NEWS RELEASE



Emergence of new, low-cost technologies requires further de-regulation of Canadian broadcasting sector

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VANCOUVER—The emergence of low-cost methods of creating and distributing broadcasting content means that the Canadian Radio-television and Telecommunications Commission's (CRTC) traditional policies to protect and subsidize Canadian content are increasingly unsustainable, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

"The proliferation of digital producers and distributors of low-cost, online programing is seriously challenging the ongoing viability of the CRTC's ability to regulate. Simply put, the CRTC cannot impose the same antiquated regulations used for traditional broadcast to online programming without seriously restricting access to internet programs," said Steven Globerman, Fraser Institute senior fellow, Kaiser Professor of International Business at Western Washington University, and author of *Technological Change and Its Implications for Regulating Canada Television Broadcasting Sector.*

The taxpayer-funded CRTC regulates all Canadian broadcasting and telecommunications activities. Conventional broadcasters (TV stations, for example) must adhere to CRTC rules, which include Canadian content quotas and mandatory funding of homegrown content.

The study notes that the emergence of online content providers, such as YouTube and NetFlix, which are not subject to the CRTC's regulations, has created an unlevel playing field in the broadcasting industry.

"While traditional broadcasters have Canadian content quotas and funding taxes imposed on them, online broadcasters enjoy a much more flexible regulatory environment," Globerman said.

According to the study, the solution is *not* for the CRTC to impose new restrictions and regulations on producing and broadcasting online content, but rather to further deregulate Canada's traditional broadcasting industry so it can compete with Internet broadcasters on a level playing field.

"With the explosion of online content, Canadians have a plethora of choices and options now available to them. Canadians will benefit from further deregulation of the traditional broadcast sector," Globerman said.

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Aanand Radia, Media Relations Specialist Tel: (416) 363-6575 Ext. 238 E-mail: <u>aanand.radia@fraserinstitute.org</u> The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of think-tanks in 87 countries. Its mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. To protect the Institute's independence, it does not accept grants from governments or contracts for research. Visit www.fraserinstitute.org

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