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C a n a d i a n I n d e p e n d e n t R e c o r d P r o d u c t i o n A s s o c i a t i o n

Mr. Leonard St. Aubin
Acting Director General
Telecommunications Policy Branch
Industry Canada
300 Slater Street, 16th floor
Ottawa, ON
K1A 0C8

Dear Mr. St. Aubin:

**RE: CANADA GAZETTE PART 1, JUNE 17, 2006
PROPOSED POLICY DIRECTION TO THE
CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS
COMMISSION**

This submission is presented on behalf of the members of the Canadian Independent Record Production Association (CIRPA), in response to the Notice published in the Canada Gazette on June 17, 2006.

CIRPA is the collective voice of the English-language, Canadian-owned independent sector of the Canadian sound recording industry. Its mandate is to secure and develop a strong and economically stable domestic music industry. CIRPA has more than 160 member companies from coast to coast in Canada, representing nearly every sector of the music business.

Independent Canadian music companies are responsible for nurturing the development of the vast majority of Canada's recording artists. Canadian-owned record labels provide Canadian artists with the opportunity to grow and develop sustainable music careers, both at home and abroad.

The talent associated with our member companies includes some of Canada's most exciting developing and established recording artists. Sum 41, Sarah McLachlan, Broken Social Scene, Feist, the Road Hammers, Bruce Cockburn, Rush, Gordon Lightfoot, Massari all call independent Canadian record companies 'home'.

CIRPA supports the positions advocated in the submission presented by the Society of Composers, Authors, and Music Publishers of Canada (SOCAN) on this matter, and



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agrees that the Cabinet proposal should not be adopted because it is not in the national interest.

CIRPA agrees with SOCAN that the balance between the economic and non-economic legislative objectives would be altered should this policy direction be accepted. It is imperative that non-economic objectives be given equal weight to economic concerns, and it is our belief that, rather than a Cabinet order, a legislative amendment is required to alter the balance between the two.

CIRPA also believes that the increased focus on market force determination ignores the role of government regulation in the protection of non-economic objectives like preservation of national identity and cultural sovereignty. Market forces do not recognize non-economic objectives, and the Proposal fails to recognize the dual nature of cultural goods and services, and their non-economic benefits and societal value.

Cultural goods and services cannot simply be treated in the same fashion as other goods and services due to their unique role in a nation's economy. Not only do Canada's cultural industries contribute significantly to the overall economy, but they help strengthen the national identity and promote Canadian values and our distinctiveness to the rest of the world. These twin roles cannot be separated, and must be protected in order to ensure the survival and growth of Canadian cultural expression.

The Proposal's narrow focus on market forces and economic objectives also fails to acknowledge Parliament's non-economic objectives, as outlined in Section 7 of the Telecommunications Act. As SOCAN noted, the Proposal focuses on two of the 9 objectives, and would therefore elevate their importance in relation to the remainder of these objectives.

The Proposal also stands in direct contrast to Canada's unwavering support of the UNESCO International Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which recognizes that "cultural goods and services have both a social and an economic benefit", as the Parliamentary Secretary to the Minister of Human Resources and Social Development, Mrs. Lynne Yelich, noted on May 30, 2006 in a House of Commons debate.

We also wish to express deep concern at the idea of relaxing foreign ownership restrictions in the telecom sector. We were encouraged by Minister Oda's declaration that "maintaining current restrictions on foreign ownership is important to the cultural sector" and "currently there are no plans to change anything in this regard." We applaud Minister Oda's statement and are encouraged that the Government recognizes the importance of current foreign ownership restrictions.

The points raised by SOCAN in relation to technological convergence and corporate integration should be considered critically important to this discussion. As SOCAN noted,



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technological developments and corporate strategies continue to blur the boundaries between the broadcast and telecommunications industries. Although the Proposal examines the telecommunications field in isolation, the impact of its implementation would be felt across a broad spectrum, and has the potential to have serious repercussions on the broadcast industry and on content providers. Examination of the potential impacts of the Proposal should necessitate public hearings on this matter prior to any adoption of the Proposal.

CIRPA also echoes SOCAN's concerns regarding the potential effects the Proposal may have on how the CRTC regulates content. It was Government regulation, not market forces, that introduced Canadian content requirements, which have become one of Canada's most successful cultural policy initiatives. By increasing the importance of economic objectives over non-economic objectives this Proposal runs the risk of dramatically altering one of the most important instruments for the promotion and protection of Canadian cultural sovereignty. As such, we reiterate our belief that it should not proceed without the opportunity for public input at Committee hearings on the subject. We also agree that the Proposal should be subject to examination by other interested parties, including the Department of Canadian Heritage and the House of Commons Standing Committee on Canadian Heritage.

CIRPA hereby requests the opportunity to appear at any such Committee hearings.

We believe that due to the potential impact across sectors the Proposal should be subject to a full parliamentary debate, as only Parliament has the authority to make such changes.

Sincerely,

Cori Ferguson
President
CIRPA