



August 10, 2007

Mr. Robert A. Morin  
Secretary General  
Canadian Radio-television and  
Telecommunications Commission  
Ottawa, Ontario  
K1A 0N2

Online: <http://www.crtc.gc.ca/eng/broadcast.htm>

Dear Mr. Morin,

**Broadcast Notice of Public Hearing CRTC 2007-11**

**Application by CanWest MediaWorks Inc. (CanWest) for authority to transfer effective control of the broadcasting companies of Alliance Atlantis Communications Inc. (Alliance Atlantis) to CanWest and GSCP, a private equity affiliate of Goldman Sachs & Co.**

**Introduction and Summary**

1. This is the submission of the Alliance of Canadian Cinema Television and Radio Artists (ACTRA) in the matter of Public Notice CRTC 2007-11, an application by CanWest seeking authority to transfer effective control of the broadcasting companies of Alliance Atlantis Communications Inc. to a company (Jointco) that is owned by CanWest in partnership with GSCP, a private equity affiliate of Goldman Sachs and Company, a non-Canadian investment bank. ACTRA requests an opportunity to appear before the Commission at the Public Hearing commencing September 5, 2007.

---

**Alliance of Canadian Cinema, Television and Radio Artists**

**ACTRA National Office**

625 Church Street · Suite 300 · Toronto ON M4Y 2G1  
Toll free 1-800-387-3516 · Tel (416) 489-1311  
Fax (416) 489-8076 · E-mail [national@actra.ca](mailto:national@actra.ca) · [www.actra.ca](http://www.actra.ca)

Affiliated with the Canadian Labour Congress (CLC)  
and the International Federation of Actors (FIA)

**Branch Offices:** Vancouver · Edmonton · Calgary · Regina · Winnipeg  
Toronto · Ottawa · Montreal · Halifax · St. John's

2. ACTRA is pleased to have this opportunity to participate in this process and will bring to it the particular perspective of English-language performers. We believe it is essential to ensure:
  - i) that Canadian creative resources are predominantly used on the public airwaves; and
  - ii) that there is a reasonable supply of high quality English-language drama programs and series in every medium.
  
3. ACTRA and its predecessor organizations have represented the interests of professional performers working in the English-language media in every region of Canada for over 60 years. ACTRA's principal function is bargaining collectively on behalf of our more than 21,000 members and others, whose performances in movies, television programs, sound recordings and digital media entertain, educate and inform Canadians and global audiences.
  
4. ACTRA members have a vital stake in Canada's cultural future. ACTRA members benefit professionally when work opportunities are more abundant. ACTRA members also believe passionately that Canada needs a strong Canadian presence wherever entertainment and information services are created and however these are provided to Canadians. We believe in our own creativity; our ability to tell and perform our own stories. We also believe that a healthy democracy needs diversity in programming choices and editorial opinions. It is these beliefs that motivate ACTRA's participation in the CRTC public process.
  
5. ACTRA is a founding member and a financial contributor to the Coalition of Canadian Audio-visual Unions (CCAU) which has filed an intervention in this process. ACTRA contributed to this intervention, as well as to all previous CCAU reports on broadcasting policy and the crisis in television drama. The CCAU is intervening in opposition to the application by CanWest. CCAU opposes the application because it believes that GSCP and its affiliates, which are non-Canadians, will have control in fact of Jointco and its subsidiaries. Non-Canadian ownership and control of broadcasting licensees is not permitted under the *Broadcasting Act*. ACTRA supports this position and wishes to discuss it at the public hearing.
  
6. If the CRTC finds a way to permit the application to move forward, by directing changes to the ownership structure or other mechanisms to ensure that the broadcasting companies of Alliance Atlantis continue to be owned and controlled by Canadians, ACTRA offers additional comments, particularly about the tangible benefits that will accompany this ownership transfer.

7. The present application also raises significant issues about media concentration and cross-media ownership. ACTRA looks forward to participating in the policy hearing the Commission will hold this fall. In this connection, ACTRA urges the Commission to require that sufficient funds from the CanWest social benefits package be made available to public interest groups to conduct comprehensive and contemporary research into media concentration issues in preparation for the fall hearing and other related processes.
8. For the past seven years, ACTRA and its members have been leaders in the campaign to reverse the precipitous decline in the availability of domestically produced English-language television drama. We have raised this issue publicly, with politicians and with the Commission. We continue to believe that strong actions must be taken. In our recent submission to the CRTC in the Diversity of Voices process, ACTRA urged the Commission “to signal that it will require future benefits packages to concentrate on drama productions, with a minimum of 2/3 of the package being allocated for such productions.” For this reason, in this application, ACTRA seeks a benefits package which provides for \$95.1 million to flow to 10-point Canadian drama programs and series produced at arms-length from CanWest over the next seven years.

#### **Media Diversity/Common Ownership Policy/Fall Policy Hearing**

9. The acquisition of Alliance Atlantis by CanWest raises a number of significant issues for the broadcasting system, particularly how media consolidation and cross-media ownership reduce the diversity of voices. CanWest is already the second largest player in the English-language Canadian conventional television market and, with its acquisition of the specialty and digital television services owned by Alliance Atlantis, it will become the third largest player in specialty services, just slightly behind Corus Entertainment. ACTRA believes that the increasing concentration of media ownership has failed to bring more and higher quality Canadian content to our screens, the great promise offered up by those who are driving the consolidation.
10. ACTRA notes that the issues of media consolidation have also been front and centre in two other recent takeovers: the CTV purchase of Chum Limited and the Astral Media Inc. purchase of Standard Broadcasting Corporation Ltd.
11. The CRTC has decided to hold public hearings in Fall 2007 to “review issues relating to the *Broadcasting Act’s* objective of ensuring that the broadcasting system provides Canadians with a diversity of voices.” In its 13 March 2007 Press Release announcing the Fall review, the

Commission stated that the applications of CTVgm, CanWest Global and Astral Media, would be assessed in light of the existing regulations and policies, rather than those that may emerge from the upcoming process.

12. While ACTRA has filed a written submission and looks forward to the opportunity to participate in this Fall's policy review, we note that the CRTC's decision to proceed with the current applications under existing rules may diminish the relevance of the policy review, since the Commission's ability to influence the ownership structure of the Canadian media will be reduced with every approval it gives to a large takeover/consolidation in the intervening period. ACTRA does note, positively, that in its decision in the CTVgm application, the Commission has left open the possibility, however remote, that another national private conventional television network could develop in Canada.
13. ACTRA's concerns about the effects of media consolidation on the broadcasting system are shared by a number of other stakeholders. In order to prepare for the upcoming process, ACTRA believes it is essential to have authoritative, comprehensive and contemporary research and data on the issue of how media concentration has and will continue to effect Canadian broadcasting and other media; what measures should be taken to ensure adequate resources for the production and promotion of high quality Canadian drama programs and series; and the effects of new media technologies on broadcasters, distributors and telecommunications companies. Unfortunately, ACTRA and these other groups do not have the resources needed to undertake the necessary research.
14. The current application provides an opportunity in this respect. ACTRA proposes that, as part of the tangible benefits package, research funds be provided by CanWest to a public interest coalition, comprised of ACTRA, other unions and guilds, associations of producers, the Canadian Film and Television Industry Coalition, and other public interest organizations such as the Friends of Canadian Broadcasting. This coalition, which perhaps could be brought together through the Canadian Centre for Policy Alternatives, an established research institute, would define the parameters, commission and oversee appropriate research and studies.

### **Analysis of Proposed Tangible Benefits**

15. The Supplementary Brief appears on the surface to contain some positive statements about how the tangible benefits will have a positive impact on the Canadian broadcasting system:

- “Note that we have specifically designed a package of benefits that addresses all stages of production, from early development, to midstream funding and development of supporting materials on alternate media, to third-party promotion.”
- “In order to help address any noted deficiencies in the production and exhibition of English-language drama, CanWest has allocated nearly half of all on-screen and programming-related benefits to drama production (and directly associated initiatives).”
- “We have devoted the vast majority (90%) of our tangible benefits to on-screen and programming-related initiatives. The total value of these benefits is \$123 million.”

16. ACTRA is concerned, however, that CanWest is not allocating sufficient benefits to Canadian 10-point drama productions and we have detailed these concerns below. ACTRA therefore proposes that \$95.1 million of the benefits be allocated exclusively to such programs and series that are produced at arms-length from CanWest.

17. The Commission's policy on benefits is set out in CRTC PN 1989-109 entitled, *Elements Assessed by the Commission in Considering Applications for the Transfer of Ownership or Control of Broadcasting Undertakings*. Under this policy:

- “An applicant is expected to propose a specific package of significant and unequivocal benefits that will yield measurable improvements to the communities served by the broadcasting undertaking and to the Canadian broadcasting system.”
- “Only those initiatives that would not be realized without approval of the proposed transfer are viewed as benefits. In order to be accepted as a benefit, the proposed expenditure must be incremental. Expenditures that would normally be considered ongoing normal responsibilities of the existing licensee will not be accepted as benefits unless that licensee, because of financial circumstances, could not implement the initiative or reasonably planned to delay such an improvement beyond the time frame proposed by the purchaser.”
- “The Commission will maintain its case-by-case approach, assessing each application on its merits and taking into account both the tangible and intangible benefits proposed.”

## Tangible Benefits

- “Tangible benefits generally fall into three broad categories: operating expenditures, such as in the areas of additional staff or programming improvements; capital expenditures for technical improvements; and grants and contributions to Canadian talent or program development funds.
- “With respect to the comments regarding operating and capital expenditures, the Commission notes that, for such expenditures to be considered as tangible benefits, applicants must demonstrate that these costs would not be incurred in the ordinary course of business and that the public will benefit from their implementation.”

## **Maximizing Benefits for 10-Point Canadian Drama**

18. ACTRA continues to be in the forefront of the campaign to raise awareness of the desperate state of English-language Canadian television drama. ACTRA believes that the CanWest tangible benefits package should be configured to provide the greatest possible benefits to 10-point Canadian drama programs and films, produced at arms-length from the applicant.
19. After reaching a peak of \$1.11 billion in 1999/2000, the volume of production of English-language fiction programs (drama and scripted comedy) declined to only \$713 million in 2002/03. It has since risen to \$861 million in 2005/06, still more than 20% lower than the peak year of 1998 (Profile 2007).
20. Producing high quality drama programs requires more creative, technical and financial resources than any other programming genre. Drama production trains, develops and employs Canadian writers, actors, directors, editors, technicians and other key creative individuals.
21. The Commission has on numerous occasions acknowledged the crucial role that dramatic programs play in our broadcasting system, and in our lives. For example, Public Notice CRTC 2003-54 states, “it is through television drama that most Canadians participate in their national culture and share in the evolution of social values and stories of human passion. Canadian drama should be a cornerstone of the Canadian broadcasting system.” In that same process, the Coalition of Canadian Audiovisual Unions pointed out that without a strong selection of high

quality 10-point dramatic programs, Canadians will not have a window on Canada's national culture, stories, imagination and passions.

22. In Public Notice CRTC 2004-32, the Commission added the following observation: "It is the Commission's preliminary view that effective measures to increase the availability of, and viewing of, Canadian drama programs are needed at this time and that such measures would further the objectives of the *Broadcasting Act*."
23. In response to Public Notice CRTC 2006-5, the CCAU noted that the importance of drama within our broadcasting system was reiterated by most interveners who responded to Public Notice CRTC 2003-54. The Commission stated that it "received a total of 301 submissions in response to Public Notice CRTC 2003-54. A large majority of these were in agreement with the importance the Commission places on Canadian drama...."
24. Nevertheless, as has been frequently noted, audiences for English-language Canadian drama are very low compared to overall viewership of drama. According to Fall 2002 BBM data, only 5% of all viewing of drama on English-language private conventional television stations was spent watching Canadian programs (CRTC 2004-3). BBM reported for that same period that prime time viewing of all drama on private, conventional English-language television stations represented 70% of all viewing.
25. There are a number of reasons for the decline including the shift to inexpensive reality-based television programs, the CRTC 1999 Television Policy which de-emphasized drama, the collapse of the foreign television market for Canadian producers and the uncertainty of government (and cable company) funding support, particularly through the Canadian Television Fund. But a major reason for the current state of drama production is the woefully inadequate support provided by Canada's private conventional broadcasters.
26. A 2004 study, *Through the Looking Glass*, confirms that Canada's broadcast license fees paid by Canada's private broadcasters are substantially lower than those in other countries. The study, commissioned by the Directors' Guild of Canada, the CRTC and several government departments reports that domestic license fees in the United States cover on average 81% of the costs of a television production, in the United Kingdom they can cover between 70% and 115%, while in Australia, they can cover between 35% and 85%. License fees in French Canada cover an average of 38%.

27. In English-Canada, the broadcast license fees paid by broadcasters are among the lowest in the world and are as low as only 18.4% of the costs of a television production. Thus, the producer must look to other markets and public sources for close to 82% of the financing. While the 2004 study was based on earlier data, we expect the situation has not changed in the intervening years.
28. On 28 March 2007, the CRTC reported on the financial performance of television broadcasters for 2006. The results show that broadcasters decreased their spending on home grown drama and increased their spending on foreign drama. In total, Canadian broadcasters spent more than \$478 million on foreign (primarily U.S.) drama, an increase of 19.2% from the previous year. In the same year, Canadian broadcasters spent just under \$71 million on home grown drama, a decrease of 13.7% from the previous year.
29. According to the CRTC annual report on Canadian broadcasting released 31 July 2007, revenues for conventional television reached \$2.6 billion in 2006, an increase over the \$2.5 billion in 2005, and revenues for specialty, pay and pay-per-view television and video-on-demand services totaled \$2.5 billion in 2006, compared with \$2.2 billion in 2005. As for digital television services, revenues still represent only 5% of the television sector's revenues, coming in at \$248 million.
30. ACTRA, its colleagues in the CCAU and others are concerned about the present state and future of Canadian drama programs in television. We are concerned about the level of investment; the on-air placement; the lack of adequate promotion; and the type of Canadian dramatic programs being made. ACTRA acknowledges that CanWest has recognized the need to fund Canadian drama productions by allocating some of the transfer benefits package to drama programming. But, ACTRA believes the amount is far too low to have a significant impact on the production of new English-language Canadian drama and a positive influence on the Canadian broadcasting system as a whole.
31. Television drama is the most expensive form of programming to produce. Further, ensuring there are significant amounts in the form of tangible benefits allocated to English-language television drama productions in this case is within the parameters of the policy for transfer expenditures and clearly in the public interest.



32. ACTRA urges the CRTC to act in this matter by requiring CanWest to direct more resources in this benefits package to the production of 10-point English-language Canadian drama as we detail below.

### **Proposed Level of Benefits**

33. Since the concept of the tangible benefits package first appeared in the Canadian broadcasting lexicon, ACTRA has taken the position that benefits should be based on the full value of the transaction, including assets to be divested and debt acquired. The value of each transaction is based on a variety of complex and intersecting factors, and each transaction is unique. ACTRA submits that the benefits package should be based on the final outcome of the transaction, since this figure is fixed, firm and public. It should not be discounted in any way. Each contingent subsequent transaction should similarly require an appropriate benefits package.

34. ACTRA observes that CanWest assigns a value of \$1.369 billion to the regulated assets, which is the mid-range valuation put forward by Ernst and Young LLP. While there is debt involved in the transaction and some assets may be divested, CanWest has proposed a benefits level of 10% of this assigned value.

### **Analysis of Proposed Benefits**

35. A serious deficiency in this application is that it does not contain detailed information about the programming genres that will benefit from the resources allocated to program production. ACTRA strongly suggests that no portion of this money should be allocated to reality-based or magazine style entertainment programming, since these already form the core of CanWest Global's priority programming Canadian content. Thus, funding provided to reality-based or entertainment programs cannot be considered additional. ACTRA prefers the detailed approach to how the tangible benefits will be allocated taken in other cases, such as in Broadcasting Decision CRTC 2000-747 relating to the BCE acquisition of CTV, and in Broadcasting Decision CRTC 2004-502 relating to the Craig/CHUM transaction.

36. ACTRA supports the Commission's policy regarding transfers of ownership of defining a "benefit" as something that would not happen otherwise and must be additional for the system. We believe expenditures broadcasters ordinarily make to run their businesses should not count as a benefit. It may well be a useful and positive expenditure, but to qualify as a benefit, there must

be something more. The Commission should accept as benefits only those initiatives that would not be realized without approval of the proposed transfer.

37. ACTRA opposes the self-serving proposal of CanWest to spread the benefits over ten years, thus reducing the required annual expenditure. First, we do not agree that spreading benefits over a longer period creates continuity; it merely delays the end date. It also creates a situation in which independent producers have a greater burden to find “gap” financing. As we have seen with the recent proposal of the CTF Task Force to reduce the Cancon points requirement, this burden creates pressure to create more “commercial” programs, which is seen as being possible only by reducing the Canadian content elements in programs.
38. ACTRA recommends that seven years is the appropriate length of time for the benefits package. Seven years is consistent with previous CRTC rulings and the Commission should apply the same limits in this case.
39. ACTRA submits that benefits monies are public monies analogous to the cable company CTF contributions. They are required to be paid as a regulatory expenditure obligation in exchange for corporate growth through acquisition, which reduces the number of broadcasters in the system and centralizes program decision-making into fewer hands. As public funds, benefits should be allocated fairly and transparently, which in our opinion requires that they be subject to administration by a third party.
40. CanWest has also proposed a model which they claim will be a ‘one-stop shopping’ opportunity for financing. ACTRA is concerned about this approach because it implies that CanWest will be making all decisions about which programs get a green light. If the Commission is to consider such a model, it must require mechanisms to ensure that expenditures are truly incremental and not part of what is, or should be, normal broadcaster program development or acquisition costs. We also wonder why CanWest is treating documentaries differently, as they propose for the Hot Docs completion financing benefit.
41. CanWest proposes to allocate 90% of the tangible benefits to “on-screen and programming-related initiatives.” Valued at \$123 million, programming benefits are divided into four broad categories:
  - (1) Scripted drama and other priority programming
  - (2) Expansion of documentary production

- (3) Building a star system
- (4) News and public affairs

42. ACTRA urges the Commission to require that ALL of the resources allocated to categories 1 and 3, or \$95.1 million, be allocated to 10-point Canadian drama programs and series that are produced by independent Canadian producers. ACTRA further urges the Commission to require that these benefits be expended over the next seven years.
43. CanWest argues it has designed a “package of benefits that addresses all stages of production, from early development, to midstream funding and development of supporting materials on alternate media, to third-party promotion” by creating three categories of support: Development, Getting the Green Light and Telling Them about It.
44. ACTRA believes that the \$13.5 million allocated for projects at the development stage should be focused exclusively on drama productions. ACTRA submits that existing so-called Canadian magazine style entertainment programs have done little to promote or expose Canadian productions or Canadian artists. We fully support efforts by the Writers Guild of Canada to expose the damaging nature of these programs, which serve merely as vehicles to promote the U.S. network dramas that fill the prime time schedules of Canadian private broadcasters. We will make additional comments on this issue below.
45. ACTRA acknowledges the expenditure for Canadian Drama that CanWest is proposing in its second phase Getting the Green Light, in which \$55 million is earmarked for scripted English-language drama productions destined for the Alliance Atlantis specialty services. This amount is slightly more than one-third of the total benefits package. We note that, as these funds must be incremental, this means that they are additional to obligations of the conditions of licence of Showcase, History Television, IFC Canada, Showcase Action, Showcase Diva and the other specialty services being acquired from Alliance Atlantis.
46. This \$55 million appears to be the centerpiece of CanWest’s drama programming benefits package. As a centerpiece, we find the amount of the commitment, when spread out over the proposed ten-year term, to be modest. In its benefits package, CTVgm specified that its Trendsetters initiative was directed at the challenges of “securing financing for more than 13 episodes of a given series.” In this application, CanWest does not reveal how the funds would be

allocated to finance drama series. At a value of approximately \$5.5 million per year, realistically this would make a difference to perhaps only one series each year.

47. In Profile 2007, the average budget for English language fiction programming is reported to be \$1.3 million per hour. We note that despite an increase in budgets over the previous year, they remain well below average budget rates for drama observed during the 1990's according to Profile 2007. In order for the allocation for drama productions to be meaningful in this benefits package, it is essential that the threshold for such drama be set at levels that reflect the reality of the industry. While a one-hour drama with a production budget of \$1.3 million will employ the greatest number of Canadians and is more likely to have the greatest potential to attract audiences, this budget falls well short of the far more expensive U.S. productions, which consequently have considerably greater production values. The CRTC's policy should support the highest possible production budgets for Canadian drama since these will have the best chance of competing with the U.S. imports that dominate the prime time schedules of conventional and specialty channels.
48. With respect to how this money should be distributed, ACTRA notes that CanWest appears to be proposing to make all of the decisions itself. ACTRA strongly prefers that such revenues flow through established production funds, which are directed by independent boards and which allocate money only to independent producers. This is also in keeping with the CRTC policy. In the alternative, if the Commission were to permit CanWest to retain this responsibility, the Commission must require that it be directed to independent producers operating at arms-length from CanWest and to impose the same strict standards of reporting and auditing as the Commission required in its decision in respect of the BCE/CTV benefits package, in order to ensure the allocations remain truly additional to normal business expenses.
49. In the BCE purchase of CTV, CRTC Decision 2000-747, the Commission insisted that its requirements be met regarding the benefits package. Specifically, the Commission required that all expenditures proposed as benefits "be truly incremental, and that they flow predominantly to third parties, such as independent producers." The Commission also required the applicant "to adhere to a strict annual reporting regime to demonstrate the incremental nature of its benefits expenditures..." and required "the applicant to increase the proportion of incremental priority program expenditures that are to be directed to independent Canadian production companies." In the decision, the Commission required that 80% of the proposed incremental expenditures on priority programming be made through independent producers, defined so that companies related

to the applicant could own, in aggregate, less than 30% of the equity. Similar obligations should be imposed on CanWest by the Commission in the present application.

50. ACTRA supports the allocation of \$2 million for drama productions in partnership with Aboriginal Peoples' Television Network and encourages the Commission to ensure that this project reaches fruition.
51. ACTRA supports the allocation of \$1.5 million for the Passchendaele feature film and asks that the Commission require the remaining \$1.5 million of the history programming initiative to be used in support of the development of historical dramas.
52. The third phase proposed by CanWest is Telling Them about It. This is meant to increase audience awareness of the scripted drama and other priority programming through third party promotion.
53. For more than 50 years, ACTRA has worked to develop a star system in the English-language market. For many years, we organized the ACTRA Awards, a nationally televised show which celebrated excellence in Canadian television. When the Academy sought to expand into television awards, we agreed to withdraw in favour of an industry initiative. Many of our Branches have developed new ACTRA awards to celebrate local performers. We know that we have many excellent actors and other performers in Canada and we are strong advocates for building a star system.
54. A star system in English Canada is an uphill battle. Not only are Canadian drama programs undersubscribed, there is a disturbing trend to relax Canadian content rules such as the latest recommendation of the CRTC's CTF Task Force that would permit 8 out of 10 productions to qualify as Canadian content, where the performers or other leading creative persons need not be Canadian. The CanWest Global magazine style entertainment programs with their dominant emphasis on Hollywood stars have contributed to this trend to "Americanize" Canadian dramas.
55. ACTRA submits it is naive of CanWest to suggest that \$13.5 million spent over ten years in promotion will make a difference, particularly as there are few drama programs. The record of CanWest Global on drama programs has been spotty at best and it has failed miserably in terms of scheduling the domestic dramas that it does acquire.

56. In addition we do not agree that the so-called Canadian entertainment news programs have even “partly addressed the need for promotion of English-language Canadian Drama programming and the performers who are the stars of these programs.” We refer again to the Writers Guild of Canada complaint to the CRTC that has exposed the entertainment news programs as little more than Canadian promotion of the Hollywood machine. We strongly urge the Commission to monitor this initiative to ensure that these funds are used exclusively to support Canadian creators and performers, and the programs they make.

57. ACTRA specifically supports the following proposed social benefits:

- \$1.5 million to the National Screen institute
- \$1.5 million to the Canadian Film Centre
- \$500,000 to Women in Film and Television – Toronto
- \$190,000 to the Canadian Council for Aboriginal Business to develop a scholarship program for aboriginal film and television students in post secondary school programs
- \$210,000 to the Innoversity Creative Summit
- \$500,000 to the National Aboriginal Achievement Foundation
- \$1.8 million to fund Arts and Diversity festivals.

58. ACTRA continues to take the view that there are not enough resources available to support script and concept development and thus we support the \$3 million program for screen writers to be held in conjunction with the Banff World Television Festival.

59. ACTRA would also support the \$5 million digitization of archival footage, if it contains a commitment by CanWest to digitize the Canadian drama programs and feature films to which it has access through Motion Picture Distribution Inc.

## **Conclusion**

60. ACTRA urges the Commission to reject the application by CanWest. As a member of the Coalition of Canadian Audio-visual Union, we take the position that GSCP and its affiliates, which are non-Canadians, will have control in fact of Jointco and its subsidiaries and thus of the regulated assets being acquired from Alliance Atlantis. Non-Canadian ownership and control of broadcasting licensees is not permitted under the *Broadcasting Act*.

61. If the CRTC finds a way to permit the application to move forward, by directing changes to the ownership structure or other mechanisms to ensure that the broadcasting companies of Alliance Atlantis continue to be owned and controlled by Canadians, ACTRA urges the Commission to take a bold step to reinvigorate Canadian television drama, a genre that is essential for economic and cultural reasons, by providing that \$95.1 million of the proposed benefits be allocated to the production of 10-point Canadian drama programs and series produced by independent producers.
62. We thank the Commission for this opportunity to provide our comments and we are pleased to have an opportunity to appear at a public hearing before the Commission to expand on our concerns and proposals and to reply to any questions.

All of which is respectfully submitted.



Stephen Waddell  
National Executive Director  
ACTRA

- End of document -

Copy to:  
CanWest Media Works Inc., on behalf of  
Alliance Atlantis Broadcasting Inc.  
Email: [cbell@canwest.com](mailto:cbell@canwest.com)