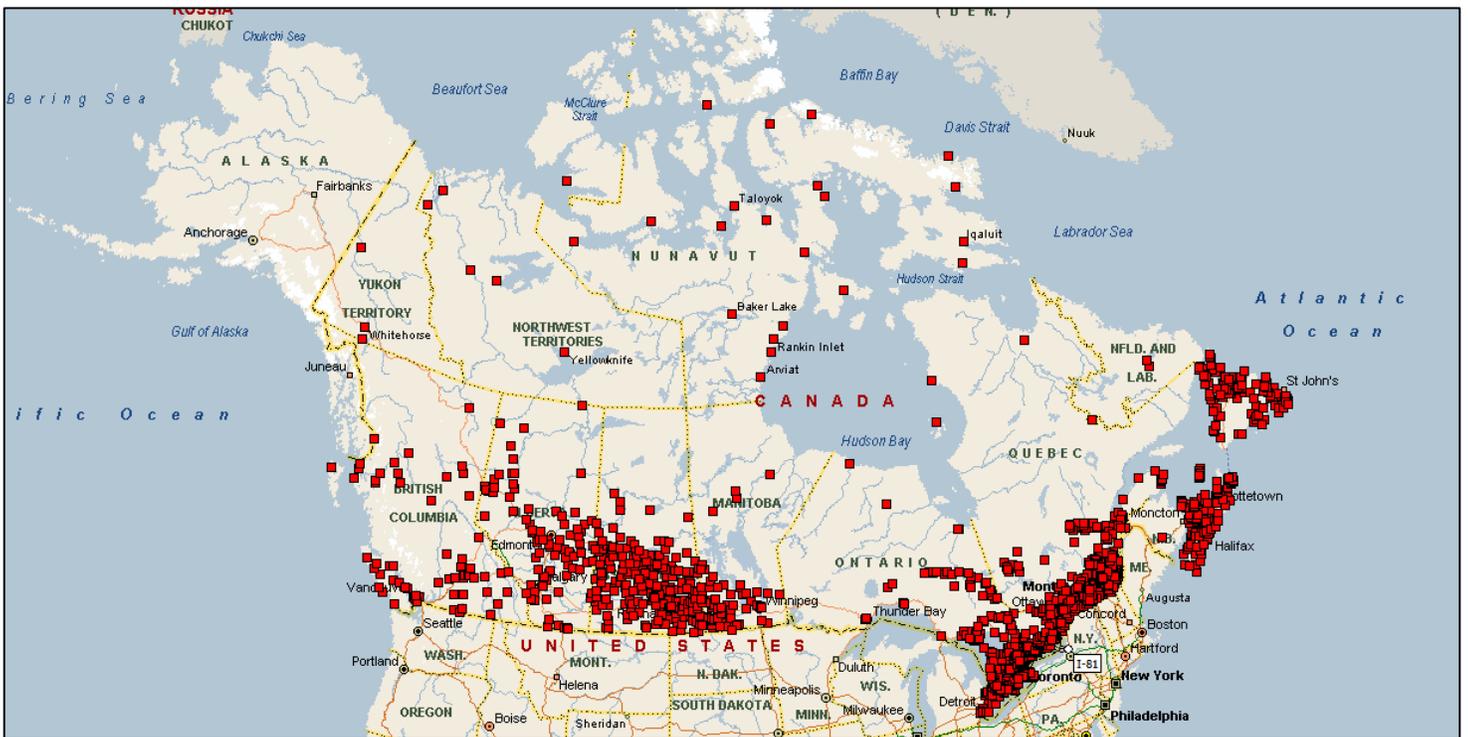


**COMMENTS IN RESPONSE TO HERITAGE CANADA
CONSULTATION,**

“CANADIAN CONTENT IN A DIGITAL WORLD”:

**THE IMPORTANCE OF INDEPENDENT BROADCASTING
DISTRIBUTORS TO THE CREATION AND EXHIBITION
OF CANADIAN AND LOCAL CONTENT**



Canadian Cable Systems Alliance

November 24, 2016



1. The Canadian Cable Systems Alliance (CCSA) speaks for independent communications distributors – smaller cable companies, telephone companies and newer, innovative IP distributors – across Canada.
2. CCSA represents more than 115 companies operating from sea to sea to sea, including across the North. The map on the title page of this document represents the communities they serve.
3. CCSA’s members connect Canadians to information, entertainment and other critical services. They are co-operatives, family businesses, rural companies, First Nations and municipalities providing service to Canadians generally outside urban markets across the country. A few are smaller companies that offer competitive alternatives in major urban centres
4. These are companies that invest in their communities. They create jobs and sponsor local events. This is because their relationship to the community isn’t just one of business; they live there.
5. CCSA believes very strongly that these independent distributors will remain a vital component of Canada’ content creation and delivery infrastructure for years to come. We strongly encourage the government to enable and leverage these resources as it seeks to build out rural communications infrastructure and, as well to position Canada as a strongly connected nation internally and a leading exporter of content internationally.

Local Community Channels are Important and Growing

6. In the context of the Minister of Canadian Heritage’s current review of “Canadian Content in a Digital World”, the local community channels that these companies operate are especially important. As the major broadcasting networks retreat from local content production – especially local news and sports – these locally-based community channels can fill the resulting void.
7. Just as important, some of these community channels are producing extremely high quality programming and others are developing innovative approaches to informing and entertaining the Canadians they serve.



8. In its submissions in the CRTC's recent local and community programming review,¹ CCSA submitted that the existing policy framework and funding mechanism for community channels work well for community channels operated by the independent Broadcasting Distribution Undertakings (BDUs) that CCSA represents.
9. That remains true today. The community channel remains a vital resource for thousands of communities across Canada, especially those outside the major urban markets. Even in the few large urban centres where these smaller companies compete, they offer a more local, neighborhood- focused community channel for their viewers that is much appreciated. They also offer an outlet for a wide variety of communications students to participate in production of local content. The existing model works.
10. If anything, new resources should be directed to enabling these channels to create new, highly relevant and saleable local and Canadian content.
11. Within CCSA's membership, both the number and the quality of local community channels have increased since the CRTC's 2010 Community Channel Policy review.
12. The community channels that CCSA members operate are highly localized and reflective of the communities they serve. A number of them are offered both as linear and on-demand products to their communities and some are available to customers on multiple devices, both in and out of home. Several CCSA members are producing a substantial amount of community channel programming in High Definition.
13. In its 2015 local and community programming review, the CRTC listed the following desired outcomes:
 - Canadians have access to locally produced and locally reflective programming in a multi-platform environment.
 - Both professional and non-professional independent producers and community members have access to the broadcasting system.
 - Locally relevant news and information programming is produced and exhibited within the Canadian broadcasting system.

¹ Broadcasting Notice of Consultation CRTC 2015-421 - A Review of the Policy Framework for Local and Community Television Programming.



14. Independent BDUs already are achieving those outcomes under the current policy framework. For example:

- a number of CCSA members offer locally-created community channel content to the community at large, not just their own customers. Novus Entertainment in Vancouver, for example, puts all of its original content on YouTube so that both its television customers and its Internet-only customers are able to view it. In addition, other residents in Metro Vancouver who are interested in the subject matter being covered are also able to access Novus' community channel in this manner.
- other members, including Westman Communications in Manitoba, offer their community channel content to customers as streamed content for multiple devices;
- CCSA members comply with the CRTC's increased community access programming thresholds and, moreover, are deeply dedicated to the promotion of community access: Access Communications, one of a number of CCSA member cooperatives that are governed by community boards, is a superb example of that dedication; and
- over the past two years, a large number of nominees and winners in CCSA's annual "Tuned-In Canada" community awards campaign have submitted local news, sports, entertainment and community information programs: the production values and apparent social value to their communities of these programs have been absolutely first-class.

15. Examples of some of the great programming these companies create can be seen at https://www.facebook.com/tunedincanada/?ref=page_internal.

Local Community Channels are Investing Where the Major Networks are Not

16. Statistics published by the CRTC in connection with its local and community programming review show that spending on local and community access programming in small markets is on par with spending in large markets.² As well,

² CRTC, "Community Programming Data – Public Hearing of 25 January 2016", September 14, 2015 at p. 4 of 6. Under the heading "2013-14 Aggregate Data", the Programming table shows access programming spending of \$25.3 million in large markets and \$23.4 million in small markets.



spending in small markets on volunteer training and community outreach activities far outstrips spending in both large and medium-sized markets.³

17. Similarly, the exhibition of community access programming in small markets was roughly equal to that in large markets and the exhibition of community access programming during peak viewing hours in small markets substantially exceeded the amount exhibited in large markets.⁴
18. Those statistics are consistent with the premise that smaller, locally-based community channels are dedicated to the principles of open access, local reflection and active involvement in their communities. Much of that is CCSA's members, – the independent small-market cable and telephone companies – doing what they do best; connecting with their communities.
19. As the CRTC noted in Broadcasting Regulatory Policy 2010-622, “there are typically no conventional local television stations in communities served by exempt BDU systems, and consequently community television is almost always the only source of local programming.”⁵
20. For that reason, to the extent of their capabilities, smaller BDUs strive to offer local news, sports and events coverage on their community channels. Many offer the only platform for local reflection of their communities in the video medium. As such, their community channels are both an important social service and a powerful tool for promoting the BDU's engagement with the local community.

CCSA's Members are Engaged and Committed to Creating New, High-Quality Content

21. Based on a member survey conducted in April 2015, CCSA estimates that 66 of its member companies operate community channels. Of those, 38 offer full video service with some degree of in-house production capability. The 28 others offer some form of billboard-style service.

³ *Ibid.* Under the heading “2013-14 Aggregate Data”, the Community Outreach Initiatives table shows spending on volunteer training of \$0.2 million in large markets, \$0.4 million in medium-sized markets and \$1.2 million in small markets. Spending on community outreach initiatives was \$1.1 million in large markets, \$0.3 million in medium-sized markets and \$2.3 million in small markets

⁴ *Ibid.* at p. 5 of 6. Under the heading “2013-14 Aggregate Data”, the Average Access Programming Exhibition Hours Per Reporting Unit table shows access programming exhibition of 3,116 hours in large markets and 3,037 hours in small markets. With respect to exhibition during peak viewing hours, the corresponding figures were 413 and 539 hours, respectively.

⁵ BRP 2010-622 at para. 45 [emphasis added].



22. Collectively, CCSA members' community channels serve a base of approximately 275,000 customers. That represents approximately 85% coverage of the total number of subscribers served by CCSA members in about 550 communities throughout Canada.
23. Since the 2010 Community Channel Policy review, a number of CCSA members have launched new community channels. They include:
 - CCAP, Quebec City - 100% HD channel with outside production; a service with exceptionally high production values, offered on-line and, soon, on-demand;
 - Hay Communications, Zurich, Ontario - linear channel with plans to offer on-line and on-demand;
 - Tuckersmith Communications Cooperative, Kippen, Ontario - linear channel with plans to offer on-line and on-demand; and
 - Wightman Communications, Clifford, Ontario - linear channel with plans to offer on-line and on-demand.
24. Tbaytel, based in Thunder Bay, has also launched a VOD-only community channel. In addition, it offers digital television customers local information through a number of community-oriented applications such as local movie theatre showtime listings, recorded Lakehead Thunderwolves and Thunder Bay Border Cats games, Thunder Bay Airport flight statuses and transit bus arrival times.
25. HuronTel, in Ripley Ontario, plans to introduce a linear channel with plans to offer on-line and on-demand.
26. Municipally-owned Cochrane Telecom, a very small system, is about to launch a linear community channel, though it has no requirement to do so. Among other things, the channel plans to cover municipal proceedings and local sports.
27. CoopTel, in Valcourt, Quebec, was the first small incumbent telephone company in Quebec (if not in all of Canada) to have a full-fledged community TV channel on IPTV. CoopTel launched TVME in April 2013, consistent with its cooperative movement philosophy and with its social commitments, despite having no regulatory obligation to do so.



28. TVME currently produces 9 hours of original programming each week including 2.5 hours of live local programming. To date, TVME has produced over 500 shows on wide-ranging topics of local interest. It exchanges programming with BDU colleagues including Cable Axion, Dery Telecom and CCAP.
29. Access Communications Cooperative is working diligently to extend its community channel to a large number of small communities served by former Persona Communications systems that Access has acquired. A number of those communities serve a high percentage of indigenous peoples and stand to benefit from Access 7's outstanding commitment to reflection of those peoples and issues relevant to the aboriginal community in general.
30. All of which is to say that for the independent BDUs that CCSA represents, the existing community channel policy framework is working well. The community channels operated by those BDUs represent a highly effective use of their permitted contributions to local expression.
31. Of special interest is the fact that the smaller Ontario telephone companies, who are relatively recent entrants to the video distribution business, have shown such interest in developing their own community channels. That speaks to the value of the community channel to those small companies as a competitive advantage and as a means to connect with their communities and engage with issues of social importance in those communities.

Continued Flexibility to Fund Community Channels is Essential

32. Under the present rules, these smaller companies are permitted to direct all of their required Canadian content contributions to operation of their community channels, rather than sending that money to a central fund like the CMF. The continued ability of these companies to fund local content creation and community channel operation is a critical enabler of this activity.
33. Without that funding, the new channels we have mentioned would not be launching. Rather, we would expect to see existing channels shutting down.
34. While the government's policy framework should be forward-looking, we would caution against assuming that community channel costs are declining or, in fact, should decline.



35. First, it is necessary to distinguish between user-generated content and professionally produced programming. Especially with respect to content such as local news, entertainment and sports, the demand for programming with high production values is likely to remain strong. An example of a response to that demand is CCAP's decision to offer a 100% HD community channel.

36. Quality is important and it is expensive.

37. Second, especially in smaller, rural and remote markets where broadband speeds remain a challenge, the availability and utility of alternative sources and platforms for viewing video content are more limited than in the urban centres. For such communities, the importance of a locally-based community channel is likely to persist for many years to come.

38. As it was put in a recent Community Media Policy Working Group report :

Those who rely on the Internet for the most local information tended to live in urban communities. Less than 15% of rural respondents indicated that the Internet was a significant source of local information, and 2/3 of rural respondents said that they get no local information from the Internet. By contrast, 2/3 of urban respondents said that they get no local information from either television or the radio. These results reinforce the concerns expressed by many respondents about community media as an important source of local information for communities who do not have broadband access.⁶

39. Third and most important is the role that community channels play apart from the core functions of producing and exhibiting video programming. That role includes such socially important functions as:

- training and equipping volunteers, our future creators;
- engaging in local initiatives such as Access Communications' involvement in the University of Saskatchewan's Media Studies program;

⁶ Community Media Policy Working Group, "*Community Media in the Digital Age: Relic or Renewal?*" October 24, 2015 at 20 accessed at <http://www.commediaconverge.ca/sites/default/files/documents/Community%20Media%20Policy%20Survey%20Report%20Oct%202015.pdf> on November 3, 2015.



- contribution to the political process by enabling greater local citizen participation in municipal council meetings and proceedings;
 - acting as a social hub and an access point for community groups; and
 - engagement in local charitable endeavours.
40. The physical presence of a BDU and a community channel is a critical enabler of those socially important activities.
41. The social value of such functions, especially in smaller and more remote communities, should not be underestimated. It is for all of the above reasons that spending on locally-based community channels remains – and will remain – a highly cost-effective allocation of resources.
42. These are activities that embody the core objectives of the *Broadcasting Act*: they are direct avenues for Canadians to participate in and be reflected by our broadcasting system. They should be sustained and developed as an integral element of Canada’s digital future.

Continued Flexibility to Share Community Channel Content is Essential

43. In many cases, smaller community channels would benefit from access to more content than they currently are able to display. CCSA has advised the CRTC previously that it is exploring ways to promote such sharing.
44. As an illustration, Access Communications was a major partner in the hosting and presentation of the 2014 North American Indigenous Games. Access did a great deal of work to ensure that its community channel coverage of those games was made available, free of charge, for exhibition on small BDUs’ community channels throughout Canada and, indeed, North America.
45. As a result, First Nations peoples across the continent gained unprecedented access to high-quality programming that was relevant to them and in which they could see themselves reflected. This was a powerful concept that resulted in a tremendous social benefit.



46. This event was a major showcase of indigenous peoples' cultural and sporting events. It was a "coming together" that became a source of great pride and connectedness for First Nations. As Canadians, we should host and exhibit many more such events.
47. In CCSA's view, the regulatory concept of "community of interest" should be broadly interpreted to support projects such as this. While for most community channels, the Games coverage was not strictly "local programming", it was nonetheless highly relevant to both First Nations and other constituents in their communities.
48. In CCSA's view, there is a "community of interest", for example, among farmers in Southern Ontario and farmers in Nova Scotia's Annapolis Valley: they grow similar crops and face the same issues. Similarly, Francophones who live in various rural areas of the country - Nova Scotia, New Brunswick, Quebec and Manitoba - may benefit greatly from sharing of their experiences. It is easy to come up with many more such examples.
49. These are modes of communication that support Canadians' participation in the nation's social, democratic and economic life.
50. Canada's broadcasting system should support such sharing among its many "communities of interest". The government should recognize the considerable value that such sharing can add to the lives of Canadians.

Conclusion

51. The existing community channel policy framework and funding model work well for smaller community channels. If anything, more resources should be directed to this type of locally-based content creation and exhibition. Already, CCSA members are using their permitted funding for local expression to improve their community channels and to launch new ones. That trend should be encouraged.
52. Others are investing in their community channels despite the lack of any regulatory requirement to do so.
53. As they exist today - and for the foreseeable future - locally-based community channels with a physical, local presence provide substantial social benefits to their



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communities. They represent a highly cost-effective and socially important allocation of resources.

54. The ability to share content among “communities of interest” can create great social benefit.
55. Canada’s independent BDUs want to contribute to a digital future that enhances the ability of all Canadians – not just those who live in major markets – to create, share and consume content. They should be encouraged to do that. Canada’s digital content future should harness the energy of all Canadians who wish to capture and share their stories for the benefit of others.