

Enhanced Terms of Trade More Essential in Light of Corus's Acquisition of Shaw

TORONTO, January 13, 2016—The Canadian Media Production Association (CMPA) is calling for a formal review of the need for enhanced Terms of Trade in light of Corus Entertainment's proposed acquisition of Shaw Media.

“This acquisition has troubling implications for the independent production sector,” says Reynolds Mastin, President and CEO of the CMPA. “If approved, it will lead to even greater consolidation of control in an already exceptionally consolidated broadcasting industry. It will mean that two players - the merged Corus/Shaw and Bell Media - would control 70% of the English TV viewing market. It's hard to imagine a more imbalanced marketplace. In such an environment, competitive safeguards like Terms of Trade become an even greater necessity.”

Terms of Trade is an agreement between the CMPA and Corus that provides for baseline commercial terms in licence agreements between Corus and individual production companies. Corus and the other major private broadcast groups

(Bell Media, Shaw Media and Rogers Media) were required by the CRTC to enter into Terms of Trade agreements with the CMPA in 2011.

“The CRTC found that consolidation had given the major broadcasters so much bargaining leverage in their negotiations with producers, who are mostly small and medium-sized businesses, that some kind of competitive safeguard was necessary, and that took the form of Terms of Trade,” says Mastin. “That was four years ago, before Bell’s acquisition of Astral, and now Corus’s proposed acquisition of Shaw. So we’ve now gone from a highly concentrated marketplace to a hyper-concentrated one.”

As part of its new Let’s Talk TV policy, the CRTC stunned producers across the country by permitting broadcasters to apply to have their condition of licence to adhere to the Terms of Trade agreement be removed. Corus was the first – and to date, the only – broadcaster to apply to the Commission under the new policy.

Equally troubling for producers is Corus’s proposed programming strategy for the merged Corus/Shaw entity.

“Corus’s pitch to financial analysts, as early as this morning, is that it will leverage the benefits of this acquisition by owning as much content as it can. It will achieve this by using its market leverage to effectively expropriate from producers the rights and revenues to producers’ shows,” says Mastin.

“Approving this acquisition without enhanced Terms of Trade would be the first step in undoing thirty years of public policy designed to support a robust independent production sector.”

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ABOUT THE CMPA

The Canadian Media Production Association is Canada’s leading trade



association for independent producers, representing more than 350 companies engaged in the production and distribution of English-language television programs, feature films and digital media. The CMPA works on behalf of members to promote and stimulate the Canadian production industry. Our goal is to ensure the continued success of Canada's independent production sector and a future for content that is made by Canadians for both Canadian and international audiences.

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