



May 30, 2012

Mr. John Traversy  
Secretary General  
Canadian Radio-television and  
Telecommunications Commission  
Ottawa, Ontario K1A 0N2

Filed Electronically

Dear Mr. Traversy:

**Re: Broadcasting Notice of Consultation CRTC 2012-81 (“BNC 2012-81”)  
Call for comments on a revised licensing framework for pay-per-view (“PPV”)  
services**

1. The following are the comments of the Canadian Media Production Association (“CMPA”)<sup>1</sup> in response to the above-noted Notice of Consultation.
2. On 17 May 2012, the Commission released Broadcasting Decision CRTC 2012-292<sup>2</sup> in which it renewed the licences for the Video-on-Demand (“VOD”) services operated by the major broadcasting distribution undertakings (“BDUs”). In doing so, the Commission denied various requests by the licensees relating to exceptions to the standard conditions of licence, expectations and encouragement for VOD programming undertakings as set out in Broadcasting Regulatory Policy CRTC 2011-59<sup>3</sup>, stating any amendments to those standard VOD requirements should be determined only after a further public policy process.
3. The standard VOD requirements flow from the Commission’s VOD Policy as set out in Broadcasting Regulatory Policy CRTC 2010-190.<sup>4</sup> In BNC 2012-81, the Commission now proposes to use the VOD Policy as a baseline with which to update its PPV licensing framework.

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<sup>1</sup> The CMPA represents the interests of screen-based media companies engaged in the production and distribution of English-language television programs, feature films, and new media content in all regions of Canada. The CMPA’s 400 member companies are significant employers of Canadian creative talent and assume the financial and creative risk of developing original content for Canadian and international audiences.

<sup>2</sup> <http://www.crtc.gc.ca/eng/archive/2012/2012-292.htm>.

<sup>3</sup> <http://www.crtc.gc.ca/eng/archive/2011/2011-59.htm>.

<sup>4</sup> <http://www.crtc.gc.ca/eng/archive/2010/2010-190.htm>.

4. In principle, the CMPA submits that the PPV and VOD licensing frameworks should be aligned. However, the CMPA also submits that, while the VOD framework is only two years old, it is already outdated and needs to be reviewed. In particular, we submit the VOD framework needs to be amended so as to ensure VOD providers contribute more to supporting the production and presentation of Canadian feature films. Those same increased obligations should then be extended to PPV undertakings.
5. The CMPA has repeatedly highlighted - most recently in our 15 February 2012 comments regarding the Commission's review of the future of the Local Programming Improvement Fund ("LPIF")<sup>5</sup> - that the Canadian feature film industry is facing a funding crisis because broadcasters in general no longer support Canadian feature films as they once did. For this reason, we recommended in our comments regarding the LPIF that, should the Commission discontinue that Fund, some or all of the BDUs' current LPIF contributions should be reallocated to support Canadian feature films.
6. As we noted in our earlier submission, it is now widely accepted that, when it comes to television content, consumers expect to be able to access what they want, when they want it, and that this phenomenon is both driven by and served by VOD platforms. Indeed, as we noted, CTAM Canada released research results earlier this year showing that viewership of almost all types of VOD programming was up in 2011, led by viewership to movies (70% compared to 50% in 2010).<sup>6</sup>
7. As the broadcasting environment continues to evolve and the viewing patterns and demands of Canadian audiences increasingly shift to on-demand options, the importance of the VOD and PPV platforms for Canadian feature films will continue to grow. Given these developments, the CMPA submits that the Commission should establish a public policy process to jointly review its VOD and PPV licensing frameworks so as to ensure VOD and PPV providers contribute more to supporting the production and presentation of Canadian feature films.

Sincerely,

*original signed by*

Norm Bolen  
President & CEO

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<sup>5</sup> Broadcasting Notice of Consultation CRTC 2011-788, <http://www.crtc.gc.ca/eng/archive/2011/2011-788.htm>.

<sup>6</sup> <http://www.cartt.ca/news/12990/Cable-Telecom/Movies-TV-series-lead-surg-ing-video-on-demand-viewership-CTAM-Canada-report.html>.