

# two solitudes consulting

Exploring the convergence and collision of traditional and new media

*Re: Broadcasting Notice of Public Hearing*

*CRTC 2008-11*

*Canadian broadcasting in new media*



Alan Sawyer  
Two Solitudes Consulting  
December 5, 2008

SUBMITTED ELECTRONICALLY ONLY

December 5, 2008

Mr. Robert A. Morin  
Secretary General  
Canadian Radio-television and Telecommunications Commission  
Ottawa, Ontario

Dear Mr. Morin:

Re: Broadcasting Notice of Public Hearing CRTC 2008-11 *Canadian broadcasting in new media*

## Introduction

1. This submission is authored by Alan Sawyer, Principal Consultant, Two Solitudes Consulting.
2. Two Solitudes Consulting<sup>1</sup> was founded in 2006 and specializes in the analysis of the simultaneous convergence and conflict between the traditional and new media worlds. As such, we wish to offer the Commission the benefit of our research and analysis of the media world and respectfully present our analysis to the Commission in the role of a disinterested third party.

## Scope of comments

3. We respectfully suggest that the Commission review our July 2008 [response](#) to *Public Notice CRTC 2008-44 Call for comments on the scope of a future proceeding on Canadian broadcasting in new media* for our thoughts and insights with respect to many of the questions posed by the Commission in this proceeding.
4. As we have already expressed our views on most matters, we will, in this submission, focus only on one issue that we believe is of critical importance. Specifically, we will focus on question 9:

*Given the level of Canadian broadcasting content in new media, are measures needed to support the creation, promotion and visibility of Canadian broadcasting content in new media? If so, what measures, and how can these be accomplished within the mandate of the Commission?*

More specifically, we will express our thoughts on the financial and funding issues touched on by that question.

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<sup>1</sup> Two Solitudes Consulting is a division of Assyst Consulting Inc.

5. The broadcasting business is being re-engineered and re-defined – whether the industry is willing to fully acknowledge it or not. Our funding models are mired in an era of television that no longer exists – or no longer finds an audience amongst a large (and financially significant demographic). Broadcast-centric multi-platform models (that is, those that are first and foremost a TV broadcast program but with additional web/interactive presence) are the norm – but they too are only a part of the answer to addressing a changing audience.
6. Those wishing to develop properties that follow this broadcast-centric multiplatform approach have few funding options for the content for other platforms. The Bell Fund helps, but the number of worthy projects exceeds the number that can be funded and worthy projects are often turned down.
7. An emerging model, though, and one that we believe is vitally important for the future of broadcasting, is one wherein the integration between the new media and TV components is very tight and, indeed, the broadcast component becomes dependent upon a successful new media component.
8. The impact of this is significant. In a broadcast-centric multiplatform model, the ability to put a program on the air is not dependent upon the ability to fund the new media / multiplatform component. However, in a model wherein the new media component drives the TV component and where, indeed, the TV component cannot exist without the new media component, failure to find funding for the new media component will prevent the TV component from making it to the air. This is a dependency that our funding mechanisms were not built to accommodate. In such models, the budget for the new media platform can equal or exceed that of the TV program itself – and this is not consistent with a broadcast-centric funding model.
9. We can't allow this to happen. The broadcasting system needs to be innovative in order to attract younger viewers and continue to attract advertising dollars that are being targeted to these viewers. Innovation is expensive – more expensive, too, than cookie cutter productions that follow traditional models. Today's funding mechanisms inadequately support this innovation. In most cases, existing funding programs are geared entirely to the goal of getting a broadcast program on the air. New media / alternative platform components are seen as a “nice to have” – and depend largely on the Bell Fund to make these happen.
10. Kudos to the Bell Fund for having the foresight, over 10 years ago, to recognize the need for multiplatform content – and the opportunity that this creates for Canadian content producers. The Bell Fund, though, is only one fund – and its mandate is still broadcast-centric. That's understandable, of course, since it is funded through BDU revenues via Bell TV.
11. We often hear the expression "content is king". Our funding system today is geared to the premise that "TV content is king" and that anything else is inferior and less deserving of funding.

The content can exist on multiple platforms – and indeed the same content may be presented on multiple platforms (or channels) – yet the funding is broadcast-oriented.

12. Implicit in this approach, then, is the fact that our funding system today is not content-centric but is, rather, distribution channel-centric. That is, the media that are traditionally associated with the distribution of content (that is, those channels that are traditional to the system – OTA and those operated by BDUs) are treated as superior to alternative distribution channels and new media. This is a 20th-century model and does not work in the 21st century – not with 21st-century consumers.
13. We encourage the Commission to take the opportunity that lies before us to create an overall funding system that recognizes the contemporary reality that all distribution channels are not just of value but are, indeed, critical to a sustainable domestic content production and distribution industry.
14. We need to recognize that going forward it is vital to fund content across all platforms and not limit our funding to programming that is at least in part carried by licensed broadcasters over licensed distribution mechanisms. We need to fund content irrespective of the distribution channel and, indeed, having a traditional broadcast component within a project should not be a pre-requisite to obtain funding.
15. In this new era, content that is worthy of funding should be eligible for funding regardless of proposed distribution approaches. Of course, we still need rules, triggers and formal application processes to ensure that the money is wisely spent.
16. We need to be mindful, too, that innovation on new platforms often requires investment in the form of applications and infrastructure and these, too, need to have adequate funding mechanisms.
17. We strongly urge the Commission to consider these matters in its deliberations.

Sincerely,



Alan Sawyer  
Principal Consultant,  
[Two Solitudes Consulting](http://www.twosolitudes.com)

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