

# Premium TV for Canada: A Partnership in Production

by Harry J. Boyle

Before addressing myself to specific points raised by the statement of the Honourable Jeanne Sauvé, Minister of Communications, on the matter of pay-television, may I take a few moments to recapitulate some significant facts about cable television and off-air broadcasting in Canada.

In 1968, when the Broadcasting Act was introduced officially, cable existed by way of Department of Transport permits. In 1968 there were approximately 710,000 subscribers. Today, only eight years later, there are 2,871,000. All major centres and a great many smaller ones are licensed for cable television undertakings except in parts of Saskatchewan and Manitoba, and applications in those areas have been heard and are being appraised by the Commission at this time. Expanded channel capacity through converters is a reality in many major centres.

This is a tribute to your energy and initiative.

At the same time, I would be remiss if I didn't say it also represents a great deal of credit on the part of the staffs and officials of the Department of Communications and of the CRTC for their respective roles in administering technical and regulatory functions during the corresponding period. This has been accomplished in tandem with the most comprehensive importation of foreign signals of any country in the world in direct competition with our own complex national broadcasting system.

Since 1968, when there was relative indifference on the part of common carriers, provincial authorities, as well as many off-air broadcasters, we have seen the growth of natural, if partisan interests, in all aspects of cable-TV. We have been guided by one fundamental. The mandate of the Broadcasting Act of 1968 directs us to protect and strengthen the national broadcasting system of Canada. While that Act spelled out clearly that off-air broadcasting and cable were integral parts of the system there have been strains and tensions – growing pains, if you wish.

I can tell you that we feel the recent recognition of certain common goals and obvious effort by off-air and cable broadcasters to discuss problems and objectives is a heartening and welcome sign of growing maturity in Canadian broadcasting.

To those of you who may think the Commission has been tardy, I suggest a reflection on the developments of eight years. Today we have a comprehensive technology of satellites, off-air broadcasting, co-axial cable, micro-wave and cable systems serving Canadians. Above all, since 1968, television and radio – Canadian television and radio in both official languages – is closing the gap of coverage, now reaching over 98 per cent of Canadians. This is a vast improvement over 1968.

We can readily take pride in our sophisticated systems with a multiplicity of choices, but I urge you to remember that through the public system of the CBC and the initiatives of the private operators of CTV the system has not been allowed to develop at the expense of disallowing coverage to those of our fellow citizens who live and work in remote and isolated locations.

This gave the Commission a certain security in discussing with the Minister of Communications the introduction of pay-TV. There remained certain concerns. On April 26th of this year I spoke of these concerns to the fiftieth annual meeting of the Canadian Association of Broadcasters and, while acknowledging the inevitability of pay-TV, asked:

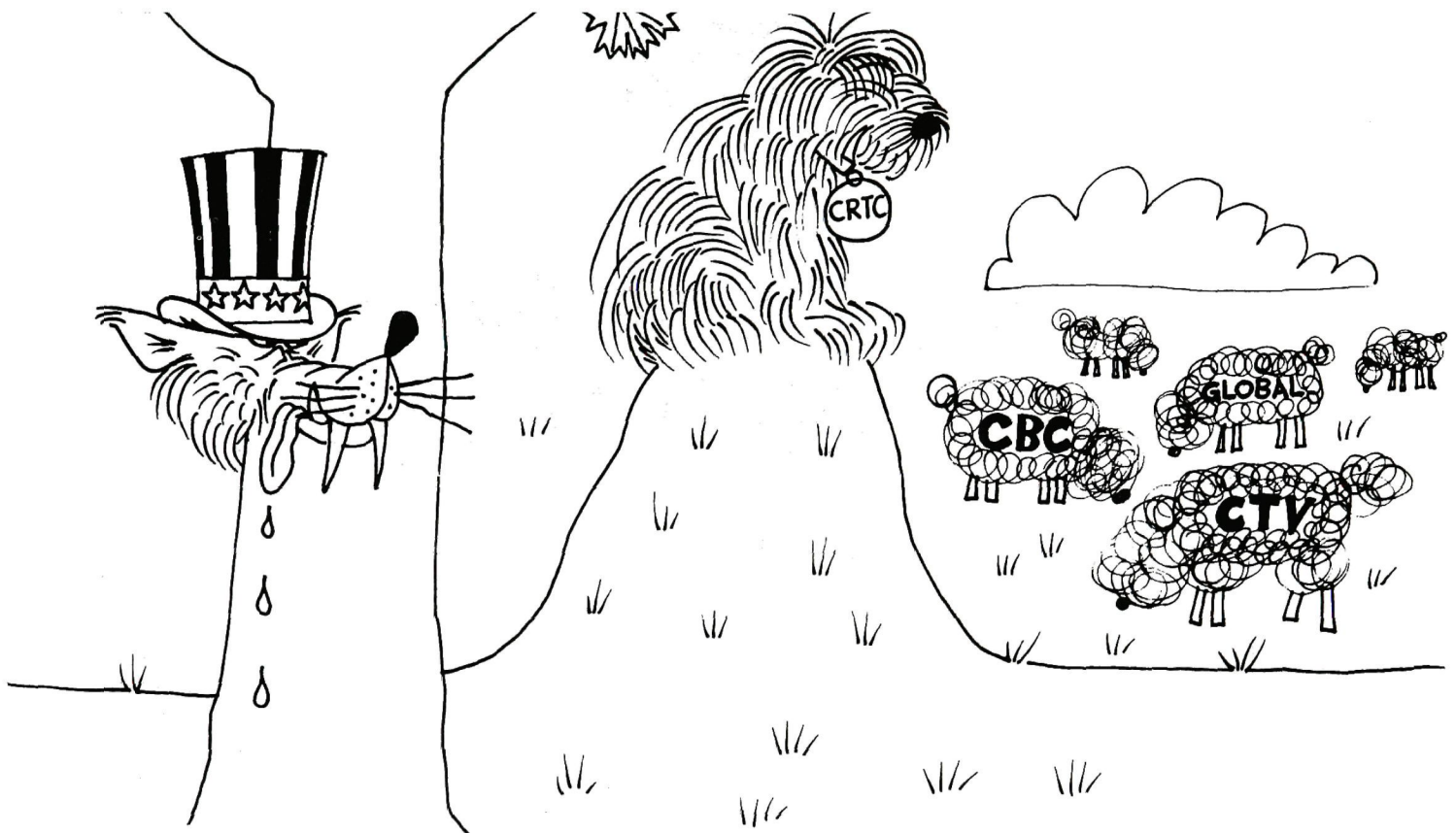
*“Will pay-TV in Canada be another conduit for siphoning off more of our resources for foreign production industries or will it include reasonable incentives for Canadian production?”*

It has been apparent that this one major problem transcends the normal administration of the Broadcasting Act of 1968 because the structure of the programme service to pay-TV will have an effect not only on cable operators and off-air broadcasters but on the whole range of creative programme production resources of Canada.

Members of the Commission have had the opportunity to consult frequently with the Minister on this aspect of the introduction of pay-television. I urge you not to underestimate the Minister's remarks and simply conclude that the introduction of pay-television is considered as a mere broadening of entertainment choice for subscribers. The Minister's statement has a national significance well beyond pay-television. It should be considered, as the Minister has enunciated before, as the beginnings of a national policy of “**cultural security**” for Canada. We are, accordingly, pleased that Mrs. Sauvé sustains those deep concerns that pay-television be introduced in a harmonious way with the existing elements of the broadcasting system. The Minister has also undertaken to share with her cabinet colleagues the national concerns regarding safeguards as to how a structure can

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be found to accommodate a full range of Canada's cultural and creative production resources.

In its 1975 position paper, the Commission said "We are determined that pay-television shall develop to primarily benefit Canadian broadcasting, the programme production industry and Canadian creative talent."

That assessment was based on the knowledge that technical innovations and facilities will develop and need no encouragement or added momentum from government authority. The physical system for pay-TV is there to be introduced. There will be no hesitation in structuring the physical system. It has a seduction of its own. There is, therefore, no value in a sterile demonstration against technical progress. However, to allow an opportunity to slip by to convert technical systems to a national purpose with a conscious and dedicated restructuring of the national broadcasting and cultural system, would be inexcusable.

The Commission, therefore, has been called upon by the Minister to continue its earlier process of June, 1975, and to issue a public announcement requesting further views on "the structural development of pay-television and its integration into the Canadian broadcasting system." The Commission will, therefore, issue a public announcement requesting comments on the issue of the structure of a pay-television network operation. The deadline for receipt of representations will be September 1, 1976. The Commission will be asking for responsible and informed comments on proposals for the establishment of entities to formulate and distribute pay-TV programme packages in French and in English.

I would suggest that you also up-date any pay-TV submissions you may have on file with the Commission, and submit them to the CRTC along with your answers to the Minister's request for suggestions on how the structure which provides the programme package should be formulated in order that pay programming can be delivered to operators to be licensed in the normal way by the Commission.

It is my understanding that the Minister and her cabinet colleagues wish to fully consider the national implications of the pay-TV programme organization on not only broadcasting but also on related cultural and cre-

ative organizations in Canada. Following a policy decision on the form and structure of such an organization, the Commission will proceed by normal procedures to establish regulatory guidelines and call for formal license applications for distribution of the pay-television service to subscribers. We anticipate that this call will be possible well before the end of this year with an early hearing of the individual applications.

There is a tremendous challenge in the introduction of pay-television in Canada. Inherent is the concern that it must provide opportunities for Canadian creative talent and that as it increases in strength and resources there will be provision for a corresponding enhancement of Canadian programme production.

**If I may recapitulate,**

**The CRTC will formally call for suggestions concerning the introduction of pay-television to be received by September 1, 1976. We anticipate many will wish to up-date submissions which are already in the hands of the Commission. Others may wish to submit entirely new proposals concerning pay-television distribution.**

**By September 1, 1976, we also anticipate receiving responses to the request by the Minister of Communications for specific proposals on the structure of a suitable organization to provide programming for distribution to licensed broadcast undertakings.**

**Following a policy decision on the national dimension of the programme supply structure, the Commission will proceed with its normal regulatory and licensing functions in connection with the formal introduction of pay-television.**

**We consider the introduction of pay-television to be an important and serious first step towards the re-possession of a Canadian broadcasting system and anticipate the full co-operation of cable operators, public and private broadcasters and all concerned parties. □**

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*Statement given at the Nineteenth Annual Convention and Trade Show of the Canadian Cable Television Association, Toronto, June 2, 1976*