

## Selling the Saskatchewan Communications Network (SCN)

By Patricia Elliott

Going for the bargain basement price of \$350,000, the sale of SCN in 2010 marked an unexpected end to the province's most significant long-term media development investment.

In 1972 the CRTC created a new class of license for educational TV, leading to the establishment of five provincial broadcasters: the Knowledge Network (BC), ACCESS (Alberta), SCN, TVOntario and Télé-Québec. In Saskatchewan, SCN's stated mandate was to serve as "as a regional public broadcaster, contributor to economic development through the film and video industry, and facilitator of access to information and education services in remote and rural areas of Saskatchewan."<sup>1</sup> The network was divided into three main services: distance learning; a provider of public satellite access; and regional public television. The broadcast arm was to be dedicated to reflecting Saskatchewan culture, being "the only network mandated to focus specifically on stories that address the issues and concerns of the province's population."<sup>2</sup>

But while SCN was finding its feet in the province of Saskatchewan, the currents of neo-liberalism were sweeping across the rest of the country. Between 1994 and 1999, the other four provincial governments began to starve their respective broadcasters of funding. As provincial

grants shrank, the networks began to beef up their schedules with purchased mass-market programs and on-air sponsorship announcements (advertising was forbidden under the educational license). This merely led to accusations of unfairly subsidized competition with private broadcasters, increasing the pressure on provinces to divest. In 1995, Alberta sold ACCESS for one dollar to a private consortium whose majority shareholder was the Ontario-based CHUM broadcasting group, which was later taken over by CTVglobemedia.<sup>3</sup> The remaining stations coped with reduced budgets mainly by turning to outsourced productions, saving costs on local program development.

By 2007, SCN was the only remaining educational broadcaster producing its own local and regional programs.<sup>4</sup> A mix of original children's shows such as *Wapos Bay*, groundbreaking short films such as

*Out in the Cold*, and dramas like *Redemption, SK*, were well received by the public. A survey conducted in 2009 revealed steadily growing viewership and a healthy level of public support: 53 percent of respondents felt their tax contribution toward educational broadcasting was satisfactory, while 28 percent said it was too little, for a combined 81 percent in favour of tax-supported educational broadcasting.<sup>5</sup>

After a Saskatchewan Party government was elected in 2007, there were no immediate changes made to SCN's mandate and budget. Between 2006 and 2010, SCN's annual government grant held steady, ranging between \$5.6 million and \$6.2 million. Then, in the March 2010 provincial budget, with no prior public consultation or forewarning, the Wall government unexpectedly announced its intention to sell SCN's broadcast arm to the private sector, stating, "SCN's viewership is quite low and we



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feel there is no longer a role for government in the broadcast business.”<sup>6</sup>

In the midst of vocal public protests, Saskatchewan Federation of Labour (SFL) president Larry Hubich wrote an open letter to Premier Brad Wall requesting time to prepare a community-sponsored bid for the broadcaster. The letter sought 60 days for the SFL to contact its 37 affiliates, labour-sponsored venture capital funds, the credit unions, and SCN employees for the purposes of preparing a bid. “Please don’t wipe SCN off the map until we can develop a plan to retain vital cultural human resources in Canada,” Hubich’s letter concluded.<sup>7</sup>

The plea had no effect; the station was sold in June to Bluepoint, a private company wholly owned by Bruce G. Claasen, for \$350,000. A condition of sale was Bluepoint’s commitment to spend \$1.75 million per year on local program production, and that the period between 6 a.m. and 3 p.m. remain dedicated to commercial-free children’s and educational programming.<sup>8</sup> In December, the CRTC approved the sale and authorized on-air advertising, previously prohibited, during non-educational programs.<sup>9</sup>

Just two years later, citing financial duress, Claasen sold

SCN to Rogers Broadcasting for \$3 million, a price more than 8.5 times higher than what he had paid for the channel.<sup>10</sup> In its application to the CRTC, Rogers asked to be relieved of the \$1.75 million commitment to local programming, and to use the SCN signal to broadcast its Toronto-based CityTV station.<sup>11</sup> In June, 2012, the CRTC approved the sale; instead of \$1.75 million annually, Rogers was ordered to spend 23 percent of gross revenues purchasing from local TV producers, and to commit to an additional \$1 million toward local productions by 2018. As well, the station was ordered to retain commercial-free educational broadcasting between 6 a.m. and 3 p.m.<sup>12</sup> With these commitments, the company received permission to transform SCN into CityTV.

While these conditions helped retain morning children’s programs, the station’s overall intent was clearly changed under private ownership. Prior to the sale, SCN’s website prominently featured made-in-Saskatchewan productions, and provided information to citizens and filmmakers about how to contribute their ideas and films. Prime-time programs in 2009 included independent dramas and documentaries, short films created by SCN viewers, and shared APTN broadcasts.

In contrast, the July 31, 2013 home page featured *Wipeout*, a US game show, *America’s Got Talent*, a US reality/variety show, *Hell’s Kitchen*, a US reality show, *The Bachelorette*, a US reality show, and a rotating ad banner. Citizen participation was reduced to a single web poll question: “What show are you most excited about in the fall?” followed by a choice of US network programs. The evening’s program schedule revealed a complete absence of Saskatchewan productions, with US network reality shows and sit-coms taking up the prime time slots and Canadian documentaries shifted from prime time to late evening.

The transformation within a few years was astounding. The sale of SCN surrendered valuable physical assets to private investors on the cheap. Further, the public’s collective investment in made-in-Saskatchewan stories and talent all but disappeared beneath a tidal wave of profit-seeking American entertainment.

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