



Writers Guild of Canada

**WGC presentation to Standing Committee on Industry,
Science and Technology
re: Canada's Foreign Ownership Rules and Regulations
in Telecommunications
April 1, 2010**

[Maureen Parker]

Good morning members of the Industry Committee. My name is Maureen Parker and I am the Executive Director of the Writers Guild of Canada. Sitting next to me is Rebecca Schechter, President of the Writers Guild and professional screenwriter. The WGC welcomes this opportunity to appear before the Standing Committee on Industry, Science and Technology.

The Writers Guild is the national association representing more than 2000 professional screenwriters working in English-language film, television, radio, and digital production in Canada. We regularly advocate for a strong Canadian broadcasting system before the Canadian Heritage Committee and the CRTC. We believe that Canadians must

have the choice to watch high quality Canadian programming on our airwaves.

The impetus for this review was the Speech from the Throne, which discussed a plan to open the satellite and telecommunications industries to foreign capital. This was in response to public demand for improved telecommunications services at lower prices. Screenwriters are consumers too, so we share their concerns. But we are not convinced that easing restrictions on foreign ownership will guarantee consumers lower prices and better services.

The government has assured this Committee that it does not intend to touch broadcasting. However, given the consolidation and convergence that has taken place in our media landscape in the past few years, we do not see how this could be possible. For example, Rogers owns wireless, Internet, cable delivery and broadcasting stations. If a foreign company gained control of Rogers Communications it would gain control over subsidiaries Rogers Telecomm Inc. (which also owns Rogers Wireless Inc.), Rogers Media Inc. (which owns the radio and television businesses as well as the magazine publishing business), and Rogers Cable, which

offers Internet and telephony services in addition to cable. Foreign ownership of the parent company would disqualify the subsidiaries from owning their Canadian cable and broadcast licences.

Even if it were possible to permit foreign investment into integrated media companies there would still be potential risks to the broadcasting assets in those companies. Investors tend to make decisions based on their international corporate agenda. This makes perfect business sense but can leave domestic businesses in jeopardy. If a foreign owner decides that its Canadian asset is underperforming in comparison to the balance of its global assets, it could sell off that asset or cut its services in the name of efficiency. In our sector, broadcasting assets are the most vulnerable because they have a much lower profit margin than telecomm or cable.

[Rebecca Schechter]

The challenge in Canada is even greater now that every market in the world is faced with convergence. As a screenwriter it is now conceivable that I could be engaged by Rogers Wireless to write a digital series that would be available on their wireless platform, as well as delivered to

consumers through Rogers Internet or broadcast on Rogers Citytv.

The kind of content that I create is protected under the Broadcasting Act, which was created with the specific purpose of maintaining ‘a public service essential to the maintenance and enhancement of national identity and cultural sovereignty’.¹ Canada is uniquely challenged in maintaining its cultural sovereignty for a number of reasons:

- Our closest neighbour and trading partner, the United States, is the largest exporter of film and television in the world.
- Canada shares a language and many cultural touch points with the U.S..
- U.S. broadcast signals spill over the border and are watched by millions of Canadians every night, resulting in a very fragmented market.
- We have a small population of just over 33 million spread over a very large territory, making indigenous TV production more costly to deliver with lower profit margins than in more densely populated territories.

¹ S. 3(1)(b) of the Broadcasting Act

By comparison, France and Germany have been able to relax their foreign ownership restrictions in broadcasting because they do not have these challenges. They can rely instead on their distinct cultures and languages, large populations, cohesive markets and dominant public broadcasters to protect their cultural identity. We wish we could do the same.

Cultural identity is what it comes down to for us, the people who create the content that fills the airwaves. Our industry is not like other industries. We are not making shoes or cars. There is no Canadian car and this not a tragedy for our country. If there were no Canadian stories on our airwaves it would be.

In closing, we urge the government to conduct an impact study that would result in a clear plan of action before loosening any foreign ownership restrictions in the telecommunications sector that could irreparably harm the broadcasting industry. We know that there have been other reviews and studies of foreign ownership in the past. However we are now in the midst of a digital revolution where carriers and content providers are becoming one and the same. The government is right to consider consumers

interests but consumers have more than money at stake here.

We thank you for your time and look forward to answering any questions that you may have.