

DOCUMENTARY
ORGANIZATION OF CANADA
DOCUMENTARISTES
DU CANADA

215 Spadina Avenue
Suite / Bureau 126
Toronto, Ontario
M5T 2C7
416.599.3844
1.877.467.4485
www.docorg.ca

National Board of Directors

Michael McNamara - Chair

Betsy Carson

Michaelin McDermott

Tina Hahn

Chuck Lapp

John Christou

Kirwan Cox

Linda Desormeaux

Jeremy Edwards

Gita Hosek

Ava Karvonen

Nigel Markham

Michael McMahon

Andrea Nemtin

Sheila Petzold

Peter Wintonick

Merit Jensen Carr

Alan Goldman

Rosie Dransfeld

July 22nd 2008

Hon. Josée Verner P.C., M.P.
Minister of Canadian Heritage
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister Verner,

Re: CRTC Report to the Minister of Canadian Heritage on the Canadian Television Fund

1. The Documentary Organization of Canada (DOC) is a bilingual, national, not-for-profit professional arts association of independent documentary filmmakers, producers, directors, craftspeople and service providers. Now in our 25th year, DOC was founded by six Toronto filmmakers in 1983 and has grown to include 800 members in all provinces and territories of Canada. We are organized into eight local chapters located in BC, Quebec, Toronto, Winnipeg, Ottawa-Gatineau, Atlantic, Edmonton and Newfoundland.

2. While there are some items in the CRTC's recommendations concerning the CTF we support, DOC is very concerned about the impact on the Canadian Television Fund of the majority of the recommendations. We believe that if these recommendations are accepted as proposed, the Canadian documentary production industry will suffer significant damage.

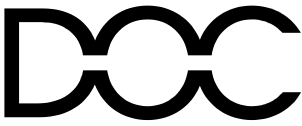
3. Our primary concern is the creation of two funding streams managed by two separate boards. The CRTC points out that Canadian Heritage's funding of CTF has been stagnant while BDU funding has been growing.

4. As the CRTC says "The Commission is concerned, however, that a clear separation between public and private sector funding could lead to a situation where some public sector broadcasters could find themselves underfunded, absent an increase in contributions to the public stream." (paragraph 39)

5. We share the same concern, and it is evident that the CRTC board could find no solution to this dilemma, as evidenced by a passage later in the document: "The Commission is of the view that it is the responsibility of the CTF and DCH to consider how to address the remaining amount of any shortfall." (paragraph 41)

6. For DOC, this is unacceptable. Not only are public broadcasters major commissioners of documentaries, they are also able to commission documentaries on difficult, controversial, or expensive subjects that private broadcasters may not wish to do.

7. Therefore, anticipating the shrinking of the public sector stream in this system means the erosion of funding for important categories of programming that should not



215 Spadina Avenue
Suite / Bureau 126
Toronto, Ontario
M5T 2C7
416.599.3844
1.877.467.4485
www.docorg.ca

National Board of Directors

Michael McNamara - Chair

Betsy Carson

Michaelin McDermott

Tina Hahn

Chuck Lapp

John Christou

Kirwan Cox

Linda Desormeaux

Jeremy Edwards

Gita Hosek

Ava Karvonen

Nigel Markham

Michael McMahon

Andrea Nemtin

Sheila Petzold

Peter Wintonick

Merit Jensen Carr

Alan Goldman

Rosie Dransfeld

be judged strictly by “audience success” as commercial broadcasters may interpret that concept. Documentaries need more than one type of gate-keeper, and more than one type of “audience success” measurement to fulfill the public interest objectives of the Broadcasting Act.

8. Further, in the system proposed by the CTRC, there is no guarantee of continued government support for the CTF, while by law the BDUs are required to pay into the CTF indefinitely. In such a system, if the government of the day were to ever withdraw their financing from the CTF, there could a come a time when the public fund would disappear, putting public broadcasters at a distinct competitive disadvantage compared to their private counterparts. Since public broadcasters are the primary funders of documentaries, DOC considers this is an unacceptable risk to diverse documentary production.

9. We request that the Minister maintain a single funding stream and a single Board of Directors. If the Minister decides to opt for two streams, she must answer the question posed by the CRTC in paragraph 41: how will the public stream grow in the long run? She must also answer the question of how the BDU contributions to the CTF would be allocated if the government of the day were to cut or diminish public CTF funding.

10. We believe that the new factors the CRTC recommends for weighting the broadcast envelopes (BPE) will not achieve the objectives set out in this report, especially to increase license fees and maintain the regional priority.

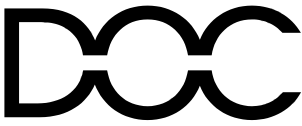
11. Specifically, par. 107 says that the CTF should “retain weighting factors for regional production and for above average license fees, and that the total of these factors not exceed 30%”. Since the 30% maximum for regional and license fee factors is the current level, we are concerned that these cannot be increased because the “audience success” factor must be set at 70%.

12. We request that the English factor for above average license fees be increased from 10% to 20%, and the regional factor remain at 20%. Thus, the audience success factor will be 60%.

13. DOC believes the tangible benefits system is dysfunctional, and we are happy that the CRTC is addressing that issue. Par. 269 says :”The Commission is now prepared to amend its benefits policy so that tangible benefits can be directed to the CTF, and it will begin a written process by way of public notice.”

14. We believe there are unique issues concerning documentary that are not addressed in the report. Indeed, for many years documentary producers have petitioned the CTF for a separate set of rules which pertain to the specific requirements of documentary production. The current regulations are designed for drama and commercial production and do not work well in the context of documentary.

15. We agree that 10 point productions should be retained for the private sector stream, or both streams. However, there should be additional regulations introduced



215 Spadina Avenue
Suite / Bureau 126
Toronto, Ontario
M5T 2C7
416.599.3844
1.877.467.4485
www.docorg.ca

National Board of Directors

Michael McNamara - Chair

Betsy Carson

Michaelin McDermott

Tina Hahn

Chuck Lapp

John Christou

Kirwan Cox

Linda Desormeaux

Jeremy Edwards

Gita Hosek

Ava Karvonen

Nigel Markham

Michael McMahon

Andrea Nemtin

Sheila Petzold

Peter Wintonick

Merit Jensen Carr

Alan Goldman

Rosie Dransfeld

specifically for documentaries which would allow 8/10 for internationally shot productions which are not official treaty copros.

16. While the CRTC is concerned about the definition of "audience success", it neglects to deal with the long-standing problem of its own out-dated program definitions. There is no "documentary" program category. Thus, it is impossible to track documentary information comparable to news, sports, drama, or variety programming. DOC has raised this issue over time to the Commission without response.

17. We request the Minister ask the CRTC to update its program categories to include documentary under the authority of Section 15 of the Act.

18. We agree that the BDUs should not be able to opt out of the CTF, and should be required to make monthly payments.

19. We agree that successful negotiation of "terms of trade" agreements between independent producers, including documentary producers, and broadcasters be a factor in future broadcast licence renewals as indicated in par. 228.

20. We agree that the tax credit belongs to the producer and its weighting in budgets should be solely at their discretion rather than used as a bargaining tool for the broadcasters. Ultimately, this is a matter that should be resolved in the terms of trade negotiations since individual documentary producers do not have the leverage to fairly negotiate this issue with broadcasters.

21. We are concerned that if the CTF should reduce the amount of federal tax credits included in the financial structure of a production to 50% without terms of trade in place, then this will result in a reduction in the number of productions or downward pressure on licence fees.

22. To sum up, we fear that over time, the two stream approach will significantly reduce the diversity and quality of documentary production available to our audiences unless there is some balance between the funding of the two streams.

Yours truly,

Michael McNamara
Chair
Documentary Organization of Canada

Cc: Robert A. Morin, Secretary General, CRTC
Paul Gratton, Chair, CTF