

24 November 2020

Filed via GCKey

Claude Doucet
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Subject: Reply of CBC/Radio-Canada to the 28 October 2020 Procedural Request by the Forum for Research and Policy in Communications (FRPC); Broadcasting Notices of Consultation CRTC 2019-379, 2019-379-1 and 2019-379-2 - addition of CBC's Tandem initiative to the proceeding

Dear Mr. Doucet:

- 1 CBC/Radio-Canada is in receipt of a letter dated 28 October 2020 from the Forum for Research and Policy in Communications (FRPC) requesting that the Commission add consideration of CBC/Radio-Canada's recently announced Tandem initiative to the public record of the Corporation's licence renewal proceeding, CRTC 2019-379.
- 2 On 17 September 2020, CBC/Radio-Canada's sales arm Media Solutions announced the creation of Tandem, a business-to-business brand name for its content marketing sales group. The FRPC believes that CBC/Radio-Canada's Tandem initiative is relevant to the licence renewal proceeding "because it raises questions about CBC's current decision-making process about the best programming to meet Canadians' needs and about CBC's transparency and accountability".
- 3 CBC/Radio-Canada is pleased to provide the Commission with additional information about Tandem for three reasons:
 1. To describe the nature of Tandem's activities and demonstrate that these activities are completely distinct from the programming commitments that form the basis of the Corporation's licence renewal application.
 2. To demonstrate that CBC/Radio-Canada has measures in place to clearly identify branded content on its digital platforms.

3. To explain that in response to certain concerns raised by individuals, both inside and outside CBC/Radio-Canada, we are conducting a review and consultation process to ensure that the integrity of CBC/Radio-Canada's programming is maintained.

4 These issues are discussed in greater detail below.

Tandem and Branded Content

5 Tandem is a business-to-business brand that includes a range of advertising products, one of which is branded content. Branded content consists of a wide range of customized content that is underwritten by the advertising client and is intended to sell or promote services or products. For all branded campaigns, CBC/Radio-Canada maintains the right to decline content proposed. For instance, political and advocacy messaging is not accepted for branded content on CBC/Radio-Canada.

6 For CRTC purposes, such content would be considered to be "advertising material" as set out in the *Television Broadcasting Regulations, 1987* and the *Discretionary Services Regulations*, and would not count towards the calculation of a broadcaster's Canadian program exhibition and expenditure requirements. In addition, CBC/Radio-Canada's conventional radio stations are prohibited by condition of licence from broadcasting advertising (content category 5). Furthermore, CBC/Radio-Canada does not broadcast this type of branded content on its traditional platforms; this content is not part of our licence renewal proposal and therefore, is not relevant to the licence renewal process for our traditional platforms.

7 CBC/Radio-Canada has placed online branded content for a number of clients on its digital platforms. Examples include: content produced under the heading of CBC Life, including travel features for Travel Alberta¹, Whistler² and Prince Edward Island³; and, branded content for clients such as Mastercard⁴, Government of Ontario (Trillium Foundation)⁵, and the Shaw Festival⁶. These types of products include

¹ Travel Alberta: <https://www.cbc.ca/explorealberta/>

² Whistler: <https://www.cbc.ca/life/travel/why-fall-is-actually-the-best-time-to-visit-whistler-1.5715811>

³ Tourisme Î.-P.-E. : <https://www.cbc.ca/life/travel/5-reasons-why-prince-edward-island-is-the-ultimate-family-vacationdestination-1.5686344>

⁴ Mastercard : <https://www.cbc.ca/life/work-money/the-future-of-retail-how-technology-is-improving-the-way-we-s-hop-1.5760404>

⁵ Government of Ontario: <https://www.cbc.ca/life/wellness/meet-alex-pangman-a-vocalist-that-sings-jazz-with-somebody-else-s-lungs-1.5467434>

⁶ Festival Shaw : <https://www.cbc.ca/arts/never-mind-the-trigger-warnings-it-s-worth-getting-out-of-your-comfort-zone-to-see-victory-at-the-shaw-1.5201749>

articles, podcasts and social posts, including a culture podcast with Ville de Montreal⁷ and a series of video features for entrepreneurs with HSBC⁸.

Advertising Standards, Policies and Guidelines

- 8 While the CRTC does not directly regulate advertising content except advertising to children and alcohol ads, CBC/Radio-Canada has well established advertising standards and policies in place that apply to all its platforms. CBC/Radio-Canada’s branded content products are put through a review and approval process to ensure the integrity of CBC/Radio-Canada’s programming is never compromised.
- 9 CBC/Radio-Canada’s advertising policies guide the sales activities of Tandem. With regard to branded content, these policies respect the following principles:
1. Disclosure that content is produced by or for an advertiser.
 2. Protection of CBC/Radio-Canada content integrity and brand.
- 10 In addition, the following guidelines are in force at CBC/Radio-Canada:

Branded content must comply with the Ad Standards Canada Code, including article 2 titled "Disguised Advertising Techniques", which states that "No advertisement shall be presented in a format or style that conceals the fact that it is an advertisement".

Branded content must comply with the CBC/Radio-Canada Advertising Standards Policies, including the Policy 1.3.4 “Advertiser Identification”, Policy 1.3.5 “Endorsement”, Policy 1.3.6 “Program Integrity”.

Branded content cannot appear to be journalistic content or editorial content that is subject to CBC/Radio-Canada's Journalistic Standards and Practices.

All branded content must include the words “Sponsor Content” on CBC digital platforms and “Contenu annonceur” on Radio-Canada digital platforms and a clear identification of the advertiser. Branded content that resembles editorial content also includes additional disclosure

⁷ Ville de Montréal (balado/podcast):

<https://ici.radio-canada.ca/premiere/balados/7744/ville-tourisme-visites-arts-quartiers>

⁸ HSBC: https://ici.radio-canada.ca/hsbcavenirdesaffaires/?cid=sm_sw-rcca_bns_ext_HSBC-hub_hsbcvizportailfinance_portailfinance

and disclaimer words, such as “This is paid content produced on behalf of X [Name of advertiser]. This is not CBC journalistic content.”

Internal review

- 11 Following the 17 September 2020 launch of Tandem, several individuals both inside and outside CBC/Radio-Canada raised concerns about this initiative. These individuals include well-respected, experienced journalists and former journalists. The fact that these individuals have raised concerns about Tandem led the Corporation to initiate a review and consultation process so as to ensure that branded content on the Corporation’s digital platforms will not undermine the integrity of our Journalistic Standards and Practices or otherwise undermine audience trust in our news and other programming. This review includes input from news leaders, entertainment programming and sales leads from both CBC and Radio-Canada. Results of this review, including recommendations are expected later this year.
- 12 On 13 November 2020 CBC/Radio-Canada received a letter from a group of former employees expressing concerns about Tandem. Those employees included in their letter a list of ten questions they consider important. For the Commission's convenience, we have included as an appendix to this letter a copy of those questions together with CBC/Radio-Canada's responses. The concerns of these former employees will, of course, be taken into account in the above-mentioned review process.
- 13 CBC/Radio-Canada appreciates the opportunity to provide the Commission with this additional information regarding Tandem.

Yours truly,



Bev Kirshenblatt
Executive Director, Corporate & Regulatory Affairs

cc: Monica. L. Auer, M.A., LL.M., Forum for Research and Policy in Communications
Céline Legault, CRTC Senior Broadcasting Analyst
Manon Auger, CRTC Senior Broadcasting Analyst

Appendix A

1. When did CBC's Board of Directors approve CBC's carriage of branded content?

Answer

Board approval is not required for CBC/Radio-Canada operational initiatives.

2. Which officers of the CBC are responsible for approving branded content, and do these officers have the authority to overrule decisions made by CBC's Media Solutions?

Answer

Branded content projects are subject to the approval of the relevant media line where the branded content is placed. The Executive Vice-Presidents of CBC and Radio-Canada have the final decision-making authority in these matters.

3. Is branded content that is carried or will be carried by CBC subject to CBC's Advertising Standards?

Answer

Yes. Branded content must comply with the CBC/Radio-Canada Advertising Standards Policies, including the Policy 1.3.4 "Advertiser Identification", Policy 1.3.5 "Endorsement", Policy 1.3.6 "Program Integrity".

All branded content must include the words "Sponsor Content" on CBC digital platforms and "Contenu annonceur" on Radio-Canada digital platforms and a clear identification of the advertiser. Branded content that resembles editorial content also includes additional disclosure and disclaimer words, such as "This is paid content produced on behalf of X [Name of advertiser]. This is not CBC journalistic content."

4. When did CBC/Radio-Canada first broadcast or carry branded content?

Answer

Branded content first appeared in fiscal year 2017-2018 in the form of native advertising on our digital .ca platforms.

5. Are there any programs or content, or types of content, in which CBC is not placing branded content?

Answer

CBC/Radio-Canada does not broadcast branded content on its traditional television and radio platforms. On our digital platforms, branded content must be labelled as such. See response to 3.

6. What are the CBC's expansion plans for branded content? How does or will the CBC confirm that all branded content is identified to audiences?

Answer

CBC/Radio-Canada plans to continue to adapt to the evolving advertising market while following advertising standards and disclosure to audiences.

7. How does or will the CBC identify branded programs in the logs it submits to the CRTC?

Answer

Not applicable. See response to question 5.

8. For how many separate advertisers has CBC carried branded content, by year?

Answer

This information is not made publicly available by CBC/Radio-Canada. Details regarding CBC/Radio-Canada's advertising activities, including CBC Tandem, are considered competitively sensitive and are consistently treated as confidential by CBC/Radio-Canada.

9. What are the revenues and expenses of the branded-content project, by year, since the practice of carrying branded content began?

Answer

This information is not made publicly available by CBC/Radio-Canada. Details regarding CBC/Radio-Canada's advertising revenues and expenses, including revenues and expenses for CBC Tandem, are considered competitively sensitive and are consistently treated as confidential by CBC/Radio-Canada.

10. Are projected revenues and expenses of the branded-content project included in:

- i) CBC's applications to the CRTC, including the financial summary filed in June 2020

Answer

The revenues and expenses for branded content were included in the aggregate financial summary for all CBC/Radio-Canada services filed with the CRTC on June 12, 2020 under the "digital" category.

- ii) CBC's Annual Returns to the CRTC

Answer

Not applicable. See response to question 5.

- iii) CBC's Annual Reports

Answer

Our previous year revenues and expenses are included in CBC/Radio-Canada's annual report, which is audited by the Auditor General of Canada.

- iv) CBC's Corporate Plans approved by the Department of Finance

Answer

Pursuant to sections 54 and 55 of the *Broadcasting Act*, CBC/Radio-Canada is required to submit a corporate plan and a summary of the corporate plan to the Minister of Canadian Heritage. The summary of the corporate plan is tabled in Parliament.

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