



canadian interactive alliance
alliance interactive canadienne

CIAIC – BTRP Consultation Submission

January 11, 2018

The Broadcasting and Telecommunications Legislative Review Panel
c/o Innovation, Science and Economic Development Canada
235 Queen Street, 1st Floor
Ottawa, Ontario K1A 0H5
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Re: Call for Submissions

On behalf of the Board of the Canadian Interactive Alliance/Alliance Interactive Canadienne (“CIAIC”) and Canada’s Interactive Digital Media (“IDM”) sector, we are pleased to have this opportunity to share with you our written comments in response to the Call for Comments as part of the Review of the Canadian Communications Legislative Framework by the Broadcasting and Telecommunications Legislative Review Panel.

The CIAIC is a bilingual not-for-profit trade association formed in 2005 to serve as the voice of Canada’s IDM industry. CIAIC’s membership is comprised of a group of Canada’s provincial interactive digital media trade organizations. This submission is endorsed by Interactive Ontario, New Media Manitoba, SaskInteractive, Newfoundland and Labrador Interactive Alliance and Videogames PEI Industry Association.

Canada’s digital media companies create a wide variety of interactive digital media products and services including video games, Augmented Reality (AR), Virtual Reality (VR) and Mixed Reality (MR) products, cross-platform content, e-Learning, web series and mobile content.

At this point, CIAIC will focus on only one of the issues raised by the Call for Comments and that is the increasing difficulty of discoverability of Canadian content within the Canadian broadcasting sector. Many of the companies that CIAIC represents have built their businesses on creating affiliated digital media content for, with and as part of Canada’s television industry and therefore have thoughts on the role that IDM plays within the broadcasting sector.

Canadians today have more choices of platforms and a greater variety of content on those platforms than they ever have before and we do expect that the volume of content and platforms from which to choose will increase. It therefore is harder and harder for creators and distributors of Canadian programming to ensure that Canadians even know that they have the choice to choose high quality Canadian programming and

where to find it. This ‘discoverability’ problem should be at the heart of any new policy framework or legislation.

The Call for Comments looked at the discoverability problem and suggested: “New tools and supports may be needed to overcome this discoverability challenge.” This discoverability challenge is not that new however, and producers had in part solved the problem through added digital content that could drive the audience to the broadcast or retain them between episodes of a series or support the fans in between seasons of a series. The Bell Fund was created in 1997 to help fund these digital media solutions. One of the early projects funded by the Bell Fund was “Degrassi: The Next Generation”, which in 2000 allowed Epitome Pictures to build an online forum for fans to interact with each other, with characters and to create their own fan content. Over the years the Bell Fund continued to support this home grown success story and allowed the producers to experiment with content that engaged the kids, building and maintaining their audience. For example, in 2005 “Degrassi: The Next Generation” was one of the first television series in the world to experiment with affiliated web series (called ‘Minis’ at the time) to retain the audience during a hiatus in the schedule.

Affiliated digital media also plays a role in a Canadian program’s potential success in global markets. In some genres, such as children’s programming, affiliated digital media is an integral part of any sales package as international broadcasters know that they need to offer kids a multi-platform experience with games or digital learning opportunities. Parents are also looking for online resources to go with their child’s favourite television program.

However, in Broadcasting Regulatory Policy CRTC 2016-343 the CRTC severely limited the ability of Canadian producers and broadcasters fund affiliated digital media to drive discoverability. That policy imposed a new limit of 10% of funding by Certified Independent Production Funds (“CIPFs”) for ‘non-programming digital content’ thereby effectively requiring the Bell Fund to shift its support from affiliated digital media to web series. As the CIAIC pointed out at length in our correspondence to the CRTC dated November 28, 2016, the Bell Fund has been instrumental in helping Canadian television producers and broadcasters to find audiences in Canada and abroad, sell their shows internationally and to exploit additional revenue streams. We provided examples such as the “Polar Seas” documentary series and its 360 degree video, “Slugterra” animated series and their downloadable mobile games and “Mohawk Girls” social media content. The CIAIC knows that the Bell Fund and the other CIPFs who chose to fund affiliated digital media content have been instrumental in strengthening and growing the Canadian broadcasting system.

The Canada Media Fund reported that in 2017-18, the first fiscal year after the change in policy, its funding of affiliated digital media through the Convergent Digital Media Incentive program (a program aimed at supporting high value projects with a minimum budget of \$350,000) dropped from \$24.7 million in 2016-17 to \$16.9 million due to fewer projects being funded^[1]. Without the CIPFs funding these high value projects producers were often unable to fully finance them and instead produced smaller, less engaging or

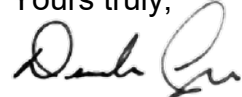
'brochure' sites that provide information on a show such as cast and crew names but offer little engagement.

Respectfully, the CIAIC feels strongly that imposing the 10% cap was a mistake that threatens the ability of Canadian television producers to ensure that Canadian and global audiences can find their programs in an increasingly crowded landscape. It is not the only solution to the discoverability challenge but it is one that has achieved success to date. We urge the Panel to reverse this regulatory policy by ensuring that regulations support the funding of affiliated digital media that will benefit producers, broadcasters and Canadian audiences. If the legislative framework addressed discoverability by giving the CRTC jurisdiction to impose regulations and create policies that recognized that non-linear forms of programming support linear audio-visual programming then there would be a stronger argument to amend the CIPF regulatory framework to allow for support of affiliated digital media. Under such a framework the CRTC might be encouraged to allow broadcasters to claim spending on affiliated digital media as a limited part of their Canadian Programming Expenditure licence requirements, thereby encouraging them to spend more on it by providing broadcasters with the flexibility to use digital media expenditures to help meet their regulatory requirements.

Finally, interactive digital media producers are well aware of how rapidly content forms are evolving and merging. Narrative games and VR experiences both combine linear audio-visual with limited or greater interactivity, combining both passive and active entertainment experiences. It is very difficult to predict how content will be created and enjoyed in the coming years. A forward-thinking legislative framework would allow for the evolution of content forms as well as platforms to ensure that Canadian voices continue to be supported in the years to come.

The CIAIC would welcome the opportunity to discuss these matters further with the members of the Panel.

Yours truly,



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^[1] Canada Media Fund 2017-2018 Annual Report retrieved December 12, 2018

