

# Massive deficit for Pay-TV if CanContent regulations respected

TORONTO—Citing an imminent crisis for pay television, Fred Klinkhammer, the president and chief executive officer of First Choice Canadian Communications Corporation, has applied to the Canadian Radio-Television and Telecommunications Commission for relief from the Canadian content provisions of its license.

In a 98-page brief submitted April 25 First Choice argued that "conditions have proven to be substantially more difficult and more risky than any one

could have contemplated in 1984." The brief pointed to stalled subscriber growth in Western Canada, and major new expenses incurred by First Choice to maintain subscriber growth. It warned that First Choice would face a massive deficit of \$93.6 million by 1989 if it complied with the condition requiring 60% of the pay-TV company's program budget to be expended on Canadian content.

Another problem is the lack of Canadian content inventory.

The brief noted the "pay networks have already licensed the great majority of usable Canadian feature films and the inventory is dwindling at an alarming rate. The present output of the film industry is nowhere near the minimum of 36 to 40 feature films per year that would be required by the pay networks to meet the 30% time quota requirement, much less the upcoming 50% time quota starting in January 1986." First Choice also complained that the market had become riskier

with the explosion of the home video market and the growth of unlicensed satellite delivery systems in the west.

The company noted that it had spent \$34.1 million on Canadian content by the end of August 1984 which it said was about 85% of total subscriber revenues. First Choice noted that it had been exceeding its conditions of license "at a crushing cost."

First Choice is seeking relief from the Canadian content burden as of July 1, 1985. It has

asked that the minimum time requirement for Canadian programs be cut in half from 30% to 15%. It would like to see a minimum expenditure requirement of 50.1% of adjusted gross revenues (total revenues from operations less operating expenses other than for programming). The present conditions require First Choice to spend not less than 45% of total revenues from its operations on Canadian programming and not less than 60% of total program expenditures on Canadian programs. The company would also like to see a loosening of the cross-ownership restrictions to attract new investors into pay-TV. The present commission rules separate ownership of carriers and programmers.

Under First Choice's middle of the road projections (neither the best case, nor the worst case) the company would reach 21% of English cable homes in Eastern Canada by 1989. With an amended licence the company will have spent \$34.9 million on Canadian content production over the five-year period from 1984-85 to 1988-89. At the same time First Choice's cumulative deficit would decline from \$36.5 million to \$31.9 million.

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## LE SUCCÈS, C'EST BANFF!

### THE COMPETITION:

Already one of the world's most prestigious television events, the Banff international program competition is growing in stature. In 1984, over 300 programs from 22 countries were available to delegates for public and private screenings. In 1985, Banff delegates will have even more opportunities to see some of the world's best television programming. Banff offers its delegates maximum access to all entries, in a variety of comfortable settings.

▲ Programs in competition are screened on two channels simultaneously from 2:00 p.m. until 2:00 a.m. daily. Watch them in relaxed surroundings with other delegates, or — if you're staying "on site" — watch in the privacy of your own room.

▲ There'll be special screenings of other programs, including 13 hours of "Television" — the highly acclaimed definitive history of the medium — and daily screenings of recently completed made-for-television Canadian movies.

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▲ On Saturday, June 8, we'll screen all the winners at Banff '85, followed by a round table discussion with the jury, festival delegates, and the international media in attendance.

### THE PROGRAM:

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#### Seminars:

- ▲ A Producer's Guide to New Media: Global Opportunities for Quality Programs
- ▲ Public Television Around the World: Facing the Conservative Wave
- ▲ Sesame Street — At Home In Any Language
- ▲ Wendy Wacko Goes to Market: Can She Make It Internationally?

#### ▲ Acting Up — The Profession of Living Dangerously

**Additional workshops:** Programs for Youth; Sound; Animation; Training for Television

**Canadian Television Workshop:** a selection of new, innovative Canadian programming and an opportunity to meet the key creative people involved.

**International Showcase:** selected highlights from the Banff '85 competition, followed by group discussions featuring leading international television critics.

**Writing for Television:** every afternoon, all week long, an international panel of distinguished television writers will discuss their work and answer your questions about the art, craft, and business of television writing, with particular emphasis on longer forms (features and mini-series).

### SPECIAL EVENTS:

"The Rockies" Awards: the decisions of the 1985 International Jury; the Award of Excellence; and the Awards Ball, Friday, June 7

**Marshall McLuhan Address**

**Tribute to Granada Television:** Thursday, June 6 sponsored by Global Television Network

**Pioneer Day:** Sunday, June 2: kick-off celebration in the town of Banff

**Casino Night:** Monday, June 3: sponsored by the City of Edmonton

**Alberta Barbecue:** foot-stompin' fun sponsored by Alberta Culture, with k.d. lang and the reclines (Shoshona Media) Wednesday, June 5

**Prime Time, Take 2:** Saturday, June 8: Fashion Show sponsored by The Snowflake

**Wrap Party:** Saturday, June 8: Entertainment, Mr. Edward Duke

### HOW TO JOIN THE BEST AT BANFF:

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## Film Board launches two new documentaries

TORONTO — The National Film Board has released two new documentaries, one on shared custody, the other on nuns.

*Dad's House, Mom's House* explores the thoughts and feelings of two divorced couples who have worked through their hurt and anger to reach a joint-custody agreement. Under a joint custody arrangement both parents share equally in the upbringing of the children. The documentary was filmed in and around Toronto by director Lyn Wright, herself a parent sharing custody. It is the first Canadian film on the subject. The film was premiered Apr. 10.

*Behind the Veil: Nuns* comes out of Studio D, the NFB's women's filmmaking unit. The two-hour documentary is the first to record from a global perspective the turbulent history and remarkable achievements of women in religion. The film was directed by Margaret Westcott and narrated by Gloria Demers who also wrote the script.