

Trade News

CRTC turns thumbs down on French-language news service

MONTREAL - "For reasons associated with the programming and the viability of the service, it would not be in the public interest to issue a licence to the CBC for the service proposed."

This is how the Canadian Radio-television and Telecommunications Commission concluded its recent decision to deny the CBC/Radio Canada a network licence to provide a national French-language news and information specialty service.

The CBC has also been denied approval to modify the wholesale rate for the English-language 24 hour news service *Newsworld*, and must now resort to the original rate ranging from 27.5 cents (if there are more than 4.9 million subscribers) to 42.5 cents for fewer than 4 million subscribers as of Sept. 1, 1989.

The fate of *Newsworld* in Quebec (where it has not been seen since going on-air across the country, July 31,) has not been altered by the decision according to the two largest cable operators.

Vidéotron (800,000 subscribers) and CF Cable (200,000 subscribers) say the CRTC decision does not alter their own decisions not to carry *Newsworld* in a limited English-language market (eight per cent and 37 per cent English-language, respectively).

The former says rates must come down to 10 cents per subscription in order to respect market demands while the latter (CF Cable) is seeking permission from CBC to place *Newsworld* on the discretionary service.

A spokesperson for *Newsworld* told *Cinema Canada* that CBC expects to have settled any outstanding agreements with English-language cable companies (across Canada) by mid-Sept.

This out of the way, negotiations with Quebec-cable companies can be re-established in earnest, she says.

"Now that the CRTC has made its decision and we are finalizing negotiations with English-cable companies it is more likely that things will happen here," says Janice Ward, media relations for *Newsworld*.

According to the CRTC decision, the CBC failed to demonstrate viewer demand for the proposed French-language service. A joint study with SORECOM in 1988 was too general and failed to include details pertinent to the CBC application.

Among reasons given by the CRTC for finding the proposed service less than desirable from the viewer's point of view are: -Insufficient volume of original programming (22 per cent) with 60 per cent of air-time given to unedited repeats of regional supper hour news programs from across the country. Most of these repeats (35 of

55 hours weekly, 114 total hrs. weekly) would be rebroadcast one day after the original broadcast with insertions of hourly five-minute news updates. The CRTC said that the application failed to represent a service equivalent to that of *Newsworld* with a 168 hr. weekly schedule and 50 per cent original programming. -No signed affiliation agreements with any cable companies or indications of public willingness to pay for the service.

Of 25 interventions at the hearing, the majority expressed "either opposition or strong reservations with respect to this particular application," according to the CRTC.

The Associations des cables distributeurs du Québec, with 67 predominantly French-language member companies covering 97.2 per cent of cable subscribers in Quebec, says it intervened because the CBC had not demonstrated the "relevance or the viability of such a channel on the basic service."

The CRTC decision is based on a CBC application submitted at public hearing in Ottawa on June 27, 1989. There were no other applications.

CBC/Radio Canada has announced that it is reviewing its position in light of the CRTC decision and may or may not re-apply.

GST and its impact on the industry

TORONTO - The nine percent GST will replace the existing federal manufacturing sales tax on January 1, 1991. Under the current system, manufacturers buy materials with a tax exemption certificate and pay tax only on the sale of the end product. The GST will add a 9 percent tax to every transaction - to the writer's fee, to contractors' invoices, on payments to actors, lawyers, and accountants, and on goods and services for which an exemption could originally be obtained.

Representatives of the film and television industry have formed an Entertainment Tax Action Committee to lobby for clarifications and changes, if necessary, to the proposed new tax. "In principle we are not against the tax," ETAC chairman Mark Prior (president of Bulloch Disc Entertainment Services) told *Cinema Canada*, "but in its present form it will create a huge

administrative burden for the industry. (Finance Minister Michael) Wilson is creating a nation of tax collectors."

Sam Jephcott, president of the Canadian Film and Television Association, said "the price of a movie ticket will go up by a dollar and the price of renting a video cassette will go up by nine percent. At the manufacturing stage, the theory of GST is that you pay tax on all the goods and services you acquire and then you receive a rebate from the government when you hand over the product."

However, one of the big questions is the nature of this rebate. "Will it be an automatic rebate that comes quickly or is it a rebate that is deemed to be a disposition, in other words before the first actual sale has been completed," asks Jephcott. "In terms of a movie, one is looking at a year or longer. Certainly in terms of financing a movie or television program, it is going to cost nine percent more."

Prior, whose group represents ACTFP, DGC, ACFC and ACTRA, said in ETAC's first public statement, "Most production companies are small businesses dealing with a wide range of independent contractors of each production. The sheer administrative burden of collecting, remitting, or seeking refunds, on what has up to now been a largely tax-exempt activity, threatens to be overwhelming unless we can convince the government to recognize the need to make their requirement manageable for our industry."

The ETAC plans to lobby the government bodies studying the new tax laws and is seeking support from across the country. The CFTA and the Canadian Association of Broadcasters will be holding a public seminar on GST on October 5th, at the OISE building on Bloor Street West in Toronto, from 1:30 to 4:30 p.m.

ACTRA faces crucial showdown

TORONTO - On September 9th and 10th at the Chelsea Inn in Downtown Toronto, ACTRA convenes an extraordinary meeting of the National Board to determine the fate of the Alliance. "It is the most important meeting since ACTRA was formed in 1963," said Garry Neil, currently the General Secretary of the Alliance of Canadian Cinema, Television and Radio Artists.

What has prompted this crisis is a Price Waterhouse consulting report that has recommended radical changes to the structure of ACTRA. The report was commissioned last year when it was discovered that ACTRA was in the red and suffering from bureaucratic fatigue. The

National Board consists of nearly a hundred members from the various branches and guilds from all regions of the country. The guilds (performers, writers and broadcast journalists), in turn, have a certain amount of autonomy with control over their own budgets, policy and contract negotiations, granted to them when the original Association was changed into an Alliance of the three guilds in 1983.

The Price Waterhouse report recommends that the National Board be cut to eleven members: five performers, two writers, one broadcast journalist, the national elected president, a general secretary, plus outside advisors. It also recommends a return to the more traditional, hierarchical structure that formed the basis of the Association prior to 1983. It contains, as well, detailed recommendations on cutting back and restructuring of the administrative staff.

The recommendations have upset many members of the writers' guild who see this as a return to the bad old days when the association was dominated by performers. Jack Grey, the first and only writer president of ACTRA, who fought for increased autonomy for the guilds, is afraid that implementing the Price Waterhouse report will erode guild autonomy. He and several other Toronto-based writers are calling for the withdrawal of the Writers' Guild from ACTRA if the Price Waterhouse report is accepted by the National Board. Some are calling for an alliance with the Writers' Guild of America instead.

Neil says that he is caught in the middle of a very difficult political decision. "The Price Waterhouse report represents a compromise," he said. "They recommend we keep the branch structure and the guild structure, providing it is put in a hierarchical model. Right now there is no clear authority. The guilds have a right to spend money, but no real authority. We have to get some sort of resolution or we have a serious constitutional crisis on our hands."

Rob Forsyth, an ACTRA writer and formerly a National Chairman of the Writers' Guild, sees the issue as "writers trying to control writers' issues." Many writers feel ACTRA has been dominated by performers, and "ours are not their issues," said Forsyth.

Doug Coupar, communications spokesperson for ACTRA, notes that most of the dissidents are Toronto-based writers, and not all writers support their position. However, they do form a significant minority within ACTRA and they are very active in their demands. There has been an inflammatory exchange of ideas within the Alliance and Neil concedes that the situation is "destructive." Coupar told *Cinema Canada* that he has been receiving phone calls every 45 minutes on the controversy. "The members must decide on the type of structure they want," he said.