

be approved by the Monitoring Committee of the House of Commons. The Committee believes that such a change should be made to the corporate structure of CPaC and should be a condition of licence.

It is proposed that CPaC will be funded on an ongoing basis by a monthly fee per basic cable subscriber. The suggested monthly fee is \$0.08 in each of the first two years of the service, \$0.09 in each of the third and fourth years of the service, and \$0.10 in the fifth year of the service. These funds will be used to cover the cost of all CPaC programming over and above the parliamentary proceedings. The CBC will continue to pay for the facilities and personnel (current annual cost of \$3.7 million), the principal component of which is the cost of the satellite facilities for the distribution of signals. The House of Commons will continue to be responsible for the costs of televising its proceedings; at present these costs are approximately \$1.5 million.

Many Canadians are strongly opposed to the concept of a subscription fee for the Parliamentary Channel. Many people who wrote to the Committee object in principle to Canadians having to pay to watch their elected representatives. The Committee is aware that cable bills have increased dramatically in recent years, and that there is considerable resentment over the introduction of specialty services that subscribers do not want or watch.

After examining all of the arguments, however, the Committee has concluded that a subscription basis is the only feasible means of providing a public affairs channel like CPaC. The Canadian taxpayers will continue to subsidize the operation to a considerable extent, through the House of Commons and the CBC. The costs of providing the wrap-around programming, however, must be recovered. A monthly subscription is the fairest means of doing this. CPaC, after all, will be available only to those Canadians who receive cable television service and it is necessary that they share part of the cost.

It should be noted that CPaC will be a non-profit operation. Mr. Philip Lind has assured the Committee that if revenues exceed expenses, the money will be used to improve the service, and to reduce or delay further subscription increases. It is important to note that the CRTC will be responsible for setting the subscription rates, and approving increases. We fully expect the CRTC to be sensitive to the concerns of charging for this service, and to carefully monitor CPaC's financial statements and proposed fees.

It is proposed that CPaC will be an optional-to-basic specialty service. That is, if a cable company decides to carry it, it will be available to all subscribers as part of the basic cable service. The cost of CPaC to the cable company will depend on the number of subscribers; thus, if the \$0.08 a month fee is accepted, it essentially means that \$0.08 of each subscribers' monthly bill will pay for CPaC.

People in rural areas where cable is not available, and who rely upon satellite reception for the Parliamentary Channel, have expressed concern that CPaC would become a