## BROADCASTING REGULATION

### by Daniel Iannuzzi

The manner in which private and public broadcasters alike have been confused, frustrated and stymied by the changes in regulatory direction should be everyone's concern. Scarcely a week has gone by in the last four years that in its rush to authorize more channels to serve the underserved communities, the Canadian Radio-Television and Telecommunications Commission (CRTC) has not reversed itself or issued a policy which has changed the rules. I fear the CRTC has lost sight of the fundamental regulatory problems which beset conventional Canadian broadcast licensees.

#### CBC-2: the first blow

Public broadcasting was dealt its first major blow when the Commission denied CBC its second national service, a service which would have strengthened the Canadian broadcast system and provided additional choice for Canadians. Perhaps gone forever is the opportunity for expansion of the public broadcasting system as cable channels have been filled with discretionary services emanating signals from Atlanta, Georgia and Nashville, Tennessee.

#### **TVO wrong criteria**

TVOntario, recognized as the most progressive educational public broadcasting service in the world, pioneered quality children's programming with its Galaxy service in co-operation with the cable industry. Yet, when TVO applied for a universally available children's service financed by basic service subscriber fees rather than discretionary user fees, its application was not dealt with because it fell outside some artificial criteria arbitrarily set by the CRTC.

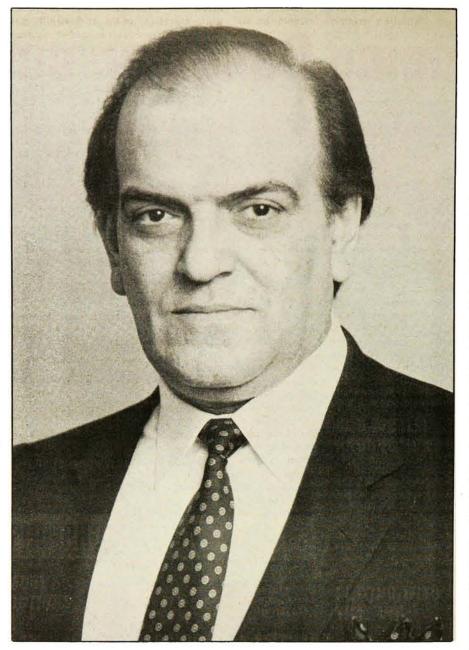
#### Children's programs

Those same criteria which frustrated TVO, frustrated others in the private sector causing members of the industry to rethink the provision of children's programming. These decisions by the CRTC resulted in proposals built upon the revenues of the Walt Disney channel, a service which extols American history and American values. It is sad that we missed an opportunity to licence a distinctive Canadian children's service which would have presented non-violent children's programming created by our best Canadian educators and programmers.

#### Open door policy

The CRTC has virtually opened the doors to the importation of U.S. services, with an approved list of U.S. news, U.S. financial and U.S. public affairs television services. Some of Canada's largest

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# The incoherence of the CRTC

# A speech the Commission was afraid to hear

broadcast groups had applied for a Canadian news service. The source of funding disqualified the applicants from licensing, again, because of the artificial criteria which had been chosen.

#### **Editorial control**

The Commission has rubber-stamped the entrance of American cable news services merely because they are sold on a "discretionary basis." But Canadian broadcast licensees are required by licence and by regulation to maintain editorial control and to provide balanced news-programming issues of public concern. And they are required by law to make air time available to Canadian political parties. There seem to be two standards.

#### **Canadian** content

The CRTC did show that it could be flexible to the financial and cultural plight of Canadian broadcasters in Windsor, Ontario by relaxing a number of its regulations. At the same time, however, it imposed a 45% Canadian content quota on news material on radio stations CKLW and CKEZ-FM. In that precedent-setting decision, the CRTC emphasized the need for Canadians to receive a Canadian news perspective from these radio stations, regardless of the fact that the Windsor market is served by five television and radio stations owned and operated by the CBC.

#### **Foreign newscasts**

We do not question the need for Canadians to receive news edited and produced by Canadians – it is a rational policy. But we do question licensing decisions by the Commission which permit discretionary television licensees to import their entire news schedules from news organizations owned and operated by foreign governments, without the benefit of any editorial control in the hands of Canadians.

Why is Canadian news important to Windsor, but other licensees can import news produced by foreign governments and, in one case, a broadcast organization controlled by the Socialist party of that foreign government?

#### **Canadian** perspective

Would the CRTC permit importation of Radio Moscow, or Voice of America ? Is it a matter of language ? Is there a new rule which allows foreign news in the Italian or Spanish or Chinese languages because there is a smaller audience ? What is the reason for the discrepancies between the Windsor policy decision and policy decisions related to the Telelatino and Chinavision services ? Should not third-language services directed to recent immigrants to Canada ensure the same balanced Canadian news perspective ?

#### Satellite superstations

The CRTC has responded quickly and decisively to such perceived external threats to the broadcasting system as satellite dishes, and foreign superstations and we do not dispute the urgency of some of these matters. In the past month, the CRTC has authorized the importation of WTBS, WGN, WPIX and WOR, superstations which do not promote Canadian programming or Canadian culture. It has also permitted some cable systems to add the Satellite Program Network (SPN) and Black Entertainment Television (BET) without formal hearing process and approval. However, Canadian broadcasters seeking the same national distribution are stymied by regulatory rhetoric.

#### **Double standards**

The approval of the importation of SPN and BET is also strangely at odds with the Commission's current policy reviews and regulations. Canadian broadcasters Global and CFMT-TV must undergo extensive and costly distant signal licensing hearings (to be held sometime in the future), yet WTBS, WOR, WGN, and WPIX have never been subject to regulatory hearings and may be placed on many cable systems immediately.

### BROADCASTINGREGULATION

Further, simultaneous with the approval of SPN and BET, CFMT-TV was advised that its application for distribution to these same cable systems would be frozen; held in limbo pending a final decision on the Ethnic Broadcasting Policy Review. We find it not only confusing but discriminatory that U.S. services offering similar programming are given preference to Canadian services and that their expansion and distribution in Canada is not subject to the same policy review or public hearing.

#### **Brokerage review**

Two other issues currently under review by the Commission are brokerage and religious broadcasting. At the recent "Ethnic Broadcasting Policy" hearings, the CRTC re-examined the issue of multilingual program brokerage. In a separate proceeding, the Commission directed that the introduction of religious television must provide balanced opportunity for both mainstream and other religions and the funding of such services should not be wholly premised upon the solicitation of funds from the public. The SPN service includes large amounts of multicultural programming, fundamentalist religion and music videos. The multicultural and religious programs on SPN are sold to "brokers" or international government agencies.

#### Third-class status

Canadian broadcasters are willing and able to provide Canadian viewers with greater choice. Why then are they always accorded third-class status to unregulated American services which are, in essence, given the opportunity to

dump their products in Canada? Why are Canadian stations subject to so many regulatory restrictions affecting programming while Detroit superstations are imported and distributed throughout Canada regardless of the fact that Canadian stations have purchased exclusive programming rights? The answer to this rhetorical question has to be that the Detroit superstations are a means to an end.

#### System undermined

We concede that the technology has changed and Canadians demand more viewing choices, but, in our mind, many of the regulatory changes have done little more than undermine the fragile foundation which houses the Canadian Broadcasting System. It is time that the CRTC give consideration to the plight of Canadian broadcasters and programmers. It moved quickly to hear bail-out proposals for First Choice, Superchannel, AIM, Premier Choix and Star Channel pay-television. It licensed Canadian discretionary services and permitted them to import as much as 90% of their programming from foreign sources. It allowed cross-ownership of discretionary services by a motion-picture distributor, a brewery, a TV station, a radio station, and cable licensees, among others. In other words, the CRTC has been extremely flexible in by-passing its established policies, TV regulations and standard conditions of licence to suit these new media. It has re-written its policies, regulations and created new precedents in record time.

#### Equal treatment

The Commission must treat established

broadcast licensees with as much understanding, as much flexibility and as much fairness as it accords American media and their "partners" in the new Canadian specialty services.

Why should CNN, Arts & Entertainment, SPN, BET and more than eighteen new U.S. services have automatic nationwide approval to occupy precious cable berths without having to undergo the same licensing or approval process as Canadian services? We don't dispute the fact that cable licensees should offer more choices to subscribers; however, we know that Canadians can provide a superior national multicultural service than SPN and BET.

The "cost of choice" has seemingly relegated Canadian programmers to the sidelines while competitive U.S. multicultural and music video services have been introduced without discussion. Of course the Commission may argue that SPN and BET are only to be available in "core market." But we all know what's core today is Regina tomorrow.

#### **Opportunities** lost

At least ten innovative Canadian proposals have been vetoed by the Commission because they did not comply with CRTC policies : CSN, Galaxy, Premier, CBC-2, Multilingual Pay-TV, Native Language Radio Broadcasting, Crossroads Communications, NFB Children's and the All-News Channel by CFTO. All opportunities lost.

#### No export to USA

But what of the present? Canada is an importer of more than 18 new U.S. specialty services, but still not one of our Canadian services is exported to the U.S.

From recent press reports we have learned that Canadian taxpayers will pay a million-dollar "entry fee" to export French-language programming to a new channel to be operated by a consortium of European broadcasters.

Wouldn't it be wonderful if Americans had access to a Canadian multilingual channel or a Canadian superstation delivered by a Canadian satellite ? Wouldn't it be wonderful if we began to seize opportunities to strengthen the Canadian broadcasting system at home and abroad ?

#### Task Force review

The industry wholeheartedly welcomes a full review of the Broadcasting Act and the system, but the Government and the CRTC must not ignore the immediate needs and plans currently on the drawing boards which will impact on the continued viability of licensed Canadian broadcasters and programmers.

### Needed trade-off

The CRTC must establish and maintain one set of interpretations, one set of guidelines, from which the entire broadcasting industry may base its future proposals. This way the industry will know how they will be handled by its regulatory body. To quote the Commission's own words at the close of The Cost of Choice Report : "If we are to build a better system, difficult choices must be made."

If we, as Canadians, are expected to pay "the cost of choice" then surely the *quid pro quo* should at all times be "priority over foreign services" for any Canadian initiative in programming services.

