

Why is CanWest buying Alliance Atlantis if broadcasters are so poor?

January 11, 2007 – At the recent CRTC hearings into the future of Canadian television, private, conventional broadcasters like CTV and CanWest Global said the rise of Internet programming and other technologies have eroded their revenues and they are too poor to spend money on Canadian drama.

If broadcasting is such a losing proposition, why would CanWest want to buy Alliance Atlantis' 13 specialty channels, let alone pay \$2.3 billion for it?

“We keep on hearing the same story from the broadcasters – they are losing money due to market fragmentation and have no money for Canadian drama,” says Maureen Parker, Executive Director of the Writers Guild of Canada. “Well, this CanWest/Alliance Atlantis deal blows that argument out of the water. It's obvious that broadcasting continues to be a lucrative business.”

Last November, Glenn O'Farrell, head of the Canadian Association of Broadcasters, said it was a losing battle for broadcasters to try to compete for audiences when Internet sites such as YouTube and MySpace show amateur videos for free. But in its December 2006 report on the affect of technology on the broadcasting system, the CRTC concluded that new media technologies are not yet having a significant impact on traditional radio and television broadcasting audiences.

So although technology is offering new ways for Canadians to find entertainment and information, broadcasting remains the foundation for the entertainment industry in our country. And that's why broadcasters such as CanWest are willing to pay big bucks to buy more television channels.

“At the television policy review in December we asked the CRTC to require private, English-language broadcasters to spend a minimum of 7% of their advertising revenues on the production of Canadian drama,” says Parker. “It's a fair and manageable requirement, and the broadcasters can obviously afford it.

“The CRTC needs to come to the realization that broadcasting is a lucrative business and the broadcasters have the resources to produce and air more homegrown Canadian drama on their channels.”

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The Writers Guild of Canada (WGC) represents more than 1,800 professional screenwriters across Canada who create the distinctly Canadian entertainment we enjoy on our television, movie screens, radio and computers – such as dramatic TV series and movies, feature films, documentaries, animation programs, comedy and variety series, children's and educational programming, radio drama, corporate videos and digital media productions.