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CBC/RADIO-CANADA: DEFINING DISTINCTIVENESS IN THE CHANGING MEDIA LANDSCAPE



Report of the Standing Committee on Canadian Heritage

Gary Schellenberger, M.P.
Chair

February 2008

39th Parliament, 2nd Session

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THE CHANGING MEDIA LANDSCAPE**

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THE STANDING COMMITTEE ON CANADIAN HERITAGE

has the honour to present its

SIXTH REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has studied the Role of a Public Broadcaster in the 21st Century and reports its findings and recommendations.

ACKNOWLEDGEMENTS

The Committee could not have completed its study on the Role of a Public Broadcaster in the 21st Century without the cooperation and support of numerous people. The Chair and members of the Committee extend their thanks to all the witnesses who shared with them their insights and knowledge on this subject.

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The members of the Committee also wish to express their appreciation to the staff of the Committees Directorate, the Translation Bureau of Public Works and Government Services Canada, and the support services of the House of Commons who provided logistics and administrative support to produce this report.

Finally, the Chair wishes to thank the members of the Committee for the hours they dedicated to study this question and to prepare this report.

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LIST OF ABBREVIATIONS

ABC	Australian Broadcasting Corporation
ACTRA	Alliance of Canadian Cinema, Television and Radio Artists
APTN	Aboriginal Peoples Television Network
APFTQ	<i>Association des producteurs de films et de télévision du Québec</i>
BBC	British Broadcasting Corporation
BDU	broadcasting distribution undertaking
CAB	Canadian Association of Broadcasters
CBC	Canadian Broadcasting Corporation
CCA	Canadian Conference of the Arts
CEMC	Consumer Electronics Marketers of Canada
CEP	Communications, Energy and Paperworkers Union of Canada
CFTPA	Canadian Film and Television Production Association
CIUS	Canadian Internet Use Survey
CRTC	Canadian Radio-television and Telecommunications Commission
CTF	Canadian Television Fund
DGC	Directors Guild of Canada
DT	direct-to-home
DTT	digital terrestrial television
DTV	digital television
EONM	Exemption Order for New Media
FCCF	<i>Fédération culturelle canadienne-française</i>
FCFA du Canada	<i>Fédération des communautés francophones et acadienne du Canada</i>
HDTV	high definition television
ISP	internet service provider
NFB	National Film Board
NHL	National Hockey League
OAG	Office of the Auditor General
PBS	Public Broadcasting Service
PCH	Department of Canadian Heritage
PSB	public service broadcaster
PVR	personal video recorder
RCI	Radio Canada International
RDI	<i>Réseau de l'information de Radio-Canada</i>
SARTEC	<i>Société des auteurs de radio, télévision et cinéma</i>
SMS	short message service
SRC	<i>Société Radio-Canada</i>
TVNZ	Television New Zealand
VOD	video on demand
WAP	wireless application control
WGC	Writers Guild of Canada

CHAPTER 1: INTRODUCTION

Context

CBC/Radio-Canada has played a major role in the development of the broadcasting system in Canada. It is at the centre of cultural, political, social and economic life in Canada. It brings Canadians closer together and allows them to share their unique experience in North America. This is a huge task for CBC/Radio-Canada, as it has to operate over a very large geographic area while reaching out to a linguistically and culturally diverse audience. The development of new communications technologies in the last 20 years has made the Corporation's work more complex.

During our public consultations, we met a number of times with CBC/Radio-Canada executives. They stressed that CBC/Radio-Canada is an instrument of democracy and culture for fostering the coexistence of cultures. The Committee shares these values and sees access to quality information that is free of commercial or political influence as essential to a strong democracy. CBC/Radio-Canada must have a direct impact on the quality of life and the health of communities and the country, in the spirit of participatory democracy.

With a view to maintaining and strengthening its presence, parliamentarians and outside study groups have paid special attention to CBC/Radio-Canada in recent years. In its June 2003 report on the second century of Canadian broadcasting, the Standing Committee on Canadian Heritage identified no fewer than 30 or so studies pertaining in whole or in part to CBC/Radio-Canada.¹ In that same report, the Standing Committee on Canadian Heritage devoted an entire chapter to the national public broadcaster. A few years earlier, in June 1995, the Committee tabled a report in the House on the future of the CBC in the multi-channel universe.²

Purpose of This Study

On September 27, 2006, the CBC/Radio-Canada senior executive appeared before the Standing Committee on Canadian Heritage. The President and Chief Executive Officer of the Crown corporation, Robert Rabinovitch, spoke in his opening remarks about the need to review the mandate of CBC/Radio-Canada.³

1 Standing Committee on Canadian Heritage, *Our Cultural Sovereignty: The Second Century of Canadian Broadcasting*, June 2003, 878 pp.

2 Standing Committee on Canadian Heritage, *The Future of the CBC in the Multi-Channel Universe*, June 1995, 108 pp.

3 Standing Committee on Canadian Heritage, 39th Parliament, 1st Session, September 27, 2006, 3:30 p.m.

This report is based on the original motion adopted by the Committee in November 2006. The report addresses six main themes:

- the mandate of CBC/Radio-Canada;
- the impact of the new media;
- programming;
- the Corporation's financial status;
- governance;
- accountability.

The Committee began its study on March 1, 2007, with a view to presenting recommendations to the Minister of Canadian Heritage. Forty-five meetings have been held to date. Witnesses were invited to respond to a series of questions from the Committee, which were posted on its Web site on February 2, 2007.⁴ The terms of reference for the study are provided in Appendix A.

The Committee heard from a range of witnesses from various walks of life and received some 50 written submissions for consideration in its study. The witnesses included members of the public, representatives of unions, guilds, commercial broadcasters and the independent production industry, and other parties interested in the future of the national public broadcaster. The Committee travelled to Yellowknife, Vancouver, Toronto, Winnipeg, St. John's and Montreal to hold public hearings and sound out members of the public on their own ground. In addition, hundreds of witnesses expressed their expectations and concerns, either in writing or orally, about the future of the national public broadcaster. A summary of this evidence is provided in Appendix B.

While travelling, the Committee took the opportunity to visit some CBC/Radio-Canada facilities in order to gain a better understanding of the operations of our national public broadcaster and of the unique dynamic of its regional stations. We want to thank the managers and employees of the Yellowknife, Vancouver, Winnipeg, Toronto and Montreal stations for taking the time to meet with us and answer questions.

The Committee also wants to thank the witnesses who kindly took part in our panel on May 31, 2007. The purpose of this exercise was to confirm or disprove our perceptions

4 The mandate for the study can be found at:
<http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?SourceId=189723>

about CBC/Radio-Canada. A number of specialists also shared their knowledge of public broadcasting and explained the challenges CBC/Radio-Canada is facing at the dawn of the 21st century. We are very grateful as well to the British Broadcasting Corporation's chief policy advisor, Mr Wilf White, and deputy advisor Mr Daniel Wilson, who generously agreed to take part in a videoconference to discuss the operations of Britain's public broadcaster and the challenges it faces. CBC/Radio-Canada executives appeared on March 22, 2007, and November 27, 2007.

The Committee regards CBC/Radio-Canada as an essential public institution that plays a crucial role in bringing Canadians closer together. A very small number of the briefs received were in favour of the abolition of our national public broadcaster. Rather, the vast majority of the evidence stressed the distinctiveness of CBC/Radio-Canada, reflected in the quality, originality and creativity of its programming. Being distinctive should not however mean being inaccessible. Its services must be accessible to the various elements of the Canadian public.

There is no question that the Canadian broadcasting system is facing tremendous changes that will continue to have unpredictable effects in the future. The multiplication of digital platforms, the increasing number of specialty channels and the transition to digital/HD television will all affect the future of CBC/Radio-Canada. The Committee gave special consideration to the impact of emerging technologies on the Corporation's mandate.

CBC/Radio-Canada has been a strong innovator in the last 10 years. It must constantly keep up with new technologies and reach out to audiences where they are, including young people who seek content on the Internet.

It should be noted that the Corporation is facing significant challenges, especially the CBC's English television network. With the omnipresent American television networks and changing viewing habits, the English network is constantly forced to prove itself. Radio-Canada's French television network is also facing challenges of its own: audience fragmentation and funding for non-specialty television in Quebec are just two of them.

The Standing Committee on Canadian Heritage does not claim to have answers for the challenges facing our national public broadcaster. This report does however suggest some possible solutions that might merit further consideration.

PROFILE OF CBC/RADIO-CANADA SERVICES

Current Situation

The origins of what is now known as CBC/Radio-Canada date back to 1929 and the Report of the Royal Commission on Broadcasting (the Aird Commission). The Commission noted that the majority of the radio broadcasts that Canadians listened to came from the United States and worried that this would tend to inculcate young people with non-Canadian ideals and viewpoints. The Aird Commission also recognised broadcasting's immense educational and informational potential and its ability to contribute to a shared sense of national identity. The Commission therefore recommended setting up a national public broadcasting service that had the necessary resources to create truly Canadian content. Shortly after that, in 1936, Parliament passed legislation creating CBC/Radio-Canada.

Today, CBC/Radio-Canada offers news, information, entertainment and sports programmes through 28 different services. It operates two programming services, one in French and one in English, which also broadcasts in eight Aboriginal languages. It offers this range of services through seven television networks, six radio networks and platforms such as Internet, satellite radio, podcasting, and WAP and SMS wireless messaging services.⁵ Radio Canada International (RCI) produces radio programming in nine languages for the international market. The Internet radio service RCI Viva is broadcast in eight languages and its target audience is aspiring immigrants and new arrivals.

CBC/Radio-Canada programmes are distributed by satellite and by a microwave network and landlines to 105 owned stations and 1,243 rebroadcasters belonging to the Corporation, as well as 17 private affiliated stations and 249 affiliated or community rebroadcasters. Table 1 shows CBC/Radio-Canada's French-language and English-language presence on radio and television in Canada.

5 Wireless Application Control and Short Message Service.

Table 1: TOTAL STATIONS AND REBROADCASTERS (July 2007)									
	TELEVISION NETWORK			RADIO NETWORKS				Total Radio	Grand Total
	English	French	Total TV	English		French			
				Radio One	Radio Two	Première Chaîne	Chaîne Culturelle		
CBC Owned stations	15	8	23	36	14	20	12	82	105
CBC Rebroadcasters	465	174	639	386	36	156	26	604	1243
Private affiliated stations	12	5	17	0	0	0	0	0	17
Private affiliated rebroadcasters	16	13	29	0	0	0	0	0	29
Community stations	0	0	0	1	1	0	0	2	2
Community rebroadcasters	138	11	149	47	12	10	0	69	218
TOTAL	646	211	857	470	63	186	38	757	1,614

Source: Data provided by CBC/Radio-Canada.

In January 2000, the CRTC renewed, for a seven-year term, the licences for French-language⁶ and English-language⁷ television and radio of CBC/Radio-Canada, the majority of CBC/Radio-Canada-operated television stations and those of Newsworld and the Réseau de l'information (RDI).⁸ During the review of the applications to renew the CBC/Radio-Canada licences, hundreds of citizens across the country made presentations to the CRTC. The licences of CBC/Radio-Canada's main broadcasting services expired on August 31, 2007. However, these licences were extended for a year to allow the CRTC to conduct a review of its television policy. The upcoming renewal, which could happen within the next year, will be a crucial exercise for CBC/Radio-Canada. It will be a unique opportunity for the CRTC to examine all its plans and strategies for the next seven years and to learn about the broadcasts and services the Corporation will be offering Canadians and about how it plans to achieve its objectives.

As Florian Sauvageau noted in his presentation of May 3, 2007, the radio and television services have evolved in very different ways. When audiences turn their television or radio on to the public broadcaster, they must be able to tell right away that it is not to a commercial channel. That quickly becomes clear on the radio; it is less obvious in the case of television.⁹

6 <http://www.crtc.gc.ca/archive/eng/decisions/2000/db2000-2.htm>

7 <http://www.crtc.gc.ca/archive/eng/decisions/2000/db2000-1.htm>

8 <http://www.crtc.gc.ca/archive/eng/decisions/2000/db2000-3.htm>

9 Evidence, Standing Committee on Canadian Heritage, Meeting 56, 39th Parliament, 1st Session, May 3, 2007, 9:05 a.m.

CBC/Radio-Canada's English-language television must be as much of an alternative to the private networks as is its French-language television. Being an alternative to the private networks does not mean that public television must be elitist. Distinctive television must be addressed to everyone, because all taxpayers pay for this television. All genres must be present on public television: variety shows, news and information programmes, drama, children's programming, sports. However, what is equally important is that every genre must be treated differently on public television.¹⁰

We are asking CBC/Radio-Canada to be original, of high quality and innovative, and to represent the reality of all Canadians living in this immense land, and in many languages. There is absolutely no doubt that we must always bear in mind what a colossal task it is for our public broadcaster to satisfy these demands.

The English-language and French-language television services face different challenges as a result of their respective situations, their needs and the characteristics of their audiences. The two services have neither the same strengths nor the same weaknesses. For example, English television's challenge is that audience ratings are not high enough and some people may, at a given point, decide it is a marginal network.

Nevertheless, there are things that the two networks can learn from each other. For many years, the English and French services have operated separately and have had different management and programming structures. Mr. Robert Rabinovitch explained to the Committee in March 2007 that \$10 million were spent on cross-cultural programming, or programming between French and English, between radio and TV.¹¹

Despite the emergence of new broadcasting platforms, television remains one of Canadians' favourite leisure activities. Nonetheless, according to the most recent Broadcasting Policy Monitoring Report, average weekly viewing for people aged 2 and up was 27.6 hours in 2005-2006, a decrease of one hour since 2002-2003.¹²

Among the suggestions we heard was that CBC/Radio-Canada look at other public broadcasters for inspiration, especially the BBC. However, it is important to be careful when comparing public broadcasters. They operate over areas of different size and respond to different audiences. Nor are the funding models always comparable. With a territory of 10 million square kilometres, which extends 5,514 kilometres east to west and 4,634 kilometres north to south, and a very culturally and linguistically diversified population, the challenges facing CBC/Radio-Canada are, to say the least, unique.

10 Ibid, 9:10 a.m.

11 Evidence, Standing Committee on Canadian Heritage, Meeting 44, 39th Parliament, 1st Session, March 22, 2007, 9:55 a.m.

12 CRTC, *Broadcasting Policy Monitoring Report 2007*, p. 39.

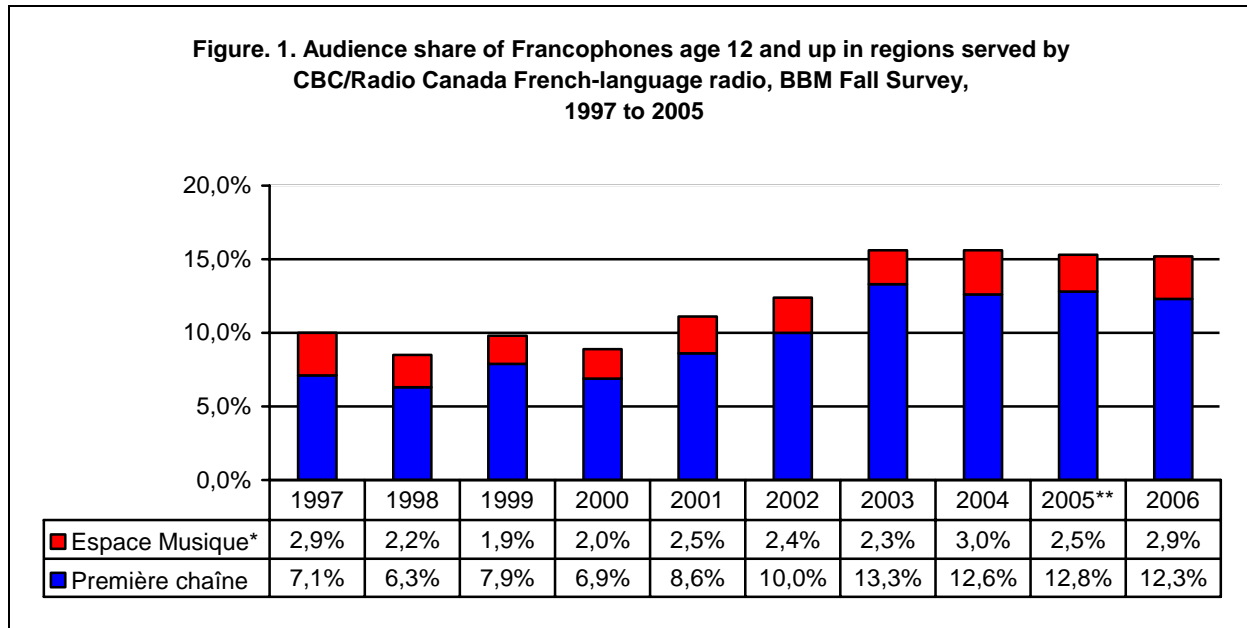
French-language Television and Radio Services

CBC/Radio-Canada provides two radio services in each of the country's two official languages. On the French-language side, *Première Chaîne* offers primarily news and public affairs programming. *Espace musique* is a music channel that broadcasts jazz, classical music, French-language songs, world music and emerging music, without ads.

The CBC/Radio-Canada's French-language radio is often the only Francophone radio presence in some regions of Canada.

I think radio plays a particularly important role, and in the five months since I have been Commissioner, I have been very struck by the degree to which local Radio-Canada programming across the country is very vigilant in following the news that affects their listeners.

Graham Fraser, Commissioner of Official Languages, March 20, 2007.



* Espace Musique replaced the Chaîne Culturelle in 2003.

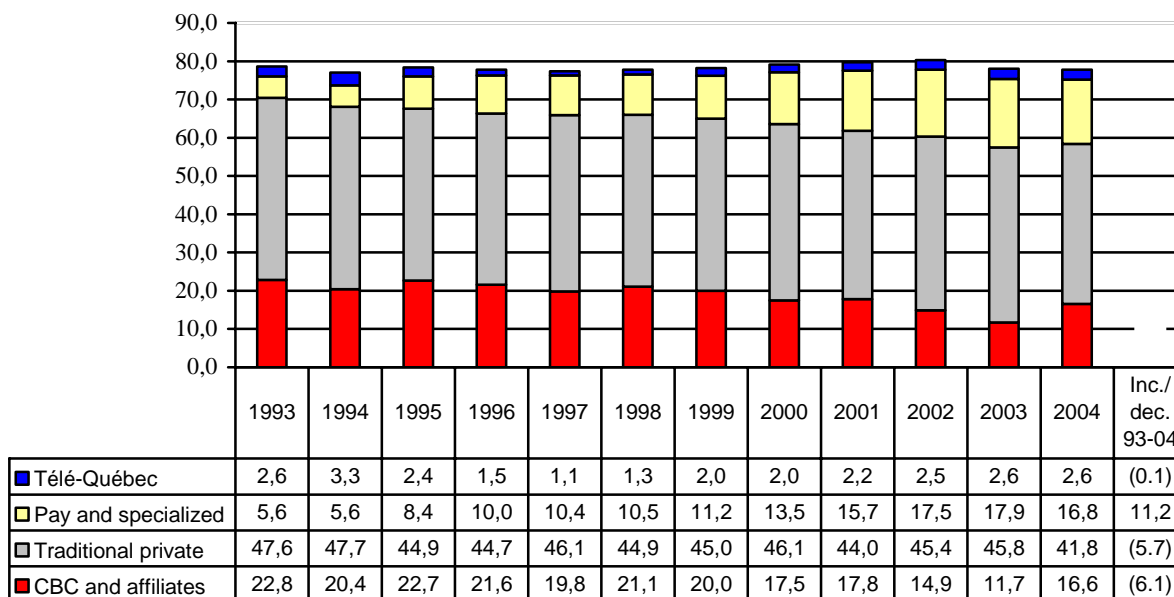
Source: CBC/Radio-Canada Annual Reports and brief presented by the Corporation, March 22, 2007.

For over 40 years, the CBC/Radio-Canada's French-language television has been brilliant and has made a unique and incalculable contribution to Quebec's social, cultural and political life.

Figure 2 shows the audience share of Canadian French-language television services between 1993 and 2004. According to the BBM surveys compiled by the CRTC, CBC/Radio-Canada's audience share declined by 6.1 percentage points in the period from

1993 to 2004. French-language pay and specialised channels' share increased by 11.2 percentage points during the same period.

Figure 2. Audience share of Canadian French-language services, viewers age 2 and up, Monday to Sunday, 6 a.m. to 2 a.m., Province of Quebec (fall 1993 to fall 2004)



Source: Broadcast Policy Monitoring Report 2005, p. 35.

The French-language television network consists of eight stations owned and operated by the CBC/ Radio-Canada and five affiliated stations. There are also over 200 rebroadcasters that allow it to reach 99% of the Francophone viewers in Canada.

Despite the drop in viewing share since the fragmentation of audiences, CBC/Radio-Canada's French-language television still pulls in impressive audiences. As the CRTC's representatives said during their appearance, "Quebeckers and French Canadians seek out a product which is in their image far more so than English-speaking Canadians do. Their market may be smaller, which in and of itself involves challenges, but this same market supports Francophone television and broadcasters."¹³

The various witnesses agreed that French-language television is working well, which does not mean that it is not facing serious challenges. CBC/Radio-Canada's French-language network has seen its audience share decline for a decade now, thanks to the

13 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 20, 2007, 9:50 a.m.

multiplication of channels and satellite broadcasting. The multiplication of channels over the past 20 years has completely transformed the broadcasting landscape. The SRC now competes for audience share with specialised channels.

It is often said that English-language television doesn't operate as well, which suggests that French-language television has no problems. In our view, that idea is false.

Société des auteurs de radio, télévision et cinéma, May 25, 2007, 1440.

The success of CBC/Radio-Canada's French-language television is a model and a source of inspiration. It made a name for itself by offering viewers high-quality and diversified programming in which they saw themselves reflected. Quebec's creators and artists found public television to be an exceptional stimulant. The small screen gave them new opportunities to express themselves and an unequalled window on the world. The success of TV in Quebec is the result of our Crown Corporation's commitment.

Committee's Position

CBC/Radio-Canada's French-language television must maintain the levels of excellence it has attained. The CRTC must ensure that suppliers of direct broadcast by satellite services distribute the signals of all the local CBC/Radio-Canada television stations. In some regions, cable operators have moved the French-language television channels to the higher service distribution numbers, which makes access to these channels more expensive. This situation is of concern to the Commissioner of Official Languages.¹⁴

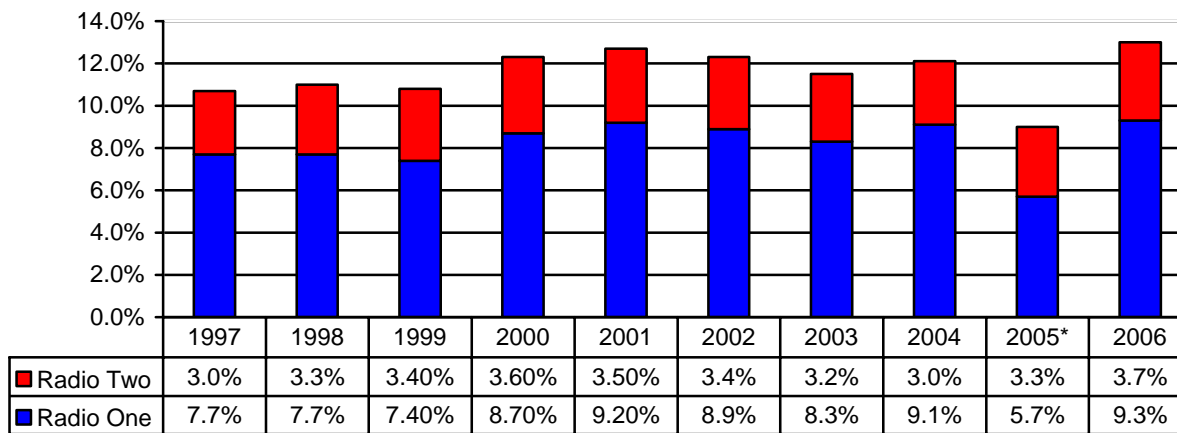
English-language Radio and Television Services

On the Anglophone side, Radio One is an advertising-free, English-language radio network that broadcasts local, national and international news and current affairs and general interest programmes. Radio 2 is an English-language network that presents Canada's musical diversity, including classical music, jazz and other musical genres for adult audiences, without ads.

The distinctive character of the CBC/Radio-Canada's English-language radio is clear in the first few seconds. Nor does the radio's Canadian character pose a problem. The content is clearly different from that of private channels. The absence of advertising contributes to this distinctiveness.

14 Evidence, Standing Committee on Canadian Heritage, Meeting 43, 39th Parliament, 1st Session, March 20, 2007, 10:40 a.m.

Figure 3. Audience share of Anglophones age 12 and up in regions served by CBC/Radio-Canada English-language radio stations, BBM Fall Survey, 1997 to 2005



** The lockout of the Canadian Media Guild, outside Quebec and Moncton, caused a drop in audience share.

Source: CBC/Radio-Canada Annual Report and Brief presented by the Corporation, March 22, 2007.

Radio has proved a better model than television thus far for representing Canada's regional diversity. According to the Canadian Association of Broadcasters (CAB), both English-language and French-language radio services represent models of what CBC/Radio-Canada TV should be like: "In certain specific activities, CBC/Radio-Canada has been successful in implementing its public service mandate in a way that complements the private sector. Their radio networks, for example, provide a distinctive non-commercial public broadcasting service that complements the service provided by private radio broadcasters."¹⁵ Bill Neville, a former CBC Board member, said that CBC Radio is "not there competing with the private sector [...] it has a niche that it's established for itself that it's happy in and that it's building on."¹⁶

The CBC/Radio-Canada's English-language television service includes its English-language network and 15 stations it owns and operates in various parts of the country. Twelve affiliated stations also broadcast CBC/Radio-Canada programming. CBC/Radio-Canada has separate licences for each of these undertakings and the conditions attached to the licences are set by the CRTC.

15 Evidence, Standing Committee on Canadian Heritage, Meeting 45, 39th Parliament, 1st Session, March 27, 2007, 10:10 a.m.

16 Evidence, Standing Committee on Canadian Heritage, Meeting 46, 39th Parliament, 1st Session, March 29, 2007, 9:45 a.m.

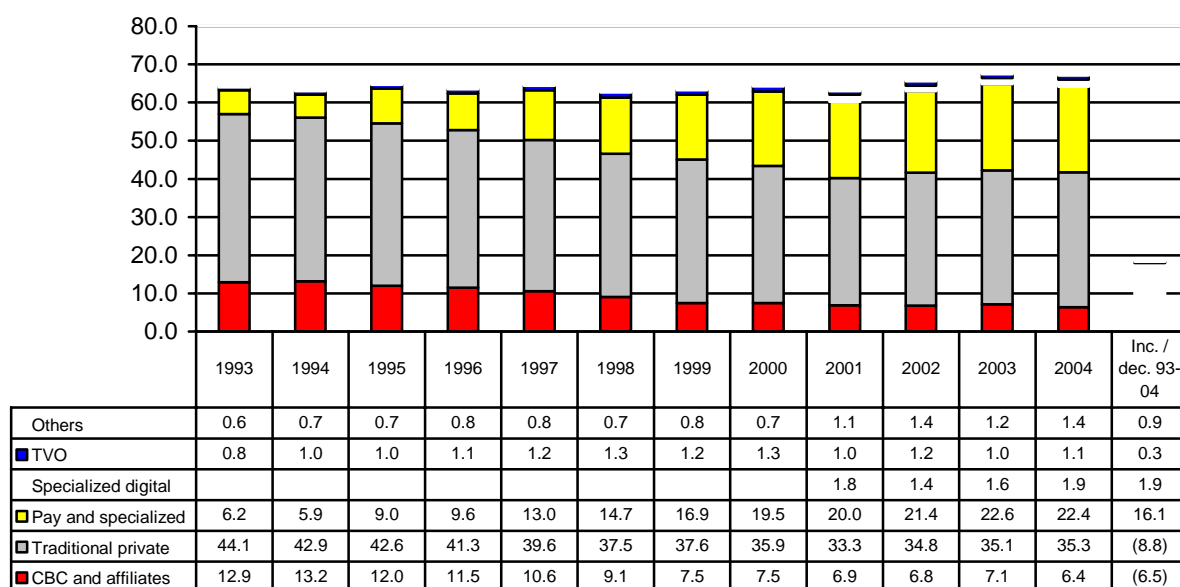
The English-language network has seen its audience share decline for a decade now. The appearance of many specialised channels and the emergence of broadcasting by satellite in part explain the fragmentation of CBC/Radio Canada's television audiences. Nor should we forget that CBC/Radio-Canada television operates in a market in which American broadcasts exert a very strong attraction.

This state of affairs already existed at the time of the Royal Commission of Inquiry on Broadcasting (Aird Commission) in 1929. The Commission concluded that only a public broadcaster could ensure that a reasonable quantity of Canadian programmes would be made available to Canadian audiences, thus countering at least to some extent the predominance of American programmes. More than 75 years later, these findings remain just as valid.

Year after year, CBC/Radio-Canada's English-language network produces and broadcasts quality Canadian programmes. Sport also occupies an important place in its programming. But while it is true that the American television channels exert a strong pull, there is room for improvement in English-language TV.

CBC/Radio-Canada's English-language television competes with all the other broadcasters for the viewers' attention. In 1993, English-language pay and specialty channels had 6.2 percentage points of the audience share; in 2004, that figure was 22.4. Conversely, CBC Television's audience share declined by 6.5 percentage points between 1993 and 2004.

Figure 4. Audience share of Canadian English-language television services, viewers age 2 and up, Monday to Sunday, 6 a.m. to 2 a.m., all provinces except Quebec (fall 1993 to fall 2004)



** The lock-out of Canadian Media Guild employees, outside Quebec and Moncton, caused a drop in audience share.

Source: CRTC, Broadcast Policy Monitoring Report 2005, p. 35.

The Committee feels that it is clear that audience share cannot be the sole objective of the CBC/Radio-Canada's English-language television. A public broadcaster must pursue other, equally important, goals. It must offer a service that is unique and distinct from the private sector.

Radio and Television Services Broadcast in Northern Canada

Canada's North extends over more than 4 million square kilometres, stretches across four time zones and is home to some 100,000 inhabitants.

CBC North is the public broadcaster that serves the Yukon, Northwest Territories, Nunavut, Nunavik, *Eyou Istchee* and the Cree region of Northern Quebec. The service has centres and production offices in ten locations. In addition to the network programming, CBC North broadcasts 180 hours of weekly regional programming in eight Aboriginal languages across four time zones.

It is a real challenge for CBC/Radio-Canada to operate a broadcasting service in the Canadian North. The operating costs related to service delivery, infrastructure maintenance, labour and transportation are all challenges that the Crown Corporation must

manage every day in order to ensure good reception of its programmes by the population of the North.

For many northern communities, CBC/Radio-Canada plays a capital role because it is a point of contact with the rest of the world. During our hearings in Yellowknife, witnesses even indicated that the presence of a public broadcaster was an essential service.¹⁷ In many communities, CBC North's radio and television broadcasts are the only sources of entertainment and information the residents have. Some communities do not have a local cable network, and the cost of satellite broadcasting services is often prohibitive.

CBC North offers a unique perspective on local news and northern culture. As Curtis Shaw, General Manager of Northwestel Cable, put it, "The private sector will never provide northern Canadians with the entertainment, cultural, and news programming currently being delivered by CBC North. There is an important and continuing role for a public broadcaster, especially in the three northern territories."¹⁸

Radio and Television Services for Aboriginal Peoples

CBC/Radio-Canada's mandate does not explicitly set out any specific obligations to the Aboriginal peoples. However, section 3 of the *Broadcasting Act* states that "the Canadian broadcasting system should [...] reflect [...] the special place of aboriginal peoples [within Canadian society]." Moreover, "programming that reflects the aboriginal cultures of Canada should be provided within the Canadian broadcasting system as resources become available for the purpose."

The various Aboriginal organisations that appeared before our Committee requested a change to CBC/Radio-Canada's mandate to include explicit obligations to Canada's Aboriginal peoples. Dave Macleod, of Native Communication Inc., feels that the *Broadcasting Act* has no real effect on broadcasting for Aboriginal peoples.¹⁹ For its part, the Aboriginal Peoples Television Network thinks that the phrase "as resources become available for the purpose" makes Aboriginal people second-class citizens. Maliseet Nation Radio Inc. of New Brunswick thinks it is imperative "that the mandate of CBC/Radio-Canada be expanded to include the different needs and circumstances of various commonly spoken languages of the First Nations people across Canada and to include specific reference to the needs of Canada's First Nations people."²⁰

17 Evidence, Standing Committee on Canadian Heritage, Meeting 40, 39th Parliament, 1st Session, March 12, 2007, 7:55 p.m.

18 Ibid 7:55 p.m.

19 Evidence, Standing Committee on Canadian Heritage, Meeting 47, 39th Parliament, 1st Session, April 11, 2007, 10:30 a.m.

20 Evidence, Standing Committee on Canadian Heritage, Meeting 65, 39th Parliament, 1st Session, May 25, 2007, 3:35 p.m.

Last year, Native Communication worked with CBC Radio-Manitoba on a number of successful special projects. Creating this type of link dovetails neatly with the Corporation's mandate. Native Communication's proposals include the creation of a national programme on the CBC to close the gap between Aboriginal and non-Aboriginal people. Such a programme, entitled *Our Native Land*, existed in the 1980s, but unfortunately was cancelled.²¹ APTN also mentioned that, in the past, it had worked productively with the CBC, as public broadcasters, to attain common objectives. However, there is always room for improvement.²²

The Committee considers that matters should be rectified without delay. As a national broadcaster, CBC/Radio-Canada has the mandate to represent everyone in Canada, including the Aboriginal peoples. CBC/Radio-Canada is capable of doing more to serve the Aboriginal audience. It is a network's role to bring people together and to give the First Nations a voice. Partnerships with certain Aboriginal broadcasters could be strengthened.

CBC/Radio-Canada's Statutory Mandate

The *Broadcasting Act* of 1991 is the cornerstone of the broadcasting system in Canada. It defines the role of CBC/Radio-Canada in the Canadian broadcasting system and sets out the Corporation's current mandate, the powers of its senior managers and its governance mechanisms. The Act extends beyond Canada's borders, since it requires CBC/Radio-Canada to operate an international service, Radio Canada International (RCI), which is broadcast all around the world in nine languages. The Act also provides that the Corporation, as the national public broadcaster, should offer radio and television services with broad and varied programming that informs, enlightens and entertains. Specifically, paragraph 3(1)(m) of the Act provides that the Corporation's programming must:

21 Ibid.

22 Evidence, Standing Committee on Canadian Heritage, Meeting 52, 39th Parliament, 1st Session, April 20, 2007, 5:00 p.m.

Figure 1: Mandate of the CBC/Radio-Canada as stipulated

In the Broadcasting Act

(1991, c. 11, B-9.01, [Assented to February 1, 1991])

- (i) be predominantly and distinctively Canadian,
- (ii) reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions,
- (iii) actively contribute to the flow and exchange of cultural expression,
- (iv) be in English and in French, reflecting the different needs and circumstance of each official language community, including the particular needs and circumstance of English and French linguistic minorities,
- (v) strive to be of equal quality in English and in French,
- (vi) contribute to shared national consciousness and identity,
- (vii) be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose, and
- (viii) reflect the multicultural and multiracial nature of Canada.

CBC/Radio-Canada operates in a complex and constantly changing environment. In some sectors, it competes with private broadcasters, making waves among its competitors. Developments in the Internet and consumers' interest in emerging technologies have also raised the issue of updating the mandate of CBC/Radio-Canada.

The Committee asked the following question, which is the main thrust of its study: Should the statutory mandate of CBC/Radio-Canada be changed and if so how? We received interesting suggestions for potential amendments to six of the eight subparagraphs comprising the statutory mandate of CBC/Radio Canada. On the whole we are of the opinion that the subparagraphs comprising the statutory mandate should still serve as the basis for CBC/Radio-Canada's decisions. We also recommend the ratification of a memorandum of understanding between CBC/Radio-Canada and the Minister of Canadian Heritage. We will outline our position below.

CBC/Radio-Canada should be predominantly and distinctively Canadian

Under the CRTC's regulations, all Canadian broadcasters are required to broadcast a minimum of Canadian content. CBC/Radio-Canada is subject to the same standards.

The requirement that the Corporation's programming be both predominantly and distinctively Canadian is at the heart of its mandate. In comparison with private broadcasters, CBC/Radio-Canada has become the champion of Canadian content and an important showcase for Canadian programmes during prime time. Over the years, the Corporation has set a standard of excellence for the development of Canadian content and the promotion of Canadian artists.

Table 2 shows how CBC/Radio-Canada's English and French television networks have performed over the last four years. From 2001 to March 2005, an average of 86% of all the SRC's evening prime-time programming in French was Canadian. The CBC's English television network had 87% Canadian content during prime time in 2001-2002, falling to 67% in 2004-2005. With Hockey Night in Canada back on the schedule, this figure has risen again to 86%, the CBC's most recent corporate plan states. The continuous news services in English (Newsworld) and French (RDI) and the CBC/Radio-Canada's English and French radio networks are significant suppliers of Canadian programming, with an average of 90% or more Canadian content.

	01-02	02-03	03-04	04-05
CBC Television (7:00 p.m. - 11:00 p.m.)	87 %	84 %	86%	67 %
CBC Newsworld (7:00 p.m. - 11:00 p.m.)	90%	90%	90%	90%
Radio-Canada Television (7:00 p.m. - 11:00 p.m.)	86%	86%	88%	85%
Réseau de l'information	97%	97%	95%	90%
English Radio	100%	100%	100%	100%
French Radio	100%	100%	100%	100%

Source: CBC/Radio-Canada Corporate Plan 2006-2007 to 2010-2011, p. 44. (Data from ÉCQ, Nielsen Media Research and BBM.)

In the opinion of the Directors Guild of Canada, CBC/Radio-Canada could do better. The two television networks should in its view be required to broadcast 100% Canadian content in prime time.²³

Norman Hill of Vancouver suggested that subparagraph 3(1)(m)(i) should be amended to stipulate that the Corporation's programming "overwhelmingly and distinctly Canadian."²⁴ A clearer mandate would in his view be the only way to guarantee exclusively Canadian programmes.

23 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007, 9:50 a.m.

24 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 14, 2007, 4:50 p.m.

There was a lot of criticism of the English and French television networks' acquiring too many foreign productions, at the expense of Canadian ones. The Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) expressed disappointment that CBC management considered it necessary to fill the time slots left open by the NHL lockout in 2004 with American movies.²⁵

In their brief, Tony Manera and Bill Neville, two former CBC/Radio-Canada board members, put forward a bold proposal. They recommended that "a much greater percentage than the current 37% of total Canadian Television Fund (CTF) revenue be earmarked for independent productions that would be shown on the CBC. [...] Private broadcasters would have reduced obligations for Canadian content."²⁶ As a result, CBC/Radio-Canada would become the main home of Canadian content.

The Writers Guild of Canada strongly opposed this idea. Representing over 1,800 professional screenwriters, it sees this as "the kiss of death for the creative community, and [...] for Canadian audiences and our industry."²⁷

Corus Entertainment stated that the CTF is indispensable for big-budget productions in Canada. The Canadian broadcasting industry depends on it to produce high-quality programming.²⁸ CTF will be examined in greater detail in Chapter 4.

The Committee believes that our public broadcaster should be required to broadcast 100% Canadian content in prime time. CBC/Radio-Canada should not be allowed to broadcast foreign programmes during prime time (7:00 p.m. to 11:00 p.m.), to ensure that Canadian programming is featured prominently on both the English and the French networks.

25 ACTRA, Presentation to the Standing Committee on Canadian Heritage, March 15, 2007, p. 7.

26 Document presented by Tony Manera and Bill Neville to the Standing Committee on Canadian Heritage, February 2007, p. 11.

27 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007, 8:45 a.m.

28 Ibid., 3:20 p.m.

RECOMMENDATION 1.1

The Standing Committee on Canadian Heritage recommends that the CBC/Radio-Canada continue in its role as Canada's public broadcaster, an institution at the center of cultural, political, social, and economic life in Canada, and a key component of Canada's broadcasting system.

RECOMMENDATION 1.2

The Committee recommends that CBC/Radio-Canada continue to be predominantly and distinctively Canadian.

RECOMMENDATION 1.3

The Committee recommends that prime-time hours, from 7:00 p.m. to 11:00 pm, Monday to Friday, on the CBC/Radio-Canada's television networks, should be reserved for Canadian productions.

The CBC and Reflecting Regional Diversity

Subparagraph 3(1)(m)(ii) of CBC/Radio-Canada's public mandate sets out the requirement to reflect Canada and its regional diversity to national and regional audiences, while serving the special needs of the regions. CBC/Radio-Canada must offer quality Canadian programming in all regions of the country, including the most remote ones. The fact that Canadians can watch or listen to programming from the Maritimes, Quebec or the West fosters greater understanding among Canadians.

At our public hearings in Ottawa, Yellowknife, Vancouver, Winnipeg, St. John's and Montreal, residents of the various regions and cities who appeared criticised the way the Corporation carries out this part of its mandate. Various witnesses expressed disappointment with the CBC's local and regional coverage in their communities. A number of them said that the national public broadcaster's programming does not reflect them. They demanded access to special programming tailored to their needs. Dissatisfaction is high in some regions, among both Anglophones and Francophones, as to the way the Corporation carries out this part of its mandate.

CBC/Radio Canada has not succeeded in carrying out its mandated commitment to "reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions." This is demonstrated most clearly by the Hamilton example.

City of Hamilton, Brief, March 2007, p. 1.

“Montrealisation” of Programming

Some witnesses complained that Radio-Canada’s French-language television programming focuses too much on Montreal or Ottawa. Francophones from minority communities argued that CBC/Radio-Canada cannot claim to reflect the reality of Canada from the large urban operations centres of Montreal, Ottawa or Toronto. The Fédération des francophones de la Colombie-Britannique for instance talked about the “Montrealisation” of the national broadcaster.²⁹

The Newfoundland and Labrador section of ACTRA maintained that it is essential that the CBC/Radio-Canada “return to its leadership role in reflecting our Canadian culture from the regions to our fellow Canadians.”³⁰ It is vital to offering varied and high-quality Canadian programming. The CBC/Radio-Canada must address regional interests by increasing the volume of programming that reflects regional interests and culture.³¹

To address this situation, Friends of Canadian Broadcasting urged CBC/Radio-Canada to develop a corporate plan that would allow it to fulfill its regional responsibilities, with \$100 million in funding per year for the next five years.³² The organisation Our Public Airwaves made a similar request, stipulating that this funding should be specifically earmarked for the development of regional programming.

The issues where the private sector has fallen down on the job — and I think the public broadcaster has as well — are areas that need to be reinvigorated: primarily local reflection, regional reflection.

CEP, Winnipeg, April 17, 2007.

Sylvain Lafrance, Executive Vice-President of French Services Canada, announced at the unveiling of programming at the Maison de Radio-Canada in Montreal that the new French television season will seek to better serve Francophones in the regions.

Local Programming

CBC/Radio-Canada works in partnership with a number of commercial stations with which it has concluded affiliation agreements for the distribution of its signals in various

29 Evidence, Standing Committee on Canadian Heritage, Meeting 41, 39th Parliament, 1st Session, March 14, 2007, 11:50 a.m.

30 Evidence, Standing Committee on Canadian Heritage, Meeting 62, 39th Parliament, 1st Session, May 24, 2007, 9:45 a.m.

31 Ibid.

32 Evidence, Standing Committee on Canadian Heritage, Meeting 41, 39th Parliament, 1st Session, March 14, 2007, 9:20 a.m.

regions of Canada. They broadcast a certain number of hours of programming from the Corporation every day. These stations sell local advertising and CBC/Radio-Canada provides access rights to the affiliates to use its transmitters. The affiliates play an important but often unrecognised role.

The affiliates in the English and French markets allow the Corporation to extend its reach in the regions and to better reflect those regions on its airwaves. Some of these local television stations play a crucial role in these markets as the sole source of news and information.

At the hearings held in Toronto on April 20, 2007, the Committee heard interesting evidence from officials with the City of Hamilton, suggesting that over a million Canadians in this region are not well served by local programming, on either television or radio. The closing of the local CBC/Radio-Canada office in 1992 left Hamilton without any local link to the Corporation's regional affiliates or the national network, resulting in "a reduced relevance of the national broadcaster in the region and a reduction in the representation of our region on the national network. Recent CRTC decisions have rejected applications to create additional local TV stations to serve the Niagara and Hamilton region." CBC/Radio-Canada could fill that gap.³³

The Committee also considered the affiliates. Affiliates from Eastern Quebec and Abitibi made the following points to the Committee:

The Affiliates of CBC/Radio-Canada French-language network currently serve 20% of CBC/Radio-Canada's audience in Quebec. Twenty-one percent of CBC/Radio-Canada's viewership in Quebec is generated by its affiliates. For 50 years, CBC/Radio-Canada affiliates have been broadcasting local content during the vast majority of its station breaks, six times an hour, 18 hours a day, seven days a week, 365 days a year.³⁴

Just recently, on September 20, 2007, the Executive Vice-President for French Services, Sylvain Lafrance, announced that the Corporation was terminating its affiliation with Télévision Quatre-Saisons for the three regional stations in Trois-Rivières, Saguenay and Sherbrooke. For 50 years, CBC/Radio-Canada paid Cogeco to broadcast its programming in Trois-Rivières, Sherbrooke and Saguenay. The CRTC still has to approve this severance in the coming months.

Corus Entertainment is the owner-operator of three television stations affiliated with the CBC that serve Peterborough, Oshawa and Kingston. These three stations broadcast their own programming for about six hours a day and the CBC fills the rest of the day.

33 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007, 10:50 a.m.

34 Evidence, Standing Committee on Canadian Heritage, Meeting 64, 39th Parliament, 1st Session, May 25, 2007, 10:40 a.m.

When broadcasting their programming, these stations sell the advertising, and for the time slots when the CBC is broadcasting, it sells its own advertising. They share the air time.³⁵

Gary Maavara of Corus Entertainment impressed upon the Committee the need for local content on CBC/Radio-Canada. Affiliates play an active role in various organisations and community initiatives, which they support financially. Local broadcasters are at the centre of community life. CBC/Radio-Canada must strengthen regional stations and stimulate the production of regional programming for local and network audiences. This would not run counter to the objective of creating programming that viewers want to see.³⁶

As for Quebec, Raynald Brière, Executive Director of Radio Nord Communications, maintained that CBC/Radio-Canada carries out this part of its mandate to the regions well through its partnerships with affiliates that serve a number of Francophone regional markets. He considers it essential for strong local programming to be maintained in small communities. In Quebec, the stations affiliated with the French-language Radio-Canada network currently serve 20% of the Corporation's audience. The Sherbrooke, Trois-Rivières, Saguenay, Rouyn-Noranda and Rivière-du-Loup markets represent a total population of 1.4 million age two and over.

Marc Simard, Manager of CKRT-TV, argued however that CBC/Radio-Canada should increase the share of advertising revenues it gives local stations, to continue to allow them to maintain a regular and daily local presence.³⁷ The affiliates are better able than Radio-Canada to carry out the local programming mandate: "The local programming and information mandate that CBC/Radio-Canada confers on us is clearly central to our business."³⁸

Bill Neville and Tony Manera argued that the CBC/Radio-Canada should eliminate dinner-hour news shows and let the local private stations provide that service.

The study highlighted the fact that the CBC has a duty and obligation to be more representative and to do more at the local level.

RECOMMENDATION 1.4

The Standing Committee on Canadian Heritage recommends that when services cannot be distributed directly, CBC/Radio-Canada should

35 Evidence, Standing Committee on Canadian Heritage, Meeting 52, 39th Parliament, 1st Session, April 20, 2007, 2:35 p.m.

36 Brief by Corus Entertainment Inc. submitted to the Standing Committee on Canadian Heritage. *Role of the Public Broadcaster in the 21st Century*, February 26, 2007, p. 8.

37 Evidence, Standing Committee on Canadian Heritage, Meeting 64, 39th Parliament, 1st Session, May 25, 2007, 11:05 a.m.

38 Ibid., 11:00 a.m.

negotiate fair and equitable agreements with its affiliates to ensure that all Canadians have access to their national public broadcaster.

Programming that reflects the regions must address the socio-cultural life and geography of a given region. One key way of achieving this is to portray a region's past through its history, music and residents. This is why CBC/Radio-Canada must maintain its local and regional presence throughout Canada. The Committee is of the opinion that CBC/Radio-Canada should increase the number of programmes in prime time that reflect all regions of Canada.

RECOMMENDATION 1.5

The Committee considers that CBC/Radio-Canada should increase the number of programmes that reflect all regions of Canada, including prime-time programming.

Regional Production

The Manitoba Motion Picture Industry Association argued that “an increase in the resources and authority of the regional offices of the CBC would help to develop this important relationship.”³⁹

We commend the CBC on the series *Little Mosque on the Prairie*, but regret that this show — created by a Regina writer and production company, set in Saskatchewan, and originally filmed in Saskatchewan — was moved to Hamilton, Ontario, by the CBC.

Manitoba Motion Picture Industry Association, Winnipeg, April 11, 2007.

In Winnipeg, the CEO of Productions Rivard maintained that independent production outside Quebec has become an essential condition for fulfilling CBC/Radio-Canada's national mandate. The company recommended that a contribution agreement between CBC/Radio-Canada and Canadian Heritage include a clause requiring it to increase the content from all Francophone regions.⁴⁰

The Newfoundland and Labrador Film Development Corporation said that the production capability of CBC/Radio-Canada's local television facilities has decreased dramatically in the last 15 years, apart from news and public affairs programming. There is

39 Evidence, Standing Committee on Canadian Heritage, Meeting 48, 39th Parliament, 1st Session, April 11, 2007, 3:55 p.m.

40 Evidence, Standing Committee on Canadian Heritage, Meeting 48, 39th Parliament, 1st Session, April 11, 2007, 2:45 p.m.

no provincial educational television network and local private broadcasters have limited capabilities and mandates.⁴¹

In Quebec, the Union des artistes also maintained that the Corporation could improve regional production in order to better reflect all the various regions and communities in Canada.⁴²

The Committee is of the opinion that the regions should be given a fresh start on the public broadcaster's airwaves. While there are significant challenges, especially as regards production costs and staff turnover in the regions, this is a basic duty of a national public broadcaster.

RECOMMENDATION 1.6

The Committee recommends an increase in the variety, drama, news, public affairs and documentary programming produced by the regional CBC/Radio-Canada stations and independent producers.

Actively contribute to the flow and exchange of cultural expression

There are a number of international standards stipulating that public broadcasters have a special role to play in promoting the arts and culture.

The Protocol on the System of Public Broadcasting in the Member States of the European Union (an appendix to the European Union Treaty, signed in Amsterdam in 1997) stipulates that "the system of public broadcasting in the Member States is directly related to the democratic, social and cultural needs of each society and to the need to preserve media pluralism."⁴³

The role of the public broadcaster in fostering cultural diversity is also cited in the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions. Article 6, subsection 2(h), of the Convention states that the signatory parties may adopt measures to protect and promote the diversity of cultural expressions, including

41 Evidence, Standing Committee on Canadian Heritage, Meeting 61, 39th Parliament, 1st Session, May 23, 2007, 7:10 p.m.

42 Evidence, Standing Committee on Canadian Heritage, Meeting 65, 39th Parliament, 1st Session, May 25, 2007, 3:05 p.m.

43 <http://www.poptel.org.uk/carole-tongue/pubs/protocol.html>

“measures aimed at enhancing diversity of the media, including through public broadcasting.”⁴⁴

CBC/Radio-Canada gives Canadians the opportunity to see and hear hundreds of Canadian artists every year. It gives the artists national visibility, allowing them to reach a broad audience. CBC/Radio-Canada radio and television are springboards for performances and cultural events that Canadians would not otherwise be exposed to.

“It is our view that in Canada the CBC is likely the single most important vehicle for the nurture, support, and promotion of the arts and the exploration and creation of identity at local, regional, and national levels.”

Andrew Wilhelm-Boyles, Alliance for Arts and Culture, Vancouver, March 14, 2007

Some observers regard CBC/Radio-Canada as Canada’s main cultural institution. In its brief, the Canada Council for the Arts noted that “[t]he CBC is Canada's single most important vehicle for disseminating the arts through its extensive arts programming on television, radio, and the Internet.”⁴⁵ The National Film Board made a similar observation.⁴⁶

With its many platforms, CBC/Radio-Canada is available to many Canadians who can chose to access the arts and information about the arts on the radio, by podcast, Webcast, television or satellite radio. Streaming video also allows Canadians to see programmes when they choose, not when they are originally broadcast. All these options promote access to the arts, especially for people who cannot attend the actual performances or concerts.

The CBC and the Development of Artistic and Cultural Talent

Many witnesses pointed to the important role the Corporation plays in the development and promotion of Canadian talent in the arts. A number of creative artists and performers have launched their careers at CBC/Radio-Canada.

44 UNESCO, Convention on the Protection and Promotion of the Diversity of Cultural Expressions, (<http://unesdoc.unesco.org/images/0014/001429/142919f.pdf>).

45 Canada Council for the Arts, Brief to the Standing Committee on Canadian Heritage, p. 1.

46 Evidence, Standing Committee on Canadian Heritage, Meeting 55, 39th Parliament, 1st Session, May 1, 2007, 9:07 a.m.

The CBC in Winnipeg has presented many of our clients. The Manitoba Chamber Orchestra and the Winnipeg Symphony Orchestra are obvious examples, as are the playwrights who've worked in radio drama in Winnipeg [...] The CBC's work allows local artists to put down roots in the community and share their knowledge and commitment to excellence.

Judith Flynn, Manitoba Arts Council, April 11, 2007

Trish Dolman, a producer from Vancouver, asserted that the role of the public broadcaster is to reflect the country's arts and cultural life. As a result, CBC/Radio-Canada should make arts programming a priority, reflecting artistic life in Canada.⁴⁷ For its part, the Centre culturel de Vancouver praised CBC/Radio-Canada as a key player in disseminating cultural life in French. In addition, the Fédération des communautés francophones et acadienne du Canada (FCFA du Canada) stressed the need to maintain the mandate of CBC/Radio-Canada⁴⁸ as it is.

The Fédération culturelle canadienne-française (FCCF) invited Radio-Canada to continue to play a central role in building Francophone identity in Canada. The resources and the right conditions must be provided to allow it to perform this role effectively.⁴⁹

For its part, Quebec's English-Language Arts Network stated that CBC/Radio-Canada radio makes the best of English-language culture available to the Anglophone minority and showcases all the small groups making up this community. Without CBC radio, a large part of Anglophone culture in Quebec would be inaccessible. The organisation argued, however, that CBC/Radio-Canada cannot fulfill this part of its mandate due to the chronic underfunding by previous governments over a number of years.⁵⁰

Approximately 10, 15 or 20 years ago, locally, Radio-Canada filmed one of the plays put on by the Cercle Molière per season, which was enormous at the time. It was a privilege for us to see our actors on stage. Of course, since the cuts, all of this has vanished, but at the time, it was really extraordinary that a local theatre company saw one of its productions per season on the TV screen.

Claude Dorge, ACTRA, March 11, 2007.

The gradual abdication of the CBC/Radio-Canada mandate has led to a considerable decrease in the literary content of its programming. According to the Writers

47 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 14, 2007, 3:15 p.m.

48 FCFA du Canada, *Pour une société d'État à l'image de la francophonie canadienne*, March 29, 2007, p.10.

49 Evidence, Standing Committee on Canadian Heritage, Meeting 50, 39th Parliament, 1st Session, April 19, 2007, 10:15 a.m.

50 English-Language Arts Network, Brief, p. 1.

Guild of Canada, this marked reduction in programming showcasing books and writers has had a negative impact on the publishing industry in Canada.⁵¹

CBC/Radio-Canada can do a lot to promote new artists, artists from all cultural communities, including Aboriginal artists. The Corporation's mandate states that it must "actively contribute to the flow and exchange of cultural expression" and "reflect the multicultural and multiracial nature of Canada." The Independent Media Arts Alliance argued that increased funding would allow the CBC/Radio-Canada to meet the specific needs of Aboriginal communities in Canada.⁵²

According to the Syndicat des communications de Radio-Canada, the problem can be attributed to the reduction in programming produced in the regions and broadcast by CBC/Radio-Canada. For example, the production of general French-language television programming, excluding news, is overly centralised in Montreal, completely eliminating the regional voice in programming.⁵³

The same criticism was made of CBC/Radio-Canada television. The Executive Director of British Columbia Film, Richard Brownsey, stated that the very concept of regions should be reconsidered. In his view, the use of this term implies that "most of Canada exists at some geographic and intellectual distance from the centre."⁵⁴ He takes issue with British Columbia or Vancouver being regarded as a region in relation to a centre that is located elsewhere in Canada.

Given the positive impact that CBC/Radio-Canada has on the arts and culture in Canada, the Committee was asked to recommend that this aspect of the Corporation's mandate be maintained and strengthened.

The Committee encourages CBC/Radio-Canada to work with the arts and music community to promote and showcase them to Canadians. As Canada Council for the Arts officials noted, young artists do not have artificial borders in their minds or in their creation. They mix traditions, merge aesthetic forms, and want access to the largest audience possible. The CBC/Radio-Canada plays a unique role by encouraging such expression, through the Internet, for instance.⁵⁵

51 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007, 8:55 a.m.

52 Evidence, Standing Committee on Canadian Heritage, Meeting 63, 39th Parliament, 1st Session, May 24, 2007, 7:45 p.m.

53 Syndicat des communications de Radio-Canada, *Investigation of the Role of the Public Broadcaster in the 21st Century*, Brief to the Standing Committee on Canadian Heritage, February 23, 2007, p. 3.

54 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 14, 2007, 2:10 p.m.

55 Evidence, Standing Committee on Canadian Heritage, Meeting 54, 39th Parliament, 1st Session, April 26, 2007, 9:40 a.m.

The Committee urges CBC/Radio-Canada to continue to make the arts accessible to everyone through the Internet, radio and television. The Corporation must give Canadian artists a voice, whether they are starting their careers or are already widely acclaimed for their talent. It must continue to offer Canadians a cultural product that they can enjoy every day: exposure to music, books, productions, films, and dance and theatre performances in the comfort of their own homes. It can motivate Canadians to enjoy the arts in Canada by encouraging debate. It informs Canadians about the whole range of arts production, and what is happening locally, elsewhere in Canada and beyond our borders. Finally, it reflects the country to Canadians: its great artists, its regional and linguistic differences and its tremendous appetite to learn and discover.

RECOMMENDATION 1.7

The Committee recommends that CBC/Radio-Canada devote a greater share of its programming to the arts (music, books, film, dance and theatre performances) and that these programmes reflect the cultural diversity of the regions.

Be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities

The *Broadcasting Act* stipulates that the Corporation must reflect the different needs and circumstances of each official language community. Representatives of official-language minority communities (OLMC), and of Francophone minority communities in particular, participated actively in our work and we want to thank them. The Committee noted the strong interest of these communities in the future of CBC/Radio-Canada, be it in Yellowknife, Vancouver, Winnipeg or Ottawa. In Montreal, the English-Language Arts Network appeared before the Committee to state its expectations of the national public broadcaster. CBC/Radio-Canada does play a unique role for minority communities. It is a source of essential information for people who often have limited access to local radio and television content in French or in English.

The FCFA du Canada and its members stressed that CBC/Radio-Canada must live up to the commitment set out in subsection 41(1) of the *Official Languages Act*, which states that the “Government of Canada is committed to enhancing the vitality of the English and French linguistic minority communities in Canada and supporting and assisting their development; and fostering the full recognition and use of both English and French in Canadian society.”⁵⁶ On the whole, Francophone and Acadian communities are relatively satisfied with the work of the CBC/Radio-Canada’s regional radio stations as regards reflecting their realities.

56 *Official Languages Act*, 1985, c. 31 (4th Suppl.)

In several regions of the country, the CBC remains the only relevant media channel in the official minority language. This is particularly true for minority francophone communities but also for the English minority in Quebec.

Graham Fraser, Commissioner of Official Languages, March 20, 2007.

However, the organisation representing Francophone minority communities did recommend changes to ensure that the Corporation can fulfill its mandate. Francophone minority communities unanimously denounced the centralisation of production in Montreal. It leaves little room for regional productions and reduces the regional representation in national programming. Representatives of Francophone minority communities expressed their dissatisfaction with the SRC's services. The elimination of the regional news programmes *Ce Soir* in the four western provinces, significant cuts to French-language radio stations in British Columbia, Alberta and Saskatchewan, and the centralising of television series production in Montreal are all sources of frustration.

In Prince Edward Island, for example, we were told that despite efforts by hosts to offer Francophone content relevant to the community, the team appears to be so under-equipped that the audience has to listen to English radio for the news that affects their day-to-day lives.

FCFA du Canada, March 29, 2007.

One of the chief complaints of the FCFA du Canada pertains to the content on the Corporation's national network. On the whole, the Francophone minority communities maintained that the programming on Radio-Canada's national network is too focused on Montreal. Some of these witnesses ironically referred to it as "Radio-Canada-Montréal" as regards both news and variety programming. They called on the Corporation to truly reflect the diversity and regional realities of Canada and to stimulate dialogue between Quebec society and Francophone and Acadian Communities.⁵⁷

Almost all of Radio-Canada's French-language production is produced in Quebec. I find this insulting, and it is done in a very blatant way. It is Quebec production for Quebecers. However, Canadians are footing the bill, without being able to enjoy any of the benefits.

FCFA du Canada, March 29, 2007.

The English-Language Arts Network voiced recriminations similar to those made by the FCFA du Canada. The CBC's English-language television service does not

57 Evidence, Standing Committee on Canadian Heritage, Meeting 46, 39th Parliament, 1st Session, March 29, 2007, 10:10 a.m.

"adequately reflect the English-language minority in Quebec, nor does it provide sufficient programming production opportunities for English-language Quebec-based producers."⁵⁸

Moreover, in order to provide funding for productions and make them profitable, the CBC/Radio-Canada is increasingly seeking to commercialise its programming, which in our opinion has had an impact on the national network's ability to reflect the regions.

The Committee recognises CBC/Radio-Canada's efforts to serve official-language minority communities. We believe however that the Corporation's networks should be more flexible in order to meet the needs of Francophone minority communities. They should seek to give local stations outside Quebec more freedom to create programming for their audiences. This could mean giving them more leeway in the choice of music or developing cost-effective formats for current events programming.

Establishing an accountability framework would enable the Corporation to better report its results and strategies and of course those of its French-language regional stations, in order to make it a better fit with the community and to increase viewership. Above all, such an accountability framework would reflect the new Part VII of the *Official Languages Act* and the requirement to adopt positive measures.

RECOMMENDATION 1.8

The Committee calls upon the television and radio services of CBC/Radio-Canada to meet the needs of official-language minority communities more fully and to offer programming that better reflects their reality.

RECOMMENDATION 1.9

The Committee calls upon CBC/Radio-Canada to develop an accountability framework, in conjunction with official-language minority communities, setting clear qualitative and quantitative objectives for CBC/Radio-Canada for content of news, drama and variety programming.

Contribute to shared national consciousness and identity

As Canada's national broadcaster, CBC/Radio-Canada plays an essential role in helping Canadians learn more about one another and discover their personal identity.

58 English-Language Arts Network, Brief.

This aspect of its mandate has often been criticised in the past. The previous version of the *Broadcasting Act*, 1968, did indeed explicitly provide that CBC/Radio-Canada must “contribute to the development of national unity and provide for a continuing expression of Canadian identity.”⁵⁹

In 1986, the Task Force on Broadcasting Policy chaired by Gerald Caplan and Florian Sauvageau found that delegating the promotion of national unity to the national public broadcaster was “weighted down with unpleasant historical and political baggage” for Canadians.⁶⁰ The Task Force also recommended that “the provision that the national service contribute to the development of national unity should be rescinded and replaced by a more socially oriented provision, for example, that the service contribute to the development of national consciousness.”⁶¹

Subparagraph 3(1)(m)(vi) of the new *Broadcasting Act* (1991) provides that the CBC must “contribute to shared national consciousness and identity.” The Act also stipulates in subsection 35(2) with respect to the CBC that “this Part shall be interpreted and applied so as to protect and enhance the freedom of expression and the journalistic, creative and programming independence enjoyed by the Corporation in the pursuit of its objects and in the exercise of its powers.”

Moreover, the preamble to the CBC’s *Journalistic Standards and Practices* states that the “Corporation enjoys administrative and programming independence from political and governmental direction” and that the arm’s length relationship with Parliament “is critical to the Corporation’s independence.”⁶²

In the evidence we gathered on this matter, this section of the mandate is interpreted as a mechanism for sharing information and ideas among Canadians to familiarise them with the traditions, values and expectations of each region of the country.

CBC/Radio-Canada is seen as the primary institution helping Canadians learn more about each other and promoting mutual understanding among them. CBC/Radio-Canada must ensure that the many people living in Canada can see and hear themselves on television. In practical terms, this means that productions by regional stations must be shown on the national network.

59 *Broadcasting Act* (1968)

60 *Report of the Task Force on Broadcasting Policy* (Caplan-Sauvageau Report), Ottawa, Minister of Supply and Services Canada, 1986, p. 306.

61 *Ibid.* p. 306.

62 Canadian Broadcasting Corporation, *Journalistic Standards and Practices*, 2nd ed., September 2004. <http://www.cbc.radio-canada.ca/accountability/journalistic/preamble.shtml>

The CBC is an important part of the glue that holds this country together.

Christopher O'Brien, Yellowknife, March 12, 2007

Norman Hill of Vancouver said that "Parliament must ensure that the CBC fulfills its mandate 'to contribute to Canada's shared national consciousness and identity'. To achieve this, the CBC should make large increases to arts and cultural programming, for example, by producing more contemporary Canadian dramas, historical documentaries, and TV movies. Canadians need to see and hear uniquely Canadian stories in order for our culture to thrive."

Appearing before the Committee, Professor Florian Sauvageau noted that it is difficult to foster a shared consciousness when a network has an audience share of 5% or 6%, as the CBC's English network does. It is difficult for it to be a "social link" and a nation builder.⁶³

The President and Chief Executive Officer of TVN Niagara Inc., Wendell G. Wilks, called for new life to be breathed into English television at the CBC. If CBC television were modelled on CBC radio, this would "help to save this nation. [...] If we cannot save the CBC, we might end up not being able to save our nation."⁶⁴

The Committee considers CBC/Radio-Canada's role of building bridges and fostering mutual understanding among Canadians to be essential. It is a major national public institution and is supported by all Canadians. Canadians have the right to expect the Corporation to tell Canadians more about themselves and what is going on around the country. Giving all regions of Canada a real voice so they can express their reality will draw Canadians closer together and foster mutual understanding. The Committee stresses how important it is for CBC/Radio-Canada to carry out this part of its mandate of "contribut[ing] to shared national consciousness and identity."

RECOMMENDATION 1.10

The Committee wishes to stress how important it is for CBC/Radio-Canada to contribute to shared national consciousness and identity, as stipulated in subparagraph 3(1)(m)(vi) of the *Broadcasting Act*.

63 Evidence, Standing Committee on Canadian Heritage, Meeting 56, 39th Parliament, 1st Session, May 3, 2007, 9:05 a.m.

64 Evidence, Standing Committee on Canadian Heritage, Meeting 52, 39th Parliament, 1st Session, April 20, 2007, 3:40 p.m.

Be made available throughout Canada by the most appropriate and efficient means and as resources become available

Subparagraph 3(l)(m)(vii) of the Act stipulates that CBC/Radio-Canada programming should be made available “throughout Canada by the most appropriate and efficient means and as resources become available for the purpose.”

The Fédération Franco-TéNoise expressed reservations about this. There are large Francophone communities that do not receive Première Chaîne — the French-language equivalent of CBC Radio One — or Espace Musique, the French-language cultural network. These include the Francophone communities in Fort Smith, Hay River and Inuvik, which do not receive the Radio-Canada signal. They have to pay to receive the service. The residents of the Northwest Territories outside the capital, Yellowknife, do not have access to French-language radio. Moreover, the Committee was astounded to learn while in Yellowknife that the Association franco-culturelle de Yellowknife has to pay for the re-broadcast of *Première Chaîne* from Montreal and cover the equipment maintenance costs out of the financial contribution from the Department of Canadian Heritage.

The availability of CBC/Radio-Canada’s various services was raised right across the country in our public consultations. Chapter 2 of this report examines in depth the availability of CBC/Radio-Canada services both over the air and through new broadcast technologies.

Reflect the multicultural and multiracial nature of Canada

The mandate of CBC/Radio-Canada states that the Corporation shall “reflect the multicultural and multiracial nature of Canada.” In other words, its programming and internal operations must reflect the diversity of contemporary Canadian society. The Committee agrees that the terms “cultural diversity” or “ethnocultural diversity” are now more commonly used to refer to this aspect of Canadian society.

Every year, Canada welcomes an average of over 250,000 immigrants. It is essential that CBC/Radio-Canada accurately reflect the diversity of Canada’s population.

Richard Brownsey, Executive Director of British Columbia Film, cited Vancouver as a striking example of the growing diversity of Canadian communities, and said it is increasingly essential for CBC/Radio-Canada to create a connection with and reflect the cultures and customs of our multicultural and multiethnic communities.

Witnesses such as Trish Dolman, from Vancouver, asserted however that CBC/Radio-Canada does not represent “the racial and cultural diversity of the country.”⁶⁵

In Montreal, Monique Simard from Productions Virage referred to the diversity of Canada’s population and argued that because of this diversity, “we must have a gathering place, and only the public broadcaster can provide that.”⁶⁶

The Committee is of the opinion that we should as a society ensure that English and French radio and television services serve Canadians of all origins and meet their needs for entertainment and news in a manner that fully represents us all.

In this regard, the 2006-2007 CBC/Radio-Canada Annual Report cites a number of initiatives designed to ensure that Canada’s ethnocultural diversity is represented on the airwaves and behind the scenes. At the start of 2007, CBC/Radio-Canada created a programme it calls “Diversity Advantage”, which combines the diversity programmes of CBC Television, CBC Radio and Human Resources. It encompasses the strategic projects and collaborative efforts designed to ensure that CBC/Radio-Canada’s television and radio services reflect Canadian society. Here are a few examples:

- Transform newsrooms to reflect the public’s visible and audible diversity;
- On the national network, offer training and mentoring services for new authors and producers from diverse backgrounds;
- Develop a joint plan to increase Aboriginal content and the number of Aboriginal employees, and implement strategies to improve staff retention;
- Introduce measures to evaluate how visible minorities, Aboriginal peoples, and people with disabilities are reflected in the Corporation’s programming.

The English and French services of CBC/Radio-Canada have implemented over 30 cross-cultural projects to bring ethnocultural communities closer together and to increase their understanding of their respective realities. In addition, hundreds of CBC/Radio-Canada managers have received training on diversity management, and programmes will be established relating to recruitment, diversity management and diversity research. “All of

65 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 14, 2007, 3:45 p.m.

66 Evidence, Standing Committee on Canadian Heritage, Meeting 64, 39th Parliament, 1st Session, May 25, 2007, 3:55 p.m.

these initiatives are critical in helping the Corporation to more effectively serve a changing Canada.”⁶⁷

Radio-Canada International (RCI) has the mandate "to increase awareness of Canadian values, as well as its social, economic and cultural activities to specific geographic areas as determined in consultation with the Government of Canada."⁶⁸ RCI also has a related mandate to inform new Canadians on these same topics. RCI has launched a brand new Web service, RCI viva, a forum in eight languages for new Canadians. RCI is discussed in more depth further on in this report.

Equity for Female Producers

The organisation Réalisatrices équitables was founded in 2005 by a group of women working in the production sector. It is interested in the representation of women's imagination and the equitable representation of women producers on the CBC/Radio-Canada's French television service. In its presentation, the organisation argued that the current system is highly unfavourable to women and that it contributes to disparity in income for women producers, not to mention the unequal representation of women's imagination on the screen. The organisation claims that the current imbalance of male to female producers has an impact on society as a whole.⁶⁹

While Réalisatrices équitables realises that the SRC is not solely responsible for the current position of half the population and of women filmmakers, the group argues that it has a very great influence and is part of a set of systems that do not favour women, even with respect to what is produced and funded by private sector entities.

The Committee believes that CBC/Radio-Canada has a leading role to play when it comes to ensuring that women are equitably represented in all aspects of its operations, including production. The Committee expects the Corporation to make use of women producers in the most equitable manner possible in all programming sectors (documentaries, series, fiction films, etc.).

RECOMMENDATION 1.11

The Committee supports CBC/Radio-Canada in its efforts to reflect Canada's cultural diversity and gender balance. We encourage the Corporation to pursue new initiatives allowing contemporary Canada to be represented among all its creators and contributors.

67 CBC/Radio-Canada, *2006-2007 Annual Report*, p. 50.

68 RCI Web site: <http://www.radiocanadainternational.ca/rci/en/qui.shtml>

69 Evidence, Standing Committee on Canadian Heritage, Meeting 64, 39th Parliament, 1st Session, May 25, 2007, 9:50 a.m.

The Committee's General Position on the Statutory Mandate: Ratification of a Memorandum of Understanding

CBC/Radio-Canada has a huge mandate in that it must reach all socioeconomic and age groups in Canada through varied programming that meets the needs, tastes and expectations of Canadian men, women and children. This broad mission is not incompatible with the need to focus on some categories of programming that are not prominent enough in private broadcasting or that are much needed to foster the artistic creativity and cultural identity of Canada.

The Corporation must make a special effort to encourage the production of original Canadian programming in the following sectors: drama, children's programming, documentaries and cultural programming. Throughout our study, witnesses reiterated the importance of CBC/Radio-Canada as a conduit for Canadian voices and images. The word "distinctive" was repeated often. CBC/Radio-Canada must offer a product that private broadcasters do not because of profitability considerations.

During our hearings, we noted that the CBC/Radio-Canada's statutory mandate, as expressed in the *Broadcasting Act* of 1991, is not problematic to the vast majority of witnesses. It is more a question of its interpretation.

I think the mandate, like the Canada Council's, is very enabling; it's a permissive mandate, in the sense that it allows them a fairly broad range of activity within the spirit of that mandate. I think it's for that reason that we think it is a good mandate and one they can operate within.

Canada Council for the Arts, April 26, 9:40 a.m.

Even a competitor such as Quebecor Media stressed in its brief that the mandate of CBC/Radio-Canada would not be problematic "if it did not lend itself so easily to such inconsistent interpretations by the management of the Crown Corporation."⁷⁰ It was the CBC/Radio-Canada practice in the past of bidding high to acquire broadcast rights to sports events and popular American programmes that created tension among other players in the industry.

For its part, the Canadian Association of Broadcasters (CAB) is of the opinion that the CBC/Radio-Canada's mandate, as set out in paragraph 3(1)(m) of the *Broadcasting Act*, is still entirely appropriate.⁷¹ The mandate is in keeping with the key principles that the CAB has always espoused, namely, that CBC/Radio-Canada must strive primarily to offer distinctively Canadian programming that is unique and clearly different from the

70 Quebecor Media, Brief, p. 4.

71 Evidence, Standing Committee on Canadian Heritage, Meeting 45, 39th Parliament, 1st Session, March 27, 2007, 10:15 a.m.

programming on the private networks, that is national in scope and of interest to the various regions of Canada, and that would otherwise not be offered by the Canadian broadcasting system. In the opinion of the CAB, the issue is not the mandate of CBC/Radio-Canada itself, but rather the way it is interpreted and carried out.⁷²

We believe the current mandate of the CBC should be maintained.

ACTRA, April 17, 2007

Some observers maintained that the reduction in public funding in constant dollars combined with rising production costs and increased competition have led the Corporation to neglect some aspects of its mandate. This position was put forward by a number of groups including the Association canadienne de producteurs de films et de television,⁷³ the English-Language Arts Network,⁷⁴ the Writers Guild of Canada⁷⁵ and Our Public Airwaves⁷⁶ in their submissions. They maintain that lack of funding accounts for CBC/Radio-Canada's falling short of achieving its mandate. The matter of the resources allocated to the Corporation will be addressed later on in this report.

There is no denying that a number of interest groups told us forcefully and eloquently that CBC/Radio-Canada does not always appropriately reflect Canada's ethnocultural, regional and linguistic diversity. Similarly, it could probably do more for some groups in particular. But it is far from certain that its mandate must be completely reworked to achieve this objective.

When they came to meet with us here, the CBC representatives asked for a 10-year vote of confidence in order to make the switch to new platforms and technologies. This is a huge quantum leap of faith to ask for, as we live through technological changes that occur literally on a monthly basis. I'm more generous than my colleague.

Jacques Bensimon, May 10 CCA, March 27, 2007, 9:45 a.m.

For things to change, the government must in our opinion develop a new relationship with CBC/Radio-Canada, so that both parties are clear about their expectations of each other and fully agree on these expectations. This relationship would lead them to make the commitment, as set out in the *Broadcasting Act*, to meet their respective expectations.

72 Canadian Association of Broadcasters, Brief, March 23, 2007, p. 23.

73 ACPFT, Brief submitted by the Association canadienne de production de films et de télévision, March 12, 2007, p. 3.

74 English-Language Arts Network, Brief, p. 1.

75 Writers Guild of Canada, Brief to the Standing Committee on Canadian Heritage, March 5, 2007, p. 1.

76 Our Public Airwaves, Brief, February 26, 2007, p. 2.

We recommend the ratification of a long-term memorandum of understanding between the CBC/Radio-Canada and its “shareholders,” the Canadian taxpayers. This memorandum would spell out the respective responsibilities of the signatories, including governance structure, funding, advertising revenues, regional programming, and partnership with other broadcasters. These are just some of the aspects that could be included in such a memorandum of understanding.

You've heard it from many people. If we're not clear about what the CBC is doing, it's tough to function. So we echo the CBC and Radio-Canada in calling for a 10-year mandate that sets out Canadians' expectations from their public broadcaster. That's a really basic start.

Canadian Media Guild, April 20, 2007, 10:05 a.m.

Such agreements exist elsewhere, including Great Britain: the BBC has just received a charter setting out its mandate and resources for the next ten years. Would ten years be an appropriate period for CBC/Radio-Canada? We do not have a definitive answer to this. The length of the agreement must however provide a minimum of predictability for at least seven years so that CBC/Radio-Canada can operate entirely independently, without commercial or political pressure. It could make long-term plans with a budget that is known in advance, plan its activities and adopt a strategic plan.

The budget allocated to the Corporation must be consistent with the content of the agreement. The government would be required to stipulate the funding to be provided to the Corporation for the duration of the agreement. The Corporation's five-year plan from 2006 to 2011 provides a basis for negotiation to identify the funding levels required.⁷⁷

The annual reports that CBC/Radio-Canada submits to the Minister of Canadian Heritage would update Parliament and Canadians on the implementation and adherence to the terms of the memorandum of understanding for a specified period.

We certainly support the idea of establishing a ten-year contract between the public broadcaster and Parliament or the government. It's well worth exploring. It could be done at arm's length through the CRTC.”

CCA, March 27, 2007, 9:15 a.m.

The memorandum of understanding would include a mechanism to evaluate success in achieving the objectives set out in it. In addition, due to the rapid changes in the

77 *Making A Place for All Canadians*, Summary of Corporate Plan, CBC/Radio-Canada, 2006-2007 to 2010-2011, 46 pp.

broadcasting industry, the memorandum would be subject to amendment by mutual consent of the signatories.

We agree that the development of such a memorandum of understanding should not be improvised but rather should be part of an exercise to sound out Canadians. Canadians must be consulted on their needs, concerns and feelings about a Crown Corporation that is part of their daily lives and contributes a great deal to the development of our society. The Standing Committee on Canadian Heritage intends to play a part in this process, so that parliamentarians' voices can be heard. It would seem appropriate, in fact, for the Committee to be given responsibility for reviewing the memorandum of understanding and holding public hearings.

RECOMMENDATION 1.12

The Standing Committee on Canadian Heritage recommends maintaining the current provisions of the statutory mandate of the CBC/Radio-Canada as set out in paragraphs 3(1)(*l*) and (*m*) of the *Broadcasting Act*, notwithstanding recommendation 2.3, which adds the role of the new media.

RECOMMENDATION 1.13

The Committee recommends the ratification of a seven-year memorandum of understanding between the Government of Canada and CBC/Radio-Canada, setting out the respective responsibilities of the signatories. The Standing Committee on Canadian Heritage would be responsible for reviewing the memorandum of understanding and will conduct public consultations as required.

CHAPTER 2: THE EFFECT OF EMERGING TECHNOLOGIES ON OUR NATIONAL PUBLIC BROADCASTER

Introduction

The ubiquity of digital media has forever changed the Canadian broadcast environment. Over the past decade, digital technology has significantly expanded the number of platforms from which audio and video programming can be accessed and received. The new services are characterised by their personalisation and on-demand accessibility from the Internet and mobile screens. Demand for these services is driven by the estimated 16.8 million adult Canadians who made personal non-business use of the Internet in 2005. That year, nearly 64% of Canadians 18 and older used the Internet at least once a day, a figure that jumps to nearly 73% in the 18–34 demographic.⁷⁸

Because of digital media's influence, traditional broadcasting is now about *content delivery* across as many platforms as can be made available, and the development of a global brand to attract audiences to that content. It is in the global milieu that Canada's public broadcaster must act, competing for audiences, advertising dollars, and the public's finite attention span for news, information and entertainment.

Audiences too have changed, now expecting the content they want, when, where and how they want it. Traditional broadcast television's former stranglehold on audiences has been weakened by competition from the Internet, specialty channels, iPods, video-on-demand, and audio and video streaming, to name just a few. As audiences fragment across multiple platforms, advertisers follow, seeking to take advantage of increasingly targeted niche programming and Web sites to deliver their messages. Advertisers spent in excess of \$1 billion on the Internet last year in Canada. This has significantly impacted the traditional business model of conventional broadcasters for which advertising revenues are the foundation.

Private broadcasters are responding to these changes by attempting to reassemble audience and advertiser fragments through consolidation and mergers. In Canada, 2007 saw some of the largest mergers in the history of the broadcasting industry. A number of private media conglomerates now control the means of production and distribution of content, taking advantage of the efficiencies of distributing their own content through the cable, satellite, and Internet distribution systems that they also own. However, for

78 Statistics Canada *Canadian Internet Use Survey, 2005*.

CBC/Radio-Canada, competing through size, mergers and acquisitions on the necessary scale is not an option, making its position unique among the Canadian broadcasters that operate on a national scale.

Some of the key themes and challenges that emerged from this study include: the potential for renewed public relevance of our national public broadcaster afforded by digital media, particularly the Internet; the changing role and business of conventional broadcasters from traditional broadcasting activities to the delivery of content on multiple platforms; the associated changing audience expectations and behaviours; questions about whether the existing regulatory approaches are still applicable or effective; and whether the *Broadcasting Act* and CBC/Radio-Canada adequately provide for these changes in the broadcasting environment. CBC/Radio-Canada must evolve to meet these challenges in the context of the changing media environment.

The definition of new media has also evolved with the accelerated changes in technology. “New media”, “digital media” and “emerging technologies” are used interchangeably for the purposes of this report, since they were all employed by witnesses to describe the range of communication and broadcast products and services that involve the digital delivery of audio, video, graphics and alphanumeric text, whether through wireless, the Internet, or more traditional digital broadcast distribution methods.

For policy purposes, the CRTC has defined “new media” as the delivery of digital products and services via the Internet, such as Internet broadcasting.⁷⁹ As such, the discussion of the New Media Exemption Order in this chapter employs the term “new media” using this more narrow definition.

CBC/Radio-Canada and Digital Media

In this era of converged media, broadcasters must have a presence across as many platforms and in as many forms as they are able. Digital and broadband properties are now part of developing a global brand and remaining relevant to audiences, particularly younger audiences. The need for CBC/Radio-Canada to meet the new standard for content delivery was repeated by witnesses throughout the study.

The CBC/SRC already has a new media presence, offering radio podcasts, mobile content, online news, and an extensive video archive on the Internet. These offerings should be maintained and developed. It is essential for all broadcasters to have a multi-platform presence in today’s media environment.⁸⁰

79 CRTC. *Broadcasting Public Notice CRTC 1999 – 84*. May 17, 1999.
<http://www.crtc.gc.ca/archive/ENG/Notices/1999/PB99-84.HTM>

80 Directors Guild of Canada, Presentation to the Standing Committee on Canadian Heritage, March 12, 2007.

People are going to the Internet for their news, for their content, whether it is for streaming radio or video or for static news pages or updated news pages. I think that's at the heart of the problem today; new media and traditional media are getting blurred together. And you can't really compartmentalize them in certain blocks. You can't say that this is television, this is radio, this is the Web. The lines have totally blurred in terms of consumer preference and consumer behaviour.⁸¹

Witnesses pointed to new media, particularly the Internet, as a means for CBC/Radio-Canada to renew its commitment to Canadians and better reflect both the regions and individual voices. Reference was made to the potential of the second wave of Internet use, known as "Web 2.0". Its characteristic interactivity and reciprocity between user and provider has manifested online as user-generated content (UGC), social networking sites, blogs, podcasts, wikis, RSS feeds, and Web services that exemplify and encourage this type of activity, in contrast to the first wave of one-way, read-only Web sites. It is in this sense that digital media are seen to enable a redefinition of the "public" in public broadcasting. Witnesses invoked Graham Murdoch's conception of the digital commons:

... [I]n an age of increasing individualisation and commercialism we need more than ever to reinvent the public domain. Because broadcasting is central to contemporary cultural life, and is likely to remain so for the foreseeable future, rethinking public service is the key to this project. Pursuing it requires us to jettison our familiar analogue maps and draw up a new digital chart. We have to stop thinking of public broadcasting as a stand-alone organisation and see it as the principal node in an emerging network of public and civil initiatives that taken together, provide the basis for new shared cultural space, a digital commons, that can help forge new communal connections and stand against the continual pressure for enclosure coming from commercial interests on the one hand and the new moral essentialism on the other.⁸²

Michael Geist, Canada Research Chair in Internet and e-commerce law at the University of Ottawa, builds on this point. His submission to the Committee proposed a rethinking of the "public" in public broadcasting in the age of information abundance. Dr. Geist recommended that CBC/Radio-Canada embrace the opportunities afforded by the Internet's social media tools — citizen journalism, blogging, digital photo-sharing, and user-generated content — to transform itself "from Canada's public broadcaster to the broadcaster of the Canadian public."⁸³

The National Film Board submission noted a qualitative difference of the commercial values and conditions that exist in the context of MySpace or YouTube, which

81 Curtis Shaw, Presentation to the Standing Committee on Canadian Heritage, March 12, 2007.

82 Murdoch, G. *Building the Digital Commons: Public Broadcasting in the Age of the Internet*. The 2004 Spry Memorial Lecture, November 2004. <http://www.com.umontreal.ca/Spry/spry-gm-lec.htm>

83 Geist, Micheal Brief, February 2007.

precludes their doing what a public space can and must do. “We have a duty to Canadians to provide a space for public discourse, for a social networking [based] on public values.”⁸⁴

CBC/Radio-Canada President Robert Rabinovitch touched upon this sentiment with his comments on programming:

We want to constantly re-examine what we do. We need to take risks, which means we will not always succeed. Like any other broadcaster today, the pace of change forces us to experiment with new platforms, new genres, and new programming concepts, not all of which will work, but they all must be tried. Serving Canadians demands no less than continuous renewal.⁸⁵

The CBC/Radio-Canada is seen to have made inroads in its use of new media to connect with Canadians and fulfil its mandate. CBC.ca and SRC.ca are two of Canada’s most visited and most trusted sources for news and information. Local radio, news and current affairs can be streamed over the Internet, along with video clips of television shows. Digitisation has also enabled unprecedented access to CBC/Radio-Canada’s historical audiovisual archives. The CBC/Radio-Canada digital archives have made available thousands of clips from news and current affairs programmes.

Notwithstanding its new media accomplishments to date, the Committee heard from a number of witnesses that CBC/Radio-Canada should be doing more to exploit the opportunities presented by digital media, particularly to engage Canadians and enable a truly interactive online public space where their views can be heard. Dr. Catherine Murray, co-author of the 1996 *Juneau Report*,⁸⁶ noted that:

Certainly few foresaw that the CBC could embrace new media, but it needs to do far more to be the pivot of the digital commons. I believe, too, that our committee, and especially the Lincoln report, saw the CBC as absolutely basic to the idea of preserving a public space on the digital commons. I believe the Lincoln report went further than we did, that the CBC must work together on the public Internet with the not-for-profit and community broadcast sectors of the new environment, something that the CBC has not yet done at all.

One of the most important calls the Standing Committee can make is upon the Minister of Canadian Heritage to coordinate a strategy to protect community, independent and alternative media, with the CBC as its hub, on Canada’s emerging digital commons. In

84 National Film Board, Brief, May 1, 2007.

85 Evidence, Standing Committee on Canadian Heritage, Meeting 13, 39th Parliament, 1st Session, September 27, 2007, 3:30 p.m.

86 *Making Our Voices Heard: Canadian Broadcasting and Film for the 21st Century*, also known as the Juneau Report, looked at the mandates of the CBC, NFB, and Telefilm Canada, and was controversial for its call for a tax on telecommunications services to pay for the CBC.

my vision, CBC TV 3 would link campus TV, community TV, and a number of other not-for-profit programme providers, as the hub across Canada.⁸⁷

As we shall see later in this chapter, funding was consistently identified as an impediment to the cultivation of a Canadian online public space overseen by CBC/Radio-Canada. Witnesses also raised concerns about the need to regulate certain aspects of the Internet to ensure a Canadian cultural presence in the future. Nonetheless, the Committee heard support for the Corporation's new media endeavours to date, including staking out a Canadian Internet presence and enabling access to Canadian content online.

Content Is Still King

Digital media have changed the traditional way of thinking about broadcasting. It is now conceived of as content delivery. This implies that, for all the new means of accessing and receiving audiovisual products, content is still the imperative that will determine relevance to audiences. This being so, the need for our national public broadcaster to make qualitatively different Canadian cultural content is more important than ever, since it is through this lens that it may offer something to set it apart from purely commercial programming. Witnesses noted the new media content of the BBC, as an organisation to emulate. "... I love the example of the BBC. If you have good stuff, people are going to go to it in the new media."⁸⁸

The need for high-quality Canadian content across all distribution platforms was a recurrent theme throughout the study. Dr. Pierre Bélanger of the University of Ottawa summed it up this way:

This phenomenon of trying to catch up with what the competition is doing is obviously forcing us to constantly think of novel ways to repackage our content. There's a dogma in the new technology world that says produce once, distribute many. I think one of the greatest producers of content in Canada has to be the CBC/Société Radio-Canada. I think we have to give this public organization the means to not only continue to produce as wide a variety of content as possible, but also to multiply and to disseminate its content on as many different platforms as possible.⁸⁹

87 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 14, 2007, 4:35 p.m.

88 Evidence, Standing Committee on Canadian Heritage, Meeting 47, 39th Parliament, 1st Session, April 11, 2007, 11:55 a.m.

89 Bélanger, Pierre. University of Ottawa, Presentation to the Standing Committee on Canadian Heritage, May 10, 2007.

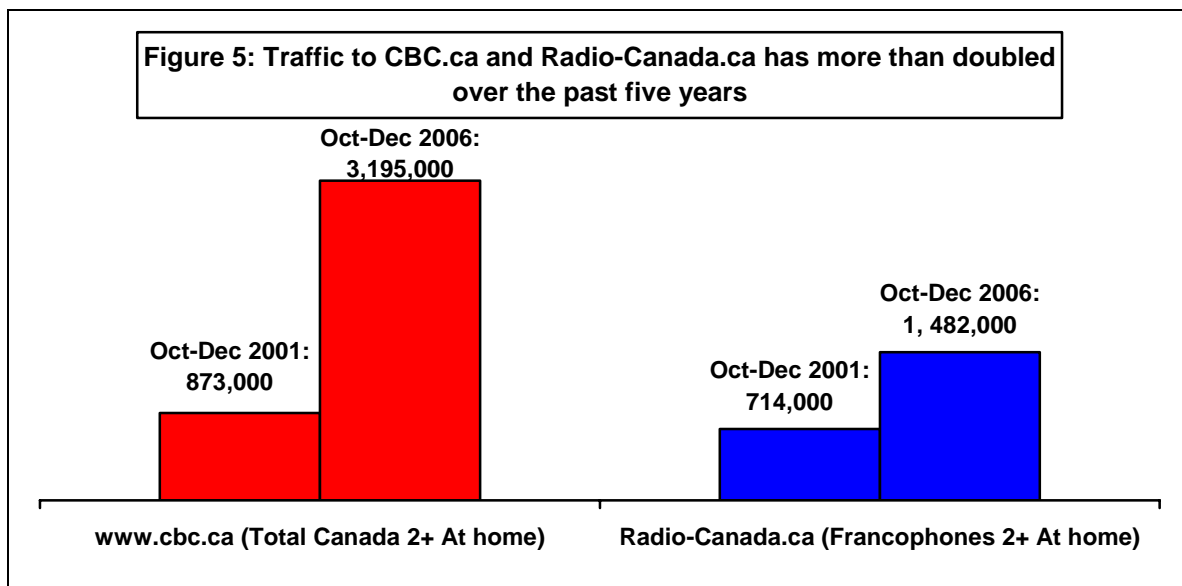
RECOMMENDATION 2.1

Recognising the need for Canadian public spaces in the online environment, the Committee recommends that CBC/Radio-Canada continue to develop its Internet presence and to make its content accessible online for Canadians.

CBC/Radio-Canada Online

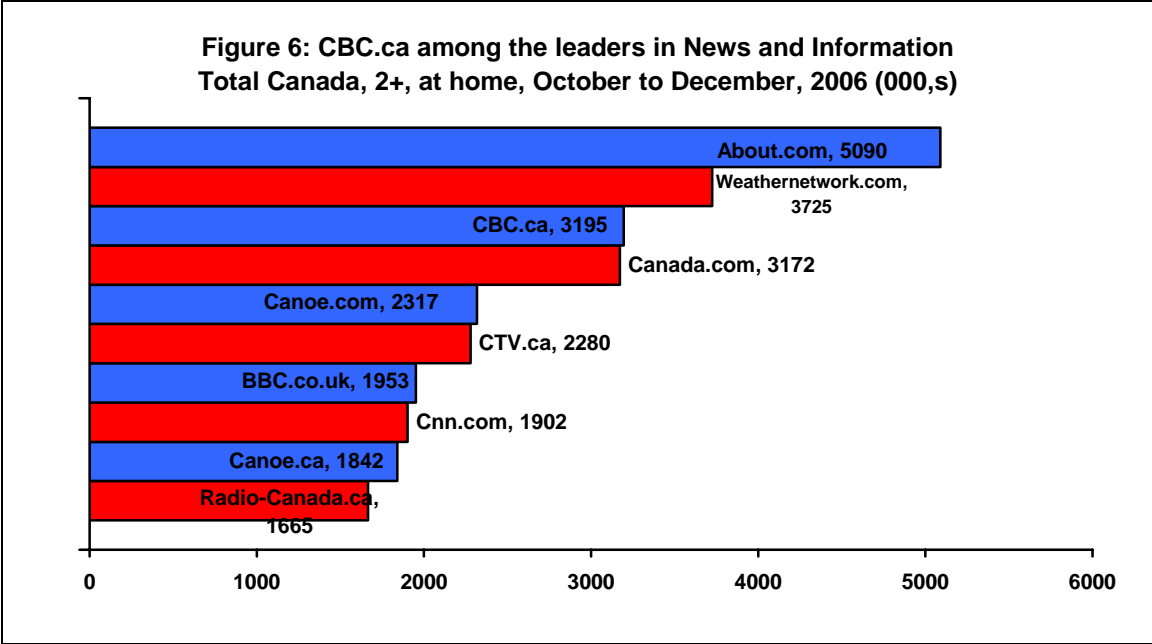
CBC/Radio-Canada established its web presence at CBC.ca and Radio-Canada.ca in 1995. The Corporation's online endeavours were commended by many witnesses, particularly, they pointed out, given the limited resources at its disposal.

The national public broadcaster is seen to be providing a reliable Canadian presence for news, information and Canadian content in a global media environment dominated by foreign content and market influence. Traffic has more than doubled to its two main Web sites, cbc.ca and radio-canada.ca, in the past five years, and they are among the most visited Canadian news and information Web sites.

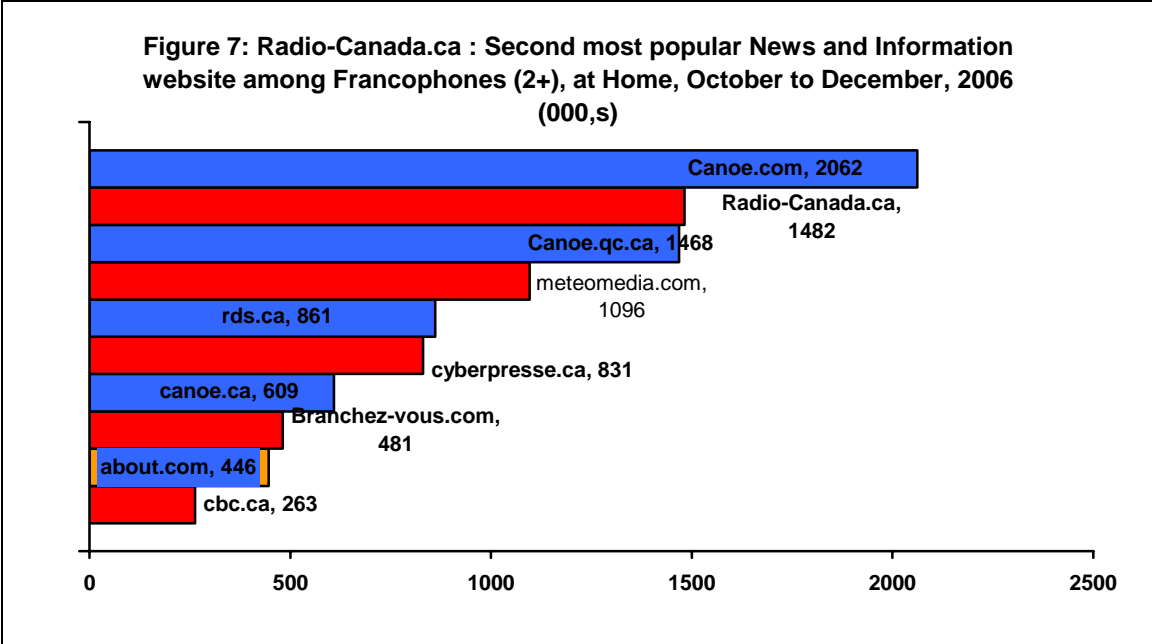


Source: Media Metrix Canada — Total Canada

The tables below show that each month more than 10% of Canadians visit cbc.ca. It is consistently in the top three news and information Web sites. Radio-Canada.ca ranks second among Francophone users, with nearly 1.5 million monthly visitors to the Web site.



Source: comScore Media Metrix (English Canada)



Source: comScore Media Metrix (French Canada)

CBC/Radio-Canada Video

In the past decade, digital technology has expanded the number of platforms over which video programming can be accessed and received. These new services are

characterised by their personalisation and many are available on-demand from the Internet and mobile screens.

Tab. 3: Illustration of Multi-Platform Growth — Video		
1995	2000	2005
TV Distribution <ul style="list-style-type: none"> Over-the-air TV Analog Cable 	TV Distribution <ul style="list-style-type: none"> Over-the-air TV Analog Cable Digital Cable DTH Satellite 	TV Distribution <ul style="list-style-type: none"> Over-the-air TV Analog Cable Digital Cable DTH Satellite Wireless cable IPTV
Personalization <ul style="list-style-type: none"> VCR Specialty TV Pay TV 	Personalization <ul style="list-style-type: none"> VCR Specialty TV Pay TV DVD Player PPV 	Personalization <ul style="list-style-type: none"> VCR Specialty TV Pay TV DVD Player Video downloads Personal video recorder Video streaming Video-on-demand
	Portable <ul style="list-style-type: none"> DVD Player 	Portable <ul style="list-style-type: none"> DVD Player Digital video player Mobile phone Laptop computer

Source: CBC. Broadcasting Public Notice CRTC 2006-72 Comments of the CBC/Radio Canada, September 1 2006

CBC/Radio-Canada noted in its submission that while the use of some of these services is still in the early stages, their acceptance is much higher among younger users.

Tab. 4: NEW WAYS OF ACCESSING VIDEO CONTENT								
	Anglophones 18+				Francophones 18+			
	18-34	35-49	50-64	65+	18-34	35-49	50-64	65+
Past month VOD usage	6%	7%	3%	2%	7%	5%	3%	1%
PVR penetration	5%	5%	3%	1%	2%	3%	2%	1%
Past month video streaming	26%	19%	13%	5%	26%	15%	8%	3%
Past Month video downloading	22%	11%	5%	2%	16%	5%	3%	0%

Source: CBC/Radio-Canada's MTM, 2005

CBC/Radio-Canada has made progress in taking advantage of new formats and making its content available in new formats. For example, streaming video of news and current affairs and clips of CBC/Radio-Canada programming are made available on-demand from its Web sites.

Where its online programming for video content has been critically acclaimed, however, is through initiatives such as the now defunct Zed TV. The show was part of the CBC late-night broadcast and featured new music, documentaries, and short films from emerging Canadian and international artists. Zed was mentioned by a number of witnesses, who praised it for its innovation. When it was cancelled in 2006, the Canadian Media Guild argued that it was the job of the public broadcaster to “take risks, chart new courses for TV and other media, and reach audiences who are not well served on the rest of the 500-channel dial,” as opposed to pursuing ratings.⁹⁰ Its Web site, no longer active, still provides access to some of the show’s archives and the 50,000 “creative uploads from people across the country and around the world.”⁹¹

[The] independent media art sector applauds initiatives such as CBC’s *Zed TV* which began in 2002 and unfortunately went “off the air” in 2006. *Zed TV*, billed as “open source television”, applied a series of new ideas revolving around user interactivity and niche programming. For the independent media arts sector, *Zed TV* offered a platform to showcase a vital section of Canadian culture almost entirely left out by the traditional television and radio programming. Other CBC programmes maintain podcasts; streaming audio Web sites that must continue to be developed and be available online. Not only do these initiatives reach new audiences within Canada, they bring Canadian Content to the world.⁹²

Zed TV represents exactly the type of content referred to by witnesses, experts, and academics who spoke of Web 2.0 and digital technologies as the means of bringing the Canadian public back to its broadcaster. Zed was ultimately criticized for not exploiting this potential fully enough.

CBC/Radio-Canada Audio

The trends in the delivery of audio content are much the same as for video. New audio platforms mean that listeners have access to a greater diversity of content, and more control over where, when and how content is accessed and listened to.

90 CBC. *CBC cancels 'Zed TV'*, May 7, 2006. <http://www.cbc.ca/arts/story/2006/05/07/zedtv-cancelled.html>

91 <http://zed.cbc.ca/>

92 Independent Media Arts Alliance, *Brief*, February 26, 2007.

Tab. 5 : Illustration of Multi-Platform Growth - Audio		
1995	2000	2005
Distribution <ul style="list-style-type: none"> • Radio 	Distribution <ul style="list-style-type: none"> • Radio • Audio player 	Distribution <ul style="list-style-type: none"> • Radio • Internet • Satellite radio
On demand <ul style="list-style-type: none"> • Cassette • CD 	On demand <ul style="list-style-type: none"> • Cassette • CD • Music downloads 	On demand <ul style="list-style-type: none"> • CD • Music downloads • Streaming audio • Podcasting
Portable <ul style="list-style-type: none"> • Walkman 	Portable <ul style="list-style-type: none"> • Walkman • Digital audio player 	Portable <ul style="list-style-type: none"> • Walkman • Digital audio player • Mobile

Source: CBC. Broadcasting Public Notice CRTC 2006-72 Comments of CBC/Radio Canada, September 1, 2006

Listening to conventional radio has decreased over the past decade among all age groups, but especially so among teenagers and young adults.⁹³ Research shows that about one in five Canadians listens to audio streamed over the Internet. All of the new ways of accessing audio content are higher among younger demographics.

Tab. 6: NEWS WAYS OF ACCESSING AUDIO CONTENT								
	Anglophones 18+				Francophones 18+			
	18-34	35-49	50-64	65+	18-34	35-49	50-64	65+
iPod/MP3 Player penetration	42%	24%	13%	3%	23%	16%	7%	2%
Past month Download podcast	12%	9%	4%	1%	5%	5%	2%	0%
Past month audio streaming	38%	25%	14%	6%	28%	17%	10%	3%
Past month music downloading	41%	18%	3%	3%	26%	11%	4%	2%

Source: CBC/Radio-Canada's MTM, 2005

The achievements of CBC/Radio-Canada's digital and online audio initiatives have made its radio programming widely available through Internet audio streaming, satellite radio and podcasts. CBC/Radio-Canada streams all of its local radio stations online, so they can now be heard from anywhere across Canada. Three new audio stations are also

93 Rabinovitch, Robert, Presentation to the Standing Committee on Canadian Heritage, September 27, 2006, p. 1.

available through Sirius satellite radio and on the Internet. CBC Radio 3 and its French language counterpart, *Bandeàpart*, target younger audiences than the mainstream radio stations. They offer content and culture from emerging artists from Canada and around the world. Radio Canada International offers a Web service, *RCI Viva*, that is promoted as providing information about Canada to new immigrants. Particular attention was paid by witnesses to Radio 3 and *Bandeàpart* for their innovation and appeal to newer, younger audiences.

I really think CBC Radio 3 speaks to an innovative component of the CBC by promoting local Canadian independent music that you can't get anywhere else. It's reaching beyond older, upper-crust generations. It's a living, vibrant organisation that is connecting with many Canadians.⁹⁴

Speaking of the ways in which the CBC/Radio-Canada could take better advantage of new media, Ian Morrison, President of Friends of Canadian Broadcasting, said:

[T]o give some praise [...] for a change, [...] the management on the English side of CBC Radio [...] have developed Radio 3, which is not broadcast over the air, it's broadcast on the Internet. It is targeting the young demographic with a style of music.

They are one of the leaders in podcasting. Millions of downloads are available on your iPod, or something like that, where you're listening, when you like, to a CBC-generated programme that you get the same way as you get any other type of podcast. Half of those podcasts, Ms. Chalmers, the Vice-President of English Radio, tells me, are from non-Canadians. So it's becoming part of the Canadian outreach to the world.⁹⁵

CBC/Radio-Canada reported to the Committee about its successes, particularly the popularity of its podcasts. It delivers more than one million downloads every month, making it one of the leaders in podcasting in Canada. As CEO Robert Rabinovitch told the Committee, some of the Corporation's most successful podcasts are some of its most serious shows, like *Ideas*, and *Quirks and Quarks*. These types of shows were described by other witnesses as some of the Corporation's most effective nation builders. Mr. Rabinovitch reported that it is mainly 18-34 year olds who listen to podcasts, whereas typical radio audiences, for example, tend to skew older. "The fact is that new technology opens new audiences for existing content. CBC/Radio-Canada is doing well across the board despite an unpredictable playing field."⁹⁶

Notwithstanding broad support for the online endeavours of our national public broadcaster, concerns were raised that new media initiatives should not be reduced to

94 Evidence, Standing Committee on Canadian Heritage, Meeting 40, 39th Parliament, 1st Session, March 12, 2007, 8:45 p.m.

95 Evidence, Standing Committee on Canadian Heritage, Meeting 41, 39th Parliament, 1st Session, March 14, 2007, 10:15 a.m.

96 Evidence, Standing Committee on Canadian Heritage, Meeting 44, 39th Parliament, 1st Session, March 22 2007, 9:05 a.m.

merely new means of increasing revenues. Witnesses argued that their use should serve to improve performance relative to the objectives of the mandate.

For example, establishing more local Web sites for smaller communities across Canada would be a useful way of reaching into and reporting back to a community from the national level. New technologies may present the national broadcaster with new means of reaching Canadians in more effective ways. In assessing the value of the uses of these new technologies though, the broadcaster must keep, as its priority, the fulfilment of its mandate.⁹⁷

Digital media platforms thus enable the CBC/Radio-Canada to leverage and multiply content both horizontally across Canada and the globe, and vertically across generations. In this sense, the Corporation's new media initiatives provide gains both in economic efficiencies as well as social coherence.

New audiences for the new media

[B]roadcasting is an industry that is going through dramatic and dynamic changes, literally changing almost by the day. If we're going to continue to reach Canadians, we have to reach them when and where they choose, whether it's on the Internet, on cellphones like we did with the Olympics this year, on satellite radio, or on new platforms that are just being developed and being discovered as we speak.⁹⁸

Converged media bring with them a dramatic increase in programming choice and a fragmentation of audiences across multiple platforms. In an effort to reassemble the fragments, broadcasters must maintain a presence and deliver content across as many platforms and in as many forms as they are able. This serves, in part, to develop a strong, recognisable brand. Witnesses widely acknowledged the need for CBC/Radio-Canada to develop digital and broadband properties as a means of establishing a global brand and remaining relevant to audiences, particularly younger audiences.

CBC/Radio-Canada's existing brand recognition among Canadians provides the Corporation with "credibility as a provider of general information and information about public affairs, international politics and arts and culture, and its programming for young people, to name just a few areas for which it is known...."⁹⁹ CBC/Radio-Canada is seen to be closely associated with what defines us as a nation.

The Committee heard from some witnesses, however, that CBC/Radio-Canada needs to go further to develop a stronger national and global brand if it is to compete in the fragmented, global media environment.

97 City of Hamilton, Brief, March 2007.

98 Evidence, Standing Committee on Canadian Heritage, Meeting 13, 39th Parliament, 1st Session, September 27, 2006, 3:30 p.m.

99 Bélanger, Pierre Brief, May 10, 2007

To this end, one element of the Corporation's new action plan includes the integration of its radio, television, and Web services under a single management group. CBC/Radio-Canada believes that "the best way to confront the technological changes and all of the new platforms is to create a very strong brand, which is that of the public broadcaster, that showcases the very strong values and that we will now be able to broadcast over all of the new distribution technologies."¹⁰⁰

Digitisation has facilitated the convergence of technologies across platforms, thereby challenging traditional linear delivery of programmes and services with the growing audience expectation for on-demand services with time-shifting capabilities. The new mantra for content delivery has therefore become, "what they want, when they want, and how they want". Thus, while digital technologies make possible the cross-platform delivery of content, the demand is now audience-driven.

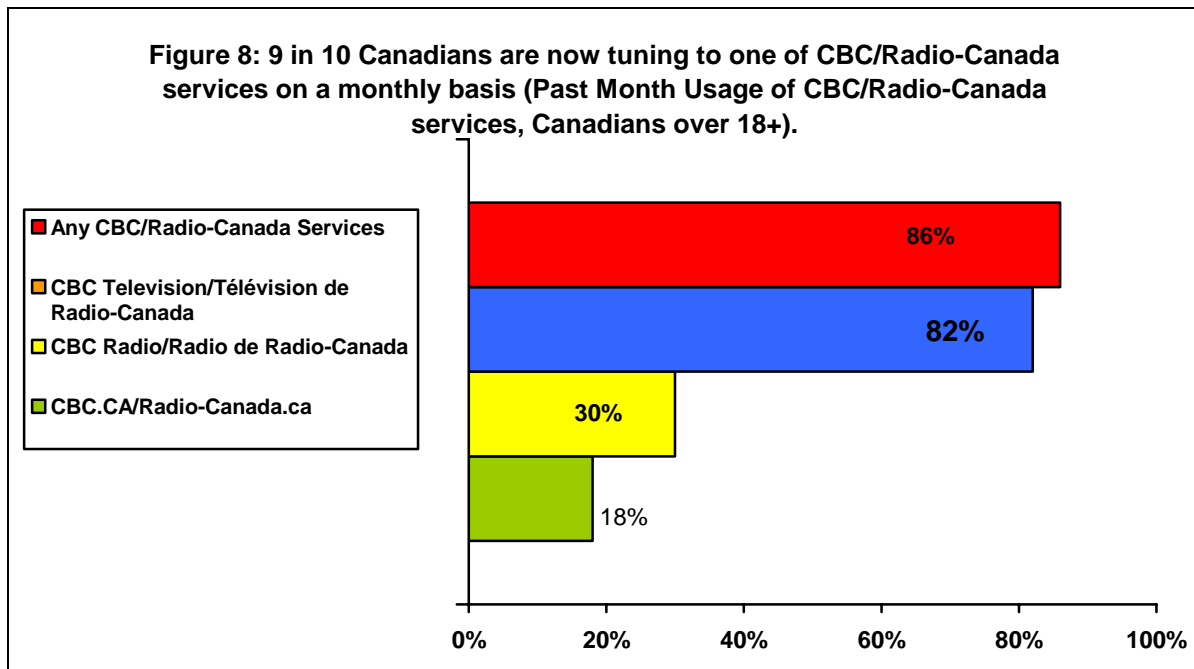
One of the paradoxes of digital media is that at the same time as they enable communication with and between Canadians on an unprecedented level, they simultaneously fragment audiences with their infinite digital offerings. For our public broadcaster, this fact poses additional challenges to its mandated role. Its ability to "reflect Canada and its regions to national and regional audiences" and to "contribute to shared national consciousness and identity" is impeded by the effects of audience fragmentation. The CBC's English television services, for example, come under particularly heavy criticism because of their relatively small share of Canadian viewers.

Dwindling audience share is not unique to public broadcasting, and audience measurement will need to adapt alongside the transition to digital media. Internet broadcasting, downloading and streaming content, PVRs and on-demand and pay services mean that the same film, television episode or news broadcast will be seen by many more viewers than those who tune in for "appointment television". As Sylvain Lafrance told the Committee, "I should note, to start with, that the drop from 13% to 6.5% is now approximately 7%. If I look at my... I shouldn't even call them competitors, because we are different, but we are conventional broadcasters. If you look at Global, they're at about 9%; if you look at CTV, which is by far the leader, they're at about 14%. If you compare them back to the 1990s, we were all in the 30% or 40% range. The world has changed dramatically with fragmentation. Even on the French side, it's amazing how well Radio-Canada has done, given the amount of fragmentation, the number of channels."

Experts commented that the days of 30% audience share are gone. As noted in the Dunbar-Leblanc Report, even the French television and radio services, which have maintained audience share much better than English services, may not be impervious to the effects of audience fragmentation. In the "borderless", multi-platform, digital universe, CBC/Radio-Canada must make its content available to audiences on their own terms if it is to reassemble the fragments and remain relevant to Canadians.

100 Evidence, Standing Committee on Canadian Heritage, Meeting 13, 39th Parliament, 1st Session, September 27, 2006, 3:35 p.m.

CBC/Radio-Canada has taken steps in this direction. Its research shows that, overall, 90% of Canadian adults make regular use of their services.



Notwithstanding these achievements, the consumption practices of Canadians continue to change. Traditional television and radio audiences have stagnated while online and mobile access to audio and video news and information are growing. Audience expectations are changing. People are communicating more than ever and their patterns of association have been widened by technology. People may not be spending more time with media but they want to use media for more than one purpose at the same time.¹⁰¹ They are looking for a more interactive and on-demand experience with media. CBC/Radio-Canada will remain relevant in the future to the extent that it is able to respond to these expectations.

Youth Audiences

Nowhere is this more apparent than among youth audiences. Known as “digital natives” or “millennials”, young people between the ages of about nine and 28 have a relationship with media that is different from previous generations. If Baby Boomers were the TV generation, Generation Y are the Internet generation, and they understand and use the new media tools in a different way. This group was born into the digital era, where previous concepts of bundling and scheduling have been replaced by downloading, streaming, peer-to-peer networks and on-demand programming.¹⁰² Their interactions with

101 Statistics Canada. *Our Lives in Digital Times*, November 2006.

102 Goldstein, K.J. *Media 2012*, January 2007.

media are characterized by multi-tasking: they commonly use several media and platforms at the same time. “This skill enables users in this group to consumer the daily equivalent of 20 hours of media products, spread over a real-time period of seven hours.”¹⁰³

As Dr. Pierre Bélanger of the University of Ottawa told the Committee, this generation also forms the base of social networking sites, such as Facebook, MySpace, and YouTube, and user-generated content (UGC). More than 60% of young people have visited a social networking site, and nearly all of these have registered and created a profile.¹⁰⁴ They have an expectation of interactivity and participation in media. When speaking of putting the public back into public broadcasting, younger Canadians will therefore be an important group of participants. Their willingness has been demonstrated in other CBC/Radio-Canada initiatives such as *Bande à part*, Radio 3, and Zed TV.

CBC/Radio-Canada’s online presence will be fundamental to its relevance to Canadian audiences in the future. According to the Canadian Internet Use Survey (CIUS), an estimated 16.8 million adult Canadians made personal non-business use of the Internet in 2005, and nearly 64% of Canadians 18 and older used the Internet at least once a day, a figure that jumped to nearly 73% in the 18-34 demographic.¹⁰⁵ More recently, a July 2007 Angus-Reid poll on Canadian technology habits reported that more than half of Canadians said that their lives are better because of the Internet (52%) and that they visit news Web sites at least once a day (55%).¹⁰⁶ Among 18-34 year olds, 40% said that the Internet strengthens their sense of community with others, as did nearly one in three adult Canadians overall.¹⁰⁷

The effects of changing consumer practices are only beginning to be felt. As more and more Canadians turn to the Internet, advertisers are following. Advertisers spent in excess of \$1 billion on the Internet last year in Canada. For CBC/Radio-Canada, the fragmenting effects have an additional impact on their ability to reflect Canada and its regions to Canadians through programmes with mass appeal, as “mass” audiences are increasingly rare. What is clear is that all broadcasters are being compelled to modernize their offerings to suit changing consumer media habits.

The Committee agrees that CBC/Radio-Canada requires a new media presence in order to remain relevant to Canadian audiences now and in the future. Innovative new media content and services are an essential part of renewing the Corporation’s role as our national public broadcaster.

103 Consoli, J., 2006 in Bélanger, P. Brief, May 10, 2007.

104 Bélanger, Pierre Brief, May 10, 2007.

105 Statistics Canada. *Canadian Internet Use Survey*, 2005.

106 Angus Reid Strategies. *Canadian Technology Habits*, July 17, 2007.

107 Ibid.

RECOMMENDATION 2.2

The Committee recommends that CBC/Radio-Canada build on its new media foundations and continue to pursue new and innovative ways of connecting Canadians of all ages to each other and to their national public broadcaster.

Digital Media and the CBC/Radio-Canada Mandate

The Committee heard broad support for CBC/Radio-Canada's exploitation of digital media platforms in fulfilling its mandate. Questions were raised, however, about the clarity of the *Broadcasting Act* in this context, since it makes no specific reference to new media as a means of fulfilling the Corporation's public policy goals. To date, there has been no formal government recognition of digital media platforms as a legitimate place for the public broadcaster to fulfil its public service goals.

Current Situation

The current CBC/Radio-Canada mandate may be regarded as technologically neutral. Section 3(d)(iv) states that "the Canadian broadcasting system should be readily adaptable to scientific and technological change." Additionally, section 3(m)(vii) reads, "the programming provided by the Corporation should be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose."¹⁰⁸ These sections of the mandate are sometimes seen to be made contentious by section 3(l), which reads, "the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens, and entertains"¹⁰⁹ [emphasis added]. The point was raised as to whether the intended interpretation of the CBC/Radio-Canada mandate included radio and television to the exclusion of other content delivery platforms.

CBC/Radio-Canada has interpreted its mandate as technologically neutral, or "platform agnostic", and has expanded its operations to include new media endeavours, most notably its online presence. Nearly all of the submissions and witness testimony supported the CBC's new media activities and its interpretation of the mandate. The Association québécoise de l'industrie du disque, du spectacle, et de la vidéo stated, "A broadcaster whose programming is eminently distinctive and predominantly Canadian must be widely available in every region of Canada, in both official languages, and on both radio and television, as well as via the new media."¹¹⁰ The Writers Guild of Canada also

108 *Broadcasting Act*, 1991. <http://laws.justice.gc.ca/en/showtdm/cs/B-9.01>

109 *Ibid.*

110 APFTQ, Brief, February 2007.

supported the CBC/Radio-Canada ambitions “to fulfil its mandate via an increased Canadian presence on newer digital platforms.”¹¹¹ Several witnesses and interventions supported an amendment to the Act to specifically include a provision for the use of new media platforms to achieve our nation’s public broadcasting goals. Speaking of the platform-specific reference in section 3(l), Dr. Pierre Bélanger of the University of Ottawa told the Committee, “In the current digital context that provision requires that the CBC operate under outmoded rules. That era is past.”¹¹² Tony Manera, former President and CEO of CBC/Radio-Canada, and Bill Neville, a former CBC/Radio-Canada Board member, concluded, “The *Broadcasting Act* should be amended to acknowledge the role of new media technologies as important platforms to extend and complement the CBC’s radio and television services.”¹¹³

In some cases, it was felt that an amendment to the Act was not necessary because of the mandate’s neutrality. “The mandate itself is neutral on the distribution means. [...] According to this mandate, CBC/Radio-Canada is able to engage whatever means to get the message out in the most efficient and effective way. So we don’t see that the mandate itself needs any overhaul at all.”¹¹⁴ Where the existing mandate was deemed sufficient, it was often qualified with the need for clarity in its interpretation.

Catherine Murray pointed out to the Committee that, although the 1996 Juneau Report could not have foreseen the impact that digitisation and online media content would have, it “made a recommendation to amend the *Broadcasting Act* of 1991 to ensure that CBC/Radio-Canada could make its services available on the Internet and make the most innovative possible new uses of new media.”¹¹⁵

More recently, the Lincoln Report recommended that the mandate be amended to include new media “as a complementary element of CBC/Radio-Canada’s overall programming strategy.” In its response to the Lincoln Report, the government recognized “the power of new media as a means of reaching audiences, particularly youth, and regards CBC/Radio-Canada’s innovations in this field as a positive and legitimate means of delivering its mandate.”¹¹⁶ To date, however, neither this view nor the recommendation has been formally entrenched, and no mandate review has been undertaken since that time.

111 Writers Guild of Canada. Brief, March 5, 2007, p. 10.

112 Bélanger, Pierre. Brief, May 10, 2007.

113 Manera, Tony and Neville, Bill. Brief, February 2007, p. 10.

114 Evidence, Standing Committee on Canadian Heritage, Meeting 41, 39th Parliament, 1st Session, March 14, 2007 9:35 a.m.

115 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 14, 2007, 4:30 p.m.

116 Government of Canada, *The Government of Canada’s Response to the Report of the Standing Committee on Canadian Heritage, Our Cultural Sovereignty: The Second Century of Canadian Broadcasting*, 2003, p. 5.

Issues and Challenges Heard by the Committee

Witnesses expressed a great deal of optimism about the potential of digital media as an enabler of the Corporation's ability to "reflect Canada and its regions to national and regional audiences" and to "contribute to shared national consciousness and identity."¹¹⁷ The Committee heard that new media platforms provide greater opportunities for Canadians to tell their stories.

The issue is not whether the new platforms are a threat to the CBC. Rather, it is to what extent the CBC is in a position to take advantage of these new opportunities. [...]In such a large, diverse country, these new platforms will facilitate reaching those audiences and help fulfil the CBC's mandate to reflect and serve the needs of the regions. Audiences will be able to listen to, or watch, their regionally specific programme at any time.¹¹⁸

One witness commented that, irrespective of the means of content delivery, there continues to be a qualitative difference in the Canadian stories made available by the public broadcaster, which are not served by the market because of they lack of commercial value. The Internet is seen to provide an opportunity to have those stories heard within Canada as well as internationally. Rather than act as a protector of Canadian culture, the Internet enables it to compete in a global media environment.

Some reservations were heard to the effect that the Corporation's expansion onto new media platforms, particularly its online activities, should not affect its core businesses, and thereby its ability to fulfil its already broad mandate. Ian Morrison of Friends of Canadian Broadcasting noted the cost of cbc.ca and the possibility of its draining funding away from programming commitments such as prime-time Canadian programming on English television.¹¹⁹

In moving onto new digital platforms such as the Internet, CBC/Radio-Canada must ensure that its focus and resources remain on its core broadcasting services as the primary vehicles for the achievement of its mandate.¹²⁰

The Canadian Association of Broadcasters (CAB), representing the interests of private broadcasters in Canada, also raised questions about CBC/Radio-Canada's online activities in relation to competitive practices.

An additional concern relates to CBC/Radio-Canada's business practices with respect to digital media platforms, the resulting impact of such practices on the private sector, and

117 The *Broadcasting Act, 1991*.

118 Writers Guild of Canada. *Brief*, March 5, 2007, p.10

119 Evidence, Standing Committee on Canadian Heritage, Meeting 41, 39th Parliament, 1st Session, March 14, 2007, 9:55 a.m.

120 Canadian Association of Broadcasters. *Brief*, March 23, 2007, p.8.

the level of disclosure of information that CBC/Radio-Canada should be expected to undertake relative to its digital media operations.¹²¹

Both the CAB and Friends of Canadian Broadcasting argued that the Corporation should be more transparent about the cost of its digital media undertakings. The CAB believes this should be made part of more enhanced financial reporting requirements by the Corporation. This matter reflects, in part, concerns about CBC/Radio-Canada's online advertising activities and the extent to which they may disadvantage private broadcasters' Web sites and news services.

International Perspectives

The Committee heard that CBC/Radio-Canada's neutral approach to the delivery of its content is in keeping with that of most countries supporting mature public broadcasters. Most have "implicitly (slightly fewer, explicitly) recognised that the important public service goals of PSBs are not only platform agnostic, but in fact require leadership by the public broadcaster in experimenting with new delivery platforms and modes."¹²²

Dr. Phillip Savage of McMaster University told the Committee that the Council of Europe reaffirmed the central role of public broadcasting in 2004, calling for "a clear political commitment of European governments to maintain strong and vibrant independent public service broadcasting, whilst adapting it to the requirements of the digital age."¹²³ Dr. Savage reported that the Council restated four principles that would continue to apply to public broadcasting content in the digital age:

- "universality of content in terms of generalist channels and if necessary some specialized or tailored for specific audiences";
- "universality of access" on "all significant media and platforms (i.e., those with significant penetration)" but also be prepared to "deliver a 'personalized public service' in the online and on-demand environment";
- "editorial freedom, and independence from both political ties and commercial bias"; and

121 Ibid, p.8.

122 Savage, Phillip. Brief, May 10, 2007.

123 Council of Europe, 2004, in Phillip Savage, Brief, May 10, 2007.

- high-quality programming “in each type of content or service, to constitute a benchmark of quality and professionalism.”¹²⁴

The Committee heard that the UK government’s explicit recognition of public service goals in the digital media environment provides a useful example. Many witnesses referred to the British Broadcasting Corporation (BBC) and its leadership in using digital media to extend its reach, connect with the public and fulfil its public broadcasting mandate. Witnesses also speculated about its resources for such extensive new media initiatives.¹²⁵

There is also the matter of budget. The BBC has begun posting online over a million hours of archival material from both the radio and the television divisions of the public broadcaster. I think that in itself speaks volumes about the potential that digital technologies offer to public broadcasting, and I hope this Committee will recognize the imperative pressure that should be put on the government to modify and actually modernize the mandate of the CBC, so that it’s totally in tune with the current technological currents that are affecting it.¹²⁶

The UK continues to set the benchmark in its digital and online undertakings. The BBC spent in excess of CAD\$749 million on its digital services in 2005-2006, including nearly CAD\$154 million on bbc.co.uk,¹²⁷ or more than half of the total appropriation received by the CBC’s English television services. OfCom, the independent regulator and competition authority for the UK communications industries, reported that the actual resources behind the BBC’s online activities are likely much higher, given its access to joint services such as news gathering. Additionally, it is estimated that the BBC generates about CAD\$198 million in advertising revenues from international versions of its Web sites.¹²⁸

On the other hand, I’ve heard that the amount the BBC spends on new digital operations is equal to the CBC’s entire television budget. That’s just to give you an example. As for new media, the BBC will allocate an amount equivalent [to] the entire amount that the CBC receives for its mainstream network.¹²⁹

OfCom is currently investigating the role of a Public Service Publisher (PSP), “an entity rooted in and reflecting the ideas, creativity and ethos of the new digital era.”¹³⁰ This

124 Ibid.

125 Direct comparison is not appropriate without consideration of the differences between the history, geographical context, resources and governance of the BBC and CBC/Radio-Canada.

126 Bélanger, Pierre. Brief, May 10, 2007.

127 BBC Annual report 2006, p.106, <http://www.bbc.co.uk/bbctrust/assets/files/pdf/review-reportresearch/bbcannualreport.pdf>

128 Ofcom. *A new approach to public service content in the digital media age*. January 24, 2007 <http://www.ofcom.org.uk/consult/condocs/pspnewapproach/newapproach.pdf>

129 Evidence, Standing Committee on Canadian Heritage, Meeting 55, 39th Parliament, 1st Session, May 1, 2007, 9:55 a.m.

130 Ofcom. Digital PSB: Public Service Broadcasting Post Digital Switchover, July 27, 2006.

is a progressive look at the delivery of public service *content* that regards television and radio as part of the new digital media landscape, and clearly includes digital media as an essential component in achieving public service goals.

In this changing landscape, we believe that the means of public service delivery need to change as linear television gradually diminishes in importance. Ofcom defined the purposes and characteristics of public service broadcasting in the PSB Review. These endure into the digital media age, but are no longer solely the domain of traditional television — they can (and should) now be delivered through a wider range of digital media.¹³¹

This belief is reflected in the review of the BBC's Charter. The expansion onto digital media platforms is regarded as merely an extension of the BBC's role as a leader and public educator in the benefits of new technologies that it has played since its inception. It is viewed "as a 'trusted guide' to new technology and the new experiences that come with it."¹³² Thus the attitude of the BBC, Ofcom and the UK government embraces digital technologies as a means of extending the public service remit, and engaging citizens across all available platforms. Its policies, including the BBC Charter and Agreement, are a clear extension of this mind frame.

The majority of witnesses, experts, academics and public and private organisations, supported an amendment to the CBC/Radio-Canada mandate commensurate with the view that the power of new media should be harnessed to fulfil Canada's public broadcasting objectives.

RECOMMENDATION 2.3

The Committee recommends that the Government of Canada should amend the *Broadcasting Act* to include digital media and emerging technologies as an integral aspect of achieving CBC/Radio-Canada mandate and reaching out to Canadians.

RECOMMENDATION 2.4

The Committee recommends that the Government of Canada include a clear role for digital media and emerging technologies in achieving the CBC/Radio-Canada mandate as part of the proposed seven-year memorandum of understanding.

131 Ofcom, 2007. p. 5.

132 http://www.bbccharterreview.org.uk/have_your_say/white_paper/bbc_whitepaper_march06.pdf

Funding

Offline challenges continue to make their way online, and affect the CBC/Radio-Canada's new media endeavours. A lack of adequate resources was seen to be the greatest inhibitor to exploiting the potential of digital media — the creation of an online public space for citizens, expansion of Web 2.0 properties, and connecting Canadian audiences. The link between funding and content was a recurring theme in discussions of both traditional and new media platforms.

The Writers Guild of Canada and the Directors Guild of Canada both supported increased government funding to pursue innovative programming strategies to draw audiences back to the CBC./Radio-Canada¹³³ The Independent Media Arts Alliance recommended “[t]hat the federal government invest in new media public broadcasting to advance its mandate in reflecting diverse cultural and indigenous communities and to ensure accessibility to each of these.”¹³⁴

Dr. Phillip Savage observed that current levels of financial support for both traditional and new media broadcasting endeavours have fallen well behind international levels of funding for public broadcasters. He noted that there is increased value in an investment in public broadcasting in the digital age, and recommended that funding be increased.

RECOMMENDATION 2.5

The Committee agrees that innovative use of new media is fundamental to the future relevance of CBC/Radio-Canada. We therefore recommend that CBC/Radio-Canada develop a digital media strategy to be submitted to the Department of Canadian Heritage. The plan should include cost estimates for the development and expansion of the Corporation's new media endeavours relative to the goals of its mandate.

RECOMMENDATION 2.6

The Committee recommends that, in consideration of CBC/Radio-Canada's global funding needs, the Government of Canada recognise the need for increased funding toward the development of new media initiatives to pursue the objectives of its mandate.

133 Writers Guild of Canada, Brief, March 5, 2007.

134 Independent Media Arts Alliance, Brief, February 26, 2007.

Regulation in the Digital Era

Canadians are increasingly accessing audio-visual content through unregulated digital platforms, such as the Internet and mobile devices. While the majority of content continues to be consumed from regulated undertakings, mainstream television and radio experiences are steadily moving onto the "third screen" and mobile screens. Increasingly, "Canadians can, in theory, bypass the regulated Canadian broadcasting system altogether and still obtain much of the same kind of programming that licensed broadcasting undertakings were once uniquely positioned to provide."¹³⁵

As digital media use continues to develop organically, regulation of these media and their means of distribution have remained separate and relatively unchanged. Currently, broadcasting regulations are distinct from telecommunications, but the separation is increasingly specious given the blurring line between broadcasting and telecommunication activities. As CRTC Chairperson Konrad von Finckenstein recently commented at the 2007 Broadcasting Invitational Summit:

[A]s technologies converge, these two sectors are competing in each other's traditional lines of business. Old boundaries are being erased. The old business and economic models are being questioned. The old relationships between those who create and deliver content and those who consume it are evolving into more of a two-way street.¹³⁶

Although questions about the regulation of new media broadcasting fall outside the scope of this study, it is nonetheless important to highlight the impact of regulatory change on the accessibility and availability of Canadian public broadcasting content. The Committee heard from a number of witnesses about the need to pay attention to the possible effects of digital media policy vacuums on the availability of Canadian content on new media platforms in the future, including the accessibility of content from our national public broadcaster.

New Media Exemption Order (NMEO)

The CRTC issued its New Media Exemption Order in 1999. At the time, the Commission decided to exempt from licensing new media services delivered and accessed over the internet. It found that the regulation of new media would not contribute materially to the objectives of the *Broadcasting Act*, and that new media did not pose a competitive threat to the activities of traditional broadcasters. Canadian content was found to be well represented online.

135 CRTC. *The Future Environment facing the Canadian Broadcasting System*, December 14, 2006, para 339.

136 <http://www.crtc.gc.ca/eng/NEWS/SPEECHES/2007/s070626.htm>.

During this study, many witnesses nonetheless called for a review of the CRTC's 1999 New Media Exemption Order, and a number of cultural organisations argued that it should be revoked. The CRTC announced in June 2007 that it would conduct an extensive review of the impact of new media on broadcasting, telecommunications and the regulatory environment as part of its New Media Project Initiative. Although the review does not include an official review of the NMEO, it will be looking at the impact of Internet broadcasting (i.e., the delivery of audio and visual content over the Internet) on the traditional broadcasting system.

In October, Mr. von Finckenstein spoke about the New Media Initiative and the rapid change in the new media environment since 1999. He recognised the growth of broadband, real-time streaming of audio and video content, and the increase in user-generated content. He also noted the arrival of content aggregators, such as Joost and Babelgum, which have global ambitions for online content distribution. All of this is occurring in a context where advertisers are also migrating to new media platforms, and new business models are emerging.¹³⁷

Witness testimony and submissions dealt primarily with the need to ensure a place for Canadian cultural content on the Internet, as well as the predominant use of Canadian talent to create and produce any new content. Concerns were also raised that the NMEO was focused more on the market impact of new media than on their cultural impact.

The Directors Guild of Canada held that a review of the NMEO is overdue “and needs to be re-examined in light of the current state of broadcasting technology, the growth of unregulated broadcasting platforms, and the evolution of such regulation in other jurisdictions.” ACTRA similarly recognised the need for CBC/Radio-Canada to be competitive in technology, and called for Canadian content regulations to be extended to the Internet.

Dr. Phillip Savage of McMaster University submitted to the Committee that the NMEO presented an essentially economic argument that ignored the broader social and cultural objectives of broadcasting policy outlined in the Act. He noted that this distinction was made by the Industry Canada-appointed Telecommunications Policy Review Panel which “specifically pondered the importance of balancing the benefits of economic development in the Canadian new media sector with telecommunication providers’ social obligations to the public.”¹³⁸ The panel found, “In general, economic regulation should not be invoked to promote social objectives. Rather, these social objectives should be the subject of separate and specific obligations applying to all service providers.”¹³⁹ Dr. Savage

137 Von Finckenstein, K. <http://www.crtc.gc.ca/eng/news/speeches/2007/s071023.htm>.

138 Savage, Philip. Brief, May 10, 2007.

139 Government of Canada. *Telecommunication Policy Review Panel*, March 22, 2006. <http://www.telecomreview.ca/epic/site/tprp-gecrt.nsf/en/rx00057e.html>

recommended that this same distinction be made by the government and the CRTC in the broadcasting sector.

Witnesses generally recognised the challenges of regulating the Internet and mobile content, particularly in a way that will not stifle creativity. However, given the convergence of the telecommunications and broadcasting business lines, the Committee heard calls for contributions to the Canadian broadcasting system from all players involved in the delivery of cultural content. As CBC/Radio-Canada submitted to the CRTC Section 15 Report, “While it is undoubtedly impractical to attempt to regulate all types of broadcasting over the Internet, it is worth examining whether managed and subscription-based Internet broadcasting should also continue to be exempt.”¹⁴⁰

Alain Pineau of the Canadian Conference of the Arts likewise told the Committee that Internet service providers should also be required to contribute:

All people who provide cultural content on your cell phone, on the instrument on which you receive podcasts, on the Internet should be called upon to contribute the same way that broadcasters and cable operators currently contribute a portion of their revenue to talent development and to the television fund, among others.¹⁴¹

The need to re-examine regulation was also raised in the context of ensuring a place for Francophone culture on the internet. The Société des auteurs de radio, télévision et cinéma (SARTEC) suggested “transposing the objectives of section 3(d) of the *Broadcasting Act* ¹⁴² to the digital environment so that a regulatory and funding framework similar to that for the Francophone television market can ensure our cultural presence across the new media.”¹⁴³

The call by witnesses to extend Canadian content regulations to new media stands in contrast to the conclusions of the Dunbar-Leblanc Report, which found that traditional forms of regulation may not be effective in the Canadian new media environment. The authors note that the influx of foreign content is likely to increase, as users continue to access worldwide content “anytime, anywhere”.

Canadian broadcasters have operated in a protective regulatory environment, and technology such as “geo-gating” or “geo-blocking”, have extended some protections for Canadian distribution rights to the Internet. The report notes, however, that Canadian

140 CBC. Broadcasting Public Notice 2006 – 72, September 1, 2006, p.34.

141 Evidence, Standing Committee on Canadian Heritage, Meeting 45, 39th Parliament, 1st Session, March 27, 2007 10:00 a.m.

142 I.e.: “Encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by offering information and analysis concerning Canada and other countries from a Canadian point of view.”

143 SARTEC, Brief, March 19, 2007.

broadcasters could find themselves in competition with the very US programmes they purchase from US distributors if the latter should decide to sell Internet distribution rights separately. Market forces may thus continue to drive a Canadian presence on new media platforms.

The Dunbar-Leblanc Report argued against restrictive forms of regulation and in favour of incentives encouraging Canadian companies to carve out a space for themselves on the Internet, and facilitating the production of Canadian content for the Internet.

The CRTC Section 15 Report drew similar conclusions, noting that the NMEO does not preclude Canadian entities from undertaking online activities consistent with the objectives of the Act, and suggesting that “Incentive-based regulatory measures may ultimately be more likely to succeed in the emerging ‘open’ broadcasting system.”¹⁴⁴

The CRTC stated its openness to “incentive proposals designed to expand the scope or nature of such activities.”¹⁴⁵

Scott Hutton of the CRTC spoke to the Committee about the exemption situation, and the Commission’s recently renewed attention to new media. He noted the challenges to transposing the existing regulatory toolkit onto a world of on-demand type services, and the need to give consideration to “some form of incentive to produce Canadian content.” On the question of public policy intervention, he maintained that “Canadian stories are getting out, and Canadians can see themselves on these new media.” He remarked that where user-generated and short content are concerned, there is no need to regulate. The Commission found, however, that the same challenges exist for expensive, long-form Canadian programming in new media as are found in traditional broadcasting.

In the absence of regulation, the Committee heard that CBC/Radio-Canada online is seen as an effective safety net and policy instrument carving out a strong Canadian cultural presence in new media platforms.

[A]lthough it's a difficult nut to crack, this Committee will probably have to begin to think about ways to re-examine the blanket CRTC new media exemption. But [...] in the failure of a regulatory solution, we have at our disposal a way to fund Canadian presence in the new media environment through the CBC.¹⁴⁶

144 CRTC. *The Future Environment facing the Canadian Broadcasting System*, December 14, 2006, para 398.

145 Ibid, para 399.

146 Evidence, Standing Committee on Canadian Heritage, Meeting 58, 39th Parliament, 1st Session, May 10, 2007, 9:25 a.m.

RECOMMENDATION 2.7

The Committee notes the ongoing New Media Initiative undertaken by the CRTC. We recommend that, in its review, the Commission give consideration to the social and cultural, as well as the economic impact of internet broadcasting on the objectives of the *Broadcasting Act*.

RECOMMENDATION 2.8

The Committee recommends that, in its New Media Project Initiative, the CRTC give consideration to the role of public broadcasting and of CBC/Radio-Canada in particular, in the delivery of Canadian content across all platforms, and the extent to which public broadcasting should contribute to the development of a vibrant, sustainable Canadian programming environment.

Network Neutrality

The possible implications of the NMEO come to light in the context of the network neutrality debate. The convergence of broadcasting and telecommunications, where broadcast content is now delivered across telecommunications platforms, has resulted in debates about how traditional broadcasting policies and regulations should respond to the changing market structures and definitions.¹⁴⁷ One of the prominent regulatory debates arising from these changes is about network neutrality, broadly speaking the idea that all content delivered via broadband Internet networks should be treated equally by Internet service providers (ISPs).

While there is no single accepted definition, there is consensus among proponents that the concept of net neutrality includes the ideas that the owners of broadband networks should not control how consumers lawfully use their networks, and that Internet service providers (ISPs) should “treat all content and applications equally with no privileges, degrading of service or prioritization based on the content’s source, ownership or destination.”¹⁴⁸ The principle holds that the smallest independent blogs should be viewed as quickly and easily as the largest corporate Web sites.

Net neutrality regulations have taken on new urgency as media industries have witnessed a wave of large-scale mergers that have left an increasingly small number of large corporations in control of the broadband networks reaching consumers’ homes. Many

147 See OECD. *Communications Outlook 2007*, OECD Publishing 2007; and OECD. *Participative Web and User-Created Content*, OECD Publishing 2007.

148 Geist, M. www.neutrality.ca; See also Gilroy, A.A. *Net Neutrality: Background and Issues*, Congressional Research Service, December 20, 2007. <http://ftp.fas.org/sqp/crs/misc/RS22444.pdf>

of these same businesses have diversified into the ownership and delivery of video content. This, it is argued, has created an unprecedented threat to online competition and makes vulnerable the principles of openness and innovation upon which the Internet has thrived.¹⁴⁹

Network non-neutrality could have significant consequences for CBC/Radio-Canada since it is not in a position to respond to market changes through convergence on a sufficiently large scale. It depends on the owners of digital infrastructure for the delivery of its content over broadband and wireless networks in its bid to remain relevant to Canadians. In this sense, there can be no doubt that ISPs play a growing role in the delivery of Canadian content to all Canadians, and to the world.

As more and more Canadians use the Internet to access news, information and video content, non-discriminatory access to the Internet becomes an important element of Canadians' access to the services of their national public broadcaster. If the Internet evolves into a multi-tiered network, where content providers pay for different levels of service, the possible degradation of its content and services, or the requirement to pay additional fees for their online delivery, would put the Corporation at a significant competitive disadvantage and undermine its ability to meet its mandated goals.

The issue of access is therefore no longer restricted to the creation of programming, but also includes the means of delivery. Given the changes to the media environment in which CBC/Radio-Canada is operating, CRTC decisions with respect to both telecommunications and broadcasting policy will therefore have direct consequences on the future accessibility of CBC/Radio-Canada services.

The Committee heard from witnesses who discussed the need to ensure that all content is treated equally by Canadian ISPs, many of which also act as broadcast distribution undertakings (BDUs), whose broadcast activities are regulated.

Phillip Djwa, President of Agentic New Media, of BC, told the Committee that he believes "it would be a mistake to allow the telecommunication providers in Canada to charge a levy and then use that to essentially eliminate net neutrality." He suggested that ISPs could generate a fund to provide grants to content providers, as is done in broadcasting.¹⁵⁰

149 See, for example, GOC, Telecommunications Policy Review Panel 2006. Ottawa, March 2006; Commission of the European Communities, *Proposal for a Directive of the European Parliament and of the Council*. Brussels, November 2007; OECD. *Participative Web and User-Created Content*, USA 2007, <http://213.253.134.43/oecd/pdfs/browseit/9307031E.PDF>; and FCC. *FCC Adopts Policy Statement on Broadband Internet Access*. August 5, 2005. http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-05-151A1.pdf and FCC 05-151, http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-05-151A1.pdf

150 Evidence, Standing Committee on Canadian Heritage, Meeting 41, 39th Parliament, 1st Session, March 14, 2007, 11:25 a.m.

CBC/Radio-Canada raised this issue with the CRTC in its submission to the CRTC report on Section 15 of the *Broadcasting Act*. In discussing the business case for Internet video, it commented on incentives for suppliers of broadband connections to control the bandwidth available for video.

Canadian cable companies engage in “bandwidth shaping”, which allocates different levels of transmission capacity to different services according to the operational preferences of the company. This type of bandwidth shaping can ensure efficient use of transmission capacity. It can also ensure that Internet video by third parties does not become a threat to the business of the cable company, whether it be the delivery of traditional television programming to cable subscribers, VOD or the distribution of cable company-owned Internet video services.¹⁵¹

As one telling example, the British Broadcasting Corporation was threatened with bandwidth shaping in August 2007 because of the launch of its iPlayer. The iPlayer allows viewers to download BBC programming on a seven-day catch-up basis and watch it within 30 days. British television channels Channel 4 and ITV have also launched internet players, as have Joost and other internet only broadcasters. The BBC was targeted, however, because it was expected to be the most popular and therefore the most costly to ISPs. British ISPs called for the BBC to share the costs or they would limit the amount of bandwidth available to the public broadcaster.¹⁵²

Canadian ISPs have admitted to practices such as traffic prioritization, network management and bandwidth shaping, according to their operational needs.¹⁵³ This amounts to prioritizing certain types of low bandwidth uses of the network, such as email and surfing, over high bandwidth usage, such as video streaming and downloading. It is becoming more common as more Canadians use the Internet for activities that require large amounts of bandwidth — video streaming and downloading, and peer-to-peer file sharing, for example. Proponents of net neutrality argue that such practices will give too much unchecked power to ISPs over the operation of and access to the Internet and its content, as evidenced by the experience of the BBC.

The corporatisation of the Internet was seen by some witnesses as a force that could disadvantage public interests. Thom Tapley told the Committee that it is a mistake to think that the Internet cannot be locked down:

I fear that at some point in the future, the system — the model that's in place right now — will try to replicate itself, meaning a very few interests control the pipe into your home,

151 CBC, Broadcasting Public Notice CRTC 2006-72, Comments of the CBC/Radio-Canada, September 1, 2006, p 19-20.

152 See, for example, “ISPs warn BBC over iPlayer bandwidth use”, *The Guardian*, August 13, 2007; “ISPs warn BBC over new iPlayer service”, *The Financial Times*, August 12, 2007.

153 See, for example, O'Brien, G. “Net Neutrality: Videotrong CEO calls for Internet transmission tariff”, 1 November 2006, www.Cartt.ca; McLean, C. “Telecommunications dogged by costs,” *The Globe and Mail*, June 13, 2007; and *Canadian Press*, “Battle over net neutrality arrives in Canada” 2 November 2006

and it's a one-way dialogue: you receive content, not the two-way dialogue that is currently available through the Internet. [...] You can lock it down. It's a form of distribution. It's not [being done] yet, but it may be in the future, and my fear is that it will be.¹⁵⁴

Section 3(1)(t)(i) of the *Broadcasting Act* states that distribution undertakings “should give priority to the carriage of Canadian programming services and, in particular, to the carriage of local Canadian stations”.¹⁵⁵ This protection does not extend to new media activities. Assuming consensus about the modern realities of the public broadcaster, the delivery of CBC/Radio-Canada online content and services must not be less than that of other broadcasters. CBC/Radio-Canada cannot acquire the means of distribution, nor does it therefore benefit from the scale of private Canadian media companies that own both content and broadband distribution networks.

It is interesting to note that the March 2006 report of the Telecommunications Policy Review Panel called for net neutrality regulations, although the final report largely called for deregulation and a reliance on market forces.

The Committee agrees that non-discriminatory access by Canadians to CBC/Radio-Canada online content and services is necessary to the fulfilment of the role of our national public broadcaster in the digital age.

RECOMMENDATION 2.9

The Standing Committee on Canadian Heritage recommends that the CRTC, as part of its New Media Project Initiative, consider the need to protect the neutrality of carriage of Canadian public broadcasting content, and of CBC/Radio-Canada content specifically, over new media platforms.

RECOMMENDATION 2.10

The Committee recommends that Canadian Internet services Providers be encouraged to voluntarily embrace the spirit of Section 3(1)(t)(i) of the *Broadcasting Act* in their approach to Canadian public broadcasting content delivered over the Internet.

154 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 14, 2007 (1605).

155 *Broadcasting Act*, 1991, <http://laws.justice.gc.ca/en/showtdm/cs/B-9.01>

CBC/Radio-Canada and Digital Transition

Digital transition involves the conversion of the production, broadcasting and transmission of television programming from analogue to digital form. The transition from analogue to digital television (DTV) transmission and high-definition television (HDTV) will provide Canadian audiences with more choice and an enhanced viewing and listening experience. For broadcasters, BDUs and the increasing number of players involved in content delivery, analogue shut-off (ASO) means the end of spectrum scarcity and new opportunities for creative, non-linear and interactive programming.

Digital broadcasting is up to six times more efficient than analogue, creating what has been termed the “digital dividend”. The superior spectrum efficiency clears the way for new wireless services, HD channels, minority interest channels, and other innovations.¹⁵⁶ Thus, industry experts argue that the transition to digital has the potential to pay social, cultural, and economic dividends.

That said, private and public broadcasters in Canada have cited the absence of a strong business case for conversion to HDTV programming. The significant expense of upgrading production facilities and transmission infrastructure and the absence of foreseeable new revenue streams have driven support for a market-based approach to digital transition in Canada. The CRTC, with support from industry stakeholders, determined that a “voluntary, market-driven transition model, without mandated deadlines, is the most appropriate approach in Canada.”¹⁵⁷ The *OECD Communications Outlook 2007* reports that only two countries, Luxembourg and Canada, have explicitly mentioned the market as the defining parameter for the date of the switch-off.¹⁵⁸ Canada’s approach therefore stands in contrast to the majority of countries that are more advanced in the transition to DTV.

The CRTC-commissioned report, *Digital Transition Strategies in a Number of Different Countries*, reviewed the development of government policy aimed at moving from analogue over-the-air (OTA) service to digital television transmission (DTT). The study found a number of common indicators among the most successful plans:¹⁵⁹

156 Ofcom. *The Ofcom Digital Dividend Review*.

<http://www.ofcom.org.uk/radiocomms/ddr/documents/ddroverview/>

157 CRTC, Broadcasting Public Notice CRTC 2002-31, June 12, 2002

<http://www.crtc.gc.ca/archive/ENG/Notices/2002/pb2002-31.htm>

158 Organisation for Economic Co-Operation and Development. *OECD Communications Outlook 2007*. OECD 2007. Since September 2006, Luxembourg (with more than 95% cable households) is the first country to have completed the switch-off process.

159 McEwen, Michael. *A Report to the CRTC on Digital Transition Strategies in a Number of Different Countries*, September 1, 2006.

- a dedicated organisational body to oversee and coordinate the transition, made up of a balance of relevant government departments and private and public industry representatives;
- a well-defined and well-financed legislative/regulatory framework, with input from all shareholders, including the government, broadcasters, regulators and transmission companies;
- firm or obligatory ASO dates;¹⁶⁰
- milestones for the roll-out of digital services and obligatory switch-off dates.

In Canada, no official organisational body has so far been mandated to oversee the transition to digital television services. The CRTC has set August 31, 2011, as the planning date for the shutdown of over-the-air (OTA) analogue television transmission, or analogue shut-off (ASO), but no firm or obligatory dates have been set.

Under the Commission's 2003 framework for the distribution of over-the-air digital signals, priority will continue to be given to the carriage of over-the-air Canadian digital television signals. BDUs will be required to carry both the analogue and digital versions of priority services until at least 85% of their subscribers are capable of receiving digital services. At the time of writing, no industry deadline for the transition to HD programming and no mandatory quotas of HD programming have been set.

The CRTC study notes that the Canadian industry decided a two-year lag would yield savings in early adoption costs for broadcast, production and consumer equipment, and that Canada has in fact profited from that decision. However, it is now estimated that Canada is at least two to four years behind the US, and possibly more.¹⁶¹ The mounting pressure on Canada to move to digital derives in part from Canadian broadcasters' need to compete with their counterparts in the US, where February 17, 2009, is the mandated DTV transition deadline.

As the Committee heard from Scott Hutton of the CRTC:

I would have to agree with the proposition of the CAB that if Canada does not provide high-quality television services, in this case HD, Canadians will watch HD from other countries. So it's very important that we remain at the forefront and offer Canadians those choices.

160 Firm: an agreed target set after intensive industry/government consultation usually accompanied by a timetable and strategy. Obligatory: an announced date by government and made obligatory by law.

161 McEwen, 2006. See also CRTC, *The Future Environment Facing the Canadian Broadcasting System*, December 14, 2006.

[...] Canada chose to have a market-based approach to the transition to digital and the transition to HD. This market-based approach has left us behind. We are, at the very least, two years behind, and some interveners have suggested [...] that we're four years behind.¹⁶²

Industry experts have identified this imbalance as a further threat to maintaining viable Canadian programming for Canadian audiences. As Canadians adopt HD technology, it is expected that they will increasingly turn to foreign HD programming.¹⁶³ HDTV household set adoption in Canada appears to be happening faster than predicted. The Consumer Electronics Marketers of Canada (CEMC) reported 33% of Canadian households had an HD set in 2006, which earlier analysts predicted would be about 22%.¹⁶⁴ Going forward, the CEMC estimates penetration of 48% of households by the end of 2007, whereas earlier CBC forecasts predicted 39% by 2008 and 52% by 2010.¹⁶⁵

The increased take-up rate is expected to continue with price erosion of digital technologies and closer proximity to the August 2011 planning date, and is on par with Americans' adoption of HDTV. This contrasts, however, with the rate at which Canadians are subscribing to HD services.¹⁶⁶ The CRTC, the Canadian Association of Broadcasters (CAB) and High Fidelity HDTV Inc. have all reported a stall in HD penetration caused by a disjunction between HD television ownership (17%) and HD distribution (3%). The CRTC reported approximately 385,000 subscribers to discretionary HD services via cable and satellite as of spring 2007, with virtually no OTA viewing. Analysts predict this will shift as Canadians become more familiar with HD, and more Canadian services become available.¹⁶⁷

The slow take-up of HD services suggests there is still a window in which Canadian broadcasters can act. In the interim, the comparatively small amount of original Canadian HD priority programming available in prime time is giving new life to concerns over the influence of US programming on Canadian viewing habits.

162 Evidence, Standing Committee on Canadian Heritage, Meeting 43, 39th Parliament, 1st Session, March 20, 2007, 9:35 a.m.

163 See, for example, Evidence, Standing Committee on Canadian Heritage, Meeting 58, 39th Parliament, 1st Session, May 10, 2007 9:30 a.m. CBC, Broadcasting Public Notice CRTC 2006-72, September 1, 2006; CRTC, *The Future Environment Facing the Canadian Broadcasting System*, December 14, 2006.

164 Consumer Electronics Marketers of Canada (CEMC). *2007 Consumer Electronics Market Trends and Forecasts*; CRTC, December 14, 2006;

165 CBC. *Making a Place For All Canadians: Public Broadcasting In the Digital Era*. Summary of CBC/Radio-Canada's Corporate Plan 2006-2007 to 2010-2011.

166 HD television sets require an HD receiver. HD sets sold in the US are obliged to include an OTA tuner for digital TV. All sets must be compliant by July 1, 2007. See US FCC or CBC, *Meeting the Digital Challenge*, September 22, 2005.

167 See CRTC, *The Future Environment Facing the Canadian Broadcasting System*, December 14, 2006; CRTC. *Broadcasting Policy Monitoring Report*, July 2007.

Current Situation

CBC/Radio-Canada is currently working toward HD/DTV conversion using a phase-in plan and existing funding. It has submitted that, given current funding levels, its phase-in plan will not enable it to make a full transition to HD/DTV by August 31, 2011. Mr. Rabinovitch indicated to the Committee that a more aggressive re-allocation of its resources toward the HD initiative would compromise other assets and programming priorities.

CBC/Radio-Canada operates a network of more than 600 analogue TV transmitters. To maintain services, both the analogue and a new digital transmission infrastructure will need to be supported at a significant cost to the Corporation for a number of years.¹⁶⁸

Over the past two years, CBC/Radio-Canada has made \$27.5 millions in initial HD/DTV investments in both production standards and transmission of programming. At the time of writing, the CBC has reported the following accomplishments in advancing its plans:

- SRC, Montreal: The sixth HD studio was to be completed in September 2007. It is anticipated that seven of eight non-news production spaces at Radio-Canada will be HD-compatible in the next three years
- CBC, Toronto: One production and one news studio are HD capable, leaving five control rooms to be converted. It is anticipated that one additional studio will be converted to HD in the next three years; however, this does not include the network production studios in Vancouver and Halifax;
- French television: 36% of overall schedule in HD; 49% in prime time;
- English television: 36% of overall schedule in HD; up to 75% in prime time;
- eight DTV transmitters in place and operational.¹⁶⁹

168 CBC. Meeting the Digital Challenge: CBC/Radio-Canada's HDTV Acceleration Plan, September 22, 2005.

169 In Toronto, Montreal, and Ottawa, both English- and French-language television services are being broadcast in digital format. In Quebec City, SRC TV, and in Vancouver, CBC TV, are also being broadcast in digital format.

No further investments in additional DTV transmitters or in the conversion of their distribution system to HDTV are planned in the next four years with existing funding. The emphasis for investment going forward is in production facilities.¹⁷⁰

Meeting the Digital Challenge: CBC/Radio-Canada's HDTV Acceleration Plan

According to CBC/Radio-Canada, "As of April 1, 2008 the full cost of converting/upgrading [the] remaining production facilities at the regional and network level, in a manner that supports HD production, is \$550 million."¹⁷¹ An additional \$50 million is required to achieve the proposed hybrid DTV transmission/distribution model (discussed in detail below). The Corporation's current plans to the end of fiscal 2011-2012, based on existing funding levels, will achieve \$128 million of the remaining \$600 million (\$550M + \$50M) HD/DTV investment required.

Recognising that the total conversion of its facilities will not be achieved by 2011, CBC/Radio-Canada put forward an accelerated five-year plan in 2005 at the invitation of the Department of Canadian Heritage (PCH). To date, the Corporation has not received any response from PCH.¹⁷²

Meeting the Digital Challenge: CBC/Radio-Canada's HDTV Acceleration Plan provides for complete prime-time delivery of HD programming over five years. In summary, the *Acceleration Plan* proposes:¹⁷³

HD Programming

- 100% prime-time viewing for 80% of Canadians by 2011;¹⁷⁴
- English television (ETV) airing 1,460 hours in prime-time;
- French television (FTV) airing 1,460 hours in prime-time;

Transmission and distribution

- Over-the-air service to 80% of Canadians

170 Rabinovitch, R. Letter submitted to the Standing Committee on Canadian Heritage, September 14, 2007.

171 Ibid.

172 CBC. *Meeting the Digital Challenge: CBC/Radio-Canada's HDTV Acceleration Plan*, September 22, 2005.

173 Ibid.

174 The plan does not include network programming outside prime time, regional programming or newsgathering.

Required investment:

- Total of \$193 million in capital costs, averaging \$39 million per year for five years;
- Total of \$195 million in operational costs over five years, starting with an annual increase of \$19 million and ramping up to \$52 million annually.

The *Acceleration Plan* is predicated upon three key points:

1. CBC/Radio-Canada believes that transition to HDTV is an important issue for the future of Canadian programming and a sound public policy investment. “The short term challenge is to provide quality HD programming to keep pace with Canadians’ adoption of new technologies and the availability of competing foreign HD signals.” Their research shows that the adoption of HDTV will replace, not complement, analogue and low-definition digital television. The urgency for Canadian HD programming is therefore exacerbated by the February 2009 US analogue switch-off date, and the fact that “nearly every US broadcaster has converted to HDTV.”¹⁷⁵
2. CBC/Radio-Canada research shows that fewer than 14% of Canadians receive television signals off-air.¹⁷⁶ The penetration rate for Off-air television viewing is continuing to decline. In light of this reality and given current funding, it is neither feasible nor fiscally responsible to replace all of the Corporation’s current analogue transmitters with digital ones. A hybrid plan is therefore proposed to the transition to digital television broadcasting.
3. The core challenge for CBC/Radio-Canada in the transition to HD/DTV is funding. Existing resources will not support the full cost of converting the remaining production facilities in a manner that supports HD. The CBC/Radio-Canada capital budget base is about \$100M annually. Over-committing resources to accelerate the transition to HD/DTV would put other corporate assets at risk.¹⁷⁷ Approximately \$40M per year is available to address English and French television production and presentation demands, of which HD is but one component.¹⁷⁸

175 CBC. *Meeting the Digital Challenge: CBC/Radio-Canada’s HDTV Acceleration Plan*, September 22, 2005.

176 “Off-air² is the free reception of OTA television signals

177 Rabinovitch, R. Letter to the Standing Committee on Canadian Heritage, September 14, 2007.

178 CBC. *CBC/Radio-Canada’s HDTV Acceleration Plan*, September 22, 2005, p. 37.

In keeping with the first point, the table below shows the limited availability of original HD programming. CBC/Radio-Canada has argued that “English-language private broadcasters will rely on US programming to fill their HDTV schedules,”¹⁷⁹ given that the vast majority of their prime-time schedules are already available from US broadcasters in HD. Indeed, the recently published Dunbar-Leblanc Report emphasised the market’s failure to generate original Canadian priority content, and the need for more “effective measures to incent the exhibition of Canadian content during peak viewing periods where market forces will not achieve this goal.”¹⁸⁰

With the transition to HD/DTV, this imperative of the *Broadcasting Act* becomes more pronounced given the premium attached to producing HD content, and the stated reluctance of broadcasters to invest where no new revenue streams will be generated. It is worth remembering that these extra costs occur in tandem with fragmented audiences and the concomitant higher risk of investment in high-quality Canadian dramas that are less likely to draw large audiences.¹⁸¹ “CBC/Radio-Canada faces the largest financial challenge due to volume of Canadian programming.”¹⁸² As can be seen in the table below, in 2006 CBC/Radio-Canada was the only conventional broadcaster that offered 100% original HD programming.

179 Ibid.

180 Dunbar, L. and Leblanc, C. *Review of the Regulatory Framework for Broadcasting Services in Canada*. August 31, 2007, p.xiii.

181 CRTC, Presentation to the SCCH, March 20, 2007.

182 CBC. *CBC/Radio-Canada’s HDTV Acceleration Plan*, September 22, 2005, p.30.

Tab. 7: High definition offering of Canadian programming		
	Weekly average of HD hours	Original
Conventional television		
CBC	8.25	100%
CHUM	11.5	17%
CTV	2.3	57%
Global	10	55%
SRC	6	100%
Pay and specialty services		
Discovery HD	75	0%
Movie Central	42	7%
Movie Pix	11	9%
Raptors	25	100%
TMN	53	4%
TSN	10	60%

Source: Table 3.13 from the 2006 *Broadcasting Policy Monitoring Report*




The Dunbar-Leblanc Report found that the “economic incentives associated with simultaneous substitution appear to dictate, to a very large extent, the peak period programme schedules of the English language commercial OTA television broadcasters, ensuring that foreign content is prominently displayed during peak viewing periods.”¹⁸³

The CBC/Radio-Canada *HDTV Acceleration Plan* provides evidence that this trend is likely to continue in HD/DTV. The United States ASO date of February 11, 2009, means that their broadcasters are much further advanced in the switch to digital. All the major broadcasters, public and private, have switched to digital signals and offer HD

183 Dunbar, L. and Leblanc, C. *Review of the Regulatory Framework for Broadcasting Services in Canada*, August 31, 2007, p.xiii.

programming. As the CBC chart below demonstrates, based on the fall 2005 offerings, nearly the entire prime-time schedule of private Canadian broadcasters is already available in HD.

Figure 9
Fall 2005 Base Schedules

		US programs available in HD						
	Hrs	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
	8	Corner Gas Degrassi	Close to Home / American Idol	Invasion	The O.C.	Ghost Whisperer	Cold Case	The West Wing
	9	Medium	The Amazing Race	Lost / American Idol	C.S.I.	Nip/Tuck	CrimeTime Saturday	Desperate Housewives
	10	C.S.I. Miami	Law & Order: SVU	CSI:NY	ER	Inconceivable	The Sopranos (Season 5)/ Sue Thomas FB. Eye	Grey's Anatomy
	8	Arrested Development Kitchen Confidential	Bones	The Apprentice: Martha Stewart	Survivor : Guatemala	Malcolm in the Middle Malcolm in the Middle	Wild Card	The Simpsons The War at Home
	9	Prison Break	House	E-Ring	Apprentice	Threshold	Blue Murder	Family Guy American Dad
	10	Regenesis	Gilmore Girls	The Closer	Without a Trace	NUMB3RS	Code Name Eternity	Crossing Jordan
	8	Stargate SG-1	The Collector	America's Next Top Model	Everybody Hates Chris	Three Wishes	Star! Daily Speakers Corner	8 Stories about Love
	9	Monday Night Football	Supernatural	Great Movies*	Great Movies*	Great Movies*	Great Movies*	Great Movies*
	10		Wanted	Great Movies*	Great Movies*	Great Movies*	Great Movies*	Great Movies*

* Assumes movies are American and available in HD

* Available in HD, but HD rights may not yet have been bought by Canadian private broadcasters.

Source: CBC. *HDTV Acceleration Plan, 2005*

As time goes on, US HD content is likely to be more available, not less. This creates a particular challenge for the CBC. "Since the vast majority of our programming is Canadian we do not benefit from the relatively inexpensive purchase and simulcasting of US programming that is already in HD."¹⁸⁴ As mentioned, a more aggressive reallocation of resources toward the HD initiative would adversely affect the Corporation's other assets and programming priorities.

CBC/Radio-Canada Hybrid Plan for Over-the-Air Digital Transmission

Regarding the replacement and/or upgrading of CBC's current system of 600 OTA transmitters, a hybrid DTV transmission/distribution plan has been proposed as part of the

184 Rabinovitch, R. Letter to Standing Committee on Canadian Heritage, July 4, 2007.

Acceleration Plan. It is based on research that indicates a decreasing number of Canadians who rely on OTA transmission to receive their television signals. The key points of the plan are:

- installing 44 digital OTA transmitters in key markets to reach 80% of Canadians;¹⁸⁵
- reaching approximately 30 markets in major and non-major centres with high OTA reception levels.

The hybrid plan has been the source of some concern to Canadians because it effectively eliminates the principle of universal access to CBC/Radio-Canada. Many Canadians still rely on over-the-air transmission to receive their television signals. A number of witnesses argued that Canadians should not be required to pay to receive the signals from their public broadcaster. Notwithstanding the downward trend in OTA services, one of the biggest social challenges from digital transition is the possibility of a widening digital divide, whereby access to information and communications technologies is divided along, for example, socio-economic or urban-rural lines. The question of access is discussed further in the next section.

Issues and Challenges : Universal Access

Universality of access must remain the CBC's fundamental principle. During the transition period, the CBC signal must continue to be available over the air, especially to smaller communities. As over-the-air transmission becomes less sustainable, obligations will have to be placed on satellite providers to carry the full complement of the CBC's programming. To that end, I want to reiterate the recommendation made by this Committee in 2003: the government, by Order in Council, should direct the CRTC to require Canada's direct-to-home satellite providers to carry the signals of all local television stations of the CBC and Radio-Canada.

Graham Fraser, Commissioner of Official Languages,
March 20, 2007.

The strongest objection to the proposed CBC/Radio-Canada hybrid plan came from citizens and organisations concerned about maintaining the principle of universal access upon which public service broadcasting is founded. Notwithstanding the downward trend in reliance on off-air signals, more than three million Canadians continue to rely on free over-the-air signals to receive television services. That is to say that they do not subscribe to satellite or cable services of any kind. Given that analogue cable still accounts for approximately 50% of OTA household penetration, about half of Canadians will be affected

185 Proposed number of transmitters and reach reported varies from 40 to 44 transmitters reaching 80-85% of Canadians. The most recent CBC correspondence of September 14, 2007 called for 44 transmitters reaching 80% of Canadians.

as the CBC/Radio-Canada phases out its analogue transmitters and Canada switches over to digital television. This includes large portions of CBC/Radio-Canada's audiences and viewers of Canadian programming.

- off-air¹⁸⁶ tuning represents approximately 16.5% of CBC/Radio-Canada's total audience, including as much as a fifth of their audience in some major markets¹⁸⁷
- off-air penetration rates in large centres in Francophone Quebec still account for nearly one quarter of viewers. Over-the-air viewers spend 40% of their time watching Canadian programmes, as compared with 29% of digital cable subscribers
- analogue cable subscribers spend 31% of their time watching Canadian programmes
- an increase in the total amount of television programming available to Canadians from digital offerings has not netted an increase in the viewing of English-language television (ETV) in Canada.

Tab. 8: Satellite, Cable and Off-air Penetration Rates %						
	Canada Excluding Quebec			Francophone Quebec		
	Satellite	Cable	Off-Air	Satellite	Cable	Off-Air
Area Population						
1,000,000 +	14%	77%	8%	18%	59%	23%
100,000 - 1,000,000	22%	67%	10%	19%	69%	12%
50,000 - 100,000	39%	52%	9%	31%	60%	9%
< 50,000	50%	37%	13%	40%	50%	10%

Source: BBM Fall 05 / Spring 06, Nielsen 05-06
(CRTC, *The Future Environment Facing the Canadian Broadcasting System*, December 2006)

186 "Off-air": free over-the-air television signals that can be picked up without a cable or satellite subscription.

187 CBC. *A New Framework for Canadian Television: Comments of the CBC/SRC*, Broadcasting Notice of Public Hearing CRTC 2006-5, September 27, 2006.

As the CBC/Radio-Canada research shows, more Canadians are switching to cable and satellite services, which will allow them to receive its digital signals. Once analogue signals stop transmitting, households with analogue television sets will be required either to: (1) buy a digital-to-analogue set-top-box (STB) to convert the signals; (2) purchase a digital television or an analogue television equipped with a digital tuner; or (3) subscribe to cable, DTH satellite or telephone company television services, which will likely provide for the conversion of digital signals to their analogue customers.¹⁸⁸

Research shows that certain vulnerable populations — seniors, fixed- and low-income households and small and rural communities — are likely to be hardest hit by the reduction in service. The CRTC pointed to some of these challenges in its review of OTA television, finding that citizens “will be forced to upgrade their television sets at some cost in order to continue to receive the services they currently enjoy,” and noting the US subsidy programme in place “for households that rely on OTA television reception and that have not upgraded their analogue equipment to digital or have not purchased an integrated digital set.”¹⁸⁹

In both the US and the UK, the problem of access has been partly addressed through a public subsidy of digital-to-analogue converter boxes. The UK subsidy (more than CAD\$1.2 billion) is limited to particular disadvantaged, low- and fixed-income groups, whereas the US subsidy (more than CAD\$1.5 billion) is available to “any and all requesting US households”.¹⁹⁰ These programmes are seen to reaffirm the social and cultural importance of broadcasting, both public and private. The Committee heard from witnesses who recommended that the Government of Canada also give consideration to a subsidy programme so that all Canadians will continue to have free access to their publicly-funded national broadcaster.

The CRTC likewise noted the burden of digital transition for some groups of Canadians, “particularly where they do not have access to replacement digital OTA services and the only alternative is a user-pay cable or DTH subscription.”¹⁹¹ The Commission suggested the possibility of maintaining analogue services to some northern and remote communities. This would run counter, however, to international findings on digital transition, including concerns over a growing digital divide and the benefits of the digital dividend. The economic benefits in particular are dependent upon a complete transition to digital transmission.¹⁹² Moreover, requiring CBC/Radio-Canada to continue transmitting both analogue and digital signals in some areas for an indefinite period

188 Kruger, L. *CRS Report for Congress: The Transition to Digital Television: Is America Ready?* Congressional Research Service, September 7, 2007.

189 CRTC, Broadcasting Public Notice CRTC 2007-53, para 76.

190 Kruger, L. *CRS Report for Congress*, p. 5.

191 *Ibid.* para 77.

192 See, for example, Kruger, L. 2007 and Ofcom, *Digital Dividend Review*. OfCom estimates the total value to consumers and businesses over 20 years at £5-10 billion. The US intends to use proceeds from the digital dividend to offset the STB subsidy.

following ASO would impose an additional financial burden on the Corporation and tie up resources that could be used elsewhere, such as making programmes.

A Canary in the Coal Mine

The first community to lose free access to CBC/Radio-Canada television may serve as a “canary in the coal mine” for the public’s reaction to the possible loss of public broadcasting services from digital transition.

In February 2006, as Canadians recovered from the excitement of the Turin Olympic, Kamloops transmitters stopped broadcasting CBC television service over-the-air. The day after the Olympic flame was extinguished, so was access to CBC television for thousands of residents of Kamloops (pop 82,000) who had relied on rabbit-ears for their viewing. It was a surreal experience realizing that something we’d all taken for granted — free access to the CBC — was no longer a possibility.

It has been suggested to the Committee that CBC/Radio-Canada’s actions in Kamloops amount to tacit approval by the CRTC for the Corporation to discard the public policy goals served by the principle of universal access.

As it turns out, the CBC is already beginning to implement a hybrid plan with a nod from the CRTC. Earlier this year, the CBC affiliate in Kamloops [...] ended its relationship with the public broadcaster to take up with CanWest global [sic]. Arguing that it did not have the money to put up its own transmitter in Kamloops, and that only a small minority rely on over-the-air reception anyway, the CBC was allowed to stay off the air in Kamloops.¹⁹³

If Kamloops is any indication, Canadians are not likely to accept the coming loss of Canadian content and perspective:

In answer to that question about what would happen if the CBC was gone tomorrow, it is gone in our community. What we have now, if we drift past the television and we turn it on, is a constant barrage of Botox, liposuction, gunfights, things that aren't part of my community or most communities. [...] The news [...] doesn't have the depth and the research that we're accustomed to with the CBC. In essence, you start to slide into the American umbrella. We don't like to point a finger, but that's the reality of not having that Canadian content. All we get are *Entertainment Tonight* and American dramas all night long. There is very little Canadian content. The Canadian content is *Entertainment Tonight Canada*. Great. That's it, in our town of 82,000 people.¹⁹⁴

The Committee heard that Canadians are very concerned that the proposed hybrid plan will do more than circumvent the requirement for CBC/Radio-Canada “to go back to

193 Canadian Media Guild, Submission to the Standing Committee on Canadian Heritage, February 26, 2007. p.11.

194 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 14, 2007, 2:45 p.m.

the model that was put in the Seventies of having transmitters in all communities of 500 or more.”¹⁹⁵ Rather, it has been suggested that the plan may extend to eliminating television service to any community of any size that is deemed too expensive.

The Canadian Media Guild, as one example, also raised the fact that free-to-air digital signals of public service broadcasters have been maintained in other countries throughout the world as a matter of public policy.

While the CRTC agreed with CBC/Radio-Canada’s conclusion that there “may be no business case for providing digital OTA service” to rural and remote areas, they also noted the benefits of maintaining OTA transmission facilities for Canadians rather than relying solely on BDUs for the distribution of digital/HD programming:

- There is no cost to viewers, so accessibility is provided to low income households and households with low levels of television viewing
- It can offer Canadian alternatives to viewers who continue to rely on OTA television reception and have access to US OTA border stations
- The quality of digital signals delivered by OTA transmitters is excellent.¹⁹⁶

Access to local CBC/Radio-Canada stations was also identified as a problem for individuals who subscribe to DTH (satellite) services. Those services “do not transmit to all local stations,” which means that even Canadians who subscribe to satellite services may no longer receive their local CBC/Radio-Canada stations. This may be a particular problem for “members of minority language communities [that] may not have access to the local Radio-Canada services that are fundamental to their development.”¹⁹⁷

Given its mandate and public funding, the issues raised present a challenge for the implementation of the CBC/Radio-Canada hybrid plan. That said, CBC/Radio-Canada claims that only 1% of Canadians who currently receive its OTA television services will need to find an alternative distribution method. Currently 99% of Canadian households can receive CBC/Radio-Canada television services through its OTA national transmitter network, at no cost.¹⁹⁸

195 Robert Rabinovitch, quoted in the submission from the Canadian Media Guild.

196 CRTC, Broadcasting Public Notice CRTC, 2007-53, para. 68.

197 Evidence, Standing Committee on Canadian Heritage, Meeting 43, 39th Parliament, 1st Session, March 20, 2007, 10:15 a.m.

198 CBC. *Meeting the Digital Challenge: CBC/Radio-Canada’s HDTV Acceleration Plan*, September 22, 2005.

Overall, witness testimony and submissions to the Committee supported maintaining existing levels of service as CBC/Radio-Canada makes the transition to HD/DTV.

As a national public broadcaster, CBC/Radio-Canada should exercise leadership in over-the-air HD broadcasting, setting the example for the country's private broadcasters. CBC/Radio-Canada should provide high-definition conventional television, free of charge, to all Canadians without exception.¹⁹⁹

RECOMMENDATION 2.11

The Committee recommends that CBC/Radio-Canada submit a revised plan for the conversion of its current system of OTA transmitters that includes options for possible partnerships and costing to extend its digital transmission signals free-to-air to all Canadians who currently receive its analogue transmission signals.

Priority Programming

Canadian drama and entertainment programming is a strategic priority in the CBC/Radio-Canada Corporate Plan for 2006/2007–2010/2011. This priority is echoed in objectives of the CBC/Radio-Canada *HDTV Acceleration Plan*, which emphasises the dearth of original Canadian HD programming available in prime time, and the dominance of American programming in Canadian television schedules. The near total conversion of US broadcasters to HD shows, the advanced state of digital transition, and the number of US HD channels already available, make the challenge for CBC/Radio-Canada greater in English television (ETV) markets than in French television (FTV) markets.

The audience share for FTV continues to be relatively strong and is on a par with most national PSBs in developed countries. That said, the Dunbar-Leblanc Report commented that in the current digital media broadcasting environment, FTV may not escape the temptation of inexpensive broadcast rights to US shows. The *Acceleration Plan*, as well as the ongoing phase-in plan, is configured to build on FTV's successes by making Canadian HDTV available to those audiences. However, the urgency described in the *HDTV Acceleration Plan* is driven in large part by the continued erosion of audiences for Canadian programming, which in turn is caused by a lack of English language *priority* HD programming to compete with foreign content.²⁰⁰ As such, the Corporation's plan seems to have some inconsistencies.

199 Evidence, Standing Committee on Canadian Heritage, Meeting 62, 39th Parliament, 1st Session, May 25, 2007, 10:45 a.m.

200 CBC. *Meeting the Digital Challenge: CBC/Radio-Canada's HDTV Acceleration Plan*, September 22, 2005

At present, CBC/ Radio-Canada FTV production facilities are being upgraded at a much faster pace than those of ETV. As mentioned, six non-news FTV production facilities will be HD capable by the end of 2007, as compared with only one ETV production studio. CBC/Radio-Canada anticipates that one additional ETV studio will be converted to HD in the next three years, however, this will not include the network production studios in Vancouver and Halifax.

The *HDTV Acceleration Plan* does not appear to improve matters. The total planned capital investment for ETV production and presentation is just under \$23M less than that for FTV HD programming.

Both French- and English-language television have planned about the same number of hours of HD programming, 9,512 and 9,423 respectively. However, when the categories are vetted, it reveals more than two and a half times the hours of planned FTV priority programming.²⁰¹

Tab. 9: French Television	
French Television: 5-Year HD Programming Plan (hours)	
Drama :	1,383 hours
Variety and culture	3,039
Cinema	892
Series	1,670
Total priority programming	6,984 hours
English Television: 5-Year HD Programming Plan (hours)	
Drama/Mini-series/Specials	983 hours
Comedy	1,155
Variety	32
Feature films	56
Other Canadian	365
Total priority programming	2,591 hours

Significantly, of the 9,423 total hours planned for ETV, 2,027 are foreign procured. The number of FTV foreign-procured hours is not discernable, as it is not included as a separate category, though it is unlikely to account for more than two and half times the hours of planned HD priority programming. This strategy seems incompatible with CBC/Radio-Canada's stated objectives for original English language HD programming, and the expressed concern over the influx of US HDTV.

201 The categories into which programming is broken down are not identical and so these differences are not exact.

What this reveals is that the challenges to and criticisms of Canadian English-language drama and entertainment on CBC/Radio-Canada are not addressed in the CBC's production plans for the future. The emphasis in ETV programming continues to be on sports (1,816 hours — ETV; 388 hours — FTV) and news and current affairs (2,993 hours — ETV; 2,140 hours — FTV), at the expense of priority programming. While news and current affairs are extremely important to the public service role of CBC/Radio-Canada, they are not identified as Tier 1 programme priorities in the *HDTV Acceleration Plan* for either FTV or ETV, yet account for more than one half of the total planned hours for ETV HD.

The plans supporting FTV are in keeping with the CBC/Radio-Canada strategic priority for high-quality, distinctive Canadian programming. It is not clear, however, that the ETV HD plans will help cope with the ongoing challenges to Canadian priority programming on CBC/Radio-Canada television.

RECOMMENDATION 2.12

The Committee recommends that CBC/Radio-Canada prepare a detailed programming plan for the roll-out of its French- and English-language television HDTV. The plan should include the rationale and an explanation of how its plans connect with corporate objectives with respect to Canadian priority programming.

Funding HD/DTV

Given the limited resources in its existing funding base, CBC/Radio-Canada has made considerable progress in its transition to HD/DTV. Mr. Rabinovitch, the President and CEO, has made it clear that, assuming current funding levels, CBC/Radio-Canada will not meet the 2011 ASO date. Further, he has stated that it is not possible to move additional resources to the HD initiative without jeopardizing other assets and programming priorities.

The *HD/DTV Acceleration Plan*, if funded, would achieve 100% HD programming in prime time to 80% of Canadians. Only a portion of the 44 transmitters proposed in the hybrid model will be operational by August 31, 2011, due to the costs of the transmitters and the satellite transponders necessary for distribution to the transmitters and the BDUs. At this time, eight transmitters are operational and there are no further planned investments in DTV transmitters from CBC/Radio-Canada current funding.

Witnesses overwhelmingly acknowledged the large financial burden of digital transition. The Committee heard from witnesses supporting the CBC/Radio-Canada transition to HD/DTV as a necessary step to maintaining its role within Canada's broadcast environment. Many called for the federal government to ensure that the tools and funding necessary are provided to make this transition effectively. As representatives of ACTRA stated:

We urge this Committee to ensure that the CBC is adequately funded to carry out its current mandate and to make the transition to digital and high definition programming, above all without compromises to Canadian programming, and particularly drama production.²⁰²

The CBC must be funded to make the transition to digital signals and high-definition television.²⁰³

The Corporation asserts that the major expenditures necessary to convert over-the-air transmitters from analogue to digital coupled with the “shrinking size of over-the-air audiences makes operating over-the-air transmitters less effective and less economical.”²⁰⁴ It argues that this is especially true outside major urban centres, where smaller populations make the per capita costs of updating and replacing transmitters close to prohibitive.

In spite of the concerns raised about lost signals, CBC/Radio-Canada told us that “Transmission is only one aspect of the overall transition to digital/HD. In fact, the increased cost of production, including studio and equipment, is also a major element that arises in this transition.”²⁰⁵ The higher costs associated with producing HD were also noted by some witnesses, along with the need for original Canadian HDTV programming.

The Committee noted the need to seek expert advice on the costs of completing a transition to digital terrestrial television (DTT).

International Perspectives on HD/DTV

Many OECD countries are engaged in the transition to digital television transmission.²⁰⁶ The roles assigned to public service broadcasters (PSBs) in enabling the transition have varied. This section will look primarily at the example of the BBC in the UK, as well as the Australian Broadcasting Corporation (ABC), New Zealand’s TVNZ, and PBS in the United States. It is important to recognise that there is no perfect comparison, due to different types and levels of funding, populations, governance structures and so on; however, the experiences and roles of other PSBs offer insight for the study.

202 Evidence, Standing Committee on Canadian Heritage, Meeting 49, 39th Parliament, 1st Session, April 17, 2007, 10:10 a.m.

203 Evidence, Standing Committee on Canadian Heritage, Meeting 47, 39th Parliament, 1st Session, May 25, 2007, 11:20 a.m.

204 CBC, Broadcasting Public Notice CRTC 2006 — 72, September 1, 2006

205 CBC/Radio-Canada Fact Sheet: *Over-the-Air Transmission and the Transition to Digital/HD* <http://cbc.radio-canada.ca/submissions/crtc/2006/OTA-ENG-Sept28.pdf>

206 See, for example, the *OECD 2007 Communications Outlook* and M. McEwen, *A Report to the CRTC on Digital Transition Strategies in a Number of Different Countries*, September 1, 2006.

All have played an active role in promoting their nation's transition to digital television. Public awareness of ASO has proven one of the greatest challenges to take-up of DTV. The BBC, the ABC, TVNZ and PBS have been required to maintain analogue services simultaneously until they have reached a set penetration rate for digital take up. Currently all are offering DTV services, with HD featuring prominently in some countries.

- The ABC is mandated to produce at least 1,040 hours of HD programming in addition to their analogue and DTV transmission.²⁰⁷ It has been allowed restricted use of digital multi-channels, which has not been extended to commercial broadcasters except in very limited circumstances²⁰⁸
- PBS HD launched in 2004 and many PBS stations are planning to multi-cast up to four channels during the day and offer HD services in prime time²⁰⁹
- TVNZ will launch HD services on TV One (50% prime time) and TV2 (80% prime time) by 2008 on the Freeview platform

The BBC has played the largest role among PSBs and is also one of the strongest voices for "Digital Switchover" in the UK. In its White Paper on the new BBC Charter, the British government noted that, "A key outcome of digital switchover will be to ensure that all licence fee payers can receive the BBC's digital services. It is therefore right that the BBC should take a leading role in making digital switchover happen."²¹⁰ The new Charter includes formal recognition of the BBC's leadership role in helping the British public negotiate the new digital media and make the transition to digital television. In pursuing its public purposes, the BBC should be:

[...] helping to deliver to the public the benefit of emerging communications technologies and services, and taking a leading role in the switchover to digital television²¹¹

The BBC licence fee was increased by the British government to facilitate its role in the promotion, take-up, and subsidisation of digital transition. Their duties include:²¹²

- helping to establish and manage the organisation that will co-ordinate the technical process of switchover;

207 All Australian broadcasters are mandated to provide a minimum of 1,040 hours of HDTV.

208 McEwen, M. 2006.

209 http://www.pbs.org/opb/crashcourse/digital_v_analog/multicast.html

210 http://www.bbccharterreview.org.uk/have_your_say/white_paper/bbc_whitepaper_march06.pdf

211 BBC. <http://www.bbc.co.uk/info/purpose/>. See also the BBC Royal Charter and Agreement.

212 www.bbccharterreview.org.uk/have_your_say/white_paper/bbc_whitepaper_march06.pdf

- playing a leading role in the public information campaign that will tell consumers when and how the switch will happen, what choices of equipment they have and how they can install it;
- helping to establish and fund schemes to help the most vulnerable consumers make the switch.

To this end the BBC helped to found “Digital UK” and “Freeview” and “Freesat”, and is responsible for the delivery of the “Digital Switchover Help Scheme”, which provides targeted help for certain disadvantaged groups.²¹³

Digital UK was set up at the request of the British government, and is owned by the UK’s public broadcasters and multiplex operators. It is responsible for the upgrading of the UK’s 1,154 television transmitters. The company provides public information about what to do and when to prepare for the move to digital. It also works with digital TV platform operators, equipment manufacturers, installers, retailers, rental companies and consumer groups to coordinate the technical rollout of digital television across the UK. The BBC is also on the council of the Digital TV Group, the industry association for digital television in the UK, which has over 100 members worldwide.

The BBC launched Freeview in 2002 with the dual purpose of driving the digital take-up rate and ensuring that British citizens did not lose access to audio-visual content because of ASO.²¹⁴ According to Freeview, the one-off payment for DTV services has been a major contributing factor to its take-up in the UK. More than 70% of its viewers cited the absence of subscription fees as a reason for choosing the service. The free digital terrestrial transmission (DTT) service is seen to be a driving force in the take-up of digital television and “a core enabler of universal access.”²¹⁵

- Freeview is managed by DTV Services Ltd, a company made up of five shareholders — BBC, British Sky Broadcasting (BskyB), Channel 4, ITV and National Grid Wireless.
- Freeview is available without subscription and provides more than 40 free-to-air digital TV channels, as well as radio stations and interactive services.
- All of the BBC digital radio and television channels are available.

213 http://www.bbc.co.uk/bbctrust/news/press_releases/04_05_2007.html

214 <http://www.publications.parliament.uk/pa/cm200405/cmselect/cmpubacc/237/23705.htm>

215 <http://www.ofcom.org.uk/consult/condocs/ddr/responses/cf/dtv.pdf>

- The BBC has launched six digital-only channels in addition to BBC1 and BBC2, which are simulcast in analogue and digital.
- Freeview currently reaches 73% of the UK population, though this may increase to more than 99% after switchover as digital signals become stronger.²¹⁶
- Freesat was recently approved by the BBC Trust and will provide free-to-view satellite service that will reach between 96-99% of the UK population. It is expected to launch in 2008.

Freeview's limited DTT reach means that the BBC's digital services are not immediately available to 1 in 4 UK citizens. The Trust has said that Freesat will ensure that the public controls how they access the BBC's networks and "is guaranteed to remain subscription free, ensuring that the benefits of digital television do not equal "pay television."²¹⁷ Notably, BskyB is already offering a Freesat service, which is also available without subscription for a one-time purchase of a STB, mini-dish and viewing card.

Free DTT service is said to be driving the take-up of DTV in New Zealand as well. In New Zealand, the Freeview brand has been adopted and is run by a consortium of public and private television and radio broadcasters, including TVNZ and CanWest TVWorks.

- A 2006 cost-benefit study concluded there was likely to be a national economic benefit from the launch of FTA digital television in NZ, but only if analogue switch off is eventually completed.
- Launched in May 2007, Freeview NZ includes both a DTT and a satellite service that reaches nearly 100% of the population, and is likewise offered without a subscription.
- Three months into its launch, Freeview NZ was already tracking well ahead of its one-year targets for both take-up and television services.

The New Zealand government has recognised that the "transition from analogue to digital free-to-air television is ...] a vital first step to ensure public broadcasting and local content will feature in the multi-platform, converged media environment."²¹⁸ It seeks to "enable public broadcasters to take a leading role in providing digital services and to set

216 <http://www.publications.parliament.uk/pa/cm200405/cmselect/cmpubacc/237/23706.htm#n26>

217 http://www.bbc.co.uk/bbctrust/news/press_releases/27_04_2007.html

218 Government of New Zealand. *Digital Television Strategy*. <http://www.mch.govt.nz/publications/digital-tv/DTV-strategy.pdf>, p.4

standards of digital programming in accordance with their public broadcasting mandates.”²¹⁹

The Government of New Zealand has likewise formally acknowledged that the relevance of universal access is not diminished in the digital environment.

In Australia, there are five free-to-air broadcasters available in digital, though they have not formed as a consortium. The ABC has fulfilled its legislative obligations to begin digital broadcasting from 2001 in metropolitan areas and in regional areas from 2004.

- The ABC is required to simulcast existing analogue broadcasts for at least eight years following the start date of digital services.
- Restrictions on use of multi-channels were removed to give the national public broadcasters greater scope to experiment with new digital programming and services and make greater use of their programme archives.
- A new digital television channel, ABC2, was launched in early 2005.²²⁰
- The Australian government has formed an independent national body to oversee the transition to DTV, the Digital Action Plan (DAP).²²¹
- The DAP was proposed by the ABC, which is an active member of it.
- The ABC has received both recurrent and capital funding to aid in its transition to digital and HD programming. The Australian government has committed more than AUS\$1 billion to the public broadcasters’ transition to digital television.²²²

As of June 30, 2004, the ABC had commissioned 97 digital transmitters broadcasting to 94.3% of Australia’s population. ABC predicted that more than 97% of the Australian population would have access to their services by June 2007.²²³ All broadcasters are required to “achieve the same level of reception coverage for digital

219 Ibid. p.1

220 http://www.abc.net.au/corp/annual_reports/ar06/pdf/ABC_Annual_Report_2005-06_Section_3.pdf

221 ABC. ABC Submission: A Review of the Duration of the Analog/Digital Television Simulcast Period. http://www.dcita.gov.au/_data/assets/pdf_file/34862/ABC.pdf

222 Ibid. See also Australian Government, *“Driving Digital”: A Review of the Duration of the Analog/Digital Television Simulcast Period.*

223 <http://abc.net.au/reception/digital/>

broadcasting as they do with their analogue transmissions as soon as practicable at the start of the simulcast period.”²²⁴

RECOMMENDATION 2.13

The Committee recommends that CBC/Radio-Canada submit an updated financial plan to the Department of Canadian Heritage for the transition to HD/DTV.

RECOMMENDATION 2.14

The Committee recommends that the Department of Canadian Heritage prioritize its response to the CBC/Radio-Canada plan and provide one time funding for the capital costs associated with the transition to HD/DTV and recurrent funding to cover the increased operational costs of transmission and distribution of HD signals.

224 http://www.anao.gov.au/uploads/documents/2004-05_Audit_Report_27.pdf

CHAPTER 3: CBC/RADIO-CANADA PROGRAMMING

Current Situation

Many witnesses made various recommendations or proposals for changes to CBC/Radio-Canada's programming, in drama, the arts, feature films, documentaries and children's shows.

The Committee feels that CBC/Radio-Canada must remain attentive to the users of its services, constantly seeking ways to interest everyone, especially young audiences. The Corporation's services must not be designed for a small circle of initiates.

After serious consideration, the Committee feels that it would be inappropriate for it to act as a "programmer" and tell CBC/Radio-Canada how to arrange its programming schedule. Programming is tricky for a generalist public broadcaster that must consider all genres. There is a balance between trying to attract an audience (there must be a minimum viewership) and trying to achieve the distinctiveness required of a public broadcaster.

This section contains a synthesis of the proposals made to us that we want to bring to the public's attention. The public consultations to be held in 2008 for the renewal of CBC/Radio-Canada licences will be a good opportunity to debate these proposals.

Dramas

CBC/Radio-Canada has a long tradition in the field of dramatic adaptations of Canadian works of literature and plays. In the case of the English-language CBC, we could mention *The Robber Bride* by Margaret Atwood, *The Englishman's Boy* by Guy Vanderhaeghe and *St. Urbain's Horseman*, from the novel by Montreal writer Mordecai Richler.

ACTRA asked that the CBC English-language network devote more of its programming to dramatic productions, "particularly dramatic production for prime time viewing."²²⁵

225 Evidence, Standing Committee on Canadian Heritage, Meeting 49, 39th Parliament, 1st Session, April 17, 2007 (1000).

There has been no major CBC drama project in the Atlantic region for the past 18 months. With the exception of the CBC's mainstay *This Hour Has 22 Minutes*, there is currently no major CBC series centred in or reflecting Atlantic Canada.”

Film Producers Association of Newfoundland, May 24, 2007

In its 2006-2011 Business Plan, CBC/Radio-Canada states that there is a permanent crisis in the English drama sectors. In prime time, “90% of all the drama that Canadians watch on English-language television is foreign, mostly American.”²²⁶

Table 10 lists the 20 most popular English-language Canadian dramas and comedies in 2005-2006. It shows that 14 of them were broadcast on the CBC. However, few of the most popular Canadian programmes (including those on the CBC) were drama series.

226 *Making a Place for All Canadians*, CBC/Radio-Canada Corporate Plan Summary, 2006-2007 to 2010-2011, p. 21.

Tab. 10

Top 20 Canadian English-language dramas and comedies on Canadian conventional networks in 2005-2006 (excluding Quebec)

RANK	NETWORK	PROGRAM	AVERAGE AUDIENCE IN THOUSANDS (AAT)
1	CTV	Corner Gas (Monday, 20h)	1401
2	CBC	The Rick Mercer Report (Tuesday, 20h)	727
3	CTV	Degrassi: The Next Generation (Monday, 20h30)	710
4	CBC	Royal Canadian Air Farce (Friday, 20h)	730
5	CBC	This hour has 22 minutes (Friday, 20h30)	670
6	CTV	Jeff Ltd (Wednesday, 21h30)	653
7	CBC	Just for Laughs, (Friday, 21h)	624
8	CBC	Winnipeg Comedy Fest (Friday, 21h)	499
9	CBC	Just for Laughs Gala, (Friday, 21h)	462
10	CBC	The Rick Mercer Report – R (Wednesday, 19h)	449
11	CBC	Hatching, Matching and Dispatching (Friday, 2h)	431
12	CBC	Royal Canadian Air Farce – R (Monday, 19h)	416
13	CBC	Da Vinci's City Hall (Tuesday, 21h)	395
14	CBC	Halifax Comedy Fest (Tuesday, 20h30)	386
15	CBC	Red Green Show (Friday, 19h)	383
16	CBC	This Hour Has 22 minutes-R (Tuesday, 19h)	376
17	CBC	This is Wonderland, (Wednesday, 20h)	358
18	CBC	At The Hotel (Tuesday, 21h)	352
19	Global	Zoe Busiek : Wild Card (Saturday, 20h)	295
20	Global	Blue Murder (Saturday, 21h)	285

Note: Prime-time shows only, August 29, 2005 to April 2, 2006.

R: Repeat

Source: CBC/Radio-Canada Brief to the Standing Committee on Canadian Heritage, March 22, 2007 (and Nielsen Media Research)

To remedy the situation, the English-language network set itself as a strategic objective to “significantly increase the amount of Canadian drama.”²²⁷ However, CBC/Radio-Canada says it needs increased funding, in part to meet “the challenge of English-language Television drama.”²²⁸

A number of interest groups echoed the CBC/Radio-Canada on this point. The Writers Guild of Canada feels that sufficient funding for the Corporation would allow it to “return to its pre-1999 levels of production of one-hour dramas — once the cornerstone of the schedule.”²²⁹ The Directors Guild of Canada sounded the same theme, saying that it is essential to give CBC television more funding so that it can be “the leader in providing high

227 Ibid, p. 30.

228 Ibid, p. 9.

229 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 19, 2007 (0835).

quality, distinctive and innovative Canadian programming to Canadians, particularly drama programming.”²³⁰ The Guild also urged CBC/Radio-Canada to forge “strategic alliances with other broadcasters to help support the creation and broadcast of Canadian programming, particularly drama.”²³¹

As for French-language drama, the CBC/Radio-Canada’s French-language television was a precursor and a trendsetter throughout the 20th century. There is a consensus on the role that television drama played in forming the imagination of Quebec society.

With serial dramas such as *Les belles histoires des pays d’en haut* and *Le Temps d’une paix*, the Francophones of Quebec and the other provinces had the chance to see themselves and hear themselves. According to the Alliance de la Francophonie de Timmins, “[t]hese two telefilms were very important for Quebeckers and for people outside the province. They explained how we became who we are today.”²³²

Documentaries

CBC/Radio-Canada currently broadcasts documentaries on its English-language and French-language national networks, and on its specialty channels Newsworld and RDI. The channel Country Canada also broadcasts a significant number of documentaries.

There is a historical link between CBC/Radio-Canada and the emergence of the documentary sector in Canada. Obviously, documentaries offer a realistic reflection of Canada, and Canada has a long-established reputation for excellence in this field. Thanks to the National Film Board in particular, Canada has established a solid international reputation in this sector. As a public institution whose mission is to produce and distribute films, the NFB produces distinctive and diversified audiovisual works of great quality that offer Canadians and the world an authentically Canadian perspective.²³³

The Documentary Organisation of Canada said that it had noted a decline in the broadcasting of documentaries on English-language CBC television.²³⁴

230 Directors Guild of Canada, Brief, 12 March 2007, Ibid, p. 26.

231 Ibid, p. 22.

232 Evidence, Standing Committee on Canadian Heritage, Meeting 53, 39th Parliament, 1st Session, April 24, 2007 (1045).

233 Evidence, Standing Committee on Canadian Heritage, Meeting 55, 39th Parliament, 1st Session, May 1, 2007 (0910).

234 Evidence, Standing Committee on Canadian Heritage, Meeting 52, 39th Parliament, 1st Session, April 20, 2007 (1445).

Jacques Bensimon, who headed the NFB from 2001 to 2006, took a critical look at his years of collaboration with CBC/Radio-Canada. He found it rather strange that the government invests some \$80 million in the NFB's productions and that none of those products "find themselves on the prime-time television of the CBC."²³⁵ Mr. Bensimon went so far as to say that CTV and Global broadcast more NFB documentaries during prime time than CBC/Radio-Canada does.

On June 22, 2007, the CRTC approved a request giving CBC/Radio-Canada an 82% majority share in The Canadian Documentary Channel. Before that, CBC/Radio-Canada had a 29% share. Now the Corporation is the majority owner and controls the channel. During the CRTC's review of the transaction, CBC/Radio-Canada undertook to "abide by all of The Canadian Documentary Channel's current commitments, including the commitment to spend at least 50% of its acquisition budget on Canadian independent productions."²³⁶

Committee's Position

Canada has developed considerable expertise in producing documentaries, which has been recognised and feted around the world. They include original, entertaining and sometimes provocative works that we still see too infrequently on television and in theatres. They present a vision of Canada, not only to Canadians, but to the whole world. They convey a uniquely Canadian perspective on topical social subjects such as politics, war and human rights. It is important to give the public more exposure to this film genre.

The Committee is concerned about the way in which CBC/Radio-Canada may generate programming for the Documentary Channel. It is necessary to re-examine the role of documentary programming both on the main CBC network and on CBC Newsworld. Moreover, CBC/Radio-Canada must adopt an operational philosophy for the Documentary Channel programming. It is a unique distribution window for the best Canadian documentaries.

CBC/Radio-Canada must continue to undertake projects with independent producers working in the documentary sector. As well, the NFB and CBC/Radio-Canada must increase their cooperation on a certain number of projects and activities through their different but complementary activities.

235 Evidence, Standing Committee on Canadian Heritage, Meeting 58, 39th Parliament, 1st Session, May 10, 2007 (1045).

236 Broadcasting Decision CRTC 2007-201, *Change in the Effective Control of The Canadian Documentary Channel*, June 22, 2007, (<http://www.crtc.gc.ca/archive/eng/decisions/2007/db2007-201.htm>)

RECOMMENDATION 3.1

The Committee encourages CBC/Radio-Canada to explore the possibility of developing partnerships with the National Film Board of Canada.

Information Programmes

For many Canadians, CBC/Radio-Canada is synonymous with excellence in news and information. The radio and television networks, both French and English, are favourite forums in which Canadians can express themselves and debate ideas. Over the years, CBC/Radio-Canada has helped strengthen Canadian democracy.

For communications professor Catherine Murray, “[p]ublic opinion and quality ratings indicate a high degree of public trust in CBC news.”²³⁷ For Florian Sauvageau of the Université Laval, the fact that CBC/Radio-Canada has a network of foreign correspondents gives Canadians a better understanding of international issues and of Canadian foreign policy.²³⁸ That opinion is shared by the Communications, Energy and Paperworkers Union (CEP), which considers that it is essential to have a public broadcaster with a reliable and diversified news service.

The Communications Sector of the Canadian Union of Public Employees feels that the *Broadcasting Act* should be amended to give clear priority to news and information programming.²³⁹ Such an amendment would enhance the importance of this type of programme.

The Réseau de l’information (RDI) and CBC Newsworld are television services that continually broadcast news, in French and English respectively. They are funded entirely by subscription and advertising revenues. The English-language news channel CBC Newsworld began broadcasting on July 31, 1989, while RDI began in January 1995. RDI had 9.5 million subscribers at the end of March 2005, while CBC Newsworld had 9.9 million subscribers at that time.

Newsworld and RDI have established a niche among viewers. The Canadian public appreciates their professionalism, particularly in times of crisis.

237 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 14, 2007 (1625).

238 Evidence, Standing Committee on Canadian Heritage, Meeting 56, 39th Parliament, 1st Session, May 3, 2007 (1005).

239 Evidence, Standing Committee on Canadian Heritage, Meeting 64, 39th Parliament, 1st Session, May 25, 2007 (0835).

During our work, witnesses asked that all cable and satellite distributors be required to provide carriage in their first tier of all of CBC/Radio-Canada specialty channels, including RDI and CBC Newsworld. For the organisation Our Public Airwaves, “[t]his is in keeping with one of the basic tenets of public broadcasting: universal accessibility.”²⁴⁰

In the course of our proceedings, minority Francophones expressed their regret that RDI was not covered by mandatory carriage rules everywhere in the country. We should note that this is the responsibility of the cable companies, not CBC/Radio-Canada. According to the Fédération des francophones de la Colombie-Britannique, “access to this channel ought not to be a costly option for viewers, offered by cable distributors who don't see the point in it.”²⁴¹

On July 24, 2007, the CRTC reflected this attitude by approving a CBC/Radio-Canada application to make it mandatory for DBS distribution services and Class 1 and Class 2 BDUs to include CBC Newsworld and RDI in their basic digital service. The Committee congratulates the CRTC on its decision, which does Francophone minority communities a service by requiring cable and satellite distribution companies to include the Réseau de l'information (RDI) and its English-language equivalent, Newsworld, in the basic digital package in their respective minority-language markets as of January 2008. This decision ensures that the change from analogue to digital television, and the inclusion of RDI in basic service, will satisfy a number of policy objectives, including linguistic duality and the cultural vitality of Francophone minorities.

Children's Programmes

Historically, CBC/Radio-Canada has always been on the cutting edge of the creation and production of children's programming, which has earned it prizes at the national and international levels. For many years, the children's programmes broadcast by CBC/Radio-Canada helped form the imagination of several generations.

During the most recent licence renewal in 2000, the CRTC clearly stated that it expected the CBC/Radio-Canada's English-language television to “broadcast a minimum of 15 hours per week of Canadian programs directed to children 2 through 11 years of age, and 5 hours per week of programs directed to youth (ages 12-17),” and that it report on this in its annual report to the CRTC.²⁴²

240 Evidence, Standing Committee on Canadian Heritage, Meeting 53, 39th Parliament, 1st Session, April 24, 2007 (0905).

241 Evidence, Standing Committee on Canadian Heritage, Meeting 41, 39th Parliament, 1st Session, March 14, 2007 (1145).

242 <http://www.crtc.gc.ca/archive/eng/decisions/2000/db2000-1.htm>.

In the case of the CBC/Radio-Canada's French-language television, the CRTC "expects the licensee to fulfill its commitment to broadcast 20 hours per week of such programs and to exceed this commitment where possible."²⁴³ The Commission also imposed a condition of licence requiring the licensee to air an average of at least four hours per broadcast week of original Canadian children's programming on its French-language television service.

On the French-language side, programmes like *Bobino*, *Boîte à surprise* and *Sol et gobelet* are landmarks in Quebec's television history. However, during the most recent licence renewal in 2000, the CRTC clearly stipulated that the French-language television network had to "increase its efforts with respect to children's programmes."²⁴⁴

According to the CRTC report *The Future Environment Facing the Canadian Broadcasting System*, published in 2006, average viewing time per capita increased for all age groups. The largest increase in TV viewing time between 2002 and 2005 was in the 2-11 age group, by 2.9 hours a week (1.8%). The second biggest increase, 2.2 hours (1.3%), was in the 12-17 age group.²⁴⁵ Adolescents are the most frequent Internet users, at least once a week on average, and this trend is growing.

The Alliance for Children and Television believes that CBC/Radio-Canada "should be doing more and spending more on children two to eleven years, and on youth eleven to seventeen years, on original programming that recognises the important role television can play in forming the attitudes of young Canadians."²⁴⁶

Sports Programmes

The place of sports on the television schedules of the English-language CBC and the French-language SRC was the object of many discussions during our consultations. Some people are passionate fans of the professional hockey game broadcasts on the CBC's English-language television, while others are much less enthusiastic.

Some feel that sports can and must be an element of an integrated schedule. As well as attracting impressive ratings and serving as a source of advertising revenues,

243 <http://www.crtc.gc.ca/archive/eng/decisions/2000/db2000-2.htm>.

244 <http://www.crtc.gc.ca/archive/eng/notices/2000/pb2000-1.htm>

245 CRTC, *The Future Environment Facing the Canadian Broadcasting System*, December 2006, para. 152.

246 Evidence, Standing Committee on Canadian Heritage, Meeting 63, 39th Parliament, 1st Session, May 24, 2007 (1940).

hockey is “our national obsession” according to the Writers Guild of Canada during its April appearance.²⁴⁷

The Canadian Media Directors Council strongly believes that the CBC’s English-language television should remain active in presenting top-rated sports programming in Canada. The Corporation should maintain its position as a strong carrier of sports because “[c]learly that is of interest to Canadians, and it certainly reflects those sports in which Canada has a strong presence and standing.”²⁴⁸

Others worry about the resources that professional sports use up at CBC/Radio-Canada. A number of witnesses argued that the English-language network devotes a disproportionate number of prime-time hours to professional sport. For many of them, this situation shows that the Corporation is too dependent on advertising revenues. According to Anthony Manera, this distorts the Corporation’s mandate and leaves it vulnerable: “A couple of years ago when you had the lock-out of the NHL, look what happened. All of a sudden the CBC was left with several hours of programming it had to fill, plus it wasn’t getting a lot of revenue. So it put in a lot of American shows.”²⁴⁹

This same argument is used by those who advocate CBC/Radio-Canada’s complete withdrawal from professional sport. This is the case with the Manitoba Arts Council, which also feels that hockey takes up too much of the schedule.²⁵⁰

However, it is unlikely, in the short or medium term, that CBC/Radio-Canada will stop broadcasting professional hockey games. In March 2007, the English-language CBC signed an agreement with the NHL for the live rebroadcast of Canadian teams’ hockey games on different platforms. The agreement, which runs for six years, gives the CBC exclusive rights to *Hockey Night in Canada* on Saturdays until 2013-2014.

The broadcasting of sports on the SRC did not arouse the same type of concerns among Francophone viewers. Few witnesses during our hearings in Montreal argued that sports programming was a source of imbalance in Radio-Canada’s television schedule.

It should be pointed out that the SRC officially stopped broadcasting *Soirée du hockey* in 2004. Two years earlier, RDS had obtained exclusive rights to broadcast the

247 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007 (0845).

248 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007 (0955).

249 Evidence, Standing Committee on Canadian Heritage, Meeting 46, 39th Parliament, 1st Session, March 29, 2007 (0920).

250 Evidence, Standing Committee on Canadian Heritage, Meeting 47, 39th Parliament, 1st Session, April 11, 2007 (0955).

Montreal Canadiens' games. Radio-Canada thus ended a 50-year relationship with that city's professional hockey team.

During the hearings in Montreal, the discussions focused more on the place of Francophone amateur sport on SRC television. Concerns were also expressed about the SRC's responsibility to promote healthy lifestyles.

Sports Québec asked for programming dedicated to federated sports (amateur sports governed by recognized federations) on the SRC's conventional and speciality channels. The organisation also recommended that the Corporation's statutory mandate be amended to include "the responsibility to contribute to the promotion of healthy living habits and federated sport."²⁵¹

Feature Films

When its licence was renewed in 2000, CBC/Radio-Canada committed to investing \$30 million over five years in the production, acquisition and promotion of Canadian feature films. This was not, however, a condition of the licence. It is necessary to distinguish between the English-language and French-language film markets in Canada. French-language films garner excellent television ratings in Quebec. English-language films get more modest ratings in the rest of Canada.

Some witnesses expressed a certain degree of frustration that CBC/Radio-Canada was not more involved in the feature film sector.

Carl Bessai is a filmmaker and chairperson of the Citizens' Coalition for the Protection of Canadian Films. During his appearance on March 12, 2007, he stressed that CBC/Radio-Canada needs to play a greater role in promoting films and feature films. As a cultural vehicle that gives Canada an international profile, our film industry must be able to count on the support of our national public broadcaster. While insisting on the importance of CBC/Radio-Canada, Mr. Bessai said that it shocked him, as a filmmaker, "how little a role the CBC, in English Canada particularly, plays in feature film."²⁵² Mr. Bessai criticised CBC/Radio-Canada for having a middle-of-the-night block where they play ancient Canadian films that no longer connect to what's out there. He also criticised it for not working closely with film distributors to promote Canadian feature films.

251 Evidence, Standing Committee on Canadian Heritage, Meeting 65, 39th Parliament, 1st Session, May 25, 2007 (1530).

252 Evidence, Standing Committee on Canadian Heritage, Meeting 42, 39th Parliament, 1st Session, March 14, 2007 (1430).

This is a point of view shared by the former Government Film Commissioner and former Chairperson of the National Film Board of Canada, Jacques Bensimon. He pointed out that across the world, be it in France, England or Germany, every major public broadcaster has a branch that invests in cinema.²⁵³

The Directors Guild of Canada feels that CBC/Radio-Canada should be required to broadcast more new Canadian feature films in order to provide Canadians across the country with the opportunity to see the feature-length films that are made here.²⁵⁴

The Canadian Association of Film Distributors & Exporters recommended that support for feature film from now on be mandated as a condition of licence for both the CBC and the SRC.²⁵⁵

The Association des réalisateurs et des réalisatrices du Québec asked that the SRC do more to assist the growth of Quebec and Canadian cinema by investing substantially in film development, production and distribution, and that this perhaps be made mandatory.²⁵⁶

Others expressed the opposite opinion. The Newfoundland Independent Filmmakers Cooperative said that it had had quite a positive relationship with the English network of the CBC as regards feature films since it was founded in 1975.²⁵⁷

The Canadian Film and Television Production Association (CFTPA) felt that CBC/Radio-Canada could play a more active role in film projects.²⁵⁸ There could be much greater synergy between the theatrical release of a Canadian film and its broadcast date.²⁵⁹

The Committee is of the opinion that the English and French networks of CBC/Radio-Canada must promote the Canadian film industry. This industry offers unique

253 Evidence, Standing Committee on Canadian Heritage, Meeting 58, 39th Parliament, 1st Session, May 10, 2007 (0945).

254 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007 (0950).

255 Evidence, Standing Committee on Canadian Heritage, Meeting 55, 39th Parliament, 1st Session, May 1, 2007 (1015).

256 Evidence, Standing Committee on Canadian Heritage, Meeting 55, 39th Parliament, 1st Session, May 25, 2007 (1350).

257 Evidence, Standing Committee on Canadian Heritage, Meeting 61, 39th Parliament, 1st Session, May 23, 2007 (0840).

258 Evidence, Standing Committee on Canadian Heritage, Meeting 54, 39th Parliament, 1st Session, April 26, 2007 (1045).

259 Evidence, Standing Committee on Canadian Heritage, Meeting 54, 39th Parliament, 1st Session, April 26, 2007 (1045).

cultural products, providing a showcase for the talents of people in various sectors. Our national public broadcaster must continue its efforts in this regard.

RECOMMENDATION 3.2

The Committee recommends that CBC/Radio-Canada play an increased role in the development, promotion and distribution of Canadian feature films.

CHAPTER 4: CBC/RADIO-CANADA'S FINANCIAL SITUATION

Current Situation

CBC/Radio-Canada's current funding combines a parliamentary appropriation and advertising revenues. In fiscal 2005-2006, the Corporation had \$1.528 billion in revenue. It received \$946 million in parliamentary appropriations, as well as one-time funding of \$60 million (received yearly since 2002). A further \$315 million came from advertising revenues and programme sales. Revenues from the speciality services have increased steadily since 2002, reaching \$144 million in 2005-2006. This increase is due to the growing number of subscribers to CBC Newsworld, RDI and Galaxie.

Revenue source	2002	2003	2004	2005	2006
Parliamentary operating appropriations	\$780	\$877	\$873	\$877	\$946
One-time funding	\$60	\$60	\$60	\$60	\$60
Advertising and programme sales	\$319	\$284	\$283	\$322	\$315
Various funding sources	\$82	\$73	\$93	\$87	\$63
Subscriptions to specialty services	\$118	\$123	\$132	\$138	\$144
TOTAL	\$1359	\$1417	\$1441	\$1484	\$1528

Source: CBC/Radio-Canada Annual Reports

The government of Canada's 2007-2008 Main Estimates submitted to Parliament on February 27, 2007 indicate that CBC/Radio-Canada will receive \$1.043 billion in 2007-2008.²⁶⁰ Added to that amount will be the \$60 million in one-time funding²⁶¹ for each of the next two years, announced on March 22, 2007 by the previous Minister of Canadian Heritage, the Honourable Beverly J. Oda. This funding, which CBC/Radio-Canada has received every year since 2001, allows the Corporation to make massive reinvestments in its programming in order to offer Canadians high-quality, typically Canadian programmes.

CBC/Radio-Canada spent \$1.704 billion on operating expenses in 2005-2006, including \$818 million (48%) for its main English-language radio and television services and \$548 million (32%) for its main French-language radio and television services.

260 2007-2008 Estimates, Parts I and II, The Government Expense Plan and The Main Estimates, p.1-12. (http://www.tbs-sct.gc.ca/est-pre/20072008/me-bd/pub/ME-001_e.PDF)

261 <http://cbc.radio-canada.ca/newsreleases/20070322.shtml>

Table 12				
CBC/Radio-Canada Operating Expenses (in \$million)				
Source	2002-2003	2003-2004	2004-2005	2005-2006
CBC Television	\$555	\$611	\$653	\$616
Télévision de Radio-Canada	\$355.7	\$383	\$390	\$402
CBC Radio	\$177.8	\$197	\$196	\$202
Radio française de la SRC	\$109	\$140	\$143	\$146
Specialty services	\$131.7	\$116	\$121	\$126
National administration	\$15.5	\$17	\$17	\$17
Capital amortisation	\$117.7	\$124	\$123	\$124
Distribution and affiliates	\$70.3	\$70	\$72	\$71
TOTAL	\$1532.7	\$1658	\$1715	\$1704

Source: CBC/Radio-Canada Annual Reports

During their appearance on March 22, 2007, CBC/Radio-Canada executives said that the Corporation is at a crossroads. It says it is facing serious financial challenges, because the budgets it has been given in recent years have not kept up with the cost of living. Its appropriation of roughly \$1 billion is being whittled away by inflation. The Crown corporation's budget is roughly a third less, in constant dollars, than it was 10 years ago. According to Mr. Rabinovitch, the budget constraints will force him to make hard choices unless \$150 million is invested in the near future.²⁶²

A number of witnesses echoed the President/CEO's misgivings. According to the Canadian Conference of the Arts, the fact that CBC/Radio-Canada's funding is not predictable prevents it from planning and forces it to live six months at a time.²⁶³

The Newfoundland and Labrador Film Development Corporation estimates that "many of the CBC's current woes can simply be attributed to funding that is lower than traditional Canadian levels, or than that in support of public broadcasters in other western nations, particularly given the affluence of the national government."²⁶⁴

Many witnesses said that the Corporation's should be funded primarily through parliamentary appropriations. Parliament created CBC/Radio-Canada, so Parliament should ensure it has appropriate funding.

"I'm sure one of the reasons things work the way they do currently is that CBC struggles with the funds that it has. Even with the one-time increase of, I believe, \$60 million, it

262 Evidence, Standing Committee on Canadian Heritage, Meeting 44, 39th Parliament, 1st Session, March 22, 2007 (1040).

263 Evidence, Standing Committee on Canadian Heritage, Meeting 45, 39th Parliament, 1st Session, March 27, 2007 (0925).

264 Evidence, Standing Committee on Canadian Heritage, Meeting 61, 39th Parliament, 1st Session, May 23, 2007 (1905).

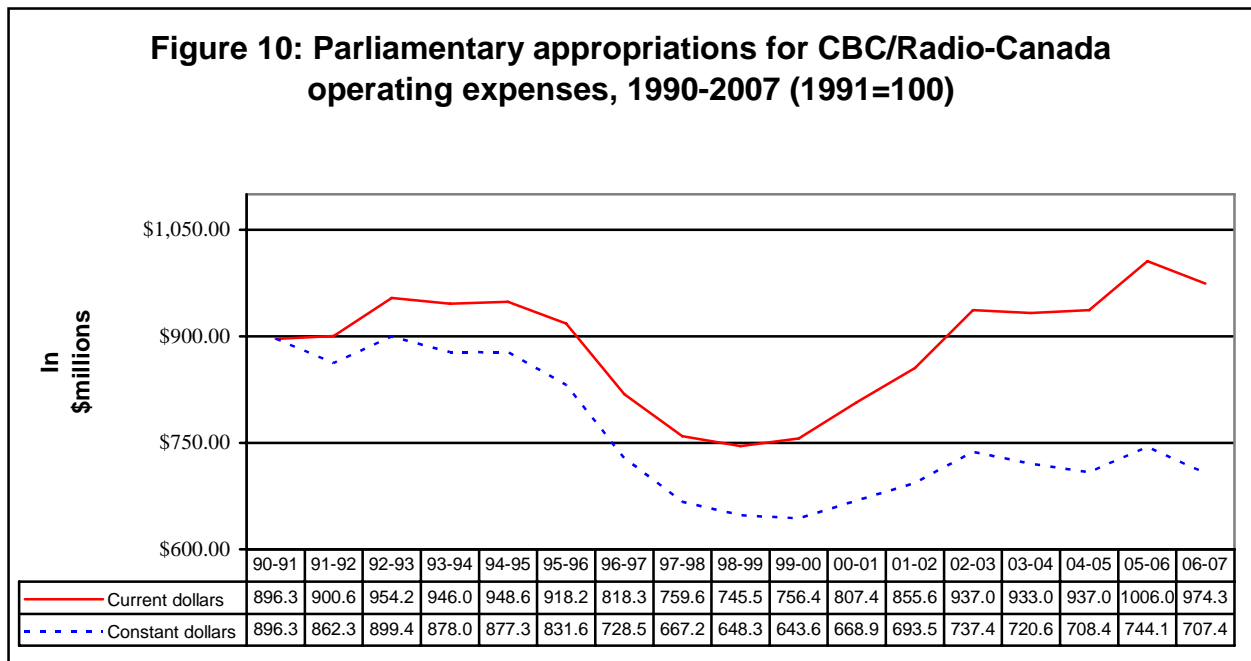
needs to be funded very well to provide Canadian dramatic production for Canadians from all across this country, so that Canadians can relate to other Canadians.”

ACTRA, Winnipeg, 11 April 2007

The Directors Guild of Canada feels that, given the Corporation’s broad mandate, the extensive geographic area to be served and the number of broadcasting services offered, it is clear that the level of funding is not sufficient.²⁶⁵ The Writers Guild of Canada, for its part, does not agree with the idea of increasing CBC/Radio-Canada’s parliamentary appropriations without improvements to its governance and increased financial accountability.²⁶⁶

Committee’s Position

Since the early 1990s, CBC/Radio-Canada has been dealing with budget constraints that have made it impossible to fulfill its mandate properly. As Figure 10 shows, the 1990s were, in the eyes of many, a period of crisis for the national public broadcaster.



Sources: CBC/Radio-Canada annual reports (various years)

265 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007 (0950).

266 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007 (0850).

An analysis that the Nordicity Group conducted for CBC/Radio-Canada in 2005 found that Canada ranked 16th out of 18 western countries in financial support for its public broadcaster. At a per capita contribution of \$33, Canada was ahead only of New Zealand and the United States and well below the average of \$80 per capita for all the countries analysed.²⁶⁷ The study commissioned by CBC/Radio-Canada is revealing, although we have to be careful about making detailed comparisons with other countries. Public broadcasters around the world evolve in markets that differ significantly, whether geographically, linguistically or demographically.

It is essential that our national public broadcaster have the financial resources needed to offer its services, in two official languages, to all the Canadians living in an area of 10 million km². Proximity to the world's largest producer of entertainment poses specific challenges for CBC/Radio-Canada. For years now, Canadians have been witnessing the decline of CBC/Radio-Canada programming, particularly in the regions. The transition to digital and high-definition television represents another source of financial pressure on the Corporation. In a universe where media concentration has become the norm, a financially stable public broadcaster is even more necessary.

The Committee is also pleased by the government's decision to renew the one-time funding of \$60 million over two years that expired in 2006–2007. Since 2002, this funding has served “to strengthen and enhance radio and television programming,”²⁶⁸ and is a step in the right direction.

The Committee also welcomes the remarks by Mr. Rabinovitch, who in March 2007 explained that over the past seven years CBC/Radio-Canada has become much more efficient and focused. It has generated \$75 million in ongoing annual cost savings, and last year generated more than \$93 million in non-advertising revenues through everything from merchandising to better use of its real estate assets.²⁶⁹ The Committee congratulates the CBC/Radio-Canada management that is seeking to improve the Corporation's efficiency and management.

The vast majority of the witnesses we heard have called for stable, increased and multi-year funding for CBC/Radio-Canada. The recommendation was made to us with fervour and conviction by the majority of witnesses.

The Committee feels that Parliament must increase the appropriations it gives the public broadcaster, from \$33 per capita to \$40 per capita a year over the next seven years. We are asking the government for a clear commitment to preserve CBC/Radio-Canada.

267 Nordicity Group, *Analysis of Public Support for Public Broadcasting and Other Culture in Canada*, June 2006, p. 1.

268 Summary of CBC/Radio-Canada's Corporate Plan for 2006-2007 to 2010-2011, p. 40.

269 Evidence, Standing Committee on Canadian Heritage, Meeting 44, 39th Parliament, 1st Session, March 22, 2007 (0905).

RECOMMENDATION 4.1

The Standing Committee on Canadian Heritage recommends that the Government of Canada commit to stable, multi-year funding for CBC/Radio-Canada, indexed to the cost of living. Funding should be for a period of not less than seven years and be established by means of the proposed memorandum of understanding.

RECOMMENDATION 4.2

The Government of Canada has approved additional one-time funding of \$60 million annually since 2002. The Committee recommends that this parliamentary appropriation be permanently added to the Corporation's core funding.

RECOMMENDATION 4.3

The Standing Committee on Canadian Heritage recommends to the Government of Canada that any broadening of or addition to the mandate be appropriately reflected in CBC/Radio-Canada's parliamentary appropriations.

RECOMMENDATION 4.4

The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada's core funding be increased to an amount equivalent to at least \$40 per capita.

Impact of Budget Cuts on Reflecting the Regions

A number of witnesses cited a cause-and-effect relationship between the budget cuts at CBC/Radio-Canada in the mid-90s and the reduction in regional coverage.

While in Newfoundland and Labrador, the Committee heard from organisations that called for sufficient investment to reflect the country's diversity. The Newfoundland and Labrador Arts Council argued that regional investments should not be based on demographics. For instance, while the population of Newfoundland and Labrador represents 1.9% of Canada's population, investments should be not limited to that

percentage.²⁷⁰ The Newfoundland Independent Filmmakers Cooperative maintained that the government should give CBC/Radio-Canada sufficient resources to strengthen its commitment to regional production and diversity. It referred to Newfoundland and Labrador as a province that is “culturally cut off from the rest of the country.”²⁷¹

The Fédération culturelle canadienne-française (FCCF) is pleased with Radio-Canada. In particular, it stated that its radio programming “focus[es] on local and regional issues.”²⁷² The organisation noted that more could be done in television: “If you want to reflect the regions, for people to relate and for television to bear witness, you have to provide the means for it to do so and do it well.”²⁷³

The Canada Council for the Arts also argued that CBC/Radio-Canada does not accurately reflect the regional and cultural diversity of Canada, and that budget cuts are to blame. The Council sees technological change as a tool for giving the regions a stronger voice.²⁷⁴

CBC/Radio-Canada recognises the links between budget cuts and the quality of its English and French regional programming. Appearing before the Committee, the Corporation’s executives acknowledged that the Corporation could “take more risks in developing new programmes, both in English and in French,”²⁷⁵ but added that its resources are insufficient.

To reflect a region, programming must address that region’s socio-cultural life and geography. To do this, it must portray the region’s past through its history, music and residents. This is why CBC/Radio-Canada must maintain its local and regional presence throughout Canada. The Committee is of the opinion that CBC/Radio-Canada should increase the number of prime-time programmes that reflect all regions of Canada.

270 Evidence, Standing Committee on Canadian Heritage, Meeting 61, 39th Parliament, 1st Session, May 23, 2007 (1910).

271 Evidence, Standing Committee on Canadian Heritage, Meeting 62, 39th Parliament, 1st Session, May 24, 2007 (0845).

272 Evidence, Standing Committee on Canadian Heritage, Meeting 50, 39th Parliament, 1st Session, April 19, 2007 (1040).

273 Ibid.

274 Evidence, Standing Committee on Canadian Heritage, Meeting 54, 39th Parliament, 1st Session, April 26, 2007 (0945).

275 Evidence, Standing Committee on Canadian Heritage, Meeting 44, 39th Parliament, 1st Session, March 22, 2007 (0925).

RECOMMENDATION 4.5

The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada give the regions greater prominence in all its services.

In January 2007, CBC/Radio-Canada presented a strategic plan to the Minister of Canadian Heritage to reach millions of English-speaking and French-speaking Canadians who contribute to the funding of CBC/Radio-Canada but do not have access to their national public broadcaster's local radio service. A copy of this plan was distributed to the members of the Standing Committee on Canadian Heritage last May. The Committee could see that the strategy would make it possible to offer local radio service to 8 million English-speaking and French-speaking Canadians in 37 communities. The plan recommends creating 15 new local production centres, expanding the coverage of five existing small stations and setting up eight news bureaus:

- new production centres: Montreal's South Shore (Quebec), Laurentians (Quebec), Drummondville (Quebec);
- new stations: Nanaimo (British Columbia), Chilliwack (British Columbia), Kelowna (British Columbia), Cranbrook (British Columbia), Fort MacMurray (Alberta), Red Deer (Alberta), Lethbridge (Alberta), Saskatoon (Saskatchewan), Kitchener (Ontario), Hamilton (Ontario), Barrie (Ontario), Kingston (Ontario);
- expansion of existing stations: Trois-Rivières (Quebec), Sherbrooke (Quebec), Rouyn-Noranda (Quebec), Calgary (Alberta), Vancouver (British Columbia);
- new bureaus: New Brunswick (Saint John, Campbellton, Tracadie-Sheila), Northern Ontario (North Bay, New Liskeard), Far North (Yellowknife, Iqaluit), Quebec (Beauce).²⁷⁶

A local presence in these communities would allow CBC/Radio-Canada to support and cover their day-to-day activities and strengthen their ties with the rest of Canada. Appearing before the Committee in November 2007, senior CBC/Radio-Canada officials told Committee members that the Corporation did not have at its disposal the financial resources to proceed with this plan.²⁷⁷ The Committee, for its part, supports the plan and

269 CBC/Radio-Canada, *CBC/Radio-Canada Local Radio Strategy: Presentation to the Minister of Canadian Heritage*, January 2007, pp.19-36.

277 Evidence, Standing Committee on Canadian Heritage, Meeting 04, 39th Parliament, 2nd session, November 27, 2007 (1115).

believes that it is essential for as many Canadians as possible to have access to the services of CBC/Radio-Canada. Radio is the best way to ensure affordable local coverage.

RECOMMENDATION 4.6

The Standing Committee on Canadian Heritage supports the strategic plan submitted to the Minister of Canadian Heritage in January 2007, which is designed to improve programming for local communities on CBC/Radio-Canada's English- and French-language radio services.

The Canadian Television Fund and CBC/Radio-Canada

The Canadian Television Fund (CTF) was created in 1996 to support the production and broadcast of distinctively Canadian television programmes. It is a private/public partnership. The programming supported by the CTF is produced and broadcast in both official languages, and in a number of Aboriginal languages.

In 2006-2007, the CTF received contributions from the Government of Canada (\$120 million) and from Canadian cable companies and direct satellite broadcast services (\$150.6 million). In addition, it received \$17.4 million in related revenues (recovery of investments and interest income), for a total of \$288 million.²⁷⁸

The contribution agreement signed by PCH and the CTF specifically states that the CTF must "set aside an envelope equal to thirty-seven percent (37%) of the Fund's total revenues [...] for the Canadian Broadcasting Corporation/Société Radio-Canada (CBC/SRC)."²⁷⁹ The 37% is "based on the historical average contributed by the CTF Programme to CBC/SRC triggered projects."²⁸⁰ In 2006-2007, this amounted to \$94.3 million for productions in English and French.²⁸¹

In early 2007, two important contributors to the CTF voiced criticism about its mandate and operations. The two companies also complained that their contributions were indirectly subsidising a public broadcaster like CBC/Radio-Canada.

In February 2007, the CRTC created a Task Force to consider issues relating to the Canadian Television Fund. The purpose of the Task Force was to reach a consensus in

278 Canadian Television Fund, 2006-2007 Annual Report, p. 8.

279 *Contribution Agreement between the Department of Canadian Heritage and the Canadian Television Fund*, Annex A, paragraph IV.

280 Ibid.

281 Canadian Television Fund, 2006-2007 Annual Report, p. 55.

order to resolve the concerns raised by the parties in question or at the very least to put forward potential solutions to the outstanding issues.

In its report of June 2007, the Task Force made a series of recommendations for changing the way the CTF operates. The Task Force confirmed the need for government support of the CTF and said that the Contribution Agreement between the Department of Canadian Heritage and the CTF is an effective way to ensure that the Government of Canada funding serves to “support culturally significant Canadian programmes and other special initiatives.”²⁸²

The Task Force further recommended in its report that the CTF be allowed to allocate the funding from broadcasting distribution undertakings (BDUs) to a private funding component that is more flexible and market-oriented. A positive audience response would be one of the criteria used in allocating ongoing funding for these Canadian productions. The report also stated that “projects qualifying for the new private sector funding stream should be eligible for licensing by the CBC/Radio-Canada.”²⁸³

It also recommended that the CTF devote up to 10% of its total budget, or about \$25 million, to the funding of programmes for new platforms such as cell phones, the Web and video on demand. The Task Force report did not indicate however whether CBC/Radio-Canada could obtain funding for new media projects. The public hearings on the Task Force’s report will be held in February 2008.

Committee’s Position

The Committee considers that the assistance provided by the CTF to independent producers for the creation of high-quality programming is crucial to CBC/Radio-Canada.

The English and French networks of CBC/Radio-Canada devote a significant part of their broadcast schedule to original Canadian content during prime time. So the Committee considers it normal for the national public broadcaster to continue receiving a significant share of its funding from the CTF for programmes licensed by CBC/Radio-Canada.

We are of the opinion that CBC/Radio-Canada directly serves the primary objective of the CTF, which is to support the production and broadcast of high-quality Canadian television programmes during peak viewing hours. Withdrawing the funding earmarked for CBC/Radio-Canada without sufficient financial compensation could have a negative impact on its ability to fulfill its mandate, not to mention the impact on its programming schedule.

282 Report of the CRTC Task Force on the Canadian Television Fund, June 29, 2007, p. 1.

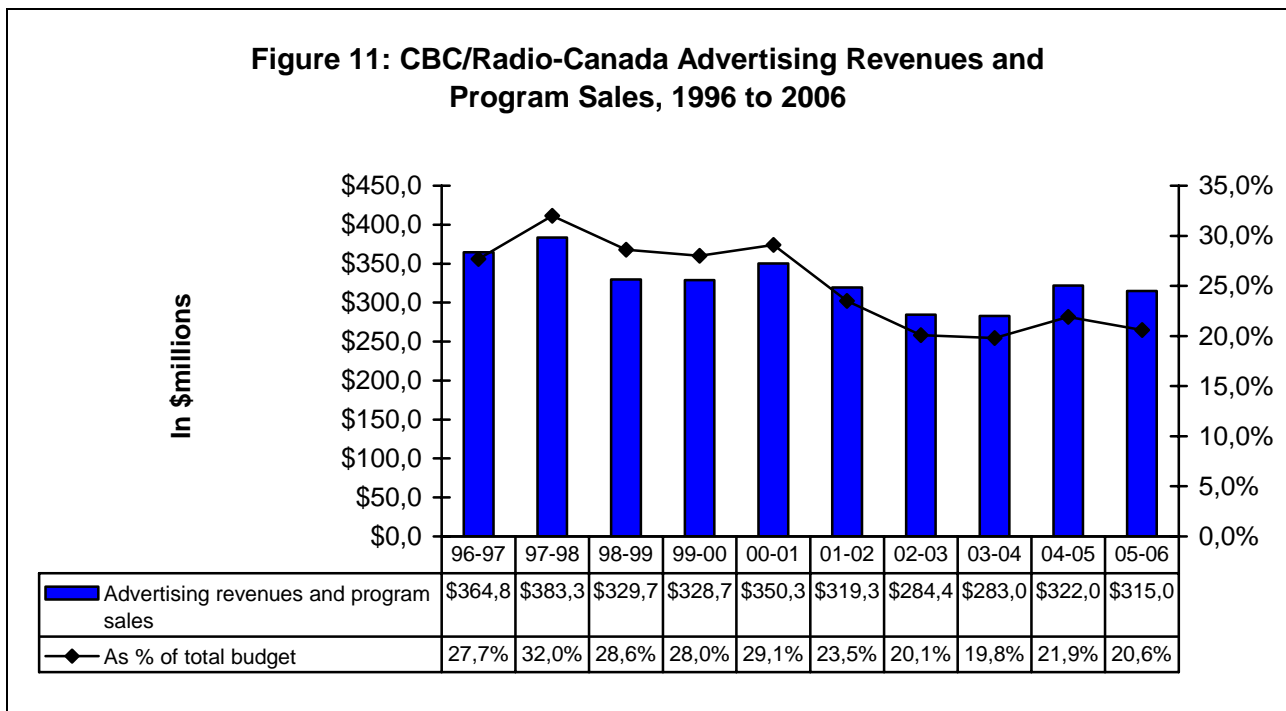
283 Report of the CRTC Task Force on the Canadian Television Fund, June 29, 2007, p. 30

RECOMMENDATION 4.7

The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada retain guaranteed access to the various existing public funding sources, including the Canadian Television Fund, in order to support the production and broadcast of Canadian audiovisual content.

CBC/Radio-Canada Advertising Revenues

In 2005-2006, CBC/Radio-Canada generated \$315 million from advertising and programme sales. Over the years, advertising has become an important source of revenue for CBC/Radio-Canada. In the past five years, it has represented some 20% of revenues.



Source: CBC/Radio-Canada Annual Reports

The CAB considers that CBC/Radio-Canada's television programming strategy puts it in direct competition with the private sector. It argues that programming decisions are driven by the need to maximise television-viewing audiences in order to generate advertising revenues; the proper balance between the public and private elements of the Canadian broadcasting system is thus distorted.²⁸⁴

284 Evidence, Standing Committee on Canadian Heritage, Meeting 45, 39th Parliament, 1st Session, March 27, 2007 (1020).

We noted the criticisms from Quebecor Media Inc., which, in its brief, criticised the fact that the national public broadcaster is dipping into the advertising revenues available to private broadcasters.²⁸⁵

The Committee understands the private broadcasters' perception that CBC/Radio-Canada's presence in the broadcasting system may have an effect on competition.

Some observers, like Bill Neville, even argue that the Corporation's dependence on advertising revenues make it a "subsidised commercial network,"²⁸⁶ rather than a public broadcaster. Others say that the increase in advertising revenues has hurt programming, which is looking more like the products offered by commercial channels. The Directors Guild of Canada feels that, with more than 50% of the revenues for English-language television coming from commercial sources in 2005-2006, the question is whether the CBC can call itself a public broadcaster.²⁸⁷

Some witnesses called on CBC/Radio-Canada television to reduce its dependence on advertising revenues. ACTRA, for example, recommended increasing the parliamentary appropriations to CBC/Radio-Canada so that it could provide its services with no advertising at all.²⁸⁸

The Association of Canada Advertisers does not feel that it would be a good idea to reduce CBC/Radio-Canada's dependence on advertising revenues because "[r]estricting commercial access on CBC would result in a no-win situation for all concerned. It would undermine the quality and variety of television programming; remove an important supply of commercial inventory for advertisers, especially in local markets; and lead to an increase in costs that would ultimately have to be borne by consumers. Moreover, advertisers' support of the public broadcaster allows governments to exercise budgetary prudence while still promoting objectives of public interest. Advertising is also a sort of barometer that can be used to judge public interest in programming."²⁸⁹

285 Quebecor Media, *Rôle de la Société Radio-Canada*, Brief to the Standing Committee on Canadian Heritage, p. 2.

286 Evidence, Standing Committee on Canadian Heritage, Meeting 46, 39th Parliament, 1st Session, March 29, 2007 (0910).

287 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007 (0950).

288 Evidence, Standing Committee on Canadian Heritage, Meeting 49, 39th Parliament, 1st Session, April 17, 2007 (1010).

289 Evidence, Standing Committee on Canadian Heritage, Meeting 52, 39th Parliament, 1st Session, April 20, 2007 (1430).ok

Former CBC/Radio-Canada President and CEO Robert Rabinovitch told the Committee that “advertising plays a very important role in keeping your nose to the grindstone in terms of your relationship to your audience.”²⁹⁰

Corus Entertainment suggested that the CBC continue to follow the model it is currently following, “in other words, be commercial in some parts of its day and not so commercial in other parts of its day.”²⁹¹

Committee’s Position

As mentioned before, the vast majority of witnesses called for an end to advertising on CBC/Radio-Canada television, or for a substantial reduction. The main concern was that dependence on advertising revenues should not unduly influence the Corporation’s programming decisions.

The Committee concedes that in an ideal world there would be no advertising on CBC/Radio-Canada television. We also accept the legitimacy of concerns about the national public broadcaster’s growing dependence on advertising revenues and the resulting impact on programming choices. CBC/Radio-Canada’s radio networks stand out from commercial radio largely because of the lack of advertising; the television networks have not been as successful in providing a distinctive service. The more television is funded through advertising, the less likely it becomes that public television can be truly different from the commercial networks.

It is nevertheless necessary to weigh the consequences of removing the Corporation’s right to make use of advertising revenues. Without these revenues, it would be facing a shortfall of many millions of dollars. If its parliamentary appropriations remained unchanged, CBC/Radio-Canada would be forced to eliminate certain programming services. The Committee heard no serious suggestions for credible alternatives to compensate for such lost revenues. The other possibility would thus be to compensate for the loss of advertising revenues with another funding model.

While the Committee realises that advertising revenues are at this time a necessary part of CBC/Radio-Canada’s funding model, we consider that the Corporation’s dependence on these revenues should not influence its primary goal, which is to provide Canadian television programming that is different from that of other broadcasters.

290 Evidence, Standing Committee on Canadian Heritage, Meeting 46, 39th Parliament, 2nd Session, November 27, 2007 (1240).

291 Evidence, Standing Committee on Canadian Heritage, Meeting 52, 39th Parliament, 1st Session, April 20, 2007 (1515).

RECOMMENDATION 4.8

The Committee recognizes the current necessity and value of advertising revenues from television and on new platforms, and accepts that the CBC/Radio-Canada continue to pursue those revenue streams. However, the Committee also recommends that the Government of Canada and CBC/Radio-Canada work toward decreasing CBC Radio-Canada's relative dependency on advertising revenues for television programming.

RECOMMENDATION 4.9

The Committee recommends, as part of the proposed memorandum of understanding, that negotiations between the Government and CBC/Radio-Canada should address the reduction of the Corporation's relative dependency on advertising revenues for television programming, without compromising service.

CHAPTER 5: CBC/RADIO-CANADA GOVERNANCE

Current Situation

Crown corporations are distinct legal entities wholly owned by the government. They operate in many sectors, including transportation, agriculture and culture. They have more managerial autonomy than most other government entities, so they can operate in a more commercial manner. A board of directors oversees the management of each corporation and holds management responsible for the corporation's performance. Through the Crown corporation's chair, the board of directors is accountable to a minister who represents the government and acts as the link between the corporation and both Cabinet and Parliament. The government retains power and influence over Crown corporations in areas like appointments, remuneration for chief executive officers and directors, and approval of plans and budgets.²⁹²

CBC/Radio-Canada is a Crown corporation that belongs to Canada and all Canadians. The *Broadcasting Act* includes provisions that define the Corporation's powers, financial situation and constitution, as well as the mandate and responsibilities of its board of directors.

The CBC/Radio-Canada Board of Directors consists of 12 members, representing the public, who have qualifications in different sectors such as business, economics, marketing, accounting, the arts, information technologies, law and broadcasting. They are appointed by the Governor in Council for a renewable five-year term.

The vast majority of witnesses called for CBC/Radio-Canada's governance to be given greater independence from the government of the day. It was recommended that there be no partisanship in the selection of Board members. As well, only the Board of Directors should have the right to hire and fire the Corporation's President/CEO.

According to the organisation Our Public Airwaves, the current process for appointing Board members completely lacks transparency and, over the years, a number of people of dubious competence have been appointed.²⁹³

The Syndicat des communications de Radio-Canada put recommendation 18.1 of the June 2003 report of the Standing Committee on Canadian Heritage back on the table. The recommendation urged the Department of Canadian Heritage to work with the

292 Office of the Auditor General, *Governance of Crown Corporations*, Chapter 18, 2000, p. 18-6.

293 Our Public Airwaves, Brief, February 26, 2007, p. 10.

Committee to develop criteria and guidelines for appointments to the CBC's Board of Directors by June 30, 2004.²⁹⁴

For its part, the Communications, Energy and Paperworkers Union (CEP) suggested that CBC/Radio-Canada's governance structure be modified so that the Board of Directors must answer more directly for their decisions to Canadians and respect their wishes more fully.²⁹⁵

Friends of Canadian Broadcasting also recommended the adoption of an independent appointment process for members of the CBC/Radio-Canada Board, "drawn from the advice of eminent Canadians, such as, for example, Officers and Companions of the Order of Canada. Such an arm's length process could guide appointments under the authority of the Privy Council."²⁹⁶

Professor Catherine Murray made a similar recommendation by suggesting that the CBC's Board of Directors be "more broadly representative of all levels of scientific, cultural and creative, technical, and business leadership in this country."²⁹⁷

[T]he CBC will only be better if it has true independence from the government, if it's perceived to be independent from the government, and if it operates in such a way that people are accountable for their decisions.

Canadian Media Guild, April 20, 2007, 1020.

Anthony Manera, a former Chair of CBC/Radio-Canada, finds it inconceivable that the Board of Directors does not have the authority to hire and fire the President/CEO. The Board of Directors cannot be responsible for the effectiveness of its corporation if it has no say in the hiring, evaluation, compensation and firing of the President/CEO.²⁹⁸

Mr. Manera also recommended that the employees be represented on the Corporation's Board. His argument was that the employees could express the viewpoint of the people who are in the field and doing the day-to-day work.²⁹⁹ The Canadian Conference of the Arts made a similar recommendation.³⁰⁰

294 Syndicat des communications de Radio-Canada, Brief, February 23, 2007, p. 5.

295 CEP, Brief, February 2007, p. 2.

296 Friends of Canadian Broadcasting, Brief, February 26, 2007, p. 7.

297 Catherine Murray, Professor of Communications, Simon Fraser University, Brief, March 14, 2007, p. 8.

298 Evidence, Standing Committee on Canadian Heritage, Meeting 46, 39th Parliament, 1st Session, March 29, 2007 (0915).

299 Evidence, Standing Committee on Canadian Heritage, Meeting 46, 39th Parliament, 1st Session, March 29, 2007 (0915).

300 Evidence, Standing Committee on Canadian Heritage, Meeting 45, 39th Parliament, 1st Session, March 27, 2007 (0925).

Committee's Position

The Committee notes the repeated criticisms from witnesses about CBC/Radio-Canada's governance structure. These contradict the conclusions of the most recent special examination of CBC/Radio-Canada conducted by the OAG in 2005. In its report, the OAG wrote that, since 2000, "the Corporation has put significant effort into enhancing and modernising its governance structure, systems and practices, and improving relationships between the Chair and management as well as with external stakeholders."³⁰¹ Overall, the OAG concluded it had found "the core elements of a good governance framework in place."³⁰² The sole exception concerned the declarations of conflict of interest of two Board members that had not yet been presented to senior management in June 2005.

The Committee recognises that it is essential to ensure that CBC/Radio-Canada has a solid Board of Directors, where the directors have an effective role to play. The broadcasting system is undergoing major technological changes and it needs to recruit directors who are on the cutting edge of these changes. At the same time, the size and complexity of a Crown corporation like CBC/Radio-Canada also demands directors with knowledge of other areas of expertise: marketing, management, and so on.

In March 2004, the government presented a new framework for the appointment of directors of Crown corporations. The boards of directors of Crown corporations may now establish a permanent selection committee to assist them with the appointment process. This selection committee can also include eminent individuals from outside, to support the board's work. In the final analysis, it should be noted that it is still up to the Governor in Council to appoint members to the board of directors and appoint their chair.³⁰³ The Committee believes that it is possible to have a solid board of directors without in any way diminishing the government's prerogatives.

We also come back to the evidence of the Auditor General, who expressed reservations about the idea of having CBC/Radio-Canada employees on the Board of Directors. There are very few examples of Crown corporations where the employees are represented on the board: "It is not a model for a large Crown corporation. According to current practices, employees are not represented on boards."³⁰⁴ The Committee agrees that an employee presence may undermine the necessary independence of a board of directors. There is, however, nothing to prevent the creation of an advisory committee of CBC/Radio-Canada employees who would, at regular intervals, present the employees' perspective on the operation of the Corporation to the Board.

301 OAG, Special Examination Report presented to the Board of Directors, November 30, 2005, .p. 11.

302 Ibid.

303 Treasury Board Secretariat: http://www.tbs-sct.gc.ca/media/nr-cp/2004/0315_e.asp

304 Evidence, Standing Committee on Canadian Heritage, Meeting 57, 39th Parliament, 1st Session, May 8, 2007 (0920).

The appointment of directors is a fundamental prerogative of the shareholders of private and public corporations, including Crown corporations. Thus, as shareholders in Crown corporations, we feel that the Government of Canada should continue to appoint chairs and members of boards of directors by Order in Council.

We do feel, however, that the Board must take a more active role in the process of the selecting the Board Chair and the Corporation's President/CEO. If the Board is not part of this process, it is difficult for the Corporation's President/CEO to feel a sense of responsibility toward it. The Corporation's governance is thus weakened.

The Committee's proposed seven-year memorandum of understanding between the CBC/Radio Canada and the Government of Canada would provide an opportunity for a clear interpretation of the governance relationships between the Corporation, the Board of Directors, and the Chairperson and CEO, as well as the duties and functions of these bodies.

CHAPTER 6: ACCOUNTABILITY AND TRANSPARENCY

As we mentioned in the preceding section, the Office of the Auditor General (OAG) conducts a special examination of CBC/Radio-Canada every five years, pursuant to Part III of the *Broadcasting Act*. The exercise involves ensuring that the Corporation maintains adequate management systems and practices for its financial, human and material resources. The Auditor General's most recent examination was conducted between April 2004 and April 2005. Overall, the OAG concluded that progress had been made since the previous examination in 2000, particularly in terms of transparency and accountability.³⁰⁵

The report examined the way in which the Corporation measured its performance and communicated the results within the framework of its current mandate. The OAG noted that, in order to demonstrate its degree of efficiency and the extent to which it was attaining its objectives and fulfilling its mandate, CBC/Radio-Canada had to develop and implement a comprehensive performance management framework, communicate better information on the costs of its programming and activities, and improve its internal and external reporting. The weaknesses in these areas led the OAG to conclude that CBC/Radio-Canada's internal and external accountability practices should be improved.

More specifically, the OAG noted that although the Corporation had developed a number of quantitative and qualitative corporate performance indicators, they were incomplete. Those developed mainly addressed programming and not the other five strategic areas and priorities identified in the CBC's Corporate Plan: efficiency, creative human resources, strategic partnerships, collaboration, and relationships with stakeholders. The Auditor General observed that the CBC/Radio-Canada annual reports contained a great deal of information on results. However, they should be much more specific about expectations, that is, they should explain the gaps between the expected results and what was achieved.³⁰⁶ Performance indicators are used not only to produce an annual report, but also to improve management.

The Auditor General also pointed out in her evidence that it was extremely difficult to make comparisons between the French-language Radio-Canada and the English-language CBC because there are enormous differences in the way that costs are accumulated. The OAG would have liked to compare the French-language and English-

305 OAG, Special Examination Report presented to the Board of Directors, November 30, 2005, 52 pp.

306 Evidence, Standing Committee on Canadian Heritage, Meeting 57, 39th Parliament, 1st Session, May 8, 2007, (0920).

language networks across several activities, but since the accounting and financial information is calculated differently, comparative analyses were not possible.³⁰⁷

The OAG discussed all the observations with the Corporation's executives and Board of Directors during the presentation of the report in 2005. They accepted them and gave the OAG an assurance that they would take measures to follow up on its recommendations. CBC/Radio-Canada told the OAG that better data on targets and results would be available in the future. The OAG encouraged the Standing Committee on Canadian Heritage to ask CBC/Radio-Canada to talk to it about measures taken and progress made in this area.

The 2005 examination report also reported on the amount of unused programming. During the audit, the OAG noted that many programs that the Corporation had acquired or ordered were still available for broadcast. The two networks each had about 6,000 hours of unused programming. The OAG did not render a judgement on the number of hours, that is, whether it was excessive or inappropriate. The OAG did, however, recommend in its report that the management of available programming be improved.

The CAB considers that CBC/Radio-Canada should be obliged to release detailed information to the public every year on its radio and television networks as well as its online services. The current report is merely "broadly aggregated information."³⁰⁸ The association contends that every broadcaster of a specialty channel established in Canada must produce an annual report presenting its revenues and expenses in much greater detail than the information published by CBC/Radio-Canada.

The CAB proposes that CBC/Radio-Canada base itself on the accountability requirements of public broadcasters in other countries and the way they carry out their public mandate. The CAB also welcomes the fact that CBC/Radio-Canada is now subject to the *Access to Information Act*.

The BBC has been identified as a leading model for a public broadcaster, and we also find a lot of value in this example, especially when reviewing how it has defined its role and structured its organisation to fit that role. For example, the BBC recognises the impact that its activities can have on private broadcasters. Because of this, it is governed by a set of fair-trading guidelines that ensure that it does not use its public funds to compete unfairly with commercial companies, and that any commercial activity it undertakes supplements and supports its public purposes.

Canadian Association of Broadcasters, March 22, 2007, 1015.

307 Ibid, (0910).

308 Evidence, Standing Committee on Canadian Heritage, Meeting 45, 39th Parliament, 1st Session, March 27, 2007 (1015).

The Committee heard from Wilf White, Chief Advisor, Public Policy and Daniel Wilson, Deputy, Public Policy, both of the BBC, via video conference. Mr. Wilson explained that two of the key measurements of the BBC's public value are audience reach and level of usage.³⁰⁹ Audience reach, defined as the proportion of people who use the BBC's services, has become a chief indicator of success for the BBC, in comparison with the more traditional audience share and volume, which the BBC continues to use as measures of programme or service impact, but only as two among several.³¹⁰ This type of more progressive measurement framework also accounts for changes in audience behaviour, where services and content are now being accessed across multiple platforms.

The BBC has implemented a new performance measurement framework, in conjunction with its new Charter and Agreement, based around four main criteria: reach, quality, impact, and value for money. The framework considers the public value delivered in relation to each of the BBC's public purposes, as set out in its Royal Charter.

Committee's Position

The values of transparency and accountability must be central to CBC/Radio-Canada's operations. It is not enough to blindly fill the Corporation's coffers without at the same time ensuring that the current parliamentary appropriations are administered diligently and effectively. The general call from witnesses for greater transparency and accountability reflect this perspective.

Transparency and accountability are central issues within the framework of the study we conducted. Is it necessary to point out that CBC/Radio-Canada is supported financially by the entire population of Canada? In a sense, its shareholders are the citizens of Canada. It is essential that an organisation that receives over a billion dollars in public funds annually be governed in such a way that it has the confidence of the public and the industry in general, and that public funds are well spent.

Canadians are entitled to accountable and transparent reporting of publicly administered funds and activities.

Canadian Association of Broadcasters, March 27, 2007, (1010)

309 *Building Public Value* is the BBC's response to the UK government Green Paper that was published following the most recent Charter review period.

310 See BBC. *Building Public Value, the BBC's response to the Government Green Paper, A Strong BBC Independent of Government*, BBC. May 2005.; See also *BBC Charter Review of Analogue Radio*, http://www.bbccharterreview.org.uk/pdf_documents/041026Delegate_Pack_RadioPapers.pdf

In terms of accountability, CBC/Radio-Canada must develop additional performance indicators, such as *reach*, that is the proportion of people the CBC reaches across all of its services. The methodology must be consistent from year to year, so that comparisons are possible. The Committee deplores the fact that it is still difficult to compare the costs of French and English television, and yet such data would allow parliamentarians to establish bases of comparison, including on the costs of regional broadcasting.

The Committee also welcomes the fact that CBC/Radio-Canada is now subject to the *Access to Information Act*. That is significant progress on transparency.

The most recent examination that the Office of the Auditor General conducted in 2005 found that, overall, management of CBC/Radio-Canada had improved since 2000. Nevertheless, improvements are needed in important areas such as strategic and organisational planning, performance measurement and results reporting.

It is our understanding that the information contained in the CBC/Radio-Canada annual reports does not always adequately meet the needs of parliamentarians and observers interested in the work of the Corporation. If the annual reports do not provide all the information that Parliament feels is necessary to properly exercise the responsibilities and duties conferred on it by the Act, we recommend that the annual report be modified accordingly.

RECOMMENDATION 6.1

The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada develop qualitative and quantitative performance indicators and clear targets for all six priorities and strategic areas identified in its Corporate Plan.

RECOMMENDATION 6.2

The Standing Committee on Canadian Heritage recommends that all financial and accounting information be reported in the same way by both the French and English language networks, to render comparisons between the two entities possible.

RECOMMENDATION 6.3

The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada take inspiration from the British Broadcasting Corporation's accountability model, rooted in results-based management. It would include the publication of an annual report and financial statement reporting details, both qualitative and quantitative, on all activities of public interest and its budgeting plans. In these documents, CBC/Radio-Canada would provide a comprehensive report

on its programming and financial information for each of its individual services. This would facilitate objective, rigorous and transparent evaluations.

RECOMMENDATION 6.4

The Standing Committee on Canadian Heritage recommends that all reports produced by the CBC/Radio-Canada, particularly those prepared for Parliament and especially the chapters about its operations, should be a comprehensive source of information, transparent, relevant and informative. This reporting should not, however, go so far as to compromise proprietary information that would put the Corporation at a competitive disadvantage.

RECOMMENDATION 6.5

The Standing Committee on Canadian Heritage recommends that the CBC/Radio-Canada report to the Committee, at its earliest convenience, on its progress pursuant to the recommendations made in the 2005 Special Examination Report carried out by the Office of the Auditor General.

CHAPTER 7: OTHER ISSUES TO CONSIDER

Multi-platform Rights

Programming rights are the subject of a commercial agreement between the producer (or distributor) and the programming enterprises wishing to acquire the broadcast rights to a programme. At one time, CBC/Radio-Canada produced the majority of its content in-house, which meant that it had ownership of the rights to that programming. Today, approximately 90% of its programming is created through independent production, meaning that it must negotiate and pay for distribution rights for the vast majority of its content. Historically, this typically meant television or radio broadcast rights only, but the multi-platform digital broadcasting environment has changed the process considerably.

It is worth noting that a number of witnesses raised concerns about the impact of the near-total outsourcing of CBC/Radio-Canada production. The Canadian Media Guild, for example, noted that support for independent production should not interfere with creation of the types of original public broadcasting content that only gets made in-house.

The preservation of our audiovisual heritage was also raised in this context by the Fédération nationale des communications, which argued that putting the production and ownership of television programmes in the hands of independent private interests deprives Canadians of the ownership of publicly-funded audiovisual archives.³¹¹

The question of rights holders, and the negotiation of multi-platform rights, is complicated by a lack of adequate policy instruments and business models for dealing with the emergence of new technologies. For example, existing copyright legislation does not provide for many scenarios pertaining to rights negotiations that derive from changes to the digital media environment.

The Committee heard from a number of associations representing artists and independent producers that see the management of rights for new broadcasting platforms as a key issue. They want their share of the revenues generated by innovations such as DVDs, the export of productions, merchandise, cell phones, the Internet and podcasting.

311 Evidence, Standing Committee on Canadian Heritage, Meeting 64, 39th Parliament, 1st Session, May 25, 2007 (0840).

The Writers Guild of Canada maintained that the CBC/Radio-Canada rarely pays for additional digital content by paying higher license fees to producers who commission works from screenwriters.³¹²

The CFTPA and the Manitoba Motion Picture Industry Association called for the negotiation of a commercial agreement between independent producers in Canada and CBC/Radio-Canada. In April, the CFTPA did in fact negotiate such a commercial agreement with CTV.³¹³ The two associations called upon CBC/Radio-Canada to adopt fair commercial practices, which means appropriate royalties and licence contracts of a limited duration.

The Committee is of the view that these are business relationships between the parties concerned, and disputes should be resolved through negotiation. It would be inappropriate for Parliament to intervene in a dispute that is primarily commercial in nature. It is up to broadcasters, producers and copyright holders to agree on an equitable distribution of royalties. We work from the assumption that the parties will be reasonable and will negotiate in good faith. It is, however, the opinion of this Committee that CBC/Radio-Canada should show leadership on this issue and set the standard for all Canadian broadcasters as regards commercial dealings with independent producers.

RECOMMENDATION 7.1

In the interest of greater distribution and availability of Canadian content, the Committee recommends that CBC/Radio-Canada give greater priority to negotiating with artists and producers a fair and equitable sale and broadcast rights agreement over new and emerging platforms.

Closed Captioning for the Hearing-impaired

In 2000, the CRTC renewed seven-year licences for CBC/Radio-Canada's English and French radio and television networks, for most of the television stations it operates on its own and for Newsworld and the Réseau de l'information (RDI).

In this review, the CRTC expected the CBC's English television to provide captioning for all local and regional news programmes, including live segments, by using real-time captioning or any other captioning method for live programming.

312 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007 (0840).

313 Evidence, Standing Committee on Canadian Heritage, Meeting 54, 39th Parliament, 1st Session, April 26, 2007 (1025).

The CRTC required the Corporation's French television to provide captioning for all live and recorded news and public affairs programming, for the duration of the licence. The CRTC also imposed a licence condition requiring captioning for all regional news programming, including live segments. The CRTC expected the Corporation to exceed the minimum captioning requirements, in order to reach 90% of programming on each French-language station. The CRTC did however recognise the challenges that French-language broadcasters face in captioning television programmes, including a shortage of human resources.

Unfortunately, broadcasters have not always lived up to their captioning requirements, including CBC/Radio-Canada. In 2000, Henry Vlug filed a complaint with the Canadian Human Rights Commission, alleging that CBC English television discriminated against him and other deaf persons by failing to provide captioning for its television programmes. In 2004, Senator Jean-Robert Gauthier lodged a similar complaint, claiming that the Corporation did not make all its programming accessible to the hearing-impaired on either its conventional service or the specialty channel RDI.

Joe Clark from Media Access testified that CBC English television is still having problems captioning dialogue and important sound effects for the hearing-impaired.

Just recently, in May 2007, the CRTC announced that all English and French broadcasters are now required to caption 100% of programming in the broadcast day, excluding advertising,³¹⁴ since the technology is now available in English and French.

The Committee welcomes this decision by the CRTC. Providing captioning of television programmes helps to include the hearing-impaired in the wider community.

We hope that Canada's national public broadcaster will now be a leader in this field. It must acquire effective technology in order to provide captioning of 100% of its programming.

RECOMMENDATION 7.2

The Committee recommends that CBC/Radio-Canada move rapidly to acquire effective and operational captioning technology in order to offer captioning for 100% of its programming in real time.

314 Evidence, Standing Committee on Canadian Heritage, Meeting 58, 39th Parliament, 1st Session, May 10, 2007 (1045).

Audiovisual Heritage

Over the years, the CBC/Radio-Canada has accumulated significant audiovisual archives: thousands of hours of programming; photographs; interviews; and artefacts like costumes, sets and props used in various programming sectors. This represents an important part of Canadian history over the last century. This heritage is spread out in the Corporation's various production centres across Canada.

The Canadian Broadcast Museum Foundation (CBMF) appeared before the Committee to stress the importance of preserving this audiovisual heritage.³¹⁵ It said it is satisfied with the measures that CBC/Radio-Canada has taken to protect this heritage since 2000. CBC/Radio-Canada has undertaken a major archiving project and restored and catalogued thousands of hours of programming.

In the summer of 2001, the Department of Canadian Heritage approved a joint proposal from CBC and Radio-Canada for funding of an online digital archive to highlight sections of its radio and television archives. This has enabled them to build their Web sites and convert historical clips to digital format, making them accessible to all Canadians. Funding and copyright issues, however, continue to present hurdles for the digital archiving project.

The CBMF estimates that the restoration and conversion from analogue to digital takes an average of 11 hours of work per hour of programming. Given the Corporation's current inventory of programming, it would take 30 years for one technician to complete just one aspect of this task.³¹⁶

The Foundation therefore recommended to the Committee that the preservation of the Corporation's audiovisual heritage should be an integral part of its mandate and that additional funding should be allocated specifically for the preservation of this national treasure that is in the Corporation's hands.

RECOMMENDATION 7.3

The Committee recommends that CBC/Radio-Canada build on its efforts to preserve the thousands of hours of radio and television programming broadcast by its national, regional and local services, so that Canadians have access to this audiovisual heritage.

315 Evidence, Standing Committee on Canadian Heritage, Meeting 51, 39th Parliament, 1st Session, April 20, 2007 (1120).

316 Ibid.

The Corporation's Ombudsmen

The position of ombudsman for CBC/Radio-Canada was created in 1992. There is one for the English network and one for the French network, responsible for maintaining the quality of information provided by CBC/Radio-Canada and for allowing citizens to lodge complaints with an independent body. The Ombudsmen provide an avenue of recourse if a complainant is not satisfied with the response given by the Corporation's employees or programming management. They determine whether a journalistic practice, or the information broadcast on one of the various CBC/Radio-Canada platforms, complies with the Corporation's journalistic standards and practices.

The Ombudsmen's power is influential. They may recommend changing a journalistic policy if a journalistic practice or the information broadcast does not comply with the policy. Every year, the two Ombudsmen present annual reports to the Board of Directors. The President and CEO indicates to the Board how he will respond to their recommendations.

Some witnesses questioned the Ombudsmen's effectiveness. Frank Gue appeared as an individual in Toronto, stating that the Ombudsman's response to complaints was courteous but did not acknowledge any bias in the coverage of national and international issues. He called upon the Committee to recommend that the Ombudsmen's powers be strengthened.³¹⁷

Other witnesses questioned the Ombudsmen's independence. The organisation Our Public Airwaves, for instance, stressed that the Ombudsmen should not be current or former employees of the Corporation.³¹⁸

The Committee agreed that the incumbents must be from outside the CBC/Radio-Canada. This would enhance the complaint management system and the Ombudsmen's independence.

317 Evidence, Standing Committee on Canadian Heritage, Meeting No. 52, 39th Parliament, 1st Session, April 20, 2007 (1605).

318 Evidence, Standing Committee on Canadian Heritage, Meeting No. 53, 39th Parliament, 1st Session, April 24, 2007 (0945).

RECOMMENDATION 7.4

Given the importance of the Office of the Ombudsman and the need for fair decisions, the Committee recommends that the individual be selected from persons other than current CBC/Radio-Canada employees, or persons who have not been employed by the Corporation within the five years prior to the proposed date of employment.

LIST OF RECOMMENDATIONS

RECOMMENDATION 1.1 (p. 21)

The Standing Committee on Canadian Heritage recommends that the CBC/Radio-Canada continue in its role as Canada's public broadcaster, an institution at the center of cultural, political, social, and economic life in Canada, and a key component of Canada's broadcasting system.

RECOMMENDATION 1.2 (p. 21)

The Committee recommends that CBC/Radio-Canada continue to be predominantly and distinctively Canadian.

RECOMMENDATION 1.3 (p. 21)

The Committee recommends that prime-time hours, from 7:00 p.m. to 11:00 pm, Monday to Friday, on the CBC/Radio-Canada's television networks, should be reserved for Canadian productions.

RECOMMENDATION 1.4 (p. 24-25)

The Standing Committee on Canadian Heritage recommends that when services cannot be distributed directly, CBC/Radio-Canada should negotiate fair and equitable agreements with its affiliates to ensure that all Canadians have access to their national public broadcaster.

RECOMMENDATION 1.5 (p. 25)

The Committee considers that CBC/Radio-Canada should increase the number of programmes that reflect all regions of Canada, including prime-time programming.

RECOMMENDATION 1.6 (p. 26)

The Committee recommends an increase in the variety, drama, news, public affairs and documentary programming produced by the regional CBC/Radio-Canada stations and independent producers.

RECOMMENDATION 1.7 (p. 30)

The Committee recommends that CBC/Radio-Canada devote a greater share of its programming to the arts (music, books, film, dance and theatre performances) and that these programmes reflect the cultural diversity of the regions.

RECOMMENDATION 1.8 (p. 32)

The Committee calls upon the television and radio services of CBC/Radio-Canada to meet the needs of official-language minority communities more fully and to offer programming that better reflects their reality.

RECOMMENDATION 1.9 (p. 32)

The Committee calls upon CBC/Radio-Canada to develop an accountability framework, in conjunction with official-language minority communities, setting clear qualitative and quantitative objectives for CBC/Radio-Canada for content of news, drama and variety programming.

RECOMMENDATION 1.10 (p. 34)

The Committee wishes to stress how important it is for CBC/Radio-Canada to contribute to shared national consciousness and identity, as stipulated in subparagraph 3(1)(m)(vi) of the *Broadcasting Act*.

RECOMMENDATION 1.11 (p. 37)

The Committee supports CBC/Radio-Canada in its efforts to reflect Canada's cultural diversity and gender balance. We encourage the Corporation to pursue new initiatives allowing contemporary Canada to be represented among all its creators and contributors.

RECOMMENDATION 1.12 (p. 41)

The Standing Committee on Canadian Heritage recommends maintaining the current provisions of the statutory mandate of the CBC/Radio-Canada as set out in paragraphs 3(1)(l) and (m) of the *Broadcasting Act*, notwithstanding recommendation 2.3, which adds the role of the new media.

RECOMMENDATION 1.13 (p. 42)

The Committee recommends the ratification of a seven-year memorandum of understanding between the Government of Canada and CBC/Radio-Canada, setting out the respective responsibilities of the signatories. The Standing Committee on Canadian Heritage would be responsible for reviewing the memorandum of understanding and will conduct public consultations as required.

RECOMMENDATION 2.1 (p. 48)

Recognising the need for Canadian public spaces in the online environment, the Committee recommends that CBC/Radio-Canada continue to develop its Internet presence and to make its content accessible online for Canadians.

RECOMMENDATION 2.2 (p. 58)

The Committee recommends that CBC/Radio-Canada build on its new media foundations and continue to pursue new and innovative ways of connecting Canadians of all ages to each other and to their national public broadcaster.

RECOMMENDATION 2.3 (p. 63)

The Committee recommends that the Government of Canada should amend the *Broadcasting Act* to include digital media and emerging technologies as an integral aspect of achieving CBC/Radio-Canada mandate and reaching out to Canadians.

RECOMMENDATION 2.4 (p. 63)

The Committee recommends that the Government of Canada include a clear role for digital media and emerging technologies in achieving the CBC/Radio-Canada mandate as part of the proposed seven-year memorandum of understanding.

RECOMMENDATION 2.5 (p. 64)

The Committee agrees that innovative use of new media is fundamental to the future relevance of CBC/Radio-Canada. We therefore recommend that CBC/Radio-Canada develop a digital media strategy to be submitted to the Department of Canadian Heritage. The plan should include cost estimates for the development and expansion of the Corporation's new media endeavours relative to the goals of its mandate.

RECOMMENDATION 2.6 (p. 64)

The Committee recommends that, in consideration of CBC/Radio-Canada's global funding needs, the Government of Canada recognise the need for increased funding toward the development of new media initiatives to pursue the objectives of its mandate.

RECOMMENDATION 2.7 (p. 69)

The Committee notes the ongoing New Media Initiative undertaken by the CRTC. We recommend that, in its review, the Commission give consideration to the social and cultural, as well as the economic impact of internet broadcasting on the objectives of the *Broadcasting Act*.

RECOMMENDATION 2.8 (p. 69)

The Committee recommends that, in its New Media Project Initiative, the CRTC give consideration to the role of public broadcasting and of CBC/Radio-Canada in particular, in the delivery of Canadian content across all platforms, and the extent to which public broadcasting should contribute to the development of a vibrant, sustainable Canadian programming environment.

RECOMMENDATION 2.9 (p. 72)

The Standing Committee on Canadian Heritage recommends that the CRTC, as part of its New Media Project Initiative, consider the need to protect the neutrality of carriage of Canadian public broadcasting content, and of CBC/Radio-Canada content specifically, over new media platforms.

RECOMMENDATION 2.10 (p. 72)

The Committee recommends that Canadian Internet services Providers be encouraged to voluntarily embrace the spirit of Section 3(1)(t)(i) of the *Broadcasting Act* in their approach to Canadian public broadcasting content delivered over the Internet.

RECOMMENDATION 2.11 (p. 87)

The Committee recommends that CBC/Radio-Canada submit a revised plan for the conversion of its current system of OTA transmitters that includes options for possible partnerships and costing to extend its digital transmission signals free-to-air to all Canadians who currently receive its analogue transmission signals.

RECOMMENDATION 2.12 (p. 89)

The Committee recommends that CBC/Radio-Canada prepare a detailed programming plan for the roll-out of its French- and English-language television HDTV. The plan should include the rationale and an explanation of how its plans connect with corporate objectives with respect to Canadian priority programming.

RECOMMENDATION 2.13 (p. 95)

The Committee recommends that CBC/Radio-Canada submit an updated financial plan to the Department of Canadian Heritage for the transition to HD/DTV.

RECOMMENDATION 2.14 (p. 95)

The Committee recommends that the Department of Canadian Heritage prioritize its response to the CBC/Radio-Canada plan and provide one time funding for the capital costs associated with the transition to HD/DTV and recurrent funding to cover the increased operational costs of transmission and distribution of HD signals.

RECOMMENDATION 3.1 (p. 102)

The Committee encourages CBC/Radio-Canada to explore the possibility of developing partnerships with the National Film Board of Canada.

RECOMMENDATION 3.2 (p. 108)

The Committee recommends that CBC/Radio-Canada play an increased role in the development, promotion and distribution of Canadian feature films.

RECOMMENDATION 4.1 (p. 113)

The Standing Committee on Canadian Heritage recommends that the Government of Canada commit to stable, multi-year funding for CBC/Radio-Canada, indexed to the cost of living. Funding should be for a period of not less than seven years and be established by means of the proposed memorandum of understanding.

RECOMMENDATION 4.2 (p. 113)

The Government of Canada has approved additional one-time funding of \$60 million annually since 2002. The Committee recommends that this parliamentary appropriation be permanently added to the Corporation's core funding.

RECOMMENDATION 4.3 (p. 113)

The Standing Committee on Canadian Heritage recommends to the Government of Canada that any broadening of or addition to the mandate be appropriately reflected in CBC/Radio-Canada's parliamentary appropriations.

RECOMMENDATION 4.4 (p. 113)

The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada's core funding be increased to an amount equivalent to at least \$40 per capita.

RECOMMENDATION 4.5 (p. 115)

The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada give the regions greater prominence in all its services.

RECOMMENDATION 4.6 (p. 116)

The Standing Committee on Canadian Heritage supports the strategic plan submitted to the Minister of Canadian Heritage in January 2007, which is designed to improve programming for local communities on CBC/Radio-Canada's English- and French-language radio services.

RECOMMENDATION 4.7 (p. 118)

The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada retain guaranteed access to the various existing public funding sources, including the Canadian Television Fund, in order to support the production and broadcast of Canadian audiovisual content.

RECOMMENDATION 4.8 (p. 121)

The Committee recognizes the current necessity and value of advertising revenues from television and on new platforms, and accepts that the CBC/Radio-Canada continue to pursue those revenue streams. However, the Committee also recommends that the Government of Canada and CBC/Radio-Canada work toward decreasing CBC Radio-Canada's relative dependency on advertising revenues for television programming.

RECOMMENDATION 4.9 (p. 121)

The Committee recommends, as part of the proposed memorandum of understanding, that negotiations between the Government and CBC/Radio-Canada should address the reduction of the Corporation's relative dependency on advertising revenues for television programming, without compromising service.

RECOMMENDATION 6.1 (p. 130)

The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada develop qualitative and quantitative performance indicators and clear targets for all six priorities and strategic areas identified in its Corporate Plan.

RECOMMENDATION 6.2 (p. 130)

The Standing Committee on Canadian Heritage recommends that all financial and accounting information be reported in the same way by both the French and English language networks, to render comparisons between the two entities possible.

RECOMMENDATION 6.3 (p. 130-131)

The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada take inspiration from the British Broadcasting Corporation's accountability model, rooted in results-based management. It would include the publication of an annual report and financial statement reporting details, both qualitative and quantitative, on all activities of public interest and its budgeting plans. In these documents, CBC/Radio-Canada would provide a comprehensive report on its programming and financial information for each of its individual services. This would facilitate objective, rigorous and transparent evaluations.

RECOMMENDATION 6.4 (p. 131)

The Standing Committee on Canadian Heritage recommends that all reports produced by the CBC/Radio-Canada, particularly those prepared for Parliament and especially the chapters about its operations, should be a comprehensive source of information, transparent, relevant and informative. This reporting should not, however, go so far as to compromise proprietary information that would put the Corporation at a competitive disadvantage.

RECOMMENDATION 6.5 (p. 131)

The Standing Committee on Canadian Heritage recommends that the CBC/Radio-Canada report to the Committee, at its earliest convenience, on its progress pursuant to the recommendations made in the 2005 Special Examination Report carried out by the Office of the Auditor General.

RECOMMENDATION 7.1 (p. 134)

In the interest of greater distribution and availability of Canadian content, the Committee recommends that CBC/Radio-Canada give greater priority to negotiating with artists and producers a fair and equitable sale and broadcast rights agreement over new and emerging platforms.

RECOMMENDATION 7.2 (p. 135)

The Committee recommends that CBC/Radio-Canada move rapidly to acquire effective and operational captioning technology in order to offer captioning for 100% of its programming in real time.

RECOMMENDATION 7.3 (p. 136)

The Committee recommends that CBC/Radio-Canada build on its efforts to preserve the thousands of hours of radio and television programming broadcast by its national, regional and local services, so that Canadians have access to this audiovisual heritage.

RECOMMENDATION 7.4 (p. 138)

Given the importance of the Office of the Ombudsman and the need for fair decisions, the Committee recommends that the individual be selected from persons other than current CBC/Radio-Canada employees, or persons who have not been employed by the Corporation within the five years prior to the proposed date of employment.

APPENDIX A: TERMS OF REFERENCE FOR THE STUDY

COMMITTEE MANDATE

“That this committee undertake a full investigation of the role for a public broadcaster in the 21st century, an examination of the various services including the adequacy of regional programming and an examination of the issues posed by new media; the study will gather public input from stakeholders and deliver a report to the Minister advising her of our findings; this undertaking shall commence upon the return of the House in January 2007.”⁽³¹⁹⁾

SUGGESTED STUDY THEMES

A. The Role of the CBC/Radio-Canada as a Public Broadcaster in the 21st Century

The overall mandate of CBC/Radio as Canada’s public broadcaster is set out as follows in section 3(1)(m) of the *Broadcasting Act*, 1991:

319 Standing Committee on Canadian Heritage, 39th Parliament, 1st Session, November 20, 2006 (1725).

**Mandate of the CBC/Radio-Canada as set out in the *Broadcasting Act*
(1991, c. 11, B-9.01, [Assented to on 1 February 1991])**

- (i) be predominantly and distinctively Canadian,
- (ii) reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions,
- (iii) actively contribute to the flow and exchange of cultural expression,
- (iv) be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities,
- (v) strive to be of equivalent quality in English and in French,
- (vi) contribute to shared national consciousness and identity,
- (vii) be made available throughout Canada by the most appropriate and efficient means and resources become available for the purpose, and
- (viii) reflect the multicultural and multiracial nature of Canada

- Explain how, since 1991, and to what degree CBC/Radio-Canada has carried out each part of its statutory mandate as stated above.
- List the principal changes that have occurred in the broadcasting sector in Canada and the impact these changes have had on each component of CBC/Radio-Canada's statutory mandate.
- Explain, where applicable, how the wording of each component of the CBC/Radio-Canada mandate should be modified.
- Does the governance structure of CBC/Radio-Canada continue to satisfy the needs of the Corporation and to address the new realities of the broadcasting sector in Canada? If not, what changes would need to be made?
- Would the Corporation be better able to carry out its mandate if stronger partnerships were forged between it and private broadcasters? If so, explain how.

B. Financial Portrait of CBC/Radio-Canada: Issues and Challenges

- Is CBC/Radio-Canada able to carry out its statutory mandate with the parliamentary appropriations and funding it currently receives?
- Which services offered by the Corporation have represented a greater financial burden in recent years?
- How can CBC/Radio-Canada diversify its revenue sources and increase its earnings?

C. Services Provided by CBC/Radio-Canada

- List the challenges facing the various CBC/Radio-Canada services, specifically:
 - English- and French-language radio, including broadcasting in Northern Canada and Radio Canada International;
 - English- and French-language satellite radio services;
 - English- and French-language television, including continuous news channels (RDI, Newsworld) and partnerships with private broadcasters;
 - Internet services;
 - new communications and information platforms.
- How and to what extent should CBC/Radio-Canada programming be re-examined, in particular:
 - news and current affairs programming;
 - sports programming;
 - arts and cultural programming;
 - children's and youth programming.

- Does the programming provided by the various CBC/Radio-Canada services adequately account for and reflect Canada's regional and linguistic diversity?

D. The Emergence of New Media and the Future of CBC/Radio-Canada

- How and to what extent does the emergence of new media affect the way in which CBC/Radio-Canada carries out its mandate as Canada's national public broadcaster?
- Which technological changes pose a special challenge to CBC/Radio-Canada? Conversely, which changes have made the Corporation better able to carry out its mandate?
- Will the growing number of new communications and information platforms prompt the Corporation to re-evaluate some of the services it provides to Canadians?
- How and to what extent has the emergence of new media had financial implications for CBC/Radio-Canada's overall budget?
- Would it be to the advantage of CBC/Radio-Canada if the Canadian Radio-television and Telecommunications Commission (CRTC) were to regulate the new media sector? If so, what approach should the CRTC take?
- Explain how new media help CBC/Radio-Canada better reflect the country's regional diversity, while meeting the special needs of the regions.
- How have public broadcasters in other countries been affected by new media?

APPENDIX B: SUMMARY OF LETTERS RECEIVED

During the course of its study, the Committee received some 710 letters and e-mails from Canadians. The vast majority of these were sent as a result of a campaign by the organisation Friends of Canadian Broadcasting, which sent a letter to its supporters urging them to write to the Committee. As well as giving the Committee's postal address, the letter said that an Internet site had been created that would deliver comments to the Committee. It went on to say this was "an unparalleled chance to speak up for a strong, independent national public broadcaster, to insist that CBC/Radio-Canada have the resources and mandate to program locally in communities across the land, and to reform CBC/Radio-Canada's management and governance so that only the best and brightest Canadians are appointed to CBC/Radio-Canada's board—ending patronage appointments of the President and the Board forever!"³²⁰ Indeed, these were recurring themes in the letters and e-mails the Committee received.

Many of those who wrote to the Committee explicitly supported the positions advocated by Friends of Canadian Broadcasting. On the subject of funding, letter writers often expressed fear that CBC/Radio-Canada was being threatened. Specifically, they were concerned about further funding cuts. They called for sufficient funding to ensure that the Corporation has a secure future. Writers said CBC/Radio-Canada required sufficient funding so that it could provide more regional news, more original drama and comedy, and more public affairs programming. Others mentioned the need to develop Canadian talent and promote Canadian entertainers.

More specifically, quite a few letter writers said CBC/Radio-Canada should not rely on advertising revenue. They pointed approvingly to the lack of advertising on CBC/Radio-Canada radio, and some felt there should not be advertising on television, either. Some also called for a ban on partnerships with private broadcasters, while others said they would be willing to pay additional taxes to maintain a reasonable budget for CBC/Radio-Canada.

On the subject of CBC/Radio-Canada's statutory mandate, many writers said that the Corporation's Board of Directors should be directed by Parliament to respect the *Broadcasting Act's* stipulation that Canada's national broadcaster should "reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions."³²¹

320 Letter to a Friend of Canadian Broadcasting supporter dated February 14, 2007.

321 *Broadcasting Act* (1991, c. 11, s. 3(1)(m)(ii), <http://laws.justice.gc.ca/en/showdoc/cs/B-9.01///en?page=1>).

On the subject of governance, many letters supported the position of Friends of Canadian Broadcasting that the President and CEO should not be appointed by the Prime Minister. They felt this change would make the CBC/Radio-Canada independent from political interference.

In general, the letters were heart-felt tributes to the CBC/Radio-Canada, which numerous writers saw as an integral part of Canadian identity. Writers often told of a lifetime of listening to and/or watching the CBC/Radio-Canada and frequently they said they listened to or watched little else. Frequently, letter writers said they listened to CBC/Radio-Canada radio the whole day.

The letters were from all regions of Canada. Quite a few writers said they had lived in many different parts of the country and that the CBC/Radio-Canada had always been there for them. Writers from rural areas stressed the importance of the CBC/Radio-Canada in providing what was often their only link with the rest of the country. As well, some writers mentioned that they had listened to the CBC/Radio-Canada while travelling or living abroad. Several letter writers said they had arrived in Canada as immigrants, and that the CBC/Radio-Canada had helped them learn about the country.

Many said that having a strong, independent public broadcaster was necessary for the unity of the country. The CBC/Radio-Canada, the letter writers said, provided a voice for all Canadians and they compared it to the railroad as a way of uniting the country.

Writers often highlighted the excellent quality of CBC/Radio-Canada programming, particularly the public affairs programming. This was compared with the programming on private networks, which many writers found to be too concerned with entertainment. Some letter writers remarked on the intelligent discussion that is found on the CBC/Radio-Canada. They also said the CBC/Radio-Canada should not compete with the private networks in terms of programming.

The CBC/Radio-Canada was seen by many as a necessary alternative to ubiquitous American programming. They felt it reflected Canada's diversity and multicultural identity and provided a Canadian point of view on world events. They also said it was a neutral, unbiased voice, which only a well-funded public broadcaster could provide.

Only a few writers mentioned new media, such as the Internet. Some thought the CBC/Radio-Canada's use of them needed strengthening, while others felt this should be done only where it helped the CBC/Radio-Canada carry out its mandate more effectively.

Organizations and Individuals	Date	Meeting
Christine Sotteau, Government Relations Coordinator		
Friends of Canadian Broadcasting		
Anne Ironside		
Ian Morrison, Spokesperson		
Le Canard Réincarné		
Réjean Beaulieu, Principal		
Music BC		
Bob D'Eith, Executive Director		
New Media BC		
Lynda Brown, President		
Phillip Djwa, President, Agentic		
Adam Gooch, Manager, Program and Communications		
As Individual		
Norman Hill	2007/03/14	42
David W.C. Jones		
British Columbia Film		
Michael Francis, Chair		
Richard Brownsey, Executive Director		
Canadian Film and Television Production Association		
Trish Dolman, Producer, Vancouver Branch		
Brian Hamilton, Vice President/Executive Producer, Omni Film Productions Limited		
Citizens' Coalition for the Protection of Canadian Films		
Carl Bessai, Chairperson		
Save Our CBC Kamloops		
Pam Astbury, President		
David Charbonneau, President, Trio Technical		
Simon Fraser University		
Catherine Murray, Associate Professor, School of Communication		
Union of B.C. Performers		
Howard Storey, President		

Organizations and Individuals	Date	Meeting
<p>Thom Tapley, Director, Operations and Communications - Film, Television and Digital Media, ACTRA - British Columbia</p> <p>Mercedes Watson, Chief Executive Officer, ACTRA - British Columbia</p> <p>Vancouver Community Television Association</p> <p>Pedro Mora</p>		
<p>Canadian Radio-television and Telecommunications Commission</p> <p>Peter Foster, Manager, Conventional Television Services for English Markets</p> <p>Scott Hutton, Acting Associate Executive Director, Broadcasting</p> <p>Doug Wilson, Director, Strategic Research and Economic Analysis</p> <p>Office of the Commissioner of Official Languages</p> <p>Renald Dussault, Assistant Commissioner, Compliance Assurance Branch</p> <p>G�rard Finn, Assistant Commissioner, Policy and Communications Branch</p> <p>Graham Fraser, Commissioner of Official Languages</p>	2007/03/20	43
<p>Canadian Broadcasting Corporation</p> <p>Sylvain Lafrance, Executive Vice-President, French Services</p> <p>Jennifer McGuire, Acting Vice-President, English Radio</p> <p>Robert Rabinovitch, President and Chief Executive Officer</p> <p>Richard Stursberg, Executive Vice-President, Television (English)</p>	2007/03/22	44
<p>Canadian Association of Broadcasters</p> <p>Glenn O'Farrell, President and Chief Executive Officer</p> <p>Susan Wheeler, Vice-President, Policy and Regulatory Affairs (Television)</p> <p>Canadian Conference of the Arts</p> <p>Monica Auer, Legal Counsel</p> <p>Alain Pineau, National Director</p>	2007/03/27	45
<p>As Individual</p> <p>Anthony S. Manera</p>	2007/03/29	46

Organizations and Individuals	Date	Meeting
<p>Fédération des communautés francophones et acadienne du Canada Marielle Beaulieu, Executive Director Serge Quinty, Director of Communications</p>		
<p>Public Policy Forum Bill Neville, Senior Advisor to the President</p>		
<p>ACTRA (Manitoba) Sharon Bajer, President Claude Dorge, Secretary Rea Kavanagh, Vice-President Rob Macklin, Branch Representative</p>	2007/04/11	47
<p>Manitoba Arts Council Judith Flynn, Chair Douglas Riske, Executive Director</p>		
<p>Native Communication Inc. Dave McLeod, General Manager</p>		
<p>Manitoba Motion Picture Industry Association Louis Paquin, Board Member Kim Todd, Chairperson</p>	2007/04/11	48
<p>Productions Rivard Louis Paquin, Executive Producer</p>		
<p>Société franco-manitobaine Daniel Boucher, President and Executive Director</p>		
<p>Alliance of Canadian Cinema, Television and Radio Artists Raoul Bhaneja, Member Arlene Duncan, Member Richard Hardacre, National President Ken Thompson, Director, Public Policy and Communications</p>	2007/04/17	49
<p>Communications, Energy and Paperworkers Union of Canada Monica Auer, Consultant, Interconnected Diane Goulet, Researcher, Research Department</p>		

Organizations and Individuals	Date	Meeting
Peter Murdoch, Vice-President, Media		
Canadian Broadcast Standards Council	2007/04/19	50
Ronald Cohen, National Chair		
Teisha Gaylard, Director of Policy		
John MacNab, Executive Director		
Burhaan Warsame, Project Manager		
Fédération culturelle canadienne-française		
Pierre Bourbeau, Director General		
Annick Schulz, Director, Communications		
Canadian Broadcast Museum Foundation	2007/04/20	51
David Taylor, Director		
Robert Underwood, Director		
Kealy Wilkinson, Executive Director		
Canadian Media Directors Council		
Bruce Claassen, President		
Canadian Media Guild		
Benoit Cantin, Member		
Lise Lareau, National President		
Marc-Philippe Laurin, President, CBC Branch		
Centre for Community Study		
Sonja Macdonald, Director		
City of Hamilton		
Brian McHattie, City Councillor		
Directors Guild of Canada		
Pamela Brand, National Executive Director and Chief Executive Officer		
Monique Lafontaine, General Counsel and Director of Regulatory Affairs		
Writers Guild of Canada		
Kelly Lynne Ashton, Director, Industrial and Policy Research		
Maureen Parker, Executive Director		
Rebecca Schechter, President		
Deborah Windsor, Executive Director		

Organizations and Individuals	Date	Meeting
As Individual		
Joe Clark Media Access	2007/04/20	52
Frank Gue		
Viggo Lewis		
John Spence, Editor, cbcwatch.ca		
Aboriginal Peoples Television Network		
Joel Fortune, Lawyer, Fasken, Martineau, Du Moulin		
Jean LaRose, Chief Executive Officer		
Association of Canadian Advertisers		
Ronald Lund, President and Chief Executive Officer		
Robert Reaume, Vice-President, Policy and Research		
Corus Entertainment Inc.		
Sylvie Courtemanche, Vice President, Government Relations		
Corus Entertainment Inc.		
Gary Maavara, Vice-President and General Counsel		
Documentary Organisation of Canada		
Samantha Hodder, Executive Director		
Daniel Margetic, Member		
REAL Women of Canada		
Gwendolyn Landolt, National Vice-President		
TVN Niagara Inc.		
Wendell G. Wilks, President and Chief Executive Officer		
Alliance de la francophonie de Timmins		
Pierre Bélanger, Chairman of the Board	2007/04/24	53
Sylvain Lacroix, Executive Director	2007/04/24	
Our Public Airwaves		
Paul Gaffney, Member, Coordinating Committee		
Arthur Lewis, Executive Director		
Canada Council for the Arts		
André Courchesne, Director, Arts Division	2007/04/26	54

Organizations and Individuals	Date	Meeting
<p>John Goldsmith, Director, Partnership, Networking and Arts Promotion</p> <p>Canadian Film and Television Production Association</p> <p>Guy Mayson, President and Chief Executive Officer</p> <p>Mario Mota, Senior Director, Broadcast Relations and Research</p> <p>Canadian Association of Film Distributors & Exporters</p> <p>Ted East, President</p> <p>National Film Board of Canada</p> <p>Deborah Drisdell, Director, Strategic Planning and Government Relations</p> <p>Claude Joli-Coeur, Acting Government Film Commissioner and President of the National Film Board of Canada</p> <p>As Individual</p> <p>Renaud Gilbert, Former Ombudsman, French Services, Radio-Canada</p> <p>Centre d'études sur les médias</p> <p>Florian Sauvageau, Director</p> <p>Office of the Auditor General of Canada</p> <p>Julie Charron, Principal</p> <p>Richard Flageole, Assistant Auditor General</p> <p>Sheila Fraser, Auditor General of Canada</p> <p>As Individual</p> <p>Jacques Bensimon, Former Government Film Commissioner and former Chairperson, National Film Board of Canada</p> <p>Department of Industry</p> <p>Bernard Caron, Vice-President, Broadcast Technology Research Branch / Communications Research Centre Canada</p> <p>Veena Rawat, President, Communications Research Centre Canada</p> <p>McMaster University</p> <p>Christina Oreskovich, Student</p> <p>Philip Savage, Assistant professor, Department of Communication Studies and Multimedia</p> <p>University of Ottawa</p> <p>Pierre C. Bélanger, Professor, Institute of Canadian Studies</p>	<p>2007/05/01</p> <p>2007/05/03</p> <p>2007/05/08</p> <p>2007/05/10</p>	<p>55</p> <p>56</p> <p>57</p> <p>57</p> <p>58</p>

Organizations and Individuals	Date	Meeting
Alliance des radios communautaires du Canada Serge Paquin, Secretary General	2007/05/15	59
Association des radiodiffuseurs communautaires du Québec Brigitte Duchesneau, Secretary-Treasurer Magalie Paré, Assistant, Communications and Members Services		
Canadian Independent Film and Video Fund Robin Jackson, Executive Director Jean-Louis Robichaud, President		
National Campus and Community Radio Association Melissa Kaestner, National Coordinator John Harris Stevenson, Advisory Board		
Newfoundland and Labrador Arts Council John Doyle, Chair	2007/05/23	61
Newfoundland and Labrador Film Development Corporation Chris Bonnell, Executive Director Doug Engbrecht, Manager of Programs Dorian Rowe, Professional Development Administrator		
St. John's International Women's Film and Video Festival Noreen Golfman, Chair of the Board of Directors		
Alliance of Canadian Cinema, Television and Radio Artists Marlene Cahill, Branch Representative, Newfoundland and Labrador Amy House, Branch President, Newfoundland and Labrador	2007/05/24	62
Documentary Organisation of Canada Bart Simpson, Board Member, Newfoundland and Labrador Chapter		
Film Producers Association of Newfoundland Lynne Wilson, President		
Newfoundland Independent Filmmakers Cooperative Paul Pope, Vice-President		
Alliance for Children and Television Madeleine Lévesque, Director	2007/05/24	63

Organizations and Individuals	Date	Meeting
<p>Peter Moss, President</p> <p>Documentary Organisation of Canada</p> <p>John Christou, Vice-Chair</p> <p>Yanick Létourneau, Executive Committee, Quebec Chapter</p> <p>English Language Arts Network</p> <p>Kirwan Cox, Member</p> <p>Ian Ferrier, Member</p> <p>Independent Media Arts Alliance</p> <p>Jennifer Dorner, National Director</p>	2007/05/25	64
<p>CKRT-TV</p> <p>Pierre Harvey, Vice-President, Operations</p> <p>Marc Simard, President</p> <p>Coalition pour la radiotélévision publique francophone</p> <p>François Lewis, Member of the Steering Committee</p> <p>Sylvio Morin, Spokeperson</p> <p>Conseil provincial du secteur des communications du Syndicat canadien de la fonction publique</p> <p>Michel Bibeault, Union Advisor and Coordinator, Communications Sector, Canadian Union of Public Employees (CUPE)</p> <p>Jacqueline Turgeon, President, Syndicat de Radio-Canada, section locale</p>		
<p>Fédération nationale des communications</p> <p>Pierre Roger, Secretary General</p>		
<p>Productions Virage</p> <p>Monique Simard, Chief Executive Officer</p>		
<p>Radio Nord Communications</p> <p>Raynald Brière, Executive Director</p>		
<p>Réalisatrices équitables</p> <p>Isabelle Hayeur, Member</p> <p>Marie-Pascale Laurencelle, Producer</p> <p>Marquise Lepage, Producer</p> <p>Lucette Lupien, Consultant - film and television</p>		
<p>Syndicat des communications de Radio-Canada</p> <p>Robert Fontaine, Former President</p>		

Organizations and Individuals	Date	Meeting
<p>Wojtek Gwiazda, Delegate, Radio-Canada International Alex Levasseur, President</p> <p>Association des producteurs de films et de télévision du Québec</p> <p>Vincent Leduc, Chair of the Board of Directors Claire Samson, President and Chief Executive Officer Lise Lachapelle, Director General</p> <p>Association des réalisateurs et des réalisatrices du Québec</p> <p>Jean-Pierre Lefebvre, President</p> <p>Maliseet Nation Radio Inc.</p> <p>Christopher Collrin, Research Director Tim Paul, President</p> <p>Société des auteurs de radio, télévision et cinéma</p> <p>Marc Grégoire, President of the Board of Directors Louise Pelletier, Member of the Board of Directors</p> <p>Sports-Québec</p> <p>Raymond Côté, President Michelle Gendron, Coordinator</p> <p>Union des artistes</p> <p>Raymond Legault, President</p> <p>As Individual</p> <p>Peter Grant, Counsel and Past Chair Technology, Communications and Intellectual Property Group, McCarthy Tétraut Anthony S. Manera Trina McQueen</p> <p>Association of Canadian Advertisers</p> <p>Ronald Lund, President and Chief Executive Officer</p> <p>Canadian Association of Broadcasters</p> <p>Glenn O'Farrell, President and Chief Executive Officer</p> <p>Corus Entertainment Inc.</p> <p>Gary Maavara, Vice-President and General Counsel</p>	<p>2007/05/25</p> <p>2007/05/31</p>	<p>65</p> <p>67</p>

Organizations and Individuals	Date	Meeting
McGill University		
Marc Raboy, Professor, Beaverbrook Chair in Ethics, Media and Communications, Department of Art History and Communication Studies		
McMaster University		
Philip Savage, Assistant professor, Department of Communication Studies and Multimedia		
Native Communication Inc.		
Dave McLeod, General Manager		
Public Policy Forum		
Bill Neville, Senior Advisor to the President		
Telefilm Canada		
S. Wayne Clarkson, Executive Director		
Telefilm Canada		
Elizabeth Friesen, Chief Operating Officer		
Writers Guild of Canada		
Rebecca Schechter, President		
Canadian Broadcasting Corporation	2007/06/05	68
Tony Burman, Editor in Chief , CBC News, Current Affairs and Newsworld, CBC Radio and Television		
Alain Saulnier, General Manager, News and Current Affairs, French Services		
Ministry for Culture and Heritage of New Zealand	2007/06/12	70
Martin Matthews, Chief Executive Officer		

39.2 - LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
Canadian Broadcasting Corporation Sylvain Lafrance, Executive Vice-President, French Services Robert Rabinovitch, President and Chief Executive Officer Richard Stursberg, Executive Vice-President, Television (English)	2007/11/27	4
British Broadcasting Corporation Wilf White , Chief Advisor, Public Policy Daniel Wilson Deputy, Public Policy	2008/01/29	10

APPENDIX D

39.1 - LIST OF BRIEFS

Organizations and individuals

Aboriginal Peoples Television Network

Alliance de la francophonie de Timmins

Alliance des producteurs francophones du Canada

Alliance des radios communautaires du Canada

Alliance of Canadian Cinema, Television and Radio Artists

Ames, Julie Anne

Association des producteurs de films et de télévision du Québec

Association des réalisateurs et des réalisatrices du Québec

Association franco-culturelle de Yellowknife

Association franco-yukonnaise

Association of Canadian Advertisers

Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ)

Bean, Audrey

Beattie, Eleanor

Bensimon, Jacques

Betteridge, Jesse

Bonnett, Penelope

British Columbia Film

Canada Council for the Arts

Canadian Arts Presenting Association

Organizations and individuals

Canadian Association of Broadcasters

Canadian Broadcast Museum Foundation

Canadian Broadcasting Corporation

Canadian Conference of the Arts

Canadian Film and Television Production Association

Canadian Independent Film and Video Fund

Canadian Media Guild

Canadian Paralympic Committee

Centre culturel francophone de Vancouver

Centre d'études sur les médias

Centre for Community Study

Citizens' Coalition for the Protection of Canadian Films

City of Hamilton

CKRT-TV

CKUA Radio Network

Clark, Joe

Coalition pour la radiotélévision publique francophone

Communications, Energy and Paperworkers Union of Canada

Conseil provincial du secteur des communications du Syndicat canadien de la fonction publique

Corus Entertainment Inc.

Cultural Human Resources Council

Davis, Caspar

Organizations and individuals

Department of Industry

Dickson, Marilyn I.

Directors Guild of Canada

Documentary Organisation of Canada

English Language Arts Network

Fédération culturelle canadienne-française

Fédération des communautés francophones et acadienne du Canada

Fédération des francophones de la Colombie-Britannique

Fédération Franco-TéNOise

Fédération nationale des communications

Film Producers Association of Newfoundland

Friends of Canadian Broadcasting

Geist, Michael

Gilbert, Renaud

Grant, Peter

Hill, Norman

Independent Media Arts Alliance

Jaworski, Jim

Le Canard Réincarné

Legislative Assembly of the Northwest Territories

Lewis, Viggo

Longstaff, Bill

Organizations and individuals

MacKinnon, Wayne

Maliseet Nation Radio Inc.

Manera, Anthony S.

Manitoba Arts Council

McIntosh, James C

McMaster University (Philip Savage)

McMaster University (Christina Oreskovich)

Miyanishi, Kiyoko

Moore, Evangeline

Munday, Marion J.

Music BC

National Film Board of Canada

New Canada Institute

Newfoundland and Labrador Arts Council

Newfoundland Independent Filmmakers Cooperative

Northwestel Cable

Our Public Airwaves

Productions Rivard

Public Policy Forum

Québecor inc.

REAL Women of Canada

Réalisatrices équitables

Organizations and individuals

Rehner, Michael

Rouyer, Charles-Antoine

Save Our CBC Kamloops

Schneider, Aaron

Simon Fraser University

Société des auteurs de radio, télévision et cinéma

Société des auteurs et compositeurs dramatiques

Société franco-manitobaine

Société nationale de l'Acadie

Soundings Steele Inc.

Sparrow, David

Sports-Québec

St. John's International Women's Film and Video Festival

Sullivan, Mike

Syndicat des communications de Radio-Canada

Tamsen, Teya

The Port Theatre

Turner, Chris

TVN Niagara Inc.

Union des artistes

University of Ottawa

Vancouver Community Television Association

Organizations and individuals

Vi Milstead, Warren

Wilkes, George

Williams, Dwight

Woyntlowicz, Ted

Writers Guild of Canada

Writers' Union of Canada

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings (In 39.1: [Meetings Nos.\(39 to 59, 61 to 65, 67 to 70\)](#); in 39.2: [\(Meetings Nos.2, 3, 4, 5, 6, 8, 9, 10, 11, 13, 14, 15, 16, 17\)](#)) is tabled.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gary Schellenberger".

Gary Schellenberger , MP
Chair

Minority Opinion

Conservative Party of Canada

At the meeting of the Standing Committee on Canadian Heritage (CHPC) on November 20, 2006, by unanimous consent it was agreed, “That this committee undertake a full investigation of the role of a public broadcaster in the 21st century, an examination of the various services including the adequacy of regional programming, and an examination of the issues posed by new media; the study will gather public input from stakeholders and deliver a report to the Minister advising her of our findings; this undertaking shall commence upon the return of the House in January 2007.”¹ This motion set out the purpose and direction of the study that has resulted in this report. It is important to note that the investigation was to be on the role of a public broadcaster *generally* in the 21st century, and not of any one particular public broadcaster specifically.

This report, however, deviated from its mandate almost immediately and the study quickly focused on the role CBC/Radio-Canada as a public broadcaster in the 21st century. Appendix A: Terms of Reference for the Study lists as its first suggested study theme: “The Role of the CBC/Radio-Canada as a Public Broadcaster in the 21st Century.”² In fact, all four suggested study themes name CBC/Radio-Canada as the focus. Naturally, this determined the trajectory of the study as it moved away from its original purpose and towards a report on the mandate of CBC/Radio-Canada.

Even so, the study of CBC/Radio-Canada proved to be an enlightening process, and one which saw the committee members making great steps towards consensus. When it became apparent that there were simply issues upon which consensus could not be reached, we sought to include this minority report. For sake of clarity, each recommendation included in the committee report will be commented on in turn.

Recommendations:

- *RECOMMENDATION 1.1: The Standing Committee on Canadian Heritage recommends that the CBC/Radio-Canada continue in its role as Canada’s public broadcaster, an institution at the center of cultural, political, social, and economic life in Canada, and a key component of Canada’s broadcasting system.*

We agree with this recommendation.

- *RECOMMENDATION 1.2: “The Committee recommends that the CBC/Radio-Canada continue to be predominantly and distinctively Canadian.”*

We agree with this recommendation.

¹ Standing Committee on Canadian Heritage, 39th Parliament, 1st Session, 20 November 2006, 1725.

² Report on the Role of a Public Broadcaster in the 21st Century (Version 3, 11 February 2008), p.241.

- *RECOMMENDATION 1.3: The Committee recommends that prime time hours, from 7:00 to 11:00 pm, Monday to Friday, on the CBC/Radio-television networks, should be reserved for Canadian productions.*

We do not support recommendations such as this one as they interfere with the day-to-day operations of CBC/Radio-Canada. The Government members of this committee have always been clear that we disagree with recommendations that micro-manage our independent public broadcasting corporation. The folly of a recommendation like 1.2 is evident by way of example: If CBC/Radio-Canada was bound to follow this particular recommendation they would not be permitted to show classic Christmas movies during prime-time on Christmas Eve, unless it happened to fall on a weekend.

- *RECOMMENDATION 1.4: The Standing Committee on Canadian Heritage recommends that when services cannot be distributed directly, CBC/Radio-Canada should negotiate fair and equitable agreements with its affiliates to ensure that all Canadians have access to their national public broadcaster.*

Under the *Broadcasting Act*, CBC/Radio-Canada must provide broadcasting services to all Canadians. We affirm this recommendation as it reinforces the importance of having Canada's public broadcaster accessible by all Canadians.

- *RECOMMENDATION 1.5: The Committee considers that CBC/Radio-Canada should increase the number of programs that reflect all regions of Canada, including prime time programming.*

We agree that it is essential for Canada's public broadcaster to reflect the regions of Canada in its programming. Section 3(1)(m)(ii) of the *Broadcasting Act* already makes this a requirement. While this recommendation addresses CBC/Radio-Canada specifically, it could easily fit the original mandate of the report (to study the role of a public broadcaster, generally) if the wording were changed from "...should increase the number of programs..." to "...must have programs...".

- *RECOMMENDATION 1.6: The Committee recommends an increase in the variety, drama, news, public affairs and documentary programming produced by the regional CBC/Radio-Canada stations and independent producers.*

Our response to this recommendation is identical to that of recommendation 1.4 above.

- *RECOMMENDATION 1.7: The Committee recommends that CBC/Radio-Canada devote a greater share of its programming to the arts (music, books, film, dance and theatre performances) and that these programs reflect the cultural diversity of the regions.*

While we agree that CBC/Radio-Canada must reflect the cultural diversity of Canada and its regions, the question that is not answered in the committee report is: What is an appropriate amount of arts programming, and what form

should the programming take? It is an important question, and one that cannot be answered quickly or without careful consideration.

- *RECOMMENDATION 1.8: The Committee calls upon the television and radio services of CBC/Radio-Canada to meet the needs of official-language minority communities more fully and to offer programming that better reflects their reality.*

Without question, a public broadcaster in Canada must meet the needs of official-language communities as required by section 3(1)(m)(iv) in the *Broadcasting Act*. This recommendation does not necessarily call upon CBC/Radio-Canada to do anything new, but to ensure that they are fulfilling their responsibilities in the most effective way possible. Our Government has always supported official-languages in Canada, and encourages CBC/Radio-Canada to always improve and innovate on meeting this essential responsibility.

- *RECOMMENDATION 1.9: The Committee calls upon CBC/Radio-Canada to develop an accountability framework, in conjunction with official-language minority communities, setting clear qualitative and quantitative objectives for CBC/Radio-Canada for content of news, dramas and variety programming.*

Again, we affirm our comments on recommendation 1.7 above. Our official-language minority communities deserve the very best services, as do Canadians across the country.

- *RECOMMENDATION 1.10: The Committee wishes to stress how important it is for CBC/Radio-Canada to contribute to shared national consciousness and identity, as stipulated in subparagraph 3(1)(m)(vi) of the Broadcasting Act.*

We agree with this recommendation.

- *RECOMMENDATION 1.11: The Committee supports CBC/Radio-Canada in its efforts to reflect Canada's cultural diversity and a gender balance. We encourage the Corporation to pursue new initiatives allowing contemporary Canada to be represented among all its creators and contributors.*

We agree with this recommendation. Our Government believes Canada's diversity one of our greatest strengths.

- *RECOMMENDATION 1.12: The Standing Committee on Canadian Heritage recommends maintaining the current provisions of the statutory mandate of the CBC/Radio-Canada as set out in paragraphs 3(1)(l) and (m) of the Broadcasting Act, except as to recommendation 2.4, which adds the role of the new media.*

While we do not oppose the spirit of this recommendation, in that it affirms the current provisions of CBC/Radio-Canada's current mandate, it is confusing in its wording. Section 3(1)(d)(iv) of the *Broadcasting Act* says that, "the Canadian broadcasting system should be readily adaptable to scientific and technological change." We believe this technology-neutral provision already includes the role

new media can play in CBC/Radio-Canada achieving its mandate. This current provision is clear and adaptable, while recommendation 1.12 is unclear.

- *RECOMMENDATION 1.13: The Committee recommends the ratification of a seven-year memorandum of understanding between the Government of Canada and CBC/Radio-Canada, setting out the respective responsibilities of the signatories. The Standing Committee on Canadian Heritage would be responsible for reviewing the memorandum of understanding and will conduct public consultations as required.*

We agree that it is vital to a public broadcaster to have a long-term, predictable agreement with the Government, setting out mutual responsibilities. Such an agreement would also address stable multi-year funding. With that said, we fully agree with the first statement of this recommendation. However, it is the Government of Canada and CBC/Radio-Canada who would negotiate and ratify this agreement, and not a Parliamentary Standing Committee. The Government alone has the authority in the negotiation process, and so we cannot support the second statement in this recommendation.

- *RECOMMENDATION 2.1: Recognising the need for Canadian public spaces in the online environment, the Committee recommends that the CBC/Radio-Canada continue to develop its Internet presence and to make its content accessible online for Canadians.*

We agree with this recommendation, and affirm CBC/Radio-Canada in all its efforts to develop its online presence.

- *RECOMMENDATION 2.2: The Committee recommends that the CBC/Radio-Canada build on its new media foundations and continue to pursue new and innovative ways of connecting Canadians of all ages to each other and to their national public broadcaster.*

We agree with this recommendation.

- *RECOMMENDATION 2.3: The Committee recommends that the Government of Canada should amend the Broadcasting Act to include digital media and emerging technologies as an integral aspect of achieving the CBC/Radio-Canada mandate and reaching out to Canadians.*

Once again, while we do not disagree with the spirit of this recommendation, we believe Section 3(1)(d)(iv) of the *Broadcasting Act* clearly calls upon CBC/Radio-Canada to adapt to technological change, and therefore already addresses the issues highlighted by this recommendation. Amending the Act to include a specific reference to one kind of technology, namely digital media, would actually serve to limit the flexibility of the act to itself adapt to technological change.

- *RECOMMENDATION 2.4: The Committee recommends that the Government of Canada include a clear role for digital media and emerging technologies in achieving the CBC/Radio-Canada mandate as part of the proposed seven year memorandum of understanding.*

We can fully agree with this recommendation. Unlike preceding one, this recommendation asks for a digital media and emerging technologies to have a role in the long-term agreement between the Government of Canada and the public broadcaster. This agreement would be reviewed after a set number of years, which will allow for the role of digital media to develop along with future changes in technology.

- *RECOMMENDATION 2.5: The Committee agrees that innovative use of new media is fundamental to the future relevance of the CBC/Radio-Canada. We therefore recommend that the CBC/Radio-Canada develop a digital media strategy to be submitted to the Department of Canadian Heritage. The plan should include cost estimates for the development and expansion of the Corporation's new media endeavours relative to the goals of its mandate.*

We agree with asking CBC/Radio-Canada to submit a plan as described in the recommendation. The Government members recognize, however, that CBC/Radio-Canada may choose to provide this information through the reports they already submit annually to the Minister of Canadian Heritage.

- *RECOMMENDATION 2.6: The Committee recommends that, in consideration of CBC/Radio-Canada's global funding needs, the Government of Canada recognise the need for increased funding toward the development of new media initiatives to pursue the objectives of its mandate.*

Please refer to our comments on recommendation 4.1 below for our response to this recommendation. Long-term, stable funding is the best, first step to addressing the funding needs of CBC/Radio-Canada.

- *RECOMMENDATION 2.7: The Committee notes the ongoing New Media Initiative undertaken by the CRTC. We recommend that, in its review, the Commission give consideration to the social and cultural, as well as the economic impact of internet broadcasting on the objectives of the Broadcasting Act.*
- *RECOMMENDATION 2.8: The Committee recommends that, in its New Media Project Initiative, the CRTC give consideration to the role of public broadcasting and of CBC/Radio-Canada in particular, in the delivery of Canadian content across all platforms, and the extent to which public broadcasting should contribute to the development of a vibrant, sustainable Canadian programming environment.*
- *RECOMMENDATION 2.9: The Standing Committee on Canadian Heritage recommends that the CRTC, as part of its New Media Project Initiative, consider the need to protect the neutrality of carriage of Canadian public broadcasting content, and of CBC/Radio-Canada content specifically, over new media platforms.*

We disagree with all three of the above recommendations. In committee discussions we repeatedly reminded the committee members that this report is not a study of the CRTC, but of a *public broadcaster* in the 21st century. We have always maintained, and still maintain, that if the committee wishes to make

recommendations to an independent, arms-length regulatory body like the CRTC, it should do so *clearly* in a separate report.

- *RECOMMENDATION 2.10: The Committee recommends that Canadian ISPs be encouraged to voluntarily embrace the spirit of Section 3(1)(t)(i) of the Act in their approach to Canadian public broadcasting content delivered over the Internet.*

Again, we disagree with a recommendation as out of place as this one. Like the recommendations immediately preceding it, this recommendation addresses neither a public broadcaster generally nor CBC/Radio-Canada specifically. Our Government has no plans of regulating the internet, nor do we support hiding a recommendation to ISPs in a report on the role of a public broadcaster in the 21st century.

- *RECOMMENDATION 2.11: The Committee recommends that the CBC/Radio-Canada submit a revised plan for the conversion of its current system of OTA transmitters that includes options for possible partnerships and costing to extend its digital transmission signals free-to-air to all Canadians that currently receive their analogue transmission signals.*

Like recommendation 1.4, this recommendation affirms the importance of ensuring all Canadians have access to the public broadcaster. We agree that CBC/Radio-Canada should plan for, and identify the costs of, reaching Canadians who currently receive over-the-air transmissions.

- *RECOMMENDATION 2.12: The Committee recommends that the CBC/Radio-Canada prepare a detailed programming plan for the roll out of its French and English language television HDTV. The plan should include the rationale and an explanation of how its plans connect with corporate objectives with respect to Canadian priority programming.*

We have no opposition to CBC/Radio-Canada providing this information; however we expressed our concern that asking for a detailed plan on programming might be perceived as micro-managing.

- *RECOMMENDATION 2.13: The Committee recommends that the CBC/Radio-Canada submit an updated financial plan to the Department of Canadian Heritage for the transition to HD/DTV.*

We support every effort by CBC/Radio-Canada to undertake wise financial planning for the transition to HD/DTV.

- *RECOMMENDATION 2.14: The Committee recommends that the Department of Canadian Heritage prioritize its response to the CBC/Radio-Canada plan and provide one time funding for the capital costs associated with the transition to HD/DTV and recurrent funding to cover the increased operational costs of transmission and distribution of HD signals.*

Please refer to our comments on recommendation 4.1 below for our response to this recommendation. Long-term, stable funding is the best, first step to addressing the funding needs of CBC/Radio-Canada.

- *RECOMMENDATION 3.1: The Committee encourages CBC/Radio-Canada to explore the possibility of developing partnerships with the National Film Board of Canada.*

We agree with this recommendation. Any partnerships that benefit Canadians, CBC/Radio-Canada, and the National Film Board of Canada are worth exploring.

- *RECOMMENDATION 3.2: The Committee recommends that CBC/Radio-Canada play an increased role in the development, promotion and distribution of Canadian feature films.*

This recommendation is unacceptable as we do not believe it is responsible to ask a public broadcaster to become a feature film company. There are already companies that focus exclusively on this specialized market, and we do not agree that a public broadcaster, CBC/Radio-Canada or otherwise, should be directed to compete with such companies in the developing, promoting and distributing Canadian feature films.

- *RECOMMENDATION 4.1: The Standing Committee on Canadian Heritage recommends that the Government of Canada commit to stable, multi-year funding for CBC/Radio-Canada, indexed to the cost of living. Funding should be for a period of not less than seven years and be established by means of the proposed memorandum of understanding.*

We agree with this recommendation. The Government members recognize how important long-term, predictable funding is to a public broadcaster. This is the best, first step to take in addressing the concerns expressed by CBC/Radio-Canada regarding public funding. The arrangement recommended above allows for a well-planned, informed funding approach that can take into consideration the short, medium, and long-term needs of CBC/Radio-Canada.

- *RECOMMENDATION 4.2: The Government of Canada has approved additional one-time funding of \$60 million annually since 2002. The Committee recommends that this parliamentary appropriation be permanently added to the core funding of the Corporation.*

As stated in our comments on recommendation 4.1, the best, first step to take in addressing the funding needs of CBC/Radio-Canada is the stable, multi-year funding agreement. We cannot support inflexible recommendations that arbitrarily assign figures to the funding of CBC/Radio-Canada. Our members are disappointed that the report doesn't recommend that CBC/Radio-Canada be invited to provide a full costing of the other recommendations of the committee report. We believe that responsible leadership involves costing out these recommendations before assigning fixed amounts to fund them. While we stand by this belief, and oppose this recommendation on that basis, we recognize that the opposition is not inclined to support costing out recommendations.

Accordingly, our members would have inserted as Recommendation 4.10: “The Standing Committee on Canadian Heritage recommends that CBC/Radio Canada review the recommendations of this report and prepare a draft budget that reflects the costs of implementing the recommendations.”

- *RECOMMENDATION 4.3: The Standing Committee on Canadian Heritage recommends to the Government of Canada that any broadening of or addition to the mandate be appropriately reflected in the CBC/Radio-Canada’s parliamentary appropriations.*

We agree: CBC/Radio-Canada’s parliamentary appropriation should be reflective of their mandate.

- *RECOMMENDATION 4.4: The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada’s core funding be increased to an amount equivalent to at least \$40 per capita.*

Our comments on this recommendation are identical to those made on recommendation 4.2.

- *RECOMMENDATION 4.5: The Standing Committee on Canadian Heritage recommends that CBC/Radio Canada give the regions greater prominence in all its services.*

Our comments on this recommendation are identical to those made on recommendation 1.5.

- *RECOMMENDATION 4.6: The Standing Committee on Canadian Heritage supports the strategic plan submitted to the Minister of Canadian Heritage in January 2007, which is designed to improve programming for local communities on the CBC/Radio-Canada’s English- and French-language radio services.*

We support the intention of this recommendation.

- *RECOMMENDATION 4.7: The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada retain guaranteed access to the various existing public funding sources, including the Canadian Television Fund, in order to support the production and broadcast of Canadian audiovisual content.*

Our comments on this recommendation are similar to those made on recommendation 4.2. The best, first step is to negotiate an appropriate stable, multi-year funding agreement between the Government of Canada and CBC/Radio-Canada. That agreement may include access to public funding sources such as the CTF, but should be negotiated between the Government and CBC/Radio-Canada.

- *RECOMMENDATION 4.8: The Committee recognizes the current necessity and value of advertising revenues from television and on new platforms, and accepts that the CBC/Radio-Canada continue to pursue those revenue*

streams. However, the Committee also recommends that the Government of Canada and CBC/Radio-Canada work toward decreasing CBC Radio-Canada's relative dependency on advertising revenues for television programming.

Admittedly, the issue this recommendation speaks to is a challenging one. Along with the rest of the committee member, we recognize the value in having a public broadcaster that is funded by the Government and not exclusively by advertising revenues. Along with the rest of the committee, we also recognize that the advertising revenues currently collected by CBC/Radio-Canada are necessary to the Corporation as it exists today. We affirm that CBC/Radio-Canada must not compromise fulfilling its mandate in the pursuit of advertising revenue.

- *RECOMMENDATION 4.9: The Committee recommends, as part of the proposed Memorandum of Understanding, that negotiations between the Government and the CBC/Radio-Canada should address the reduction of the Corporation's relative dependency on advertising revenues for television programming, without compromising service.*

We agree that negotiations for stable, multi-year funding should address the challenging issue of advertising revenue collected by CBC/Radio-Canada. As the committee acknowledges in this recommendation, it is a delicate process to balance independence of the public broadcaster and quality of service.

- *RECOMMENDATION 6.1: The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada develop qualitative and quantitative performance indicators and clear targets for all six priorities and strategic areas identified in its Corporate Plan.*

We agree with this recommendation.

- *RECOMMENDATION 6.2: The Standing Committee on Canadian Heritage recommends that all financial and accounting information be reported in the same way from both the French and English language networks to render possible comparisons between the two entities.*

We agree with this recommendation.

- *RECOMMENDATION 6.3: The Standing Committee on Canadian Heritage recommends that CBC/Radio-Canada take inspiration from the model of accountability of the British Broadcasting Corporation, rooted in results-based management. It would include the publication of an annual report and financial statement reporting details, both qualitative and quantitative, on all activities of public interest and its budgeting plans. In these documents, CBC/Radio-Canada would provide a comprehensive report on its programming and financial information for each of its individual services. This would facilitate objective, rigorous and transparent evaluations.*

While we have no opposition to the substance of this recommendation, we question if in fact it is asking CBC/Radio-Canada to undertake activities it is already doing.

- *RECOMMENDATION 6.4: The Standing Committee on Canadian Heritage recommends that all reports produced by the CBC, particularly those prepared for Parliament and especially the chapters about its operations, should be a comprehensive source of information, transparent, relevant and informative. This reporting should not, however, go so far as to compromise proprietary information that would put the Corporation at a competitive disadvantage.*
- *RECOMMENDATION 6.5: The Standing Committee on Canadian Heritage recommends that the CBC/Radio-Canada report to the Committee, at its earliest convenience, on its progress pursuant to the recommendations made in the 2005 Special Examination Report carried out by the Office of the Auditor General.*
- *RECOMMENDATION 7.1: In the interest of greater distribution and availability of Canadian content, the Committee recommends the CBC/Radio-Canada give greater priority to negotiating with artists and producers a fair and equitable sale and broadcast rights agreement over new and emerging platforms.*
- *RECOMMENDATION 7.2: The Committee recommends that CBC/Radio-Canada move rapidly to acquire effective and operational captioning technology in order to offer captioning for 100% of its programming in real time.*
- *RECOMMENDATION 7.3: The Committee recommends that the CBC/Radio-Canada build on its efforts to preserve the thousands of hours of radio and television programming broadcast by its national, regional and local services, so that Canadians have access to this audiovisual heritage.*
- *RECOMMENDATION 7.4: Given the importance of the office of the ombudsman and the need for fair decisions, the Committee recommends that the individual be selected from persons other than current CBC/Radio-Canada employees, or persons who have not been employed by the Corporation within the 5 years prior to the proposed date of employment.*

We agree with recommendations 6.4 through 7.4

Supplementary Opinion

Bloc Québécois

A “multinational” public broadcaster

Background

The Bloc Québécois would like to start by thanking all the people and groups from Quebec and Canada who gave evidence before the Committee on the issue of the role of a public broadcaster in the 21st century.

We reiterate our support for strong and dynamic public television and applaud its considerable contribution to the development of Quebec culture. However, it would be absurd to claim that the challenges are the same for Société Radio-Canada (SRC) and its English-language counterpart, the CBC.

While the Bloc Québécois does not disagree with the report, we note that the Committee chose to ignore the fundamental differences between the English and French public television networks, once again turning a blind eye to reality. The Bloc had proposed from the start that the two networks be studied separately. This proposal was ignored.

Recognition of the Quebec nation

By recognizing the Quebec nation with its language and unique culture, as the Prime Minister did on November 22, 2006, the House of Commons implicitly recognized that this language and unique culture have to be protected. It therefore appears to us essential that all Crown corporations take Quebec’s language and culture into consideration in their mandates.

It is inconsistent to say that there is a Quebec nation and then not take its existence into account. It is inconsistent that a motion for which a majority of parliamentarians voted has not resulted in any concrete follow-up. It is especially inconsistent that this recognition has not been internalized by governmental and Crown corporation administrative structures.

As soon as the Quebec nation was recognized by the House of Commons, federal entities should have been obliged to treat it differently. The mandate of CBC/Radio-Canada should have been amended in consequence, as should the Broadcasting Policy for Canada. The Bloc Québécois submitted two recommendations in this regard, which were rejected:

The Bloc Québécois recommends that the wording of subparagraph 3(1)(m)(i) of the *Broadcasting Act* be amended to read as follows: “be distinctively Canadian and, in Quebec, distinctively Québécois”.

The Bloc Québécois recommends that the wording of paragraph 3(1)(m) of the Act be amended to include in the mandate of CBC/Radio-Canada the recognition and promotion, in Quebec, of the Quebec national identity.

The rejection of these recommendations by the federalist parties shows how little importance they place on recognition of the Quebec nation. Not so the Bloc Québécois.

The need for separate studies

From the start of the Committee’s proceedings on the role of a public broadcaster in the 21st century, the Bloc Québécois argued the need to carry out separate studies of the French and English networks, the SRC and the CBC. CBC Television unfortunately remains a network in “continuing crisis”, where “90 per cent of all the drama that Canadians watch on English-language television is foreign, mostly American.”¹ But the SRC does not face these challenges.

The Committee had to concede this, and that is why the report states that “The two services have neither the same strengths nor the same weaknesses. CBC Television’s problem is that audience ratings are so low that some people may, at a given point, decide it is a marginal network.”²

This profound and significant difference, this reality of dissimilar challenges facing two quite separate networks, does not come through clearly in the Committee’s recommendations. Faced with CBC Television’s ongoing failure to attract a large audience, the Committee seems to have thrown up its hands, while congratulating itself on the success of the French network.

By dividing its study on the role of a public broadcaster in the 21st century into two reports, one on the French network and one on the English network, the Committee could have dealt in greater depth with the different problems confronting each of them.

The truth is that CBC/Radio-Canada’s French-language network is intended essentially for Quebecers, and tells Quebec stories made by Quebecers. Quebecers’ feeling of belonging to the Quebec nation explains why they are so attached to their own television, whether private or public.

¹ *Making A Place For All Canadians*, Summary of the CBC/Radio-Canada Corporate Plan for 2006-2007 to 2010-2011, p. 21.

² Report of the Standing Committee on Canadian Heritage on the Role of A Public Broadcaster in the 21st Century, pp. 10-11.

Issues such as funding for high-cost drama series, residuals, in-house production, funding for public affairs programs, respect for the mandate of Radio Canada International and the SRC's regional development would have received a great deal more attention if there had been a separate study. Similarly, the challenges facing the CBC could have been expanded on.

It is obvious that even when it comes to broadcasting Quebec is a different nation and that the parliamentarians in the three other parties would have been better advised to face facts, which would have enabled the Committee to do a better job.

They preferred denial and dogmatism to effectiveness. They preferred to deny the Quebec nation rather than appropriately support a "multinational" public broadcaster.

Lastly, the Bloc Québécois submitted a series of recommendations to ensure greater transparency in a CBC/Radio-Canada administration subject to the *Access to Information Act*. In our opinion, enhanced transparency would help to ensure the best possible governance for this Crown corporation, especially as we have no doubt of its willingness and good faith in this regard.

The Bloc Québécois believes in a public broadcaster keenly attuned to contemporary realities, dynamic, multifaceted, reflecting Canada to Canadians, Quebec to Quebecers, and the difference between them to foreign viewers. The Bloc Québécois will continue to support Radio-Canada and defend it against a government indifferent to cultural development.

Supplementary Opinion

New Democratic Party

The NDP supports this report, but emphasizes the following points. We also make several specific recommendations relating to governance.

Role of the CBC/Radio Canada

The NDP emphasizes the importance of a strong, well-funded national public broadcaster. The CBC/Radio Canada is crucial to Canada and Canadians, and is a key Canadian institution at the centre of cultural, political, social and economic life in our country. It must remain fully public. It should be readily available and accessible to all Canadians, no matter where they live. It must be funded at a level that recognizes this importance and the challenges it faces and the real costs of providing its services.

Stable Longterm Funding

The NDP strongly supports the provision of stable, longterm funding for the CBC/Radio Canada. We strongly support the recommendation that this be part of a negotiated Memorandum of Understanding between CBC/Radio Canada and the Government of Canada. Many of the specific recommendations in this report should be negotiated as part of that Memorandum of Understanding. New Democrats believe that there is much value in the model of the BBC Charter and Agreement in this regard, and that a similar model would prove useful and workable here in Canada.

Mandate

The NDP emphasizes the importance of adding specific reference in the CBC/Radio Canada mandate to the role of new media, the importance of digital media, new platforms and emerging technologies.

New Democrats also believe that consideration should be given to add specific reference in the CBC/Radio Canada mandate to the preservation of the audio-visual heritage found in all aspects of its programming.

Governance

The NDP believes that public confidence in CBC/Radio Canada is crucial. We believe that confidence is high and that it must be maintained. Any hint of political interference in its operations must be avoided. We therefore make the following recommendations regarding the governance of the CBC.

The NDP strongly recommends that the Government of Canada develop skill and competence-related criteria for appointments to the CBC/Radio Canada Board of Directors. These criteria should be developed in consultation with the CBC/Radio Canada Board of Directors, and they should among other matters, specifically require that appointments to the Board of Directors be non-partisan. We also believe that appointments to the Board of Directors should better reflect the regions of Canada, majority and minority language communities, First Nations, men and women, and ethnic and other minority groups. When criteria have been developed, they should be submitted to the House of Commons Standing Committee on Canadian Heritage for consideration and approval with amendment if necessary. Following the Standing Committee's consideration they should be publicly released, including being published in the Canada Gazette. The name and background of each nominee for the CBC/Radio Canada Board of Directors should be referred to the Standing Committee on Canadian Heritage at least sixty days prior to their appointment accompanied by an explanation of how each nominee has met the established criteria.

The NDP also recommends that the CBC/Radio Canada Board of Directors, in consultation with the Government of Canada, be empowered to establish skill and competence-related criteria and a process for the appointment of the President/CEO of CBC/Radio Canada. This process and these criteria should be submitted to the Standing Committee on Canadian Heritage for consideration and approval with amendment if necessary. New Democrats strongly recommend that the appointment of the President/CEO of CBC/Radio Canada be made by the CBC/Radio Canada Board of Directors, that the ongoing evaluation of the President/CEO rest with the Board of Directors, and that the ability to terminate the appointment of the President/CEO rest with the Board of Directors. At the time of the appointment of a President/CEO that Board of Directors shall make public an explanation of how that appointee specifically meets the established criteria.

The NDP also recommends that CBC/Radio Canada establish a formal advisory mechanism to receive regular and ongoing input on the operation of the Corporation from representatives chosen by the employees of CBC/Radio Canada.

MINUTES OF PROCEEDINGS

Tuesday, February 26, 2008
(Meeting No. 17)

The Standing Committee on Canadian Heritage met *in camera* at 11:06 a.m. this day, in Room 213, Wellington Building, the Chair, Gary Schellenberger, presiding.

Members of the Committee present: Hon. Jim Abbott, Dave Batters, Hon. Mauril Bélanger, Hon. Michael D. Chong, Ed Fast, Luc Malo, Maria Mourani, Francis Scarpaleggia, Gary Schellenberger, Hon. Andy Scott and Bill Siksay.

Acting Members present: Hon. Larry Bagnell for Hon. Hedy Fry.

In attendance: Library of Parliament: Marion Ménard, Analyst; Lara Trehearne, Analyst.

Pursuant to Standing Order 108(2) and the motion adopted by the Committee on November 15, 2007, the Committee resumed its study on the Role of a Public Broadcaster in the 21st Century.

The Committee resumed consideration of a draft report.

It was agreed, — That the draft report, as amended, be adopted and that the Chair present it to the House.

It was agreed, — That, pursuant to Standing Order 109, the Committee request that the Government table a comprehensive response to the report.

It was agreed, — That the Chair, the Clerk and analysts be authorized to make such grammatical and editorial changes as may be necessary without changing the substance of the report.

It was agreed, — That the report be entitled: CBC/Radio-Canada: Defining Distinctiveness in the Changing Media Landscape.

It was agreed, — That the Committee print 175 copies in English and 175 copies in French with a distinctive cover.

It was agreed, — That the Clerk of the Committee make the necessary arrangements for a press conference to be held on Thursday, February 28, 2008 at 10:30 a.m., after the tabling of the Committee's report to the House; and that Committee be represented by the Chair and a representative from each party.

At 12:25, the Committee proceeded to sit in public.

By unanimous consent, Mauril Bélanger moved, — That the Committee express its deep gratitude to Jacques Lahaie for all his excellent work and dedication to the Committee during his tenure as Clerk of the Standing Committee Canadian Heritage.

Maria Mourani moved, — That the Standing Committee on Canadian Heritage call the President of the CBC/Radio-Canada or a representative to appear as soon as possible to explain the policy regarding the right of CBC/Radio-Canada employees to communicate with Members of the House of Commons and specifically with members of the Standing Committee on Canadian Heritage.

After debate, the question was put on the motion and it was negatived, by a show of hands: YEAS: 3; NAYS: 8.

Mauril Bélanger moved, — That the Standing Committee on Canadian Heritage call for Mr. Marc Patrone, recently appointed full-time member of the Canadian Radio-television and Telecommunications Commission (CRTC) to appear before the Committee as soon as possible.

After debate, the question was put on the motion and it was agreed to.

At 1:01 p.m., the Committee adjourned to the call of the Chair.



Jacques Lahaie
Clerk of the Committee