



ACTRA Presentation

House of Commons Standing Committee on Industry

**Ferne Downey, ACTRA National President
Stephen Waddell, ACTRA National Executive Director**

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FERNE DOWNEY

Thank you. Mr. Chair and Committee Members, my name is Ferne Downey. I'm a professional performer and the National President of ACTRA. And with me today is Stephen Waddell, ACTRA's National Executive Director. Thank you for giving us the opportunity to speak on behalf of 21,000 performers in film, television, sound recordings, radio and digital media who live and work in every corner of the country.

Canada's professional performers believe that ownership of our cultural industries by Canadians is not only crucial for our cultural sovereignty – but also for our economic sovereignty.

We also believe that it is a mistake to think that you can relax foreign ownership rules for telecommunications without negatively affecting Canadian culture.

With increasing corporate consolidation and the rapid evolution of technology – telecommunications and broadcasting are quickly converging. Vertical integration means that telephone companies own cable, broadcast and satellite assets; and cable companies own telecommunications, satellites and broadcasters. Moreover, content is being delivered to Canadians through all of these channels – telecoms and ISPs are effectively becoming broadcasters. You cannot separate them.

If Rogers, Telus and Bell's telecom interests are sold off to foreign interests, we will lose control not only of our telecom and satellite industries, but we'll be one small step away from ceding complete control of our broadcasting and media industry. And that would be catastrophic.

Canadian broadcasting is a public good. It is critical to the health of our democracy and our unique cultural identity. Broadcasting shapes our opinions, our outlook on our community, our nation, our world and ourselves. It is too influential, too precious and too tied to who we are to let it fall into foreign hands.

We are already largely dominated by American culture. Our films barely make it into our multiplexes. And we struggle get Canada's private broadcasters to schedule our own programs in prime time. Our culture certainly cannot survive - let alone flourish - if our prime time schedules are dictated by executives at NBC Universal in Los Angeles.

A healthy democracy needs diversity in programming choices and editorial opinions. We cannot have a healthy democracy when all of our news rooms are in New York, Washington and Chicago. How will we know what's happening in our communities? How will YOU - our elected leaders communicate and learn about your constituents?

We believe that Canadian voices are worth hearing, sharing and celebrating. We must not open the door to foreign ownership and allow those voices to be drowned out.

I will now ask Stephen Waddell to talk some more about the negative impact of opening up foreign ownership of telecommunications.

Stephen Waddell

I understand the desire to make our telecommunications and broadcasting industries stronger. To make them global players. To be able to attract the best ideas, push

innovation and increase our country's wealth. I get that. But I don't agree that opening the doors to foreign investment is the only way or the best way to do that.

I also don't think the drive to the top should be pursued at any cost. We've seen what happens to other industries when they get bought out by foreign companies. They come up here for a while. Take advantage of some tax breaks; then shut the plant down and ship the equipment overseas tossing Canadians aside to the unemployment line and their skills and knowledge along with it.

In 2008, communication industry revenues accounted for nearly 4.5% of Canada's gross domestic product (GDP). Broadcasting revenues accounted for approximately one quarter (26%) of that amount and telecommunications revenues accounted for approximately three quarters (74%).¹

These industries are simply too economically vital to be left to the whim of foreign conglomerates. Canadians agree. We did a poll with CEP and Friends of Canadian Broadcasting which showed 66% of Canadians believe broadcasting and communications are too important to our national security and cultural sovereignty to allow foreign control of Canadian companies in this sector.

These industries are the future of our knowledge-based economy. If we have no control, or no voice, we will not only lose control of our culture, but of a huge piece of our economy.

¹ CRTC Communications Monitoring Report, 2009

Canada is not alone in keeping the lid on foreign ownership. Almost half of the OECD countries have restrictions on the ownership of telecommunications and broadcasting. Including the United States. Sure, American companies trot around the globe snapping up other countries' industries, but they look after their own.

Spain, Australia, New Zealand, Norway, Korea and Japan also have restrictions.² Yes, some are more liberal restrictions than Canada's. But none of them are sitting within broadcasting distance of the biggest exporter of English-language cultural material in the world. We are uniquely vulnerable – it follows that we must be vigilant.

Some argue that foreign ownership is the golden ticket to giving Canadian consumers a break on their mobile and cable bills. There's no question Canadians are being gouged by cable and telecoms. But the problem here isn't lack of foreign ownership, its lack of regulation. There is no evidence that allowing foreign ownership brings down cable or wireless bills and makes prices fairer. But there is proof that regulation does.

Besides, the government didn't need to bring 'Wind' in through the back door to create more competition. We have a number of Canadian companies entering the market. Public Mobile has opened its doors and Craig Wireless, Mobilicity and Videotron are not far behind. Why wouldn't we support our own and keep the money and innovation in our own country?

We believe that Canada's identity and culture will ultimately be undermined by the federal government's decision to grant a licence to Globalive - an Egyptian-owned and controlled company – to operate a wireless service in Canada.

² **OECD Communications Outlook 2009**

The GlobeAlive decision doesn't square with the requirements of the Telecommunications Act including the requirement that all communications companies be effectively owned and controlled by Canadians.

Both the Telecomm and Broadcasting Acts are quite clear:

- “A Canadian carrier is eligible to operate as a telecommunications common carrier if it is a Canadian-owned and controlled corporation incorporated or continued under the laws of Canada or a province.”
- “the Canadian broadcasting system shall be effectively owned and controlled by Canadians.”

The bottom line is that Canadians need to control our telecommunications and broadcasting. Current limits to foreign ownership must be maintained to ensure that our broadcasting and telecommunications industries are controlled by Canadians, for Canadians.

Thank you. We'd be happy to respond to your questions