



Broadcasting Public Notice CRTC 2007-70

Ottawa, 29 June 2007

Call for comments on the Canadian Television Fund (CTF) Task Force Report

In this public notice, the Commission requests comments on the Task Force Report on the Canadian Television Fund and its recommendations, as well as on its Proposed Implementation Schedule.

Introduction

1. On 20 February 2007, the Commission established the CRTC Task Force on the Canadian Television Fund (the Task Force) to investigate issues related to the funding of Canadian programming and the governance of the Canadian Television Fund (CTF).
2. Following extensive consultations with all sectors of the television broadcasting industry, the Task Force has prepared a report for the CRTC which the Commission has today placed on its Web site. In its report, the Task Force has made a number of recommendations to increase the efficiency and effectiveness of the CTF, to encourage greater participation by broadcasting distribution undertaking (BDU) representatives, and to clarify the roles of the Board and the CTF staff.
3. In its findings and conclusions, the Task Force affirms the important role played by the CTF and the independent production sector in producing quality Canadian television programs. However, given the increasingly competitive environment facing Canadian broadcasting, the Task Force also recommends that the current objectives of the CTF be broadened to include more support for Canadian television programs that succeed with Canadian audiences.
4. In order to achieve this goal, the Task Force proposed, among other things, that the Commission amend its BDU Regulations so that the funds contributed by BDUs are allocated to a more flexible and market-oriented private sector funding stream.
5. It is the preliminary view of the Commission that it is in agreement with the recommendations of the Task Force. Accordingly, it intends to implement those recommendations that fall within its powers. However, in order to help ensure that the procedural and substantive steps needed to implement the recommendations are as effective as possible, the Commission is seeking comments from interested parties on the Task Force report as a whole, as well as on a number of implementation issues identified below.

Issues for consideration

6. In the first of its recommendations to the CRTC, the Task Force suggests that the Commission undertake a public review leading to the establishment of a clear statement of the objectives for BDU contributions to the CTF and to amend the BDU Regulations so that sections 29 and 44 include a description of the objectives of the private sector funding stream to which monies must be contributed. The Task Force then recommends that sections 29 and 44 be further amended to require monthly submission of BDU contributions to the CTF.
7. The Task Force proposes the following as draft objectives for the new private sector funding stream:
 - Qualifying Canadian programming must meet a minimum of 8/10 Canadian content points using the Canadian Audio-Visual Certification Office of the Department of Canadian Heritage scale (CAVCO), be broadcast in prime time, and continue to fall within the CTF's traditional genres of drama, children's and youth, documentary and variety/performing arts programming;
 - Audience success must be the primary criteria for continued funding; and
 - Actual and potential return on investment must be a factor in allocating funding while taking into account the different realities of English and French markets.
8. The Task Force also suggests that the amended CTF Broadcaster Performance Envelope Guidelines be founded on the following three essential requirements:
 - Underlying rights are owned and significantly and meaningfully developed by Canadians;
 - Projects must reflect Canadian experiences;
 - Projects must be certified by CAVCO and attain a minimum of 8/10 points.
9. In light of the above, the Commission requests that interested parties provide general comments on the Task Force Report and its recommendations, as well as on its Proposed Implementation Schedule (attached as the Appendix to this Public Notice). Interested parties may suggest any further measures that they deem appropriate. Suggestions for alternative ways or models that the Commission could follow in seeking to effectively implement the Task Force recommendations may also be provided.
10. Provided below are a number of questions that seek comments on these matters. Parties should not limit themselves to addressing only these questions if they consider that there are other concerns that the Commission should take into account.

- a) Please provide your general comments on the Task Force Report and its recommendations, and suggest, if need be, any further measures you deem appropriate.
- b) Please suggest specific language as appropriate for the proposed amended sections 29 and 44 of the BDU Regulations, particularly regarding the objectives that would be appropriate for a more market-based, private-sector funding stream.
- c) Please provide your comments on the Proposed Implementation Schedule and feasibility of the proposed timeframe. Suggest, if need be, an alternative timeframe for when the changes should, practically, come into effect, including any transition measures that may be necessary.
- d) Please provide your suggestions on how the Commission should monitor and/or enforce compliance by affected parties so that the objectives are met. In providing your comments on these amendments, please also be sure to indicate any differences that you would consider necessary to reflect the realities of the English-language, French-language, or other television production sectors.
- e) It is important that the production funding support not only continue to be available but that it demonstrably is meeting the new objectives to be established. How best could the Commission ascertain that the objectives are being met? The Task Force proposes annual reports broken out by performance envelopes. Would these monitoring measures be sufficient? Are there other measures that could be more appropriate in rendering more transparent the activities of parties that access CTF and other productions funds? What criteria should the Commission employ in measuring audience success? Please comment on what are the best criteria and monitoring measures in your view.
- f) What role, if any, should the Commission play in resolving any future disputes that may arise between the CTF and its contributors, and/or between the fund and its recipients. Please explain your rationale for any Commission involvement, as well as the process(es) under which any such dispute resolution would take place.

Changes to policy regarding independent production funds

11. Task Force recommendation 23 proposes changes to the existing CRTC policy with respect to independent production funds so as to provide those funds with greater flexibility to support new media projects. This was one of a number of recommendations made by the Task Force whereby increased production funding could become available to support new media productions. These proposed changes will be addressed in a separate public process. The Commission anticipates that a public notice announcing this process will be issued in September 2007.

Changes to policy regarding benefits – Allocation of a portion of tangible television benefits

12. The Task Force has noted that the CTF is oversubscribed and that it considers that additional sources of financial contributions are desirable to support the production of Canadian programming. Its recommendation 22 proposes that the existing CRTC benefits policy be amended so that a portion of tangible television benefits be allocated to the CTF. The Commission notes that this matter will be considered as part of the Diversity of Voices proceeding.
13. The deadline for the filing of comments is **27 July 2007**. The Commission will not formally acknowledge comments. It will, however, fully consider all comments and they will form part of the public record of the proceeding, provided that the procedures for filing set out below have been followed.

Procedures for filing comments

14. Interested parties can file their comments to the Secretary General of the Commission:
 - **by using the**
[Broadcasting Intervention/Comments Form](#)
 - OR
 - **by mail to**
CRTC, Ottawa, Ontario K1A 0N2
 - OR
 - **by fax at**
819-994-0218

15. Submissions longer than five pages should include a summary.
16. Please number each paragraph of your submission. In addition, please enter the line ***End of document*** following the last paragraph. This will help the Commission verify that the document has not been damaged during transmission.

Important notice

17. Note that all information that you provide as part of this public process, except information granted confidentiality, whether sent by postal mail, facsimile, e-mail or through the Commission's web site at www.crtc.gc.ca, becomes part of a publicly accessible file and will be posted on the Commission's web site. This information includes your personal information, such as your full name, e-mail address, postal/street address, telephone and facsimile number(s), and any other personal information you provide.

18. Documents received electronically or otherwise will be put on the Commission's web site in their entirety exactly as you send them, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
19. The personal information you provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
20. Please note that the information you provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the webpage of this particular public process. As a result, a general search of our Web site with the help of either our own search engine or a third-party search engine will not provide access to the information which was provided as part of this public process.
21. The Commission encourages interested parties to monitor the public examination file and the Commission's Web site for additional information that they may find useful when preparing their comments.

**Examination of public comments and related documents at the following
Commission offices during normal business hours**

Toll-free telephone: 1-877-249-2782
Toll-free TDD: 1-877-909-2782

Central Building
Les Terrasses de la Chaudière
1 Promenade du Portage, Room 206
Gatineau, Quebec K1A 0N2
Tel: 819-997-2429
Fax: 819-994-0218

Metropolitan Place
99 Wyse Road
Suite 1410
Dartmouth, Nova Scotia B3A 4S5
Tel: 902-426-7997
Fax: 902-426-2721

205 Viger Avenue West
Suite 504
Montréal, Quebec H2Z 1G2
Tel: 514-283-6607

55 St. Clair Avenue East
Suite 624
Toronto, Ontario M4T 1M2
Tel: 416-952-9096

Kensington Building
275 Portage Avenue
Suite 1810
Winnipeg, Manitoba R3B 2B3
Tel: 204-983-6306
TDD: 204-983-8274
Fax: 204-983-6317

Cornwall Professional Building
2125 - 11th Avenue
Room 103
Regina, Saskatchewan S4P 3X3
Tel: 306-780-3422

10405 Jasper Avenue
Suite 520
Edmonton, Alberta T5J 3N4
Tel: 780-495-3224

530-580 Hornby Street
Vancouver, British Columbia V6C 3B6
Tel: 604-666-2111
TDD: 604-666-0778
Fax: 604-666-8322

Secretary General

This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>

Appendix to Broadcasting Public Notice CRTC 2007-70

Proposed Implementation Schedule

Steps for the CTF

Prior to 15 November 2007

- Provide the CRTC with the CTF implementation plan to create a market-oriented, private sector funding stream consistent with the draft objectives proposed by the Task Force in Recommendation 19.
- Develop and provide to the CRTC draft Broadcaster Performance Envelope Guidelines for the private sector funding stream. These guidelines should include revised essential requirements consistent with the Task Force Recommendation 2 and the proposed objectives in Recommendation 19.
- Amend the bylaws to:
 - establish a nominating committee (Recommendation 11);
 - add a DTH member to the Board (Recommendation 12);
 - remove direct recipients from the CTF Board while ensuring that the perspectives of the independent production sector continue to form part of CTF deliberations (Recommendation 13);
 - select the Chair from contributors or independent board members and change the remuneration of the Chair (Recommendation 14); and
 - give the responsibilities of CEO to the President of the CTF, make the position ex-officio to the Board without voting rights, and make the President responsible for staffing (Recommendation 15).
- Provide the CRTC with a report on CTF plans for implementing the following:
 - Increasing financial participation in CTF projects (Recommendation 3);
 - Increasing minimum licence fees (Recommendation 4);
 - Taking into consideration any self-administered benefits money approved by the CRTC to be allocated that year, when establishing the BPE (Recommendation 5);
 - Reducing to 50% the amount of federal tax credits permitted in the financing structure (Recommendation 6);

- Creating a new media funding stream (Recommendation 7);
- Putting in place a 50/50 net revenue sharing, as a default, to exploit new media platforms (Recommendation 8);
- Developing enhanced annual public reporting mechanisms (Recommendation 9);
- Developing and implementing an enhanced communications strategy (Recommendation 10); and
- Developing and implementing a policy identifying the different and complementary roles of the Board and Staff (Recommendation 17)

By 31 March 2008

- Approve revised “essential requirements” in revised Broadcaster Performance Envelope Guidelines that conform to the objectives established by the CRTC for private sector sourced contributions to be included in revised Sections 29 & 44.

Steps for BDUs

Prior to 15 November 2007

The BDU contributors should organize themselves for the purpose of nominating directors for the CTF Board.

Steps for CRTC

29 June 2007

- Issue a Public Notice launching a written public process to obtain comments by 27 July 2007 on Task Force Recommendations and its Proposed Implementation Schedule.

15 September 2007

- Issue a Decision that will finalize the CRTC’s determinations on the Task Force recommendations, establish the objectives for the purpose of inclusion in revised sections 29 & 44, and announce a definitive implementation schedule for implementing the recommendations.
- Issue a Public Notice seeking comment on proposed changes to the Independent Fund policy so as to provide such funds with greater flexibility to support new media projects.

17 September 2007

- In the context of the Diversity of Voices policy proceeding, discuss changes to the Commission's benefits policy including the possibility of allocating an appropriate portion of television tangible benefits to the CTF.

30 November 2007

- Make determinations regarding acceptability of reports filed by the CTF.
- Make determinations regarding changes to the CRTC Benefits Policy.

December 2007

- If the CRTC determines that the responses from the CTF are acceptable, it will publish draft regulatory amendments (including objectives for private sector contributions to the CTF and requirement for monthly payments).
- Issue Decision on the process launched in September regarding changes to the Independent Fund policy.

Early January 2008

- Conclude the process to amend the BDU Regulations (including objectives for private sector contributions to the CTF and requirement for monthly payments).