



## Broadcasting Public Notice CRTC 2008-58

Ottawa, 30 June 2008

### Notice of Consultation

#### **Call for comments on proposed amendments to the criteria of the Certified Independent Productions Funds policy for broadcasting distribution undertakings**

*The Commission calls for comments on its proposal to amend the criteria of the Certified Independent Production Funds policy for broadcasting distribution undertakings set out in Public Notices 1997-98 and 1999-29, in order to provide certified independent production funds with greater flexibility including support for new media projects.*

#### **Introduction**

1. The *Broadcasting Distribution Regulations* (the Regulations) provide that the licensees of Class 1 and Class 2 broadcasting distribution undertakings (BDUs) as well as the licensees of direct-to-home (DTH) satellite BDUs may direct up to 20% of their required contributions to Canadian programming to one or more independent production funds. The criteria for determining what constitutes an eligible independent production fund and for assessing the eligibility of contributions made by BDUs were originally set out in Public Notice 1997-98 and subsequently clarified in Public Notice 1999-29 (the Certified Independent Production Funds policy). The Commission now proposes to amend those criteria so that new media projects and pilots may be eligible for financing from BDUs' contributions to certified independent production funds.

#### **Background**

2. Following extensive consultations with all sectors of the television broadcasting industry, the CRTC Task Force on the Canadian Television Fund (CTF) issued its report to the Commission on 29 June 2007. The Task Force made a number of recommendations including recommendation 23 that the CRTC amend its policy with respect to certified independent production funds in order to provide such funds with greater flexibility to support new media projects. On 29 June 2007, the Commission issued Broadcasting Public Notice 2007-70 (Public Notice 2007-70) calling for comments on the Task Force's recommendations.
3. After reviewing the comments received in response to Public Notice 2007-70, the Commission deemed it appropriate to include an oral hearing phase in its review of issues related to the funding of Canadian programming and the governance of the CTF. Accordingly, on 5 November 2007, the Commission initiated this process in Broadcasting Notice of Public Hearing 2007-15. The comments received in response to Public Notice 2007-70 were included as part of the written record for this public hearing.
4. Among the submissions that the Commission received in response to Public Notice

2007-70 were eight comments that addressed recommendation 23. While the Canadian Association of Broadcasters (CAB) supported recommendation 23, it was of the view that, since only the regulated broadcasting system contributes to certified independent production funds, new media funding should be tied to support for content produced for the regulated sector. For its part, the Canadian Film and Television Production Association (CFTPA) expressed concern that allowing funding from certified independent production funds to be allocated to new media projects would result in less financial support for Canadian television programming. The CFTPA suggested that new sources of funding specifically for new media content be examined through the CRTC's New Media Project Initiative.

5. On 5 June 2008, following an extensive public process, the Commission issued *CRTC Report to the Minister of Canadian Heritage on the Canadian Television Fund* (the CTF Report). Paragraphs 270 to 272 of the CTF Report set out the Commission's findings on the Task Force's recommendation 23. The Commission concluded that, given the support expressed by some parties and absent any arguments to the contrary, it would immediately issue a public notice to amend its Certified Independent Production Funds policy set out in Public Notice 1997-98 in order to provide certified independent production funds with greater flexibility to support new media projects.

#### **Commission's proposal**

6. The Commission considers that removing the requirement in Public Notice 1997-98 that productions receiving funding obtain a licence fee would allow certified independent production funds to support new media projects. Nevertheless, the Commission also considers that projects supported by the certified independent production funds should benefit the regulated broadcast sector. Accordingly, the Commission proposes that a written proof of support from a licensed broadcaster be added as a new criterion to the policy. This would allow for new media projects without linkage to a broadcast licence fee to receive funding but would ensure that these new media projects benefit the programming of a licensed broadcaster.
7. In light of the above, the Commission proposes to amend the criteria set out in Public Notice 1997-98 and clarified in Public Notice 1999-29, such that a BDU may direct up to 20% of its contribution to one or more new or existing independently administered funds, other than the Canada Television and Cable Production Fund, provided that the fund meets the following criteria:
  - the fund is a permanent fund;
  - recoupments of equity payments or loans are reinvested in the fund;
  - a maximum of 5% of the contributions received from BDUs is spent on fund administration;

- BDU contributions do not serve to fund programs in categories 1 (News), 3 (Reporting and Actualities) or 6 (Sports);
- productions receiving funding meet the eight points out of ten for Canadian content certification as set out in Public Notice 1996-51; and
- productions receiving funding have obtained a licence fee or the licensed broadcasting undertaking has provided evidence in writing of how a production, a new media project or other project, will support broadcast programming policy objectives.

### **Call for comments**

8. The Commission invites comments on the wording of the proposed amendments set out in this notice.

### **Other proposals**

9. The Commission also invites submissions of other proposals that could enhance the effectiveness of the certified independent production funds, such as allowing for the support of program development.
10. The Commission will accept comments that it receives on or before **29 August 2008**.
11. 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**

12. 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
13. Submissions longer than five pages should include a summary.

14. 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**

15. 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 website at [www.crtc.gc.ca](http://www.crtc.gc.ca), becomes part of a publicly accessible file and will be posted on the Commission's website. 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.
16. 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.
17. Documents received electronically or otherwise will be put on the Commission's website 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.
18. 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 website 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.
19. The Commission encourages interested parties to monitor the public examination file and the Commission's website 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

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Les Terrasses de la Chaudière  
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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  
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275 Portage Avenue  
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Winnipeg, Manitoba R3B 2B3  
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10405 Jasper Avenue  
Suite 520  
Edmonton, Alberta T5J 3N4  
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Vancouver, British Columbia V6C 3B6  
Tel.: 604-666-2111  
TDD: 604-666-0778  
Fax: 604-666-8322

Secretary General

**Related documents**

- *Proceeding on the Canadian Television Fund (CTF) Task Force Report, Broadcasting Notice of Public Hearing CRTC 2007-15, 5 November 2007*
- *Call for comments on the Canadian Television Fund (CTF) Task Force Report, Broadcasting Public Notice CRTC 2007-70, 29 June 2007*
- *Contributions to Canadian Programming by Broadcasting Distribution Undertakings, Public Notice CRTC 1999-29, 16 February 1999*
- *Contributions to Canadian Programming by Broadcasting Distribution Undertakings, Public Notice CRTC 1997-98, 22 July 1997*
- *Amendment to the "8 out of 10" point count criterion for funding from the Cable Production Fund (CPF) with respect to its application to treaty co-productions, Public Notice CRTC 1996-51, 3 April 1996*

*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>.*