



HOUSE OF COMMONS
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News Release

Communiqué

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CRTC DENIAL OF HIDDEN TAX ON CABLE TV SUBSCRIBERS IS MISLEADING

OTTAWA---"The press release issued yesterday by the CRTC denying the existence of a hidden tax on cable TV subscribers is misleading on several fronts", said Dan McTeague, M.P.

"The CRTC has been playing fast and loose with the money of Canadian cable subscribers for some time and now they are doing the same with the truth. The money grab by the CRTC and the cable TV companies is indeed hidden because, notwithstanding any nationally televised CRTC public hearings and hundreds of written and oral submissions, Canadians do not know that their rate reductions have been hijacked by revised CRTC regulations. In fact, these very regulations go beyond the jurisdiction of the CRTC as outlined in the Broadcasting Act", said McTeague.

"Cable TV subscribers continue to pay money on a monthly basis to finance a Canadian Program Production Fund without their knowledge or consent. This fund, established to develop under-represented Canadian programming, was initially proposed by the cable TV industry to avoid reducing cable TV rates to subscribers as required under CRTC regulations. The CRTC bought into this scheme and agreed to let cable TV companies keep the remaining 50% of the intended subscriber rate reduction for themselves", added McTeague.

"Three CRTC commissioners tried unsuccessfully to stop this unwarranted money grab. In their view, eliminating subscriber rate reductions could not be justified to fund necessary technical upgrades, on the basis of economic need, or to ensure a minimum level of profitability for the cable TV companies", said McTeague.

"Given the serious issue of the elimination of subscriber rate reductions and the earlier specialty channels fiasco, I will be submitting a motion to the House of Commons Committee on Canadian Heritage to establish a Sub-Committee to examine the mandate, operations and regulations of the CRTC with respect to the cable TV industry. The Sub-Committee will also examine the impact CRTC regulations have on cable TV subscribers", concluded McTeague.

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