

# ALLARCO

ENTERTAINMENT

Bringing **choice** to pay TV

March 31st 2008

Mr. Robert A. Morin  
Secretary General  
CRTC  
Les Terrasses de la Chaudière  
Central Building  
1 Promenade du Portage  
Gatineau, Quebec  
K1A 0N2

Dear Mr. Morin:

## **Preamble:**

Allarco Entertainment Inc. ("AEI") went to Air on November 2<sup>nd</sup>, 2007 when Bell ExpressVu launched the Super Channel pay television service across Canada. This is our first annual report concerning AEI's Cultural Diversity Corporate Plan (the "Corporate Plan"). It covers the period from our launch to December 31<sup>st</sup> 2007 (a period of two months).

AEI's Corporate Plan addresses the accurate reflection, inclusion and participation of Canada's ethnic, racial, cultural and Aboriginal diversity as well as Canadian's with disabilities (the "Group") in three distinct areas:

- a) reflection and participation of members of the Group in the programming we exhibit;
- b) educate and encourage writers and independent producers to create programming that includes and portrays members of the Group in a manner consistent with their participation in Canadian society; and
- c) adopt and follow organization policies and procedures that will insure success in the above two areas, as well as, to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability ("Employment Equity").

## **Overview**

AEI has acquired and exhibited programming that achieves the reflection and participation of members of the Group as outlined in area a) above. For on-air promotional programming that we commissioned one of the two hosts was a woman that is a self-proclaimed member of a visible minority group in Canada. Our promotional voice-over announcers include a woman. We did not formally ask participants in our promotional programming or announcers to self identify themselves as members of Group. If we had there may have been more examples of our success in this area.

**Allarco Entertainment Inc.**

Suite 200,  
5324 Calgary Trail,  
Edmonton, AB T6H 4J8  
Canada

AEI has 10 Creative Development Representatives ("CDRs") across Canada who as part of their responsibilities are involved in the education and encouragement of writers and independent producers in the portrayal and inclusion of Group members in their creative work. Six of our CDRs are women. We have not yet asked the CDRs to self identify so we do not know how many are members of Group.

AEI has made a senior manager responsible to ensure staff and CDRs are aware of the Corporate Plan and to follow its objectives in the conduct of their jobs. Employment Equity considerations were part of AEI's hiring practices. Ability was the key criteria for these decisions. Twenty nine (29) of AEI's 35 employees at December 31<sup>st</sup> 2007 were former employees of Canadian broadcasting companies in Ontario and Alberta that had been laid off due to consolidation in the broadcast sector. These employees have not yet been asked to self identify so we do not know how many may be members of the Group.

### **Annual Report**

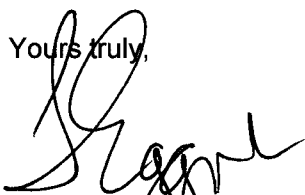
AEI filed its Corporate Plan with the Commission on May 31<sup>st</sup> 2007. In the plan 12 Activities / Initiatives were outlined in Appendix A.

The Commission responded to AEI's Corporate Plan in a letter dated October 3<sup>rd</sup> 2007. In the letter the Commission requested that AEI respond in its first annual report to seven clarification questions.

Attached to this letter are two Schedules:

- Appendix A reports on the situation at December 31<sup>st</sup> 2007 of the 12 Activities / Initiatives outlined in the Corporate Plan; and
- Appendix B responses to the Commissions 7 clarification questions.

Yours truly,



Thom Eggertson CA CFA  
Vice President, Finance and Administration  
Allarco Entertainment Inc.

Attach's.

**ALLARCO ENTERTAINMENT INC.**

**ANNUAL REPORT ON CULTURAL DIVERSITY CORPORATE PLANS AND  
THE REPRESENTATION OF PERSONS WITH PHYSICAL DISABILITIES**

*1<sup>ST</sup> JANUARY TO 31 DECEMBER 2007*

*Filed March 31st 2008*

<b>Item #</b>	<b>Activities / Initiatives</b>	<b>Objectives</b>	<b>Expected results</b>	<b>Responsible</b>	<b>Deadline</b>	<b>Situation on</b>
<b>1.</b> Corporate sector Executive	Coordinate all activities related to the cultural diversity file.	Ensure the corporate plan for cultural diversity is put in place and that senior management is well briefed on the objectives.	Raised awareness by all staff of the objectives.  The Creative Development Representatives ("CDR's") in the provinces will contribute to meeting the objectives set out.	Thom Eggertson, Vice-President, Finance & Administration.	ongoing	The Vice President, Financial part of preparing this report to all staff in mid 2008, at the Cultural Diversity Planning Senior management has taken diversity issues.  The Creative Development Canadian Programming Plan at the time of the launch directed to implement it
<b>2.</b> Executive	Work with the CAB on its initiatives to increase cultural diversity in Canadian programming.	Share our initiatives with the CAB and benefit from their own initiatives to increase awareness of the importance of offering Canadians more diversity in programming.	A better reflection of the ethno-cultural diversity of Canada's population in the television programming offered to Canadians.	Malcolm Knox, President and COO	ongoing	Joined the CAB as an Assessor  Attended the CAB conference  Reviewing the CAB's report applies to AEI and assess member...if we become a the CAB discussions com
<b>3.</b> Programming	Develop a standard contract for independent producers and a producer guide which will include specific requirements about cultural diversity.	To ensure independent producers are aware of what AEI will require from them in contractual terms on the cultural diversity question.	Ensure independent producers will develop projects that better reflect Canada's cultural diversity.	Sandy Perkins, Vice-President, Programming and the Creative Development Representatives.	November 2007	Creative Development report implement plan as opportunity  The pre-license/license agreement in use during 2007. The completed in 2008 by a general A Director, Canadian Programming mandate of this position in production. An important process is the representation Minorities, People with L

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Item #	Activities / Initiatives	Objectives	Expected results	Responsible	Deadline	Situation on
Corporate sector						
4.	Hold discussions with Canada's film schools.	Develop a working relationship with the different film schools and future film makers to ensure they will have cultural diversity in mind when developing projects.	Raise awareness among young filmmakers of the importance of developing projects that better reflect Canada's cultural diversity.	Creative Development Representatives	ongoing	CDRs started in November launch of Super Channel, with Film Schools had oo
5.	Organise regional meetings with independent producers, and their representative associations to discuss how AEI expects to see cultural diversity reflected in script development and in its programming.	Make independent producers aware of the need for more cultural diversity in the storytelling and the programming they are developing - particularly in stories depicting Canada and Canadians	More programming which will reflect the increasing ethno-cultures within Canada. In addition, ensure that our programming accurately reflects Aboriginal peoples and persons with disabilities.	Creative Development Representatives	ongoing	The objectives of the AEI informally during produce CDRs are championing se under the AEI diversity p The Diversity plan will be manner in meetings with i
6.	Ensure that those responsible for acquiring foreign programming take into account the corporate policy on cultural diversity in programming.	To ensure that our foreign programming will respond to the needs of the diverse ethno-cultures that make up Canada and are the basis of our client base for our national service.	Offer as much foreign programming as possible which will be a reflection of our client base in terms of cultural diversity.	Sandy Perkins, Vice-president, Programming.	Ongoing	The Super Channel sched voices. There is extensive strand dedicated entirely

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7. Corporate sector Programming	Establish a working relationship with independent producers representing the Aboriginal peoples.	Ensure a presence of productions which reflect Canada's Aboriginal people's culture. Allarco Entertainment will explore projects such as the Spark plug initiative.	Airing programming that reflects the cultural contribution of Canada's aboriginal peoples.	Creative Development Representatives.	Ongoing	Internally coordinating a initiatives that reach film When evaluating projects Development, Cultural D plan, is a consideration. We have acquired progra diverse cultural heritage have also acquired foreign aboriginal peoples is a p
8. Communications and marketing	Corporate consumer research for the Pay television service.	Make sure that when market surveys are undertaken and focus groups are used that the researchers keep in mind cultural diversity.	Ensure that the views of our customer base is reflected in our programming choices.	Thom Eggertson and the Communications and marketing sector.	During 2008	Research projects are bei implementation later in 2
9. Communications and marketing	Regular surveys of client base.	Include questions in market surveys of our Pay television clients that will provide an opportunity to measure the appreciation of programming which reflects cultural diversity.	Provide our service with regular information about what our client base thinks of our efforts to offer programming that reflects our cultural diversity.	Thom Eggertson and the Communications and marketing sector.	Ongoing	Market surveys will occur

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Item #	Corporate sector	Activities / Initiatives	Objectives	Expected results	Responsible	Deadline	Situation c
10.	Communications and marketing	Annual participation in Film and Television Festivals and industry conferences.	Make sure our position on diversity is well understood. That we wish to ensure the on air presence of four key groups: women, Aboriginal persons, disabled persons and members of visible minorities.	Increase the awareness of the audiovisual industry and its stakeholders and the importance of having a broadcasting system which is reflective of Canadian society presenting fairly our ethno-cultures.	Communications and marketing sector and the Creative Development Representatives.	Ongoing	V.P. Programming has e the Super U short film co dedicated to members of Director of Canadian Pro festivals and conferences We're considering ways the on-air presence of th
11.	Human Resources	Drafting a corporate policy on equity.	Ensuring that AEL's human resources policy for hiring, promotion and remuneration will be based on competence and performance only	Equity for all employees. No one will be disadvantaged because of other considerations such as: age, sex, language or belonging to a racial or cultural minority.	Thom Eggertson	Spring 2008	The Company is currentl Equity consistent with th Company employs signif consequently is not requi
12.	Human Resources	Develop meetings and special seminars for management, staff and provincial creative development consultants to make them fully aware of cultural diversity issues.	Develop a better awareness of staff and consultants on how they can contribute on a daily basis to ensuring more diversity and recognition of Canada's ethno-cultures including Aboriginal peoples.	More diversity in programming acquired and developed for the service.	Thom Eggertson	Spring 2008	To be implemented in mi



**Response to the CRTC's Clarification Questions  
contained in their letter of October 3<sup>rd</sup>, 2007**

March 31st, 2008

DIVERSITY AND ALLARCO ENTERTAINMENT INC.

At Allarco Entertainment Inc. we believe we have an important role to play in ensuring the diverse nature of the Canadian population is reflected in what we do, both on camera and behind the scenes. We are guided by the CRTC principle that calls for:

“The inclusion of groups that have been traditionally under-represented in broadcasting: ethnocultural minorities, Aboriginal peoples, as well as persons with disabilities.”

Television has a history of under-representing the cultural texture of our population and, at Allarco Entertainment Inc, we want to contribute to reversing that situation. We believe that our audiences want to see programs in which they recognize themselves, as central characters in the stories that are told as well as in the crowds in the streets as they are represented in dramatic programming. They also want to hear the needs and concerns of their communities given voice in both drama and documentary. Finally, they want the opportunity to participate in telling these stories and in putting their expertise and talents to good use.

At Allarco Entertainment, diversity is key to meeting the needs of our subscribers by providing them with the best programming that the world has to offer. Diversity is more than an obligation. It's an opportunity to respond to the needs and preferences of Canada's rich, growing ethno-cultural citizenship.

The following addresses the questions of the Commission in the letter of October 3, 2007. The Commission will understand that, with regard to our responses, we are non-specific because of the confidential nature of projects in development.

**Questions #1: Ensure that EE Policy complies with CRTC PN 1992-59 and 1997-34, by addressing the following standard questions:?**

- a) Measures to be put into place for the four designated groups:**
- Incorporate the Cultural Diversity Plan (the “Plan”) into AEI's employee handbook and explain how the Plans objectives can be met during the daily performance of employees job functions;
  - Incorporate the Cultural Diversity Plan into the Creative Development Representatives Handbook and explain how the Plans objectives can be met during the performance of CDR's activities;



- Review the objectives of the Plan at least annually with management, employees and CDR's at formal group meetings;
- In the development of corporate employee policies flexibility in the application of policies will be incorporated, where practical, so that special needs of employees, whether they are a member of one of the four groups or not, can be accommodated.
- In the hiring of people to fill all employment position the only consideration is an individual's ability to do the job.

**b) How will EE Policy be communicated;**

- Through the Employee Handbook, CDR Handbook, formal meetings and informal meetings

**c) Authority of Senior level person to track, monitor and ensure EE goals are achieved;**

- The Vice President, Finance & Administration has been assigned this responsibility.

**d) Confirm financial resources available to promote EE in the workplace;**

- The financial resources are available to promote Employment Equity in the workplace

**Question #2: How will plan address the retention of visible minorities, Aboriginal peoples and persons with disabilities?**

Compensation, advancement and assigned responsibilities will be based on an employee's ability and performance.

Special needs of employees will be accommodated, where practicable, as part of AEI's employment practices.

**Question #3: Confirm when developed and implemented**

In the December 2008 report AEI will provide information on the implementation or the Activities / Initiatives identified in the Plan.

**Questions #4: Please clarify how AEI plans to fulfil the requirement of having its employees assess the progress of cultural diversity as set out in its corporate plan?**

Each of the ten Creative Development Representatives (CDRs) serving the communities across Canada were provided with a copy of the Allarco Entertainment Diversity Plan at the beginning of their contract, in November 2007. They were asked to consider how the plan would influence their work and to implement it when possible. Beginning March 31, 2008, CDRs will include specific activity relating to the diversity plan at the end of each month.

An Allarco Entertainment Employee Handbook will be completed by June 2008 and will include a section on diversity. All employees will be required to familiarize themselves with this section. Although the plan specifies that Senior Management, Creative Development, Marketing, and Programming will implement the plan, all employees and Creative Development contractors will be familiar with the plan.

On an annual basis the Programming Department will report on how the Super Channel schedule reflects the implementation of the diversity plan. This report will include a list of programs that reflect the objectives of the diversity plan and a short summary of the efforts made to implement the Allarco Entertainment Diversity Plan in the previous quarter. This applies to Canadian and foreign programming that is licensed and pre-licensed.

Communications and Marketing plans will state how the objectives of the corporate diversity plan are reflected in their efforts.

Viewers will be asked to answer questions relating to the diversity plan in Customer Surveys that will begin in Fall of 2008. We're taking a proactive approach on Cultural Diversity. Questions, that are currently being designed, will go beyond accounting for hours in the schedule in which culturally diverse programming is scheduled. We will also ask audiences how this programming influences their ideas and attitudes. The results of customer surveys, specific to the plan, will be included in the Cultural Diversity file.

Raising the awareness of the Allarco Entertainment Cultural Diversity Plan with staff and contractors will ensure that it is at the top of their minds while they are performing their duties and will, therefore, reinforce the need to implement the plan whenever possible.

**Question #5: Please elaborate on how AEI's proposal to establish a working relationship with Canadian independent producers will result in diversified content on screen?**

A two-pronged effort will result in diversified content on screen.

First, CDRs are working to become aware of the filmmaking community. Super Channel has ten representatives spread across the country, three with responsibility specific to the territories. This enables us to target culturally diverse projects and also to seek out and find culturally diverse filmmakers, the ones capable of making broadcast quality films, and to encourage their efforts from inception through production. Many filmmakers who fall under the CRTC definition of “diverse” don’t have the financial or physical means to frequently travel to the major centres to develop the relationships often necessary to “pitch” a broadcaster. The Super Channel commitment to representation in all parts of Canada increases the opportunity for those diverse voices to be heard.

Three of the first six projects to be supported in development by Allarco Entertainment Creative Development have either protagonist/s that are representative of a Cultural Diversity population and/or a central theme that reinforces the importance of cultural diversity. The other three all feature culturally diverse characters.

Secondly, Super Channel is supporting initiatives to train filmmakers, including those with a Culturally Diverse background. The Writers Boot Camp, in PEI, is one example. Selection to participate in the program is done anonymously, based entirely on the material submitted, so it provides equal opportunity to all applicants. Super Channel will also be proactive in supporting initiatives that encourage diverse filmmakers by seeking out opportunities and suggesting topics for workshops such as “Blind Casting”, the protocol that encourages directors to consider actors of diversity to be cast in roles that are not gender, race, or ability specific.

Individual Creative Development Representatives have targeted promising projects by filmmakers who represent Cultural Diverse populations and are providing individual assistance and direction to enable them to get their stories in shape to move forward. This includes projects from First Nations, African-Canadian and others from groups that represent the diversity of Canada.

**Question #6: Please elaborate on the focus of AEI’s discussions with funding agencies and how this initiative will result in more representation of visible minorities, Aboriginal Peoples, and persons with disabilities on and behind the screen?**

CDRs are in regular contact with Provincial and Federal agencies, including Telefilm and the NFB. It is our intention to join forces to support projects that reflect the AEI diversity policy and have the elements essential to an important and engaging story. These projects might not otherwise make it through the many hurdles that it takes to get produced. By working together, we can ensure that these projects move into production with enough development assistance to ensure that the projects are truly ready to go to camera.

**Question #7: Please confirm how often AEI plans to:**

**a. Hold discussions with different Canadian film schools to attract future filmmakers into developing projects which reflect cultural diversity;**

CDRs, as a matter of course, are invited to speak at film schools. In the first few months of operation they have addressed CDRs have been advised to take these opportunities to relay the Allarco Entertainment message on diversity. During the course of this first year we will review the reach that we have had into educational settings and will make special efforts to contact those we've missed. We are also making a point of addressing the film co-ops, which are a rich source of stories by emerging filmmakers across the country. In these situations the CDRs often move beyond simple discussions into fully realized workshops. Several of the CDRs also bring past experience of working with groups of diverse filmmakers, including Aboriginal Filmmakers.

**b. Undertake corporate consumer market research that includes questions regarding cultural diversity.**

In the Fall of 2008, Allarco Entertainment Inc. will conduct a customer survey that will cover a variety of areas. Questions on diversity will be included.

**c. Organize regional meetings with independent producers to discuss diversity in script development and programming;**

CDRs are constantly meeting with independent producers and are also asked to present at film festivals and workshops. They will reinforce the Allarco Entertainment Cultural Diversity message in those meetings. When AEI sponsors script and programming events it will ensure that the diversity message is emphasized as an important element in program development.

At AEI we're also aware of the CAB's efforts in regard to diversity and are giving serious consideration to changing our status from associate member to full membership so that we can become fully involved in these initiatives.

**d. Hold meetings and special seminars for management and staff to make them fully aware of cultural diversity issues**

Beginning in May, Super Channel programming will select one film from the schedule each third month that reflects diversity. This will be screened at the head office and will be followed by discussion on the reflection of diversity in the film and the need to see diversity on Canadian television screens. Management and Staff will be encouraged to attend. A summary of the meeting will be distributed to those who are unable to attend, with times and dates of when the film will be scheduled on Super Channel.