

**Summary of the CCAU response to the
Telecommunications Policy Review Panel (TPRP) Final Report
June 2, 2006**

This response paper by the Coalition of Canadian Audio-visual Unions (CCAU) shows how the Telecommunications Policy Review Panel's lack of expertise in broadcasting matters led it to mistaken assumptions and inappropriate recommendations regarding broadcasting and foreign ownership regulations. The CCAU urges the Government to reject the panel's recommendations in these areas.

The Telecommunications Policy Review Panel (TPRP) was appointed by the Minister of Industry in April 2005 to review Canada's telecommunications framework. The panel was asked to investigate and report on three areas: regulation, access, and information and communications technologies (ICT) adoption.

The TPRP's mandate did not include broadcasting, and the panel neither solicited nor received informed input on broadcasting matters. Nonetheless, the panel's final report includes extensive discussion of broadcasting issues, as well as informal recommendations on broadcasting regulation and foreign ownership of broadcasting undertakings.

The panel's recommendations on broadcasting and foreign ownership reveal a fundamental misunderstanding of the broadcasting regime and a limited perspective on network evolution. They also ignore key public policy issues associated with broadcasting.

- The TPRP report says regulatory reform is needed to deal with "convergence" of services – the offering of many services over a single network – and also argues that telecommunications and cable companies currently face different ("asymmetric") regulations. However, this is not the case: both Acts in the existing regulatory regime are technology neutral and can accommodate the convergence of services. Regardless of the type of carrier or the technology used, telephone services are regulated under the *Telecommunications Act* and broadcasting services are regulated under the *Broadcasting Act*.
- The TPRP assumes that broadcast and telecommunications networks will evolve as 'dumb' networks that simply move content back and forth without processing or selecting the content. These dumb networks would operate without regard to geographic borders and therefore the current broadcast regulatory regime would be unworkable. However, it is by no means certain that this will become the dominant network configuration in the future. Even if it were, networks are already incorporating technological and business limits to protect markets and content within specific territories, thereby refuting the model of the 'borderless' environment. The current regulatory regime has proven to be flexible enough to encompass technological development.
- The panel recommended lifting foreign ownership restrictions, based on its view that there is a relatively low level of competition in the wireless sector. However,

any weakness in wireless competition can be traced to industry consolidation over the past several years (the number of wireless providers has dropped from five to three). Regulatory action, perhaps requiring the divestiture of assets in the wireless sector, is the obvious solution, not the lifting of foreign ownership restrictions and the sale of Canada's telecommunications and broadcasting companies.

CCAU Recommendations

- The CCAU urges the Government not to accept the panel's recommendations regarding the reform of the broadcasting policy and regulatory framework or the elimination of the foreign ownership restrictions.
- If the Government believes that broadcasting policy needs to be refined, it can issue a policy directive to the CRTC under the *Broadcasting Act*.
- If the Government believes that concentration in the telecommunications industry is adversely affecting competition, it should target this problem directly. The Government should not lift the foreign ownership restrictions and thereby relinquish control over key public policy objectives such as public safety, national security, cultural sovereignty and national identity.

About the CCAU

The CCAU is a coalition of ten Canadian audio-visual unions representing people in Canada's broadcasting industry. The members of the CCAU include the following organizations that financed the preparation of this report: the Alliance of Canadian Cinema Television and Radio Artists (ACTRA), the Directors Guild of Canada (DGC), the National Association of Broadcast Employees and Technicians Local 700-CEP (NABET), and the Writers Guild of Canada (WGC). The other members of the CCAU are the American Federation of Musicians – Canada (AFM-Canada), Union des artistes (UdA), the Communications, Energy and Paperworkers Union of Canada (CEP), Association des réalisateurs et réalisatrices du Québec (ARRQ), Association Québécoise des techniciens de l'image et du son (AQTIS), and Société des auteurs de radio, télévision et cinéma (SARTEC).

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