



25 February 2021

Mr. Claude Doucet
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, ON K1A 0N2

**Broadcasting Notice of Consultation CRTC 2019-379
Final Submission following Public Hearings**

Submitted electronically

Dear Mr. Doucet,

1. ACTRA would like to thank the Commission for the opportunity to participate in the public hearing process on the CBC's licence renewal application and the invitation for representatives to appear on 26 January 2021. We appreciate that the Commissioners took time to consider our written submissions in preparation for our presentation and dialogue.
2. ACTRA is providing a few final thoughts in response to questions asked by Commissioner Lafontaine and related issues that arose in the public hearing phase of the process.

Conditions of Licence (COL) for Programs of National Interest (PNI)

3. With respect to Programs of National Interest (PNI), ACTRA confirms we proposed, and continue to support, a Condition of Licence (COL) for the CBC to broadcast at least **10 hours per week of PNI in prime time**. This comprises the existing COL requiring **nine hours of PNI weekly** and the CBC proposal to add **one additional hour of PNI weekly**.
4. ACTRA **rejects** the CBC proposal for flexibility to release PNI either on its linear or digital service, **except** in relation to this one additional hour. ACTRA proposes an **online release of up to one hour of PNI weekly** could count toward the PNI obligation when the program achieves an appropriate audience threshold/metric and/or relevant investment criteria (and not when it is placed in the catalogue as the CBC proposed).
5. With respect to programs for children and youth, ACTRA proposed, and continues to support, retention of the existing COL requiring the CBC to broadcast on its linear service at least 260 hours each year of programming directed at youth and at least 780 hours each year of programming directed at children.

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6. With respect to **original Canadian programming** for children and youth, ACTRA would support a COL requiring **80 hours per year of original programs**, as proposed by the CBC. Of this total, ACTRA proposes an **online release of up to 16 hours per year** could count toward the obligation when each program achieves an appropriate audience threshold/metric and/or relevant investment criteria.

Why we need to regulate PNI

7. ACTRA would like to respond further to what is effectively a question about why we still need PNI when drama is in demand on television screens globally. There are a number of factors to consider in answering this question.
8. As a public service broadcaster, the CBC must satisfy the needs and interests of the rich diversity of Canadians, in many languages, across a vast geography, from isolated communities north of the Arctic Circle where Inuktitut is the first language, to the vast Prairies, to the bilingual and culturally-diverse metropolis of Montreal. The CBC faces legitimate pressures to do more, with a budget that is insufficient to do everything. In an attempt to square this circle, CBC competes for advertising dollars, requiring it to procure and schedule programming to maximize viewership.
9. Drama is the most expensive genre of programming to produce. While it is difficult to compare programming costs across all genres, some generalizations are possible.
10. According to the CMPA annual economic report, Profile 2019, the median budget for an English-language television fiction program was \$1.50 million/hour; feature films had an even higher median budget of \$1.70 million/hour. At the other extreme, the median budget for an English-language Lifestyle/Human Interest program was only \$0.28 million/hour. Documentaries, news, variety and children/youth programming fell between these extremes.¹ While Profile 2019 has no information on sports programs, the costs of the average sporting event, such as a hockey, basketball or baseball game, also fall within the extremes.
11. Additionally, it is critical to recall Canadian broadcasters can acquire Canadian rights to U.S. dramas, comedies or movies, which have production budgets many multiples greater than Canadian works, for far less than they spend on the production or acquisition of an original Canadian drama or comedy.
12. It is also a challenge to attract audiences to a Canadian drama. The highest audience ratings in Canada are typically for big-budget U.S. dramas, for sports broadcasts, and occasionally for news. While some Canadian dramas are very popular with audiences, they generally cannot compete with audience numbers for other programs, as the following examples show.
13. Numeris reported the most watched program each week on Canadian linear television in the first 26 weeks of 2020 can be categorized as follows:
 - A U.S. fiction program topped the list 12 times;
 - A Canadian news program topped the list six times;
 - A U.S. “reality” or variety television program topped the list five times;

¹ [Profile 2019: An Economic Report on the Screen-Based Media Production Industry in Canada](#), Canadian Media Production Association, Ottawa, April 2020, pg. 37;

- The Academy Awards, the international *One World* concert for the World Health Organization (including several Canadian musicians), and Canada's own *Stronger Together/Tous Ensemble*, rounded out the list.

14. Last year was obviously not a normal year. However, Numeris reported in 2019 the 11 most-watched programs in Canada on linear television were: five basketball games (Toronto Raptors); two football games (Super Bowl and Grey Cup); two NHL hockey games; the U.S. sitcom *Big Bang Theory* finale; and the Academy Awards.²
15. The CBC is faced with these challenges: constrained funding versus increasing demands; Canadian fiction programming's high cost of production versus attracting audience numbers for advertisers. ACTRA is seriously concerned, in the absence of strong PNI regulations, the CBC's commitment to drama and scripted comedy, so essential for cultural reasons, would slowly erode. And there are already signs of such an erosion.
16. Even with its current PNI obligations, ACTRA notes a preliminary analysis of 2020 data shows the CBC English Television's spending on Canadian drama and comedy programs **declined each year** from 2017 (\$126.4 million) to 2020 (\$99.6 million). This is a total decline of 21.2 per cent, even while average costs of production of fiction programs increased. Total spending on foreign programs in this same period declined by only 3.0 per cent (\$13.2 million to \$12.8 million).³ ACTRA believes we need to reverse this trend in the CBC's next licence term.
17. Overall, ACTRA suggests CRTC regulations are necessary to continue to ensure the CBC allocates sufficient resources to, and appropriately highlights and schedules:
 - a. Drama and scripted comedy programs;
 - b. Children and youth programs; and
 - c. Local and regional news/information, and non-news programs.

Data about CBC operations and programming

18. ACTRA continues to take the position the CBC should, as Canada's public broadcaster, provide detailed information about every aspect of its operations, far beyond what private operators in the broadcasting system need to provide. ACTRA made this point in its first submission in this licence renewal process and again in response to the CBC's filing of additional financial information about its digital operations. In July 2020, ACTRA highlighted the additional financial information released was far from adequate, since it was impossible to balance with the data filed in the original application. We would also like to point out another anomaly in the CBC's filings, in this case in their reply to undertakings filed on 3 February 2021, in which the Corporation introduced several new cross-platform concepts and definitions.
19. With respect to both its operations and programming, being open and transparent means collecting and making available a broad range of data: about all of its revenues, partnerships and distribution efforts, and; all of its expenses on operations and management, distribution and programming.

² [List of most watched Canadian television broadcasts of 2020](#), Numeris;

³ Analysis prepared for ACTRA and others by Boon Dog Professional Services, February 2021 (www.boondog.ca).

20. The CBC must be required to collect and make available detailed information about every program, in every genre, which the CBC produces or distributes, across the full spectrum of its operation. The CBC should provide a database of information that will allow the public to monitor developments and performance over time. The program data should include information about financing, the story and cast, how and where the program is distributed, and appropriate audience metrics, including for the CBC's online services.
21. Our area of principal concern with respect to program content is that the CBC should be required to complete the standard Production Report (CRTC 2019-304) so all Canadians can assess its effectiveness in meeting various public policy objectives. But, as ACTRA said in its March 2019 submission in the CRTC 2018-488 process, the CRTC should require even more information from all broadcasters, including the use of Indigenous, LGBTQ2S, and physically and culturally diverse professionals in all key positions, both in front of and behind the camera. The CBC must be the leader in this regard.
22. ACTRA appreciates the opportunity to participate in this important process.

Thank you,

A handwritten signature in black ink that reads "Marie Kelly". The signature is written in a cursive, flowing style.

Marie Kelly
National Executive Director, ACTRA

cc:
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