



# News From Canada

## New Production Fund

A new Canadian program production fund will begin operation next January after a round of public consultation on its form and functions.

Chairman of the regulator Canadian Radio-television and Telecommunications Commission (CRTC), Keith Spicer, said that the fund is part of a strategy for keeping Canada on its own TV screens in a multichannel environment. 'We hope and expect that most cable companies will participate in the fund so that they will generate roughly \$300m in the first five years', Spicer said.

The guiding principles of the fund are:

- increasing licence fees paid to program producers; and
- helping broadcasters to defray the costs of airing quality Canadian programs in prime time.

The main purpose of the fund is to encourage the screening during peak time of high quality Canadian programs in currently under-represented categories, specifically, programs for children 12 and under, drama, documentaries, variety, and music and dance. At least 80 per cent of the funds will go to children's programs and drama. To qualify as Canadian, programs must meet the CRTC's existing set of criteria and the producer must be Canadian; foreign-controlled productions are not eligible.

Both independent producers and producers affiliated with private broadcasters may have access to the fund, provided distribution is guaranteed. At least 67 per cent of the funds will be reserved for independent producers, 'to reflect the importance CRTC places on the Canadian independent production industry'.

The fund will be administered by a board comprising representatives from commercial broadcasting, cable, producers' organisations, education, the CBC and pay/specialty services. □

## Ads/Canadian Content Trade-off Proposed

In a move which may strike a chord here, the CRTC recently called for public comment on proposals by broadcasters and the advertising industry to allow the airing of 'infomercials' during the broadcast day, 6am-12pm.

What is an infomercial? It includes, according to the CRTC, the combining of entertainment and information together with the selling and promoting of goods or services into a virtually indistinguishable whole, and may also involve the promotion of products mentioned in distinct commercial breaks in programming. *An infomercial therefore resembles a program but, in reality, constitutes a long commercial message for a given product or service (CU's emphasis).*

The proposal essentially is that infomercials be exempted from the 12 minutes of advertising an hour which is currently permitted during the broadcast day. Currently, they are aired only between midnight and 6am.

As a trade off, however, the CRTC has put forward a number of conditions, with an emphasis on Canadian content, viz:

- a stand-alone infomercial would have to be logged as having no nationality and the broadcaster may have to remove an equivalent amount of non-Canadian programming from its schedule;
- broadcasters would not be permitted to count infomercial production costs as part of required expenditures on Canadian content.

Australia has its own version of 'infomercials', such as Nine's egregious *Ernie and Denise* (9.30am weekdays). These programs count towards stations' overall Australian content quota. ABA, please take note of the CRTC proposals ..... □

# Is More Better?

Observers of the Pay TV saga who wish to swap hype for data may be interested in the article by August E. Grant in the latest *Journal of Media Economics* (vol. 7, no. 1, 1994, Erlbaum Associates Inc., New Jersey).

Grant tested economic assumptions about diversity of program offerings on television using a 16-day sample (18 hours each day) of 41 US broadcast and cable networks. According to the abstract of the article: 'Average diversity of program types decreased, and diversity across those channel types increased, as the number of channels increased. Audience ratings for each channel were positively associated with program diversity. Finally, the diversity of Public Broadcasting Service (PBS) programming was found to be greater than the average diversity of basic cable, broadcast networks, and pay cable, but it was less than the average diversity of superstations.'

Grant describes superstations as independent TV stations which are offered nationwide in the same manner as basic cable services. He distinguishes these from pay channels, described as cable-only channels such as Home Box Office and Showtime, which charge a monthly subscription fee in addition to the basic cable subscription fee. □

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