have also, to some extent, given rise to questions about the role of the government in our industry, such as the mandate of our regulatory body, the Canadian Radio-Television Commission (CRTC), and contribution programs to the Canadian Television Fund (CTF), to name a few.

For this reason, we believe that any review of the agencies and Crown corporations active in the audiovisual sector must be undertaken within a larger view of the overall public policy interventions of the Government in the audiovisual sector.

We at the NFB are preoccupied with this changing environment that offers numerous opportunities, but also some risk. We strongly believe that the presence of Canadian voices, including public service oriented voices in both the new and traditional media, is central to maintaining Canadian diversity, individuality and identity. For this reason, the safeguard, enrichment and strengthening of national public institutions that supply, distribute and broadcast high-quality information and entertainment, such as the NFB and the national public broadcaster, the Canadian Broadcasting Corporation (CBC), is essential for Canada.<sup>3</sup>

### **MANDATE OF THE CBC**

The expression “public broadcasting” covers a wide variety of activities undertaken by a range of different types of organization. Whereas private sector broadcasting is solely concerned with delivering audiences to commercial advertisers, public sector broadcasting is characterized by a degree of distinctiveness and a notion of broadcasting “as a public service.”<sup>4</sup>

As the members of the Heritage Committee are aware, the main elements of the CBC’s mandate are found in two subsections of the *Broadcasting Act*. Section 3.(1)(l) says that “the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.” Although section 3.(1)(m) specifies eight requirements for the CBC’s programming, the overall mandate of the Corporation provided in the *Broadcasting Act* remains very general in nature.

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<sup>3</sup> In what follows, the expression “the CBC”, refers to both the English- and French-language services of the Corporation.

<sup>4</sup> See, for example, McKinsey & Company, *Public Sector Broadcasters around the World*, Study commissioned by the BBC, 1999, and *A public service for all: the BBC in the digital age*. White Paper presented to Parliament by the U.K. Secretary of State for Culture, Media and Sport, March 2006.

As mentioned earlier, current changes in the marketplace lead to increased pressure on traditional broadcast undertakings to adapt their businesses and to be more aggressive in reaching, and retaining, audiences. This in turn creates additional tension between CBC's public broadcaster objectives and its need to remain competitive in an increasingly fragmented commercial industry.

We believe that CBC's mandate should focus on its public broadcaster objectives and ensure that its programming is distinctively Canadian and representative of Canadians' cultural and regional diversity.

The NFB would certainly like to see more Canadian documentaries and animated films on Radio-Canada's channels. But this is more a question of interpreting the current mandate than redefining it.

## **THE NATIONAL FILM BOARD**

Whereas the CBC is essentially a broadcaster, The National Film Board has a different mandate, unique in Canada and even dare I say the world. According to section 9 of the *National Film Act*, "the Board is established to initiate and promote the production and distribution of films in the national interest." Our primary mandate is production "to produce and distribute and to promote the production and distribution of films designed to interpret Canada to Canadians and to other nations" by giving authentic Canadian expression to Canadian values and perspectives. We encourage creation within underserved communities, giving voices to those who are often silenced. And we ensure that Canadians have access to our films, through active distribution in all media – theatrical, non-theatrical, the educational sector, consumer retail and within the broadcast system.

There is no specific reference to broadcasting in the *National Film Act*. The *National Film Act* does say that one of the purposes of the NFB is "to engage in

research in film activity and to make available the results thereof to persons engaged in the production of films.” To this end, the NFB seeks to encourage innovation and experimentation in broadcast media, new media and alternative fiction, including animation.

The NFB is a public institution that produces and distributes films of national interest. These works are high-quality, distinctive and diverse. They present an authentically Canadian point of view both to this country and to the world. During the 2006-2007 fiscal year, the NFB completed 108 original films, of which 60 were productions and 48 co-productions. The vast majority of these were documentaries or animations.

From the start, the NFB has distinguished itself by its commitment to excellence and innovation. Its strength is its ability to marry technical innovation and artistic creativity. The NFB is a living, interactive laboratory uniting creators and Canadian and international partners to find new ways of reaching out to Canadians. New technologies will allow us to reach our audience directly and ensure that NFB programming is available to all Canadians.

The NFB enjoys strategic partnerships with a number of broadcasters, both at home and abroad. Our collaborations with the NHK, France Télévision, ARTE and the BBC have resulted in the production on many prestigious projects. In Canada, numerous NFB productions and co-productions have been produced with the collaboration of Canadian private broadcasters: CTV, Global, TV Ontario, Télé-Québec and Discovery Channel, to name a few.

Although Parliament has given very different mandates to the NFB and to the CBC, the two agencies share certain structural characteristics. Both the NFB and the CBC are the creation of distinct acts of legislation, the *National Film Act* and the *Broadcasting Act* respectively, which set out their mandate, mode of governance, and the framework of rules to govern their activities. Both

institutions operate at arms' length from government and report to the Minister of Canadian Heritage. Both receive Parliamentary appropriations from the Government of Canada, on an annual basis, to fulfil their respective mandates.

## **INTERFACE BETWEEN THE CBC AND THE NFB**

In light of their differing, but complementary, mandates, the NFB as producer and the CBC as broadcaster have undertaken a number of projects and activities together. These include:

- Pre-sales and sales to the CBC of NFB productions and co-productions with independent producers for broadcast on one of the Corporation's conventional networks or on one of its specialty services, such as Newsworld or RDI;
- Common ownership by the NFB and the CBC of the Canadian Documentary Channel;<sup>5</sup>
- NFB training programs for minority groups that give rise to a CBC broadcast; and
- Competitions conducted jointly by the NFB and the CBC for young filmmakers or francophones living outside of Quebec.
- Participation in the second year of a pilot project for feature-length documentary films, with the CBC, Telefilm and Rogers.

The NFB is a leader in the development of training and mentorship programs. For example, Reel Diversity is a national competition for emerging filmmakers of colour and Doc Shop and Momentum are documentary training programs that target emerging filmmakers in communications and film studies at Quebec and Ontario colleges and universities. These projects benefit from a broadcast collaboration on CBC and CBC Newsworld.

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<sup>5</sup> The NFB owns 14% of the Canadian Documentary Channel, a Category 1 digital specialty television service. The CBC owns 29% and its application to acquire the 53% partnership interest of YTV (increasing the CBC's interest to 82%) was examined at the CRTC's public hearing of March 26, 2007. A decision is pending.

The NFB, Radio-Canada and Telefilm Canada have also created a competition as part of the interdepartmental partnership with the official language communities (IPOLC) of Canadian Heritage.<sup>6</sup> The aim of this is to offer auteur filmmakers, directors and producers working in French outside Quebec the chance to develop their filmmaking skills. The aim is also to expand the pool of French-speaking professionals and artists outside Quebec.

These examples prove the extent and diversity of collaboration between the NFB and Radio-Canada as given in their respective public mandates. They detail the nature of the collaboration between the NFB and Radio-Canada in view of your current objective, which is to examine the role of a public broadcaster in the 21st century.

### **ENSURING APPROPRIATE FINANCING FOR RADIO-CANADA**

It's sometimes said that Radio-Canada's radio service fulfills the role of public broadcaster more closely than does its TV service, especially in English. If this is so, it's because the radio isn't influenced by advertising sales as TV can be. It's not true, however, of Radio-Canada's television service, which has to sell advertising to make up the shortfall in public financing. According to a recent study prepared for Radio-Canada and handed to the Standing Committee on Canadian Heritage by the Corporation, between 1996 and 2004 government funding for culture, other than that awarded to broadcasters, increased by 39%, while direct and indirect support for Radio-Canada decreased by 9%.<sup>7</sup>

We understand their situation. During 1994-95 to 2006-07, the NFB saw a 40.7% drop in the amount of parliamentary allowances.

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<sup>6</sup> In what follows, "Radio-Canada" refers to the Corporation's French and English language services.

<sup>7</sup> See Groupe Nordicité ltée, *Analyse du soutien public accordé à la radiodiffusion publique et aux autres instruments culturels au Canada*. June 2006.

In order to emphasize public service, there's no doubt that Radio-Canada must obtain adequate and stable public financing over several years. This would allow it to reduce or eliminate its dependence on advertising revenue. In an uncertain world of staggering technological evolution, multiyear financing would allow it to keep its programming closer to its mandate as public broadcaster.

## CONCLUSION

The universal nature of digital media favours the globalization of film production and distribution, and makes films more accessible to Canadians. Since there's no overall national strategy, Canada risks being outstripped by other countries, especially the United States and Great Britain, in the race to establish a national presence in the new audiovisual environment.

In this context it's important for all the portfolio's public institutions to work together to ensure that Canadians have a say in present and future media. Canadians must have access to high-quality productions that reflect their concerns, wherever they like and on the medium of their choice.

The presence of Canadian voices, including those in public service, is essential to maintain Canadian individuality and identity in this new context.

We believe that Radio-Canada's mandate should concentrate more on public broadcasting. However, we share their view that Radio-Canada's financing is inadequate to meet the challenges of national and regional expression during the transition to digital, digitization of archives, and conversion to high-definition production. Radio-Canada might benefit from greater clarity in the definition of its mandate, notably in section 3 of the *Broadcasting Act*. This could stress more the non-commercial public service aspects of the mandate. But this sort of revision would require Radio-Canada to reduce its dependence on commercial finance sources.

We thank you for your invitation and we will be pleased to answer your questions.

## Annex

### **Examples of Collaboration between the National Film Board (NFB) and the Canadian Broadcasting Corporation (CBC)**

#### *Pre-sales and Sales*

The NFB has pre-sold regional films to the CBC such as *Citizen Sam* (British Columbia), *Radiant City* (North-West Territories), *Minor Keys* (Alberta), *Unspeakable* (Manitoba), *Race is a Four-Letter Word* (Nova Scotia), *Reema : Allers-retours* (Acadie) and *L'extrême frontière : l'œuvre poétique de Gérald Leblanc* (Acadie), as well as films such as *The Last Round: Chuvalo vs. Ali*, *Discordia*, *Up the Yangtze* and *Zéro tolérance*. Because these projects were pre-sold prior to their production, they required a greater degree of collaboration with the CBC during production, and secured larger licence fees, than do the sales of most completed NFB films.

Sales to the CBC of completed NFB productions and co-productions with the private sector include such titles as the Academy Award-winning *Ryan*, *Bombay Calling*, *Raised to be Heroes*, *They Chose China*, *Trudeau's Other Children*, *Ludovic : un crocodile dans mon jardin*, *Mon fils sera arménien*, *Policières : en mission de paix* and *Tintamarre : la piste Acadie en Amérique*.

#### *Training Initiatives*

The NFB is a leader in the development of training and mentorships programs. For example, Reel Diversity is a national competition for emerging filmmakers of colour and Doc Shop and Momentum are documentary training programs that target emerging filmmakers in communications and film studies at Quebec and Ontario colleges and universities. These projects benefit from a broadcast collaboration on CBC and CBC Newsworld. A selection of short films produced in the course of these initiatives is aired on CBC local news or on Newsworld. *First Stories* allows Aboriginal filmmakers from across Alberta and the North West

Territories to participate in intensive workshops in Calgary and Edmonton. A selection of projects from the participants is then developed into short documentaries for eventual broadcast on CBC television.

The *Weight of the World Challenge* was created to address the problem of obesity among Canadian children. The Challenge starts with viewing the *Weight of the World* film, an NFB/CBC *The Nature of Things* co-production that is available through a dedicated web site, and uses related educational support materials also available on the site to encourage discussion and awareness among children of the problem. In past phases of the project, the NFB and the CBC have partnered with the Heart and Stroke Foundation of Canada, the Canadian Association for Health, Physical Education, Recreation and Dance, Jewish Family Services and the Foundation of Greater Montreal.

The NFB, Radio-Canada and Telefilm Canada have also created a competition as part of the interdepartmental partnership with the official language communities (IPOLC) of Canadian Heritage.<sup>8</sup> The aim is to offer auteur filmmakers, directors and producers working in French outside Quebec the chance to develop their filmmaking skills by making four dramatic short films. The aim is also to expand the pool of French speaking professionals and artists outside Quebec.

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<sup>8</sup> In what follows, "Radio-Canada" refers to the Corporation's French and English language services.