

## CDCE RECOMMENDATIONS TO FEDERAL POLITICAL PARTIES

The Coalition for the Diversity of Cultural Expressions (CDCE) brings together the main French- and English-speaking professional organizations in the cultural sector in Canada. It is composed of 30 organizations that collectively represent the interests of more than 200,000 professionals and 2,000 companies in the book, film, television, new media, music, performing arts and visual arts sectors<sup>1</sup>.

The CDCE intervenes mainly to ensure that cultural goods and services are excluded from trade negotiations and that the diversity of cultural expressions is present in the digital environment.

### THE DIVERSITY OF CULTURAL EXPRESSIONS

A diversity of cultural expressions implies that national and local cultural contents are created, produced, promoted and that they meet their public. In particular, it opposes cultural standardization.

### WHY IS IT FUNDAMENTAL

- Cultural expressions make it possible to materialize our identity, to share it, to make it known to the world and to make it evolve. They promote social integration, allow us to interpret our past and imagine the future. They inform and entertain. They constitute an invaluable collective heritage.
- Canadians are committed to Canadian cultural content and support the federal government's support: "78% of Canadians view Canadian-made content as important or moderately important personally".<sup>2</sup>

### THE CULTURAL SECTOR IS IMPORTANT IN THE CANADIAN ECONOMY

- The cultural sector employs 799,100 people, including 183,200 artists, far ahead of the real estate, agriculture and automotive sectors<sup>3</sup>.
- The GDP of culture exceeded \$53 billion in 2016, or 2.8% of Canadian GDP<sup>4</sup>.

### CDCE's MAIN RECOMMENDATIONS

- 1- Online programming services should contribute to the promotion and funding of Canadian content.

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<sup>1</sup> Refer to the appendix for the list of regular members, and our website: <https://cdec-cdce.org/en/>

<sup>2</sup> CRTC (2018), *Harnessing Change. The Future of Programming Distribution in Canada*, <https://crtc.gc.ca/eng/publications/s15/pol1.htm#pr1>

<sup>3</sup> Hill Strategies (2019), *A Statistical Profile of Artists in Canada in 2016*: <https://canadacouncil.ca/research/research-library/2019/03/a-statistical-profile-of-artists-in-canada-in-2016>

<sup>4</sup> Statistics Canada (2016) : <https://www150.statcan.gc.ca/n1/daily-quotidien/180227/to01a-eng.htm>

This can be achieved in the short term by a Governor in Council Direction to amend the New Media Exemption Order. It will be up to the CRTC to define the best ways to determinate the financial contributions and to regulate the presence and promotion of Canadian content on online programming services. These regulations must be accompanied by an obligation to provide data on the cultural content accessed by Canadians.

- 2- The CRTC must have the power to sanction companies that do not comply with the regulations.

The *Broadcasting Act* should be slightly amended to provide the CRTC with sanctioning powers similar to those it has under the *Telecommunications Act*. This change must be made quickly on an interim basis, before the complete overhaul of the legislation is completed, in order to force all companies to cooperate with the CRTC.

- 3- Telecommunications service providers (TSPs) must contribute to the financing of Canadian content.

This can be achieved through changes to the *Broadcasting Act* to ensure and regulate the contribution of TSPs to the financing of Canadian content. But this will take years to happen. In the short term, the Governor in Council can issue an order directing the CRTC to adopt and implement measures to ensure a contribution by TSPs to the financing of Canadian content.

- 4- The CDCE proposes that the revenues from the upcoming spectrum licence auctions be used as financial compensation for technological change and allocated to the financing of Canadian content.
- 5- The number of exceptions in the *Copyright Act* must be reduced and the remaining exceptions must be compensated. The new Act should be adapted to contemporary reality so that digital platforms pay intellectual property rights to those who hold them in Canada and that the private copying regime includes technological devices that allow access to cultural content.
- 6- Canada should maintain its approach of excluding culture from trade negotiations, including digital trade, through a comprehensive cultural exemption, without the possibility of retaliation..

## **CURRENT CHALLENGES FOR THE DIVERSITY OF CULTURAL EXPRESSIONS**

- 1- The Canadian legislative framework does not apply to online programming services (Netflix, Spotify, etc.), which are largely foreign. They are not subject to requirements for discoverability and financing of local and national content. This has a negative impact on the reach of our culture, and maintains a system that is unfair to national companies.
- 2- Programming services do not share information with the CRTC and Statistics Canada. We have no information on Canadians' access or exposure to a variety of content. These companies do not necessarily comply with the conditions of the CRTC's exemption order affecting them, and the CRTC does not have the power to impose sanctions to enforce its regulations.
- 3- Although conventional television continues to play an important role in the lives of Canadians, these services are continuously losing audiences. This results in a reduction in the revenues of broadcasting companies, which are the only ones required to contribute to Canadian content support funds. As a result, the resources of these funds are decreasing. This is what forced Canadian Heritage to increase its contribution to the Canada Media Fund in 2017.

- 4- Radio revenues are stable. So are broadcasters' regular contributions to music production funds. On the other hand, the loss of income in the music sector is huge due to the drastic change in music consumption patterns. The sale of physical and digital albums is in continuous decline and streaming is constantly increasing. Financial benefits for the entire sector are shabby.
- 5- These decreases in financial resources in the audiovisual and music sectors, combined with constant decreases in advertising revenues from conventional media, have negative effects on the diversity of cultural expressions, both quantitatively and qualitatively. For example, in the audiovisual sector, spending on Canadian programs is declining and some specific content (programs of national interest, local news, content aimed at Aboriginal or linguistic minorities, fiction, documentaries, children's works) is likely to be particularly affected. In the music sector, the loss of revenue is also reflected in a decrease in the number of projects that can be supported or in the resources available to promote them.
- 6- The opportunities in terms of discoverability and financing are not the same for the English and French markets in Canada. Francophone products are less well exported and have a smaller funding base.
- 7- The models implemented in the digital age are impoverishing many artists, creators and cultural professionals. The median earnings of artists are \$23,100, 45% lower than those of Canadian workers<sup>5</sup>. The introduction of some 40 exceptions to the Copyright Act in 2012, and its inadequacy to technological realities, has considerably weakened the incomes of creators and rights holders.
- 8- The *Copyright Act* is full of exceptions, does not oblige companies using user-generated content to pay copyright, and weakens the remuneration of cultural sectors, which affects the creation of new works.
- 9- Telecommunications service providers (Internet and mobile) benefit from access to online cultural content: video and audio represent the vast majority of time spent online for Canadians, for a combined total of 72%<sup>6</sup>. Their revenues are growing and their profit margins were 38.1% in 2017<sup>7</sup>, but they do not pay a penny for the financing of cultural content.
- 10- Trade negotiations now include commitments on digital trade, the cultural sector of which must be preserved, otherwise new laws cannot be adopted to protect and promote our culture.

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<sup>5</sup> Hill Strategies (2019), A Statistical Profile of Artists in Canada in 2016: <https://canadacouncil.ca/research/research-library/2019/03/a-statistical-profile-of-artists-in-canada-in-2016>

<sup>6</sup> CRTC (2018), *Harnessing Change. The Future of Programming Distribution in Canada*, <https://crtc.gc.ca/eng/publications/s15/mar1.htm#f10>

<sup>7</sup> CRTC (2018), Communications Monitoring Report, pp. 86 and 95.

## Appendix : Regular members of the CDCE (as of May 1st, 2019)

1. ACP - Association of Canadian Publishers
2. ACTRA - Alliance of Canadian Cinema, Television and Radio Artists
3. ADELFF - Association des distributeurs exclusifs de livres en langue française
4. ADISQ - Association québécoise de l'industrie du spectacle et de la vidéo
5. ANEL - Association nationale des éditeurs de livres
6. APEM - Association des professionnels de l'édition musicale
7. AQPM - Association québécoise de la production médiatique
8. ARREQ - Association des réalisateurs et réalisatrices du Québec
9. CAEA - Canadian Actors' Equity Association
10. CFM - Canadian Federation of Musicians
11. CIMA - Canadian Independent Music Association
12. CMPA - Canadian Media Producers Association
13. CMPA - Canadian Music Publishers Association
14. CQT - Conseil québécois du théâtre
15. DGC - Directors Guild of Canada
16. DGC - Directors Guild of Canada, Ontario division
17. FCCF - Fédération culturelle canadienne française
18. LCP - League of Canadian Poets
19. MMF - Music Managers Forum Canada
20. SAC - Songwriters Association of Canada
21. SACD - Société des auteurs et compositeurs dramatiques
22. SARTEC - Société des Auteurs de Radio; Télévision et Cinéma
23. SCAM - Société civile des auteurs multimedia
24. SCGC - Screen Composers Guild of Canada
25. SOCAN - Society of Composers, Authors and Music Publishers of Canada
26. SPACQ - Société professionnelle des auteurs et des compositeurs du Québec
27. UDA - Union des artistes
28. UNEQ - Union des écrivaines et des écrivains québécois
29. WGC - Writers Guild of Canada
30. Xn Québec - l'Association des producteurs d'expériences numériques