

CRTC approval of Corus– Shaw deal puts Canada’s independent producers at risk

CMPA identifies broadcaster consolidation as a threat to television programming diversity, quality, and the health of the independent production sector in Canada.

OTTAWA, March 23, 2016—The Canadian Media Producers Association (CMPA) today raised serious concerns about the future health of Canada’s independent television production sector, following the CRTC’s approval of the sale of Shaw Media to Corus Entertainment. The approved deal will see Corus dominate women’s, lifestyle and children’s programming in Canada, ultimately reducing the diversity and quality of programming available to Canadian audiences.

“Today’s CRTC decision sends a shiver down the spine of Canada’s independent producers, who now face the hard realities of a hyper-consolidated broadcasting sector,” said Reynolds Mastin, President and CEO, CMPA.

Based on Corus's statements to the investor community, the CMPA fears that, with approval of this transaction, Corus will use its greater negotiating power to extract even more rights and revenues from independent producers. The CMPA warns this will essentially reduce producers to the role of service providers, which will limit their ability to take creative risks, while downloading onto them the enormous financial risks involved in making television shows. As incentives to make innovative content are removed from the broadcast ecosystem, programming diversity will be reduced and consumer choice limited. Ultimately, the production sector itself could shrink, putting thousands of jobs and millions of dollars of GDP at risk.

In a submission to the CRTC last month, the CMPA requested the regulator include a condition of approval should the deal go ahead. The condition would have required Corus to implement safeguards that ensured the expanded company provided a level playing field when negotiating with independent producers. No conditions of approval were included in today's CRTC announcement.

"A healthy, vibrant broadcasting system must strike a balance between the need for strong and successful broadcasters and the need to foster competition for creative ideas, talent and programs," said Mastin. "The CRTC's decision today disturbs this balance. It comes at the expense of producers who will find it increasingly difficult to create the very best 'made-in-Canada' content for Canadian and global audiences."

Ontario Commissioner Raj Shoan, in a dissenting opinion, recognized that the market dominance that a merged Corus-Shaw would enjoy raised important public issues warranting a full public hearing and a determination of whether safeguards in the producer-broadcaster relationship may be warranted.



Commissioner Shoan noted that “by declining to investigate this policy issue at this time by way of a public hearing, the Commission may be exacerbating a new and festering challenge to the Canadian independent production sector.”

The CMPA and dozens of other stakeholders had also called for a public hearing in their written submissions. In response, the CRTC has instead decided to effectively rubber stamp the transaction with no public hearing.

“The fate of the independent production sector rests on its ability to negotiate fairly with the few highly-consolidated broadcasters that are left in Canada,” said Mastin. “Without safeguards in place, I fear for the health of the sector, the great programming producers develop and the jobs they create.”

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ABOUT THE CMPA

The Canadian Media Producers Association (CMPA) is the country’s leading member-based advocacy organization for independent producers, representing hundreds of companies engaged in the development and distribution of English-language content made for television, cinema and digital media channels. The CMPA works to promote the continued success of the Canadian production sector and ensure a future for diverse content made by Canadians for both domestic and international audiences. cmpa.ca

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