EXHIBIT 1

Blue Ant’s submissions re: Broadcasting Notice of Consultation CRTC 2017-359

See attached

December 1, 2017

FILED ELECTRONICALLY

Mr. Chris Seidl
Acting Secretary General
Canadian Radio-television and Telecommunications Commission
Ottawa, Ontario K1A 0N2

Re: Broadcasting Notice of Consultation CRTC 2017-359

Call for comments on the Governor in Council's request for a report on future programming distribution models

1. Blue Ant Media Inc. ("**Blue Ant**") is pleased to respond to *Broadcasting Notice of Consultation CRTC 2017-359* (the "**Notice**"). As a producer, distributor and channel operator, Blue Ant is keenly interested in the important questions posed in the Notice and in the continuing evolution of Canada's broadcasting policies to keep pace with changing technologies and viewing habits.

Who is Blue Ant?

2. Blue Ant, (through its affiliates, Blue Ant Television General Partnership and SN Channel General Partnership) operates 8 national, English-language Canadian specialty services: Cottage Life, Travel +Escape, A.Side, Makeful, HiFi, BBC Earth, Love Nature and Smithsonian Channel.

3. Blue Ant is also the producer of quality and compelling linear and digital content in the genres of lifestyle, nature and travel that is telecast domestically and internationally on Blue Ant's linear channels, that is published over multiple platforms (including Internet and mobile through its proprietary websites, social media platforms and VOD services) and that is distributed internationally through Blue Ant's international distribution arm.

Why do we need to support the creation, production and distribution of Canadian content?

4. In 1949, in light of the increasing infiltration of United States culture into Canada, the Royal Commission on National Development in the Arts, Letters and Sciences that culminated in the 1951 Massey Report recognized that "it is it is in the national interest to give encouragement to institutions which express national feeling, promote common understanding and add to the variety and richness of Canadian life, rural as well as urban"[1].

5. Canadian identity, character and values can only be preserved by ensuring that stories continue to be told through the experiences of all Canadians, through voices and perspectives from English Canada, Quebec, Indigenous communities and the rest of Canada. And that these stories continue to be shared domestically and internationally.

6. It is now almost 70 years since the release of the Massey Report and the national interest in preserving Canadian voices is even more pressing. The Internet has dissolved borders for content distribution, and today, Canadian culture and content are not only facing competition and influence from the United States, but from the entire world. Without intentional and measured support for the creation, production and distribution of Canadian content, Canadian voices could get drowned out by global content and would never get heard.

7. For the past 35 years, the main policy lever to promote a vibrant Canadian content industry has been the provision of supply side subsidies as opposed to demand side quota regulation. Notwithstanding the new borderless content world, continuing with this policy is the best way to promote this national interest.

[1] Minutes of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 8th April, 1949

Disruption to the Canadian television programming ecosystem

8. As illustrated in the Commission's 2017 Communications Monitoring Report[2], up until recently, the Canadian television programming ecosystem operated with revenues from Canadian channels being invested back into Canadian programming (via CPEs) and revenues from BDUs feeding into production funds[3] (CMF and CIPFs) to help support the creation, production and distribution of Canadian programming.

9. However, this ecosystem has been severely disrupted in recent years through the vast availability of content to Canadians from a countless variety of domestic and international platforms that operate outside of this ecosystem and that do not contribute to Canadian programming or to the production funds.

10. As outlined in the 2017 Communications Monitoring Report and numerous other sources[4], viewers, including Canadian viewers, are steadily moving away from viewing traditional "television" content via traditional "television" means and are increasingly consuming content over the Internet via subscription video-on-demand (e.g. Netflix) and advertising video-on-demand (e.g. YouTube) platforms. The Canadian television programming ecosystem is being replaced by a global digital content distribution system.

11. As viewers within the traditional television ecosystem continue to decline, inevitably so will Canadian channel and BDU revenues and, accordingly, so will the contributions of these players to the funding for the creation, production and distribution of Canadian programming.

The Funding Gap

12. It is difficult to predict the rate at which revenues will leave the current Canadian television programming ecosystem as content consumption trends change. However, we do know that from 2012 – 2016, contributions to the creation and production of Canadian programming by cable, IPTV and satellite companies decreased by 13.4%[5]. Given current trends, that decrease is sure to accelerate over the coming years. Accordingly, we can no longer rely on CPE spends by Canadian programmers and Canadian BDU contributions to production funds to maintain a vibrant Canadian content market.

13. Not surprisingly, as content viewership leaves the Canadian television ecosystem, the rate of broadband uptake is on the increase. At the end of 2016, 23% of residential Internet subscribers in Canada had a plan that provided unlimited data usage. That is almost double the amount since 2012[6]. And, a recent study noted that overall, streaming audio and video accounts for 71% of primetime traffic across North American fixed-access broadband networks (with Netflix accounting for 35.2% of the downstream traffic), and is expected to increase to 80% by 2020[7].

14. In simple terms, video viewership is migrating from cable and satellite to the Internet. With this, the dollars that Canadians are spending to view content are to a lesser and lesser degree being paid to BDUs for cable/satellite service and are, at a growing rate, being paid to ISPs for an Internet connection. This migration of spend is decreasing the revenues of Canadian BDUs, thus decreasing the 5% of revenue contributions of BDUs to production funds. The result is the creation of a growing funding gap for the Canadian production industry that needs to be closed.

15. Using supply side subsidies to help fund and bolster the Canadian production industry has been effective for the past 35 years. The recent migration of video viewership to the Internet does not change this fact and the solution of a growing funding gap needs to be approached from this same angle.

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[2] At page 167
[3] Via regulatory mandated contributions to the productions funds and minimum CPE spends by licensed channels
[4] For example, see "Taking Canada to the World: Toward a National Export Strategy for Canadian Television and Digital Media Content, July 2017, prepared for Canadian Association of Content Exporters/l'Association Canadienne des Exportateurs de Contenu; "Exporting Canadian Television Globally –Trends, Opportunities and Future Directions", April 2017, report commissioned by the Canadian Media Producers Association; "Accenture 2017 Digital Consumer Survey", April 2017; "GfK MRI's Cord Evolution", www.gfk.com
[5] 2017 Communications Monitoring Report, page 205
[6] Chris Seidl, Acting Secretary General and Executive Director, Telecommunications CRTC to the Standing Committee on Industry, Science and Technology, Ottawa, Ontario, November 23, 2017
[7] Sandvine, Intelligent Broadband Networks, 2016 Global Internet Phenomena, Latin America & North America, page 4

16. As ISPs are increasingly becoming the new content distributors and content viewership spend is shifting to ISPs, focusing on ISP revenues is one clear way to put a dollar value on the consumption of streamed video content. Consistent with using a supply side subsidy as support for Canadian content production, one way to close the funding gap is to provide a subsidy that is a percentage of ISP revenues. There could be various sources for this funding, for example, federal treasury, tax regimes or direct contributions from the ISPs, etc.

17. Although the precise mechanics of this funding model is beyond the scope of the submission, accepting these concepts as a matter of public policy is an important first step. Ad hoc commercial deals that secure a temporary investment from global platforms into Canadian production are not the answer. These deals ensure that money will be spent in Canada, and will benefit some Canadians who work in the production industry, but they do not ensure that Canadian stories continue to be told and they do not ensure the continued vibrancy of Canadian platforms.

18. A vibrant Canadian production/broadcast industry is a very intricate woven tapestry into which many elements feed. Accordingly, and in light of the importance and inherent complexity of the fiscal issues at play, any policy discussion around supporting the creation, production and distribution of Canadian programming requires input and cooperation from many government levels and departments, including broadcasting, communications, industry and tax, to develop a holistic and integrated approach. Furthermore, the results of such discussion need to be enabled by government regulation, with clear rules and beneficiaries, and not applied on an ad hoc basis. Otherwise, any measures implemented will have a temporary effect at best and will not create a healthy and sustainable industry with vibrant and contributing Canadian players in the long term.

Conclusion

19. The business of content is endlessly evolving. As a producer, distributor and channel operator, Blue Ant is continuously looking ahead as to how to maintain viable business models on all its business fronts as viewing habits change. Blue Ant respectfully submits that a new Canadian programming ecosystem needs to be built and needs to include a sustainable funding model for the creation and distribution of Canadian content. And, it is vital that the funding model close the funding gap created by new players in the system.

20. Blue Ant thanks the Commission for the opportunity to participate in these proceedings and would be pleased to answer any questions the Commission may have.

Sincerely,

[original signed by A. Daniere]

Asha Daniere
Executive Vice President, Legal & Business Affairs

February 13, 2018

FILED ELECTRONICALLY

Mr. Claude Doucet
Secretary General
Canadian Radio-television and Telecommunications Commission
Ottawa, Ontario K1A 0N2

Re: Broadcasting Notice of Consultation CRTC 2017-359-2

Call for comments on the Governor in Council's request for a report on future programming distribution models – Second Phase of Comments

1. Blue Ant Media Inc. ("**Blue Ant**") is pleased to provide additional comments in respect of this important consultation.

2. In our comments with respect of Phase 1 of the Commission's consultation, we stressed the importance of ensuring sustainable supply side subsidies for Canadian content production and closing the funding gap created by the migration of video viewership from cable and satellite to the Internet.

3. In this Phase 2 of comments, Blue Ant wishes to re-emphasize the importance of ensuring that a holistic, integrated, rule-based approach, that involves all relevant government arms, needs to be applied to any decisions or policies made to maintain a sustainable funding model for Canadian content production.

4. In addition, Blue Ant wishes to address some of the comments made by other interveners in Phase 1.

5. Several of the Phase 1 interveners argue that to support the Canadian industry, regularity parity between domestic and foreign players needs to be achieved. To accomplish this, some interveners suggest that more regulation needs to be applied to foreign players and others suggest that less regulation needs to be applied to Canadian players. Blue Ant has the following comments with respect to regularity parity:

   - Firstly, regardless of the Commission's decision on much or how little different parties should be regulated, closing the funding gap for supply side subsidies (as opposed to using content quotas) is still the key issue that needs to be addressed.

   - Secondly, several interveners have argued that, in order to "level the playing field" between Canadian and foreign players, some of the regulations that govern the relationship between Canadian broadcast distribution undertakings and Canadian programmers should be eliminated.

     Most of these regulations have been put in place by the Commission to deal with the potential for anti-competitive behaviour by vertically integrated BDUs vis-à-vis independent programmers and to protect diversity of voices by assisting with the continued viability of independent players. Accordingly, Blue Ant submits that should the Commission decide to make any regulatory changes in the context of creating regulatory parity between domestic and foreign players, it needs to exercise extreme caution not to unintentionally prejudice or harm Canadian independent programmers.

6. Additionally, in Phase 1, several interveners commented on the criteria that should be applied in determining whether Canadian producers are "independent" for the purposes of eligibility for Canadian production subsidies and whether producers affiliated with Canadian licensed programmers can be considered to be "independent".

7. Blue Ant submits that the focus of determining whether a producer is "independent" should be on whether that producer is affiliated with a "gatekeeper" of content delivery. And, Blue Ant further submits that Canadian licensed programmers that are not affiliated with BDUs (i.e. independent programmers) do not act as such "gatekeepers".

8. In the past, it may have been fair to deem Canadian programmers as the ones that controlled the delivery of content to Canadian viewers. Firstly, prior to the elimination of genre exclusivity, a producer had limited options in securing the broadcast of their program, particularly if that program was in a genre-protected niche field. So, unless a program was

scheduled and broadcast by one of the limited licensed Canadian programmers telecasting in a particular genre, the program could not be seen by Canadian viewers. And, in light of the fact that those programmers could provide preferential treatment to their own affiliated producers, it may have made sense to consider a producer that was affiliated with a programmer not to be “independent”.

9. However, today, the actual delivery of content to viewers is not controlled by programming undertakings. It is controlled by the distribution undertakings who ultimately decide on how those programming undertakings will get carried and packaged. A CRTC channel licence is, therefore, no longer the gateway to content delivery; rather it is the carriage and packaging of CRTC licensed services that is the controlling factor. Accordingly, it is the distribution undertakings; the cable, satellite, broadband or mobile carriers (i.e. the “pipe owners”) that are the gatekeepers of content delivery, as they ultimately decide which programming services, apps and platforms to distribute, market and actively recommend and how they are carried and packaged for consumption by Canadian viewers.

10. Furthermore, significantly, content is no longer only available on traditional television but is now available and can be viewed on a vast number of foreign and domestic over-the-top platforms that are not licensed by the CRTC. Accordingly, Canadian producers can have their content distributed on limitless platforms and no longer rely on Canadian CRTC-licensed programmers.

11. In this light, Blue Ant submits that a Canadian producer’s affiliation with a Canadian CRTC-licensed programmer is not relevant to the determination of whether a producer should be considered “independent” for the purposes of funding eligibility. Rather, the focus of the “independence” test should be whether the production company is affiliated with a “pipe owner”.

12. However, should the Commission take the view that a licensed programmer can still act as a “gatekeeper” of content, Blue Ant submits that, as the large vertically-integrated companies such as Bell, Rogers and Corus together own more than 90% of Canadian licensed English language programmers, if any licensed programmers could be considered to control the content that can be seen by Canadian viewers, it would be those vertically integrated programmers and not independent programmers like Blue Ant.

13. For clarity, Blue Ant is not suggesting that vertically-integrated programmers or “pipe owners” should not be in the business of producing content or should not be eligible for some level of production subsidies. Rather, we want to ensure that producers that are affiliated with independent licensed programmers such as Blue Ant, are not treated differently because of such affiliation, are recognized for all purposes as being independent producers and are provided with full access to production subsidies.

14. Blue Ant thanks the Commission for the opportunity to participate in these proceedings and would be pleased to answer any questions the Commission may have.

Sincerely,

[original signed by A. Daniere]

Asha Daniere
Executive Vice President, Legal & Business Affairs

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