

## 'Damn good policy to remove barriers,' broadcaster says

By JOHN MCKAY *FP10*

Radio and TV licence holders are realizing profits but those profits are in decline and federal regulations must catch up to economic reality, says the new president of the Canadian Association of Broadcasters.

"Simply stated, it is damn good public policy to remove barriers and foster a healthy and more profitable private broadcasting industry," Glen O'Farrell told a luncheon of appreciative industry executives yesterday.

Just three months into his job, Mr. O'Farrell unveiled a wish list of regulatory efforts he said are needed if private broadcast-

ers are to enjoy the profits required to invest in Canadian content programming.

Those changes include:

■ Reconsideration of the planned overhaul of the Copyright Act which, he said, would impose an "increasingly unwieldy tariff burden." He pointed to a tariff on the download of music CDs to servers that could cost radio stations \$56-million a year, triple the annual copyright charges of their U.S. counterparts.

■ Reducing CRTC fees, in particular those supposedly earmarked for management of the broadcast spectrum but which, he said, just sit in the Consolidated Revenue Fund. He said those Part II Licence Fees can amount to upwards of \$90-million annually from broadcasters and cable and satellite carriers.

■ Efforts to safeguard Canada's cultural policies and infrastructure from those who would challenge them at the next round of World Trade Organization negotiations.

Mr. O'Farrell also called for changes to legislation that inhibits direct consumer advertising of prescription drugs on radio and TV.

The 1953 Food and Drug Act, he said, is so outdated that it leads to ads like the current Viagra TV spot that tells viewers nothing — "other than, perhaps, illustrating midlife skipping and jumping skills."

The CAB president said all Canadian media — including newspapers and magazines — should have the right to provide Canadians with the full story about the medicines available to them, and should enjoy access to a new stream of revenue.

He noted that information on the Internet and in U.S. magazines can confuse Canadians about what drugs are available to them.

However, a study funded by Health Canada and published in February found that such ads prompt patients to ask their doctors for the drugs and that the doctors often prescribe them even when they aren't convinced the drug is best for them.

The study concluded that such direct-to-consumer advertising had a detrimental impact on patient treatment.

Meanwhile, Mr. O'Farrell went on to stress that broadcasting is a cultural industry but also an industry proper and, as such, is obligated to its shareholders and the public.

But, he added, decision-makers in Ottawa continue to be pressured by self-interest groups that take a cynical view of profits on the part of cultural industries.

"How did we come to a place in this country where public policy condemns and scorns the concept of profitability?" he asked.

Unlike some private broadcasters, though, Mr. O'Farrell stopped short of criticizing the CBC's unique place in the industry, with both its ad revenues and public subsidy.

"I think there's a very important place for a public broadcaster in our system," he said. "I think we have to go into more partnerships with the CBC, look at things from the common perspective of broadcasting."

He says the CBC — which is not a CAB member — does a good job overall and must be encouraged to do better.

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