

Premier's Note: CTV

Issues:

Canadian Radio-television and Telecommunications Commission (CRTC) Hearings

Background:

- In the October 2013 throne speech, the federal government required that the Canadian Radio-television and Telecommunications Commission (CRTC) undertake a review of television policy and develop a roadmap for the future of television.
- As part of its review, the CRTC must recommend a pick-and-pay format that will provide television viewers with choice and flexibility rather than being required to buy bundles of channels they do not want.
- On June 24, 2014, MTCS presented a submission paper (developed in collaboration with the Ontario Media Development Corporation) with 29 recommendations for the CRTC review. On ~~September~~September 8, Kevin Finnerty, Assistant Deputy Minister at MTCS, spoke at the CRTC public hearing and spoke to the following recommendations made by the ministry in his submission:
 - The CRTC should maintain the current level of support for the Canadian Program Rights Market, ensuring Broadcasting Distribution Units (BDUs - traditional cable and satellite television providers), broadcasters and producers can monetize Canadian distribution rights for made-for-TV programs (foreign and Cancon).
 - The CRTC should maintain the level of support for a competitive, accessible and diverse system. **If required to choose**, MTCS recommends a hybrid pick-n-pay (PnP) model where a basic service is offered and consumers can pick their own package subsequently.
 - The CRTC should ensure maintained or increased Cancon success levels through maintaining or increasing regulatory Cancon support for traditional TV and increasing regulatory support for new media TV (Over the Top -OTT)

Issues:

- The media and experts have criticised the recommended regulation increase on foreign OTTs, calling this a "Netflix tax."
- Federal Minister Shelly Glover commented on behalf of the government and said the federal government would not allow any moves that would create a 'Netflix or Youtube tax.'
- ~~The Minister has revised MTCS' Ministry's main position and has put out on this subject matter is as follows:~~
- ~~The ministry's main goal is to ensure the following statement:~~

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- ~~• To be clear, Ontario is not advocating for any continued the success of Canadian content changes or for any specific regulations regarding.~~
- Given the increasing importance of new media TV broadcasting to the Canadian broadcasting system, the ministry is recommending that the Commission hold a separate proceeding to consider how foreign new media broadcasters can contribute to this goal.
- Ontario's position is aligned with the written submissions of some provinces/territories (e.g., Quebec) and many key industry stakeholders (e.g., CBC; Canadian Media Production Association (CMPA); Director's Guild of Canada (DGC); and Alliance of Canadian Cinema, Television and Radio Artists (ACTRA).
- There are international examples (e.g., France, Germany, U.K.) of a commitment to domestic program expenditures in the market in which foreign new media broadcasters are participating.

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Funding:

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- Since 2003, we have invested over \$92.3 million in program support to the screen-based industries, in addition to spending on our cultural media tax credits.¹
- In 2013/14, the government invested more than \$343 million² in cultural media tax credits, of which over \$339 million was for the screen-based industries.

¹ Total spending of \$81.6 million, including \$57.3 million for film and television and \$24.3 million for interactive digital media. Source: OMDC data.

² 2013-14 printed estimates per the 2013-14 RbP. \$339 million only includes the screen-based industry tax credits of Ontario Film and Television Tax Credit (OFTTC), Ontario Production Services Tax Credit (OPSTC), Ontario Computer Animation and Special Effects Tax Credit (OCASE) and the Ontario Interactive Digital Media Tax Credit (OIDMTC). \$343 million is for all cultural media tax credits, and adds in the budgeted value for the Ontario Book Publishing Tax Credit (OBPTC) and Ontario Sound Recording Tax Credit (OSRTC).