Independent Broadcast Group/ Le
Groupe de diffuseurs indépendants

Submitted Online

November 25, 2016

The Honourable Mélanie Joly
Minister of Canadian Heritage
15 Eddy Street
Gatineau, Quebec
K1A 0M5

Dear Minister Joly:

Re: ***Canadian Content in a Digital World***
The Role of Independent Broadcasters as Content Creators and Providers

Independent Broadcast Group/Le groupe de diffuseurs indépendants ("IBG/GDI") represents a diverse group of Canadian independent broadcasters. Together, IBG/GDI's members reflect the needs and interests of Canadians of virtually all backgrounds and interests. Being "independent" means that our members are not affiliated with one of Canada's large vertically integrated media companies.

IBD/GDI is pleased to participate in your Department's consultation on the future of Canadian content in a digital world.

Executive Summary

Independent broadcasters are an important and highly innovative part of the Canadian broadcasting system. The independent sector is critical to reflecting Canada's diversity, and ensuring that Canadians can access a full range of perspectives and points of view.

IBG/GDI supports a forward-looking system that recognizes the importance of open access to digital networks, and puts in place appropriate tools to ensure that entities accessing the Canadian market help to pay for Canadian content.

IBG/GDI supports principles such as tax parity, requiring contributions to Canadian exhibition and production in exchange for access to public and other subsidies, the enforcement of Canadian law to combat piracy, preference for Canadian digital platforms over non-Canadian platforms, and the creation of incentives to encourage platforms to promote Canadian content and services.

IBG/GDI also supports a content and platform agnostic approach to funding Canadian content for market-oriented content. Certain existing distinctions in the system that prefer some formats to others, and independent production over production by a content platform (such as a broadcaster), are outdated. This does not limit more focused support to content that serves important social and other policy objectives, and such support should continue or be enhanced to ensure these objectives are met.

Even with supports that encourage risk taking and innovation in programming, a healthy and vibrant domestic market will still constitute Canada's greatest competitive advantage. To help maintain this competitive advantage, IBG/GDI supports policies that will help to support innovation and the transition – especially by small and medium-sized broadcasters – from channel-based companies to content platforms; that create greater flexibility and competitive parity between different types of content platforms; and that ensure that public funding, to the extent it is available, is distributed fairly.

About IBG/GDI's members and the independent sector

Collectively, IBG/GDI's members create, broadcast and distribute thousands of hours of content in Canada and around the world in English, French, Aboriginal languages and many different third-languages as well. Our members include specialty and pay television operators, over-the-air television and radio services, pay audio, on demand services, and online digital content services.

As a group, IBG/GDI's members generate approximately $320 million in annual revenue from domestic and international sources, with most of this revenue coming from the conventional, specialty and pay television and pay audio sectors.

Our members operate more than one hundred distinct Canadian services, and represent or operate non-Canadian services abroad. These services are found on every existing digital platform, and are distributed in every existing type of package and retail offer: from mandatory basic services on BDUs, to stand-alone over-the-air services, to branded on-demand content on traditional and OTT platforms.

IBG/GDI's members represent only a part of the larger Canadian independent broadcasting sector. According to statistics maintained by the CRTC, independent broadcasters (which, for clarity, does not include the CBC) generate 15% of all television revenue in Canada ($1.065 billion) and 42% of all radio revenue ($673 million).[1]

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[1] CRTC Communications Monitoring Report 2015. For radio, see Figure 4.02, which sets out shares for commercial radio revenue. Independent radio revenue excludes revenue allocated to BCE, Corus, Rogers and Cogeco. For television, see Figure 4.0.3. Independent television revenue excludes revenue allocated to BCE, Québecor, Shaw/Corus, Rogers and CBC. Total commercial radio revenue in 2015 was $1.603 billion. Total television revenue was $7.1 billion.

These revenues reflect continued substantial economic activity in the broadcasting system in the independent sector in real terms.

Notwithstanding this level of activity in the content-rich independent broadcasting sector, the independent sector is still dwarfed by the overall size of Canada's largest communications media companies, especially when the value of their "distribution pipeline" activities are taken into account, such as broadcasting distribution (cable and satellite), telecommunications (including mobile) and Internet access services. Just measuring broadcasting activities alone (including cable and satellite distribution) the four largest vertically integrated Canadian companies account for 72% of broadcasting revenue from all sources (including radio and CBC revenues), which translates into $12.899 billion. Of this amount, the larger share, approximately $7 billion, is generated from broadcasting distribution activities.[2]

The Canadian Media Concentration Research Project ("CMCRP") has undertaken substantial work to measure levels of media concentration in Canada. The findings of this research project show that Canada has among the most concentrated and vertically integrated media economies among 29 different developed economies.[3]

Equally important, CMCRP points out that while these companies control large sectors of the broadcasting content industry, content for content's sake does not drive these businesses. Rather, domestic telecommunications revenues far outweigh content revenues for the "big four" vertically integrated companies and for Telus (not vertically integrated but a major player in Canada's network media economy):

> [T]hese five companies' control over communications infrastructure (content delivery) is the fulcrum of their business. Their stakes in content media, while extensive, are modest; Telus is not in the content business at all beyond buying rights for its Optik IPTV and mobile TV services. For Quebecor, Shaw, Bell and Rogers, 70-90% percent of their revenues flows from their control over bandwidth and connectivity rather than from content creation and exhibition. Figure 4 below illustrates the point.

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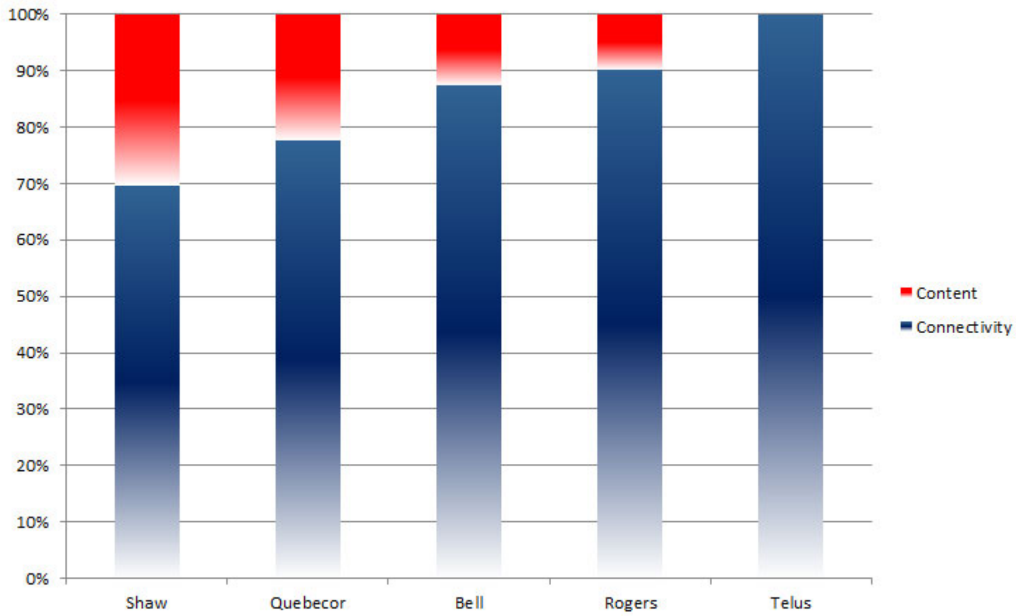
[2] Ibid. The four large vertically integrated distributors, BCE, Shaw, Rogers and Quebecor account for 79% of BDU subscribers (Table 4.3.5) and total BDU revenue in 2015 was $8.9 billion.

[3] *Canadian Media Concentration Research Project Report 1984-2015* (http://www.cmcrp.org/media-and-internet-concentration-in-canada-report-1984-2015), Figure 6 and related discussion.

Figure 4: Connectivity vs Content within Canada's Vertically-Integrated Telecoms and Media Companies, 2015



(Ratio by Revenue)

Sources: see the "Top 20 w Telecoms" sheet in the CMCRP Workbook. [CMCRP Media and Internet Concentration in Canada Report 1984-2015]

At an enterprise level, therefore, Canada's largest media content companies are not primarily content companies. Moreover, given that the bulk of their revenue is derived from domestic telecommunications activities, in which they each have substantial market share, the primary focus of these companies is naturally not on international growth or export of Canadian programming. It is, rather, on increasing their market share in Canada.

It is perhaps for this reason that, despite the size of the largest VI companies in Canada, and their substantial share of broadcasting sector revenues, it is among *independent* broadcasters that one often finds the most innovative and risk-taking approaches to Canadian content.

For example, among the first four Canadian broadcasting companies to launch YouTube channels, three of them were independent broadcasters: OUTtv Network, DHX Media and Blue Ant Media. The fourth was Corus.

Other notable international innovations and achievements by Canadian independent broadcasters and IBG/GDI members include:

- Stingray's continuing growth as a leading international music company, with multiple channels and distribution outlets in overseas markets.

- Ethnic Channels Group's development and launch of an international OTT programming and signal delivery platform – and also its representation of hundreds of leading international content brands in Canada, the U.S. and markets around the world.

- APTN's recent announcement of its pending launch of an indigenous television service in the U.S. – a first for the world's largest media market.

- OUTtv's launch of OUTtv Go, a stand-alone OTT offering that is available in Canada in a beta basis and soon in other countries.

- Channel Zero's international distribution of short and documentary films from around the world through its subsidiary OUAT Media (which has, so far, represented ten Academy Award nominated short films and three Oscar winners).

- TV5 Québec Canada was a pioneer in original content creation for digital platforms when it established the "Fonds TV5" in 2009; it was the first in Canada to support the production of French-language webseries; and it has recently produced an original drama series (*Connexion en cours*), with TV5MONDE, intended for world-wide distribution on social media platforms (with Facebook as a first window).

Other Canadian independent broadcasters, such as DHX Media and Blue Ant, are leading the way in developing international markets for Canadian content.

Independent broadcasters have a track record of looking outside Canada's borders for growth opportunities based on content businesses, precisely because they are primarily about content.

Content provided by the independent sector is also distinctive and makes a profound contribution to Canadian identity and reflection – on many different levels. Just among IBG/GDI members, TV5 Quebec Canada provides services reflecting francophone minority communities throughout Canada, Ethnic Channels Group provide local and international third-language content for Canadians from almost every imaginable background, SuperChannel is Canada's only independent premium pay television service offering premium television content on a national basis, APTN is the world's first Indigenous television network and a world leader in Indigenous broadcasting, BBC Kids offers leading Canadian Stingray operates Canada's only pay audio service (having acquired and "turned around" the Galaxie platform from CBC and Corus), Hollywood Suite is the single largest broadcaster of Canadian feature film content in Canada – which is made available to Canadians in linear, VOD and OTT platforms, ZoomerMedia has named and essentially created the identifiable "boomer/Zoomer" demographic – while building on the long-standing role of Vision TV as Canada's only multifaith television service, OUTtv is Canada's only LGBTQ broadcaster, and Channel Zero acquired Hamilton's only conventional television station at a time when it was about to go dark and has re-introduced meaningful, independent local news and information programming in a market that is frequently overshadowed and underserved by larger stations in the GTA.

The independent broadcasting sector is made up of highly entrepreneurial Canadian content companies that are focused on serving Canadians and reflecting Canadian talent and Canadian diversity. They help make up the rich fabric of Canada's audio-visual identity – a key part of our Canadian culture.

As the Department looks to catalyze social and economic innovation in the cultural sector, independent broadcasters are already leaders – assuming risks and developing new markets – while making direct and substantial investments in Canadian content and – just as important – Canadian creators.

In the remainder of this submission, we will focus on the three principles that the Department has set out for discussion in its consultation paper.

Principle #1: Focusing on Citizens and Creators

Digital networks are transforming the way in which Canadians can access content. The Canadian broadcasting system has developed within a framework in which regulatory controls have preserved the existence of a distinctive Canadian market, limiting access to non-Canadian sources of content. In a digital environment, this is no longer possible without draconian intervention; nor is it desirable for Canadians. Digital networks and the Internet have created an environment in which more content than ever before is accessible to Canadians and Canadians have embraced it.

Having recognized that fundamental change is upon us, it is nonetheless worth pausing to consider that the existing broadcasting system – and its viewing platforms – remain highly popular and critical to Canadians. Canadians watch traditional television. When they access content on other platforms, it is often content that was produced for traditional television. Traditional television remains the single largest source of at-risk private investment supporting the production of Canadian content.

When we consider how to respond to new digital networks, it is not a question of simply turning off the existing system and turning on the new digital system. Rather, we are in a time of transition from a comparatively closed domestic market, into one that is necessarily open to the world.

The Department has asked how we can reflect the expectations of Canadians to be able to access content, and also how we can fairly support the creation of Canadian content that stands out.

With respect to the first question, it is in the nature of inter-connected worldwide digital networks that Canadians will be able to access content from around the world without government intervention. Even in the traditional broadcasting system, the CRTC's Let's Talk TV decisions ensure that Canadians have greater choice than ever before in selecting programming that they wish to watch and how they watch it.

The greater challenge, we believe, is to ensure that meaningful Canadian content is actually available to be chosen by Canadians within this environment of abundance.

IBG/GDI believes that the coherent approach for policy makers is to focus on tools that ensure that terms of *access* to the Canadian market help to pay for Canadian content. In the traditional broadcasting system, this has been accomplished through various requirements relating to exhibition and spending on Canadian content. The existing system is adapting these requirements to reflect changes that are taking place in the traditional broadcasting system (including the resources available in that system) and this is appropriate given the continued relevance of this system to Canadians.

In the digital environment outside the traditional broadcasting system, IBG/GDI believes the Department should consider tools and mechanisms that will support Canadian content creation. These tools could include:

- Tax parity for businesses providing content to Canadians: At a minimum, service providers active in the Canadian market should pay applicable Canadian taxes.

- Contributions to Canadian exhibition and production in exchange for support: Content providers that obtain rights to Canadian content supported by Canadians through tax credits and other subsidies should make comparable contributions to domestic companies in similar circumstances to ensure access to and production of Canadian programming. In the past, non-Canadian entities (with some exceptions) could access the Canadian market only through a Canadian intermediary. That is changing, but the principle that access to the Canadian market should advance the interests of Canadians remains valid.

- Compliance with and enforcement of Canadian laws: The distribution of illegal out-of-market content into Canada creates significant harm to legitimate Canadian businesses that acquire legitimate rights to programming for the Canadian market. Enhanced tools to combat piracy and force illegal content out of the system will ensure the integrity of a functioning domestic market. Recent steps taken by content owners to prevent the distribution of pre-loaded set-top-boxes reflect the urgency of the situation.

- Deductions or credits for Canadian advertising: Existing rules already protect the integrity of the Canadian broadcast advertising market. The measure proposed to create an equivalent deductibility regime for advertising in domestic digital media should be studied further.

The underlining principle of all of these measures is to ensure the integrity of a Canadian market that serves the needs and interests of Canadians. These measures do not seek to prevent access to the Canadian market – or access by Canadians to content – but only that access should be on fair terms that advance Canadian interests.

In addition, there are existing regulatory and legal measures that could be updated for the emerging digital environment. For example, the recent experience of a Canadian IPTV provider (VMedia) seeking to retransmit over-the-air signals through a Roku set-top-box application is instructive.

If a provider is prepared to assume the obligations that follow from participating in the broadcasting system – such as the distribution of mandatory basic-level services, packaging requirements, distribution of unrelated and independent channels, minority-language content, and other similar requirements – then the provider could well be included in the regulated advantages flowing from the broadcasting system (e.g. the retransmission of over-the-air signals).

In reality, the Canadian market is already inundated with set-top-box applications and new providers are emerging offering full packages of valued content that directly challenge traditional BDUs. Our regulatory system can create strong incentives and prescriptions for these providers to participate and contribute to the Canadian market in ways that are similar, if not exactly the same, as the requirements that apply to BDUs. In fact, these types of measures are likely to become the pathway by which the existing system transitions to a fully digital and more open environment.

The greater the presence of Canadian platforms and content on set-top-box and similar tools, the greater the possibility that Canadian content will benefit from the network effects that arise from distribution on interconnected digital platforms – and be more visible and accessible to Canadians.

Principle #2: Reflecting Canadian identities and promoting sound democracy

Just as content distributors and broadcasters are adapting their businesses to come to terms with global, digital networks, content producers and the concept of "Canadian content" should also adapt.

In principle, IBG/GDI supports greater flexibility in defining Canadian content. The current system is based on a specific point system related to the national identities of individual creators. To encourage greater flexibility in how content is created, we believe that an approach that focuses on the location of production – and the allocation of resources to Canadian inputs – would present opportunities for different types of content to be made in Canada and exported to the world.

In addition, only certain types of Canadian content are now eligible for certain tax credits and third party funding. Most types of in-house broadcaster productions are not eligible, such as magazine formats and news and information programming.

In IGB/GDI's view, certain distinctions between "more worthy" and "less worthy" content are not as relevant as previously. For example, why should an independently produced lifestyle program be eligible for tax credits, whereas local news produced by a broadcaster is not? It is not apparent that the economic, social, creative, or democratic value of the lifestyle program is greater than a local news program. As the Department is well aware, the economics of certain types of local content are now much more prohibitive than the economics of some higher cost content with greater potential for international sales. Some content is inherently local or domestic in nature and is intended, primarily, to serve local and domestic audiences. This does not make it less relevant of Canadians. Indeed, it could well be far more relevant and important to the functioning of our democracy and to social cohesion.

Greater parity in supporting different types of market-oriented content through government incentives and supports will help to spur innovation in programming and formats and support creators in the transition to the digital environment. It will also ensure that private resources are allocated to a larger extent on the basis of programming formats that are the most likely to generate reasonable investment returns, or to achieve important social objectives (in the case of broadcasters required to produce certain types of content) rather than tax credit eligibility.

At the same time, greater parity in supporting market-oriented content does not mean that certain content that is not supported in the market, but still serves important social objectives, should not receive special, focused support. Currently, supported content includes Aboriginal programming, programming targeted to official language minority communities, experimental content, and regional content, among others. There is no reason for government funding not to continue to support domestic content that serves important social objectives, and which are not sufficiently supported in the content market.

IBG/GDI also supports greater platform parity in triggering funding eligibility. We emphasize, however, that platform parity is not necessarily the same as open eligibility for any platform owner. In order to access public funding mechanisms platforms should be required to make appropriate and comparable contributions to support Canadian creation. It would be absurd, for example, to provide public support for a program triggered by a platform that does not even consider itself to carry on business in Canada, does not even collect and remit HST, and refuses to provide those that oversee the Canadian system with even rudimentary information about its Canadian operations.

At this time, it is appropriate that broadcaster licence fees usually act as the trigger for public support of Canadian productions because the broadcasting sector makes, by far, the most substantial contribution to supporting Canadian content. Looking forward, as broadcaster obligations and digital network contributions become more similar, and maybe even merge, our public support mechanisms should follow in step.

Principle #3: Catalyzing economic and social innovation

The Department has asked how we as Canadians can build upon our exceptional cultural industries and support the growth of new creative enterprises as a part of the innovation agenda. As part of this objective, the Department has focused on how to increase export opportunities for Canadian, and opportunities for foreign investment in Canadian creative enterprises.

The starting point for success in the cultural industries, IBG/GDI believes, is a strong, healthy and vibrant domestic market. Canada's greatest competitive advantage globally is a healthy domestic ecosystem that supports creative entrepreneurs. Total revenue in the Canadian broadcasting system in the last year came close to $18 billion.[4] In comparison, according to a UNESCO study, Canada's total export of all "cultural goods" in 2013, encompassing all manner of digital media, books, magazines, and software amounted to $1.55 billion.[5]

The lesson from this is twofold: first, there is an apparent opportunity to increase the export value of activity in the Canadian audio-visual sector to be sure; but, second, and just as important, the economic value to the Canadian economy of domestic consumption is substantial. A significant fall off in domestic activity would create economic harm to the sector and diminish the Department's overall objective of building on our existing creative industries.

Looking at the domestic market, from our perspective as independent broadcasters, there is a clear role for small and medium sized enterprises (SMEs) in the cultural industry. Independent broadcasters fit within this category of enterprise and, as discussed above, are already highly motivated to innovate, take risks and pursue new markets in the cultural industries.

However, there is no doubt that it is becoming increasingly difficult for SMEs to thrive and grow in Canada's existing broadcasting ecosystem. The number of new entrants into the television broadcasting system, for example, over the last five years is quite small: likely fewer than a dozen. This is the case notwithstanding much lower costs associated with digital content production and the CRTC's open licensing system for new digital television services.

The greatest challenge faced by new entrants into the broadcasting system is obtaining broadcast distribution. Even for established independent companies, broadcast distribution is becoming more challenging to sustain and good packaging and marketing – which is largely in the hands of Canada's largest vertically integrated media conglomerates – is under increased pressure.

Starting in 2018, certain long-established independent broadcasters that have been assured, at least, of distribution to Canadians by BDUs, and which make substantial direct contributions to Canadian content, will no longer even be able to count on assured access. This is a grave concern since it effectively places these services at the mercy of broadcast

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[4] CRTC Communications Monitoring Report 2016, Table 4.0.1 at page 79.

[5] UNESCO, *The Globalisation of Cultural Trade: A Shift in Consumption* at page 101. http://www.uis.unesco.org/culture/Documents/international-flows-cultural-goods-report-en.pdf

distributors – the largest of whom are vertically integrated and compete directly with independent broadcasters – in negotiating terms of carriage.

The net effect over time has been an ever-growing concentration of greater resources and market power within the domestic industry, and a dampening of competitive pressure and innovation from SMEs. In part, policy makers embraced this shift in power and resources. There was a notion that large, Canadian companies could serve as national champions in the global marketplace.

Certainly, there is a benefit to having some larger Canadian companies. However, realistically speaking, even our biggest Canadian companies are themselves dwarfed in international terms by the largest international technology companies such as Apple, Google and Amazon, and by more traditional players like the major US studios. It does appear that the hope that large Canadian companies would increase international exposure for Canadian cultural products was misplaced. Independent broadcasters and other SMEs in the cultural sector are generally more active in international markets.

IBG/GDI's prescription, therefore, for stimulating innovation and greater strength in Canada's cultural sector starts with ensuring a more dynamic and healthy domestic environment for SMEs, including independent broadcasters. We feel that there are a number of methods that will help achieve this goal:

Support innovation and the transition to content platforms

Broadcasters generally are well positioned to compete vigorously in the new digital marketplace. This marketplace is characterized by content delivery on *platforms*. Broadcasters are already developing these platforms to complement linear services – it is a natural extension of activities broadcasters already do in commissioning, aggregating, branding, promoting and, ultimately, monetizing content. It is the platform operators that are in the best position to obtain and evaluate the data that will increasingly inform programming production decisions and risk taking. It is also the platform operators that can bring together paying viewers, and advertisers wishing to reach those viewers. In other words, broadcasters are likely in the best position to succeed as platforms in the digital network universe.

It would, therefore, be a mistake to overlook the centrality of Canadian platforms to the Canadian content ecosystem. While it is perhaps difficult to imagine competitive Canadian platforms with the size and scope of a Netflix or Amazon – and the unfortunate demise of the Showmi platform in Canada illustrates this point – other types of platforms that aggregate and brand more niche content or that serve specific types of audiences (by age demographics, ethnicity, interest, or other characteristics) are likely to have greater competitive success. These types of platforms are easily understood and accessed by Canadians, and are ideally suited for worldwide markets. It is exactly these types of platforms that the independent sector is already developing in Canada and abroad.

Fundamentally, however, the transition from channel to platform depends on there being meaningful and profitable opportunities for broadcasters in the existing distribution environment during the transition period. Unfortunately, SMEs are increasingly being squeezed out of this environment. It remains an open question whether existing regulatory measures will survive court challenge[6], or be implemented as forcefully as required. IBG/GDI believes that the transition of our existing broadcasting system to a system of competitive and dynamic content platforms requires strong support to guard against anti-competitive measures.

Competitive parity and flexibility

The strength of the domestic market will continue to be the primary source of strength for Canadian content overall.

As Canadian broadcasters face increasing competition from unregulated content sources, it will be important to permit broadcasters greater flexibility to compete with these sources. To some extent the Commission is already engaged in this process of tuning regulation so that is focused on the most important requirements.

At the same time, we note that there are discrepancies in this system that distort a competitive response by Canadian companies. For example, the CRTC decided as a part of the Let's Talk TV process to simplify Canadian content requirements for discretionary services, and to no longer regulated the "evening broadcast period" specifically. Yet, the smallest discretionary programming services, including newly launched services (i.e. new entrants) and smaller third-language services still have to meet the evening broadcast period requirement.[7] This type of anomaly should be addressed.

With respect to the definition of "Canadian content", the rules for broadcasters typically track the rules put in place for the support of content generally. IBG/GDI supports a more flexible approach to categorizing Canadian content that depends, principally, on evaluating whether the production is substantially produced in Canada, rather than evaluating productions solely through a pre-determined points system.

Broadcasters will be part of the new platform ecosystem with global distribution. Therefore, productions need to appeal to audiences that reach beyond the Canadian

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[6] Bell Canada has initiated an appeal in the Federal Court of Appeal of the CRTC's *Wholesale Code* (Broadcasting Regulatory Policy CRTC 2015-438). The *Wholesale Code*, and its interpretation by the CRTC, is central to preserving opportunities for innovation and growth in the broadcasting system.

[7] Broadcasting Order CRTC 2015-88, *Exemption order respecting discretionary television programming undertakings serving fewer than 200,000 subscribers.*

market. Calculating creative points is not likely the most effective way to produce the most popular content, especially if it involves foreign investors.

IBG/GDI also acknowledges that where the market is insufficient to support certain types of content, or additional support is warranted for social reasons, additional regulatory requirements, with appropriate support through mandatory distribution terms and other mechanisms, will be warranted.

Parity in funding support

Lastly, IBG/GDI notes that in the existing funding system, the largest vertically integrated broadcast groups tend to attract most public subsidies. In part, this is a function of their large size. However, it is also a function of the preferred access that these companies have to better packaging and marketing on distribution platforms. Better packaging, and multiple channels, result in higher audience ratings and these ratings, as the Department is aware, are highly relevant to the allocation of funding from the Canada Media Fund.

IBG/GDI understands that the CMF and the Department are already aware of how audience measurement as a tool creates disadvantages for independent broadcasters and fully supports the recommendation that the CMF reward audience success in a more balanced way to counteract the allocation of resources to a few corporate groups. IBG/GDI supports the work that CMF has already done in this area, but believes that more definitive and concrete measures should be taken – such as allocating a fixed amount to the independent broadcasting sector – to encourage greater innovation and competition in Canadian content production.

Conclusion

IBG/GDI very much appreciates this opportunity to present these views to the Department as a part of this important consultation. In our view, the independent broadcasting sector is one of the key sources of competition and innovation in the Canadian content system today. Independent broadcasters are at the forefront of developing new markets in Canada and internationally and are well positioned to make the transition to competitive digital content platforms.

We look forward to engaging with the Department and others on these important matters.

Yours truly,

Joel R. Fortune
Legal Counsel