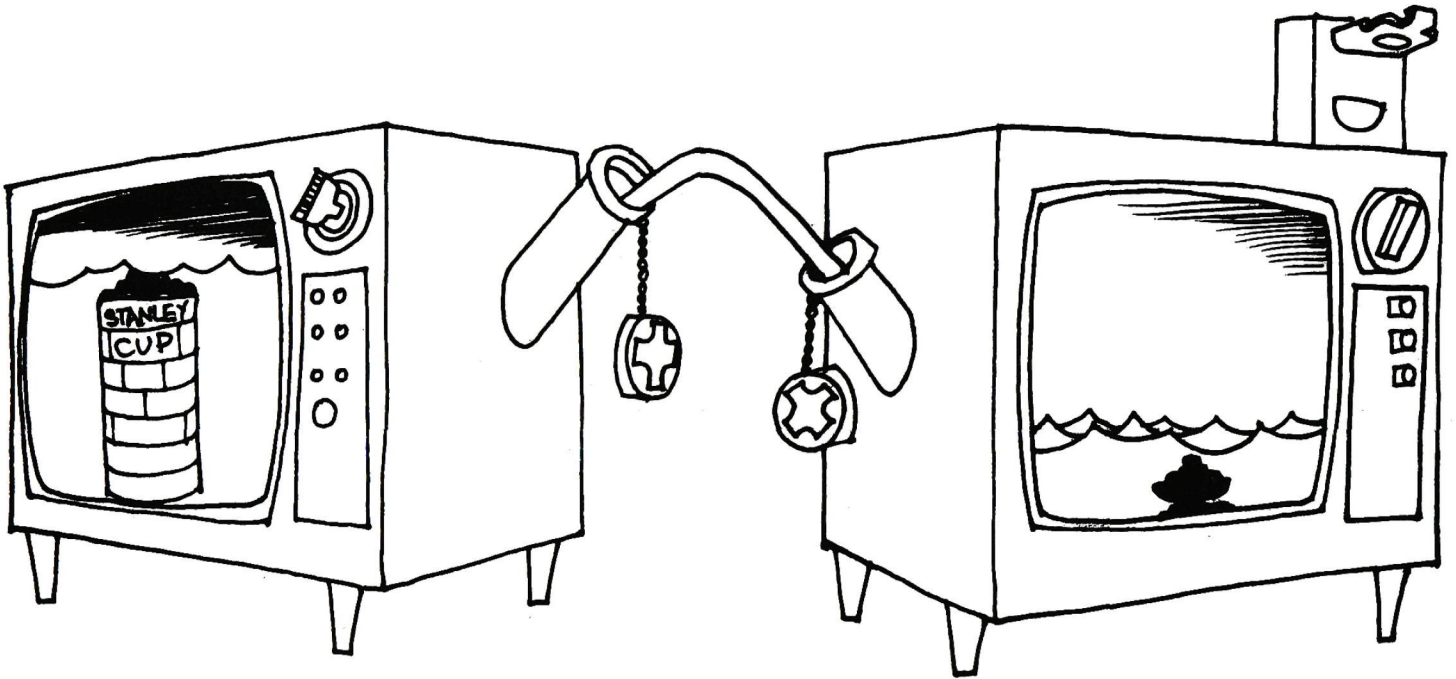


The Public Interest

by Douglas Baer



The Canadian Broadcasting League is a national organization which, since 1930, has represented the interests of the viewing (or listening) audience – the “consumer”, in a manner of speaking, of Canadian broadcast programming. The concern of the League has been, and continues to be, the impact on audiences of developments in the field of Canadian broadcasting. For that reason the CBL views as crucial the current discussions on proposed development of pay television in Canada.

The League’s position with respect to pay television was first outlined in a brief presented to the Canadian Radio-Television Commission at the public hearings on cable television in June of 1975. Consumer access to diversified, high-quality sources of entertainment and information ranked high in the CBL’s priorities. The continued availability and improvement of broadcast services currently available free was also emphasized. “While it is useful to begin public examination of the potential of pay television,” the brief stated, “it is

essential that the Commission consider the full weight of its impact on Canadian broadcasting and on Canadian audiences before establishment of this service is generally promoted.”

To be sure, pay television, if developed and regulated with care, has the potential not only to expand the Canadian programming potential of the broadcasting system, but also to improve the quality of service available both in total and with respect to traditional off-air (free) broadcast services. There must, however, be guarantees that these objectives will be met, and that programming presently available without charge will not eventually become available only through the payment of a pay television fee. To quote once again the League’s brief to the CRTC:

“The League wishes to express the concern of its members for the eventual impact which the development of pay television may have on the programming choices presently offered to Canadians through conventional services. We see no guarantee – nor any possibility that the Commission could guarantee – that popular programs (such as Hockey Night in Canada whose programme rights are owned by MacLaren Advertising) would not eventually be siphoned off by the lure of increased

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profits to be made from Pay Television. Despite the Commission's intention to protect audiences from such programme loss, it is only logical to suggest that, over time, those programmes which have the largest audiences will be bought by Pay Television to increase its own profit potential."

The League is also concerned about the general financial impact of Pay Television on the viewing public. While there have been proposals concerning the possibility of over-the-air ("STV") transmission of Pay-TV signals, much of the discussion to date has involved the use of cable television systems. Currently, the average cable fee in Canada amounts to approximately \$72 per annum. Converter rental averages another \$3 per month, or \$36 per year. Adding the charge for Pay Television—current estimates seem to fix this rate somewhere between \$8 and \$10 per month—the amount of money a subscriber could end up paying for one year of service would total at least \$204, exclusive of charges for installation of services.

In addition, the problem of disparities in services must also be addressed. It appears possible that Pay Television may be available only for large Canadian communities such as Toronto, Vancouver, or Montreal. These areas, however, already have a multiplicity of programming services (Toronto already receives 12 off-air signals). To add another "prestige service" for these communities may exacerbate the problem of the disparities felt by viewers in other communities across Canada.

Much of this is, to be sure, a problem of the distribution system technology employed to make Pay Television available; it is conceivable, for example, that a

satellite transmission system could make Pay Television available virtually nation-wide. But the higher costs incurred by the use of satellite technology may limit its application in the initial stages of Pay-TV development.

In more general terms, the question of the role of Pay Television in the general "balance" of programming inputs—the relationship between private and public, the relationship between local and national programming—requires further examination. It also has implications in terms of the support the system provides for Canadian filmmakers and producers; the League is concerned that the structure of broadcasting services in Canada be such that the use of Canadian creative resources is maximized.

With these areas of interest, the CBL is undertaking research on various proposals and concepts in an attempt to provide a reasoned "public interest" argument to government policy makers. The League has also employed its resources to organize a conference entitled "The Crisis in Canadian Broadcasting" to be held in Halifax on August 10-12, 1976, with both the question of "roles and responsibilities" in Canadian broadcasting and that of the development of Pay Television in particular being major topics. In addition, a continuing information service is available for the use of the public at the League's offices in Ottawa (Box 1504, Ottawa, Ont.).

If Pay Television is to develop in Canada, its development must incorporate guarantees that the public interest criteria outlined above are not ignored. Otherwise, the problems created by its existence may take years to solve, if indeed it will be possible to solve them at all. □

Position Paper on Pay Television (CRTC)

Major Concerns (excerpt)

In the opinion of the Commission, consideration must be given to the impact of pay television services in the following major areas:

- (a) **Fragmentation**—the introduction of pay television threatens a further fragmentation of the audiences on which Canadian television stations depend.
- (b) **Position of the Canadian broadcasting and program production industries**—the indiscriminate importation and use of U.S. and other foreign program material could further inhibit the growth of these industries.
- (c) **"Siphoning"**—pay television could convert program services available on over-the-air television into premium services available only on payment of a fee.

On the subject of fragmentation, the Commission reiterates its continuing primary concern that the development of technology, and of the programming choices technology is able to provide, not be permitted to overwhelm the off-air broadcasting system in this country. It may be that some fragmentation of audience must be accepted as the overall system develops. But the Commission would wish to assure itself that this be as limited as possible.

With regard to the effect on the Canadian broadcasting and program production industries, there seems little reason to permit the introduction of pay television if it is allowed to develop in the same manner as the motion picture industry in Canada. Foreign interests acquired a virtual monopoly over both exhibition and distribution thus gaining control over the financial resources needed for production. It is still sometimes difficult for Canadian producers to obtain exhibition opportunities in Canadian movie houses. Pay television must not be permitted to follow this course. Instead, it must be used as a vehicle to further the production and exhibition of Canadian material.

On the other hand, the Commission recognizes that because pay television is still new and largely untested, an opportunity must be given to experiment with new ideas and approaches. In this context, at least in the initial stages of pay television, foreign-produced material may be necessary for its success. This material might take the form of feature motion pictures shown in their entirety without commercial interruption. A balance must clearly be established between the use of Canadian and the use of foreign-produced material as well as the allocation of funds for purchase and production.