

1 March 2021

Claude Doucet Secretary General CRTC Ottawa, ON K1A 0N2

Dear Secretary General,

- Re: Broadcasting Notices of Consultation CRTC <u>2019-379</u> (Ottawa, 25 November 2020), <u>2019-379-1</u> (Ottawa, 28 January 2020), <u>2019-379-2</u> (Ottawa, 8 April 2020), <u>2019-379-3</u> (Ottawa, 22 June 2020), <u>2019-379-4</u> (Ottawa, 10 November 2020), <u>2019-379-5</u> (Ottawa, 18 December 2020), <u>2019-379-6</u> (Ottawa, 14 January 2021) and <u>2019-379-7</u> (Ottawa, 9 February 2020) – Final submissions of the Forum for Research and Policy in Communications (FRPC)
- 1 The following are the final submissions of the Forum in the above-noted proceeding.
- 2 The Forum begins by summarizing the purpose of this proceeding and by pointing out the flaws in CBC's many requests for regulatory amendments along with its recent and unexpected suggestion the CRTC now issue licences for CBC's digital services. We then set out the Forum's main recommendation, which is for a two-year licence renewal and the addition of conditions to, before the termination of, the exemption order now governing CBC's digital services. The Forum then makes recommendations concerning advertising as well as a new measurement framework to assure Canadians that CBC performs as Canada's national public broadcaster. We conclude by rejecting CBC management's apparent view of CBC as a publicly funded company, and urge the CRTC to reaffirm CBC's legal and actual role as Canada's national public broadcaster, established to serve the public interest.

## I. The purpose of this proceeding:

# A. Renewing CBC's linear licences, not licensing new digital services

- The CRTC's role in this proceeding is limited by the current *Broadcasting Act*. Section 9 permits it to issue licences to the CBC "subject to such conditions related to the circumstances of the licensee ... as the Commission deems consistent with the provision, through the Corporation, of the programming contemplated by paragraphs 3(1)(I) and (m)". Section 18(2) permits the CRTC to hold a hearing to renew licences when the public interest so requires. Section 18(1)(a), on the other hand, mandates a public hearing "in connection with ... the issue of a licence ...."
- 4 The CRTC launched the 2019-379 process by stating that it would be considering CBC's applications "to renew the broadcasting licences" for its radio and television programming services (para. 1). BNoC 2019-379 also incorporated CBC's exempted digital services into the proceeding, asking whether it should consider "the Corporation's operations as a whole … under a more adaptive regulatory framework".

Via GC Key

- 5 On the first day of the CRTC hearing the CBC said it welcomed Canadians' views "especially during this licence renewal hearing" (11 Jan/21, line 45). It often referred to its digital services, asking for instance that programming from Gem and Tou.tv be recognized in calculating CBC's programming obligations (11 Jan/21, para. 59).
- 6 Then on 3 February 2021 more than a year after this proceeding began and a week after its hearing ended the Corporation made the startling proposal that the CRTC instead issue CBC two new broadcasting licences:
  - 1. A licence for CBC Digital Services covering all of the online broadcasting activities of CBC; and,
  - 2. A licence for Radio-Canada Digital Services covering all of the online broadcasting activities of Radio-Canada.
- 7 CBC's suggestion has three fatal flaws. First, it ignores the elementary distinction between a licensing and a renewal proceeding, a distinction that its comments at the January hearing recognized. Second, it either ignores or dismisses as inconsequential the procedural unfairness of transforming a rocky renewal hearing into a licensing hearing without irksome details such as licence applications, programming plans or expenditure commitments. Third, CBC's suggestion that the CRTC simply license CBC's digital services ignores the powers Parliament has granted to the CRTC under the Act.
- 8 Yet the CRTC's exemption authority addresses "persons who carry on broadcasting undertakings of any class" **and** enables the CRTC to include "terms and conditions" in exemption orders:

9(4) The Commission shall, by order, on such terms and conditions as it deems appropriate, exempt persons who carry on broadcasting undertakings of any class specified in the order from any or all of the requirements of this Part or of a regulation made under this Part where the Commission is satisfied that compliance with those requirements will not contribute in a material manner to the implementation of the broadcasting policy set out in subsection 3(1).

## CBC testimony - 1

- 9 CBC argued at the hearing that it is not a class of broadcasting undertaking, presumably to suggest that it cannot be subjected to a separate exemption order (CBC testimony - 1).
- 10 CBC's argument ignores the *Act*'s plain wording. It does not identify 'classes of broadcasters' as the subject of exemption orders, but "<u>persons who carry on broadcasting</u> <u>undertakings</u> of any class". Moreover the CRTC has already distinguished between broadcasters operating the same types of undertakings: in 2012 it exempted specialty Category B programming services from regulation – but <u>only</u> <u>those serving fewer than 200,000 subscribers</u>.

184 And then finally, there is section 9(4) of the Broadcasting Act. That's the section that refers to exempting classes of broadcasting undertakings. And that's the section I think the Commission used in initially creating the DMEO. CBC/Radio-Canada is not a class of undertaking, so that an approach that would separate CBC/Radio-Canada either by excluding CBC/Radio-Canada from the existing DMEO or doing something would appear to run contrary to not only the purpose of section 9(4) of the Broadcasting Act, but it might be outside the scope of the section.

- 11 The CRTC should therefore renew CBC's linear licences while issuing a separate exemption order for CBC's digital services. This order should include conditions
  - For expenditure, exhibition and discoverability requirements for CBC's exempted digital services,
  - For CBC to establish, submit for review and approval and then implement a new measurement framework for its digital and linear services by 30 November 2021, and

• For CBC to apply to the CRTC by 30 November 2022 for digital service licences (that would be effective as of 1 September 2023) and to include in its applications initial results from its new measurement framework.

## B. All advertising falls within CRTC's jurisdiction

- 12 The CBC has carried advertising since its launch in 1936. For several decades it offered advertisers broadcast carriage of their messages in areas not served by private broadcasters, and provided competition in locations served by private broadcasters.
- 13 The days when CBC was the only broadcaster available are long gone, however, and the CRTC has for many years reflected Canadians' concerns about the impact of advertising on CBC's programming:

2000	39. In examining the issue of commercialization, the Commission is cognizant of the financial constraints the CBC
CBC's licences	faces and the concerns expressed by interveners Certain parties considered that generating commercial
	revenues also serves to keep the Corporation more in tune with evolving audience trends and interests. At the same
	time, however, a public broadcaster is expected to take risks; to offer diversity, even controversy, and to venture
	into new innovative forms of programming. Responding to these objectives requires programming choices that are
	made with a clear understanding of the CBC's role and the public interest. Such choices should not be unduly
	influenced by commercial considerations. These considerations, more often than not, lead the CBC's services to
	become similar to, rather than distinct from, the services of commercial broadcasters
	40. The question is one of balance, and demands a careful weighing of objectives. The CBC will remain a general
	interest broadcaster providing a wide array of programming choices. It must nevertheless ensure that in the final
	analysis its programming choices are be founded on its mandate as a public broadcaster. In maintaining this
	criterion as the overriding rationale for programming, the CBC can fulfill its public trust by providing Canadians with
	programming which is not driven solely by the demand for revenues and ratings

- 14 Ironically, CBC is now trying to commercialize the innovative programming it is supposed to offer by virtue of its public broadcaster status, by making it available initially or only on its subscription-only digital services. CBC is also now saying that it should be allowed to continue to earn new revenues from 'branded content' such as Tandem, a venture it launched several years ago. Yet more than 16,000 Canadians have complained specifically about Tandem, signing a petition that was sent to CBC's President (18 Jan/21, para. 6172). CBC's statement that its carriage of branded content "doesn't take away from any initiative [CBC's journalists] have to do investigate journalism" (15 Jan/21, para. 5585) is unsupported by any objective evidence, such as anonymous surveys of its own journalists. The Forum shares Canadians' concerns about CBC's advertising and its decision to sell 'branded content'.
- Following the January 2021 hearing, CBC disclosed that in 2019/20 it earned \$247.5 million from advertising, representing 14% of each of its total revenues and total expenses (DM#3981696, Appendix A). Despite the fact that with 300 employees CBC's Media Solutions Group (15 Jan/21, line 5422) seems to be well-staffed, CBC claimed that it could not identify the specific financial impact of the branded content it has been selling for years. Suppose that branded content represented 10% of CBC's advertising revenues – or \$24.8 million: should the CBC be allowed, for the sake of \$25 million or 1.4% of its total revenues to sell its audiences to yet more advertisers, by carrying advertising designed to mimic CBC's own content? In the Forum's view the answer is quite simple: no.
- 16 The CBC's view it does not reach the threshold of argument is that the Commission's request for information about CBC's advertising activities in general or Tandem in particular "does not appear to be a matter which would fall within the Commission's area of expertise or mandate under the Broadcasting *Act*" (DM#3981695, Undertaking 42). Yet as the CBC may know, broadcasting includes the CBC's <u>digital services</u> (including its <u>non-programming services</u>), and sections 10(1)(d) and (e) of the

*Broadcasting Act* specifically extend the CRTC's jurisdiction to the character, amount and proportion of advertising carried by broadcasters (s. 10(1)(d) and (e)). The CRTC therefore has jurisdiction over advertising, regardless of the broadcast medium. Nor did CBC offer <u>any</u> evidence to demonstrate that the loss of branded content will harm it financially or that the income from Tandem is actually being used for new audio-visual programming rather than merely covering CBC Media Solutions' salaries.

- 17 The Forum's position is that the CRTC may and should add a condition to the CBC's current exemption order to prohibit CBC from accepting any new contracts or from renewing any existing contracts for branded content. An unexpected benefit of this decision is that, in line with s. 5(3) of the *Act*, this prohibition could divert more income to Canadian private broadcasters that are staggering financially due to the 20-year-long impact of unregulated digital advertising as well as Covid-19.
- 18 The Forum supports calls to remove advertising from all CBC services within the next several years, and in particular 'branded content' that is merely longer-form advertising by another name.

# C. Impact of CBC's non-compliance, shifting evidence and vague plans

19 As for the duration of the next licence of CBC's linear services, the Forum notes that CRTC renewals have long involved a two-step evaluation of evidence about licensees: their performance since their

licences were last renewed and their plans for the coming licence term. Each step is relevant to the new terms granted for renewed licences, and their conditions.

Radio Market Policy, <u>CRTC PN 1991-74</u> (Ottawa, 23 July 1991): ... licensees only continue to hold their licences on the condition that they discharge the programming responsibilities placed on them in accordance with the Act. Their performance in this respect is reviewed in a public process at regular intervals, and this practice will continue.

20 CBC's objective evidence about its past

performance was confusing and worse, changed by tens of millions of dollars in February 2021. While estimating in June 2020 (DM#3876591) that it would be reducing linear service spending from 2019 to 2020 by \$23 million, CBC submitted new evidence in February 2021 (DM#3985539) showing that it <u>had</u> reduced linear services' spending by <u>twice</u> as much - \$56.9 million. Over the last two years CBC cut spending on its linear services by an extra \$33.8 million and spent \$31.9 million more on its digital services than disclosed in June 2020:

Type of CBC	DM#3876591 estimates (Jun/20)				DM#3985539 actuals (Feb/21)				Total:
service	2018/19	2019/20	Total	2019 - 2020	2018/19	2019/20	Total	2019-2020	Actual less estimate
Linear									
Revenues	\$419.3	\$402.4	\$821.7	-\$16.9	\$419.6	\$399.7	\$819.3	-\$19.9	\$3.0 lower than stated
Expenses	\$1,297.8	\$1,274.7	\$2,572.5	- \$23.1	\$1,280.3	\$1,223.4	\$2,503.7	-\$56.9	-\$33.8 lower than stated
Digital									
Revenues	\$61.6	\$65.9	\$127.5	\$4.3	\$63.5	\$79.7	\$143.1	\$16.2	\$15.7 higher than stated
Expenses	\$264.9	\$306.9	\$571.8	\$42.0	\$286.2	\$317.5	\$603.7	\$31.3	\$31.9 higher than stated

21 It is difficult to avoid concluding that CBC has cut spending on and the programming hours and/or quality of its linear services to finance digital services operating at a significant loss.

#### CBC testimony - 2

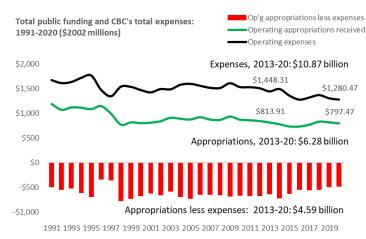
Even if CBC's linear programming performance had improved – and as FRPC's 2020 intervention showed, it did not – CBC then also acknowledged at (CBC testimony - 2) and after the January 2021 hearing that it committed regulatory breaches. It submitted inaccurate logs for its French-language

167 We still are living up to <u>almost all</u> of the -- the, you know, regulatory COLs that people that think of mostly as our PNI commitment, our children's commitment, our local news commitment. Those are all still, <u>for the most part</u>, all intact. television services to the CRTC for the 2018/19 broadcast year (DM#3981695, Undertaking 8), in breach of section 10(3) of the <u>Television Regulations, 1986</u>.

- 23 Regulatory breaches and the failure to maintain if not improve programming quality over time are two valid reasons for denying CBC's request for a five-year licence term.
- 24 There is a third reason: CBC's testimony at and after the hearing offered little or no information about its programming plans past August 2023. Even the plans for its different media are unclear, as CBC would like to shift programming and, indirectly, funding from its linear to its digital service. CBC even wants to amend the concept of "first-run" programming to allow CBC to count a program that broadcast on its linear services as first run even if it previously made it available on its digital services (28 Jan/21, para. 13307).
- Uncertainty about CBC's plans is compounded by the fact that most of its funding is public and set annually. While saying that it requires flexibility to build its ephemeral bridge to the future, CBC argued inexplicably that the CRTC should not concern itself with the very funding that would be the foundation for that bridge, saying that its "funding model" is a matter for Parliament (28 Jan/21, ¶13121), not the CRTC. Was the CBC unaware or merely dismissive of the fact that its resources and public funding have been a recurrent theme in CRTC decisions renewing its licences since the 1980s?:

Year of CRTC decision, subject of the decision and CRTC's comments about CBC's financial status						
<u>1987</u>	"The problem for the CBC is resources. In the past the problem may have been the uncertainty which has characterized					
TV networks	the Corporation's financial history for almost a decade. In future, according to current indications, the CBC must					
	anticipate a continuous reduction in the real resources available to it."					
<u>1988</u>	"The Commission notes that even within the five-year operating and capital funding projections supplied by the CBC, the					
Radio	Corporation is likely to continue to experience reductions in its actual buying power, notwithstanding the positive					
networks	anticipated growth in commercial revenue over this period. The Commission is concerned that a continuation of this					
	trend will place significant pressure on the Corporation's plans for resource allocations."					
<u>1993</u>	"The Commission considers that the Corporation, in a time of financial restraint and uncertainty, should be commended					
Radio	for the general excellence of its radio programming, which stands as a model for broadcasters in Canada and around the					
networks	world.					
<u>1994</u>	"An overriding concern is the continuing need by the Corporation for sufficient funding to fulfil the mandate set out for					
TV	it by Parliament. Reductions in Parliamentary appropriations, unless compensated by new revenues not dependent on					
networks	the sale of airtime, may lead either to a reduction in the breadth, depth or quality of the programming or to an increasing					
	reliance by the CBC on the types of programming designed to attract advertising, forcing it to pursue large audiences for					
	revenue-generating purposes, at the expense of programming more suited to fulfilling its mandate."					
<u>2000</u>	18. There were deep cuts to the CBC's budgets during the last licence term. While the Corporation has made efforts to					
CBC's	streamline its structures and minimize any impact on programming, it has become obvious that the service provided to					
licences	the Canadian public has been affected. Many listeners and viewers have noticed that there are fewer new episodes on					
	television and more repeat programming on both radio and television. Even news and public affairs have suffered a					
	reduction in the quantity and quality of regional and international coverage.					
	19. The Commission considers that in a time of budgetary constraints, all available resources should be devoted to the					
	Corporation's existing services. The focus should be on preserving and strengthening the CBC's basic radio and television					
	services. If the cultural networks, Radio Two and La Chaîne culturelle, are excluded, over 95% of Canadians can receive					
	CBC's basic radio and television services over-the-air at no charge. Given the desires expressed by Canadians, CBC					
	television's resources should be allocated on a priority basis to rebalancing the program schedule as determined in the					
	decisions released today in order to provide a general interest service in each official language that gives Canada a unique					
	and distinctive voice.					
2013	18 the CBC is facing financial pressures in the coming years due to a decrease of \$115 million in its parliamentary					
CBC's	appropriations over three years and the gradual phase-out of the Local Programming Improvement Fund (LPIF), 5 for a					
licences	total annual revenue reduction of close to \$160 million.					
	19. When taking into account the effects of inflation over the last 10 years, the CBC's parliamentary appropriation for					
	operating expenditures is in fact comparable to its 2002 level, when expressed in constant dollars.					

26 Like any other licensee the CBC must provide some assurance that it has or will have the resources to keep its programming commitments. Yet as the Forum's <u>analysis of CBC's funding</u> <u>over time</u> (attached to its intervention) showed, the gap between public funding for CBC's operations and its expenses remains large, amounting to \$4.6 billion since 2013. Neither CBC's January 2021 testimony to the CRTC nor its February 2021 written answers to the



CRTC's hearing questions clearly showed how the CBC will address this gap if it remains in place, as seems entirely likely.

27 The Forum asks that the Commission's licence renewal decision address CBC's financial problems.

## D. Short-term licence renewal to 31 August 2023

- The CBC's current licence expires 31 August 2021. On the last day of the CRTC's hearing the CBC reconfirmed its proposal for a 5-year licence ending in 2026 (28 Jan/21, para. 13107).
- 29 The Act does not require the Commission to renew CBC's licences for the maximum, seven-year licence term now possible: in 1988 the CRTC renewed CBC's radio licences for three years because, as with CBC's documentation in this proceeding, its application then was vague and lacked priorities:

Even considering the difficulties arising from the CBC's funding uncertainties, the Commission is not satisfied that the responses and commitments it has received are adequate. The Corporation was only able to provide precise operational financial information for the next three years, and the projections it did provide could be subject to further revisions as the Corporation's Parliamentary allocations are voted annually. In addition to the vagueness of some of the commitments and the absence of a specific timetable for the implementation of others, the lists of conditional priorities - on which each item was termed a priority rather than being a prioritized list of commitments - do not address some serious concerns raised during the public hearing process nor do they address situations in which the conditions attached to the realization of these initiatives do not materialize. [bold font added]

30 The Corporation's testimony in January 2021 and its written answers in February 2021 did not answer the serious concerns raised by the Forum in its <u>first</u> and <u>second</u> interventions. First, CBC's applications still lack information about its plans

<u>Telus Communications Inc. v. Canadian Radio-Television and</u> <u>Telecommunications Commission</u>, 2004 FCA 365, at ¶42: "A decision rendered in the absence of evidence, like a decision rendered without jurisdiction, is a nullity and reviewable as arbitrary."

beyond 2023. This information matters as it is the evidentiary foundation for the CRTC's licensing decisions: as just noted the CRTC has previously not granted CBC the licence term length it sought because the CBC's evidence was insufficient.

31 Second, CBC's often-evasive responses failed to answer the concerns raised by many parties about the CBC's performance since 2013. A large gap now exists between what the CBC says and what it actually does. Radio Canada International (RCI) is an example of this: one month after CBC <u>announced</u> a 55% reduction in RCI's staff and the merger of RCI's identity with that of CBC, its President told the CRTC hearing panel that "... of course we have RCI that has a very special role and we're excited about some of the new things we're doing with that particular service" (¶528). The Forum supports the strengthening – rather than the weakening – of Canada's only international public broadcasting service, and opposes CBC's gamble with branded content: both demonstrate the CBC's choice to ignore requirements of its mandate in favour of making money or cutting costs.

- 32 The Forum believes that these reasons non-compliance, shifting evidence, lack of plans and uncertain resources mean that the CRTC cannot reasonably grant CBC a licence term beyond the period for which CBC provided actual evidence.
- 33 Nor, thanks to CBC's self-admitted noncompliance and the lack of financial certainty, can the CRTC readily grant each of the Corporation's many requests to amend its licences including in particular its requests to lump linear and digital programming and expenditure requirements together and to reduce total local or original local

Various independent pay and specialty Category A services – Licence renewals, <u>Broadcasting Decision CRTC 2013-468</u> (Ottawa, 30 August 2013)

"49. The Commission has consistently stated that requests for amendments or exceptions to standard conditions of licence must be accompanied by detailed financial evidence, particularly in Broadcasting and Telecom Regulatory Policy 2009-430."

programming hours. The Forum also supports conditions of licence for CBC programming expenditures: our concern is that CBC is effectively robbing Peter to pay Paul, as shown in paragraph 20 above. The concern that new services may drain existing services is not new: in 1987 the CRTC denied <u>CBC's desire</u> to expand its service to Canadians with new and innovative projects, stating that CBC's first obligation is to what are now described as CBC's legacy or linear services. The CRTC

... reminds the Corporation that, given the present economic circumstances, it must give first consideration to its primary mandate as spelled out in this decision. As such, and so as not to jeopardize the basic raison d'être of the national broadcasting service, **the Commission is of the opinion that the CBC should not undertake new programming projects** such as second television service, the proposed Windsor superstation or involvement with commercial specialty services **unless special separate funding is secured.** The Commission does not consider it appropriate for the CBC to allocate funds from its available resources for such developments until the Corporation has fulfilled the expectations that have been established for the new licence term.

- The difference between CBC's past attempts to establish new services and its digital services today is that as CBC did not require the CRTC's permission to launch those services it is already operating them.
- But the problem raised by CBC's digital services remains the same: as the CRTC's own reports have shown, the Corporation is draining financial resources from CBC's linear services without regulatory oversight, with the CBC arguing that what is most important for it is "la flexibilité entre le linéaire et le numérique" (Day 1, line 298). CBC did not clearly acknowledge is that it has been cutting and plans to continue to cut spending on the linear radio and television services that serve Canadians who support the CBC through their taxes and who do not want, cannot obtain or cannot afford Internet service, arguing instead that it is simply sharing these resources among its services. The Forum strongly supports the 'de-exemption' of the CBC's digital services after August 2023 – but not the amalgamation of CBC's linear and digital programming services proposed in 2019-379 given the absence of transparency in CBC's plans and its less-than-helpful attitude throughout this two-year long proceeding.
- As CBC has offered the CRTC general financial evidence to 31 August 2023 the CRTC should renew CBC's licences to this date *i.e.*, for a maximum of two years. This time would permit the CBC to implement a new measurement framework for its programming services. This framework is vital because of the CBC's evident desire to shift attention from the audio-visual and non-programming content that its linear and digital services offer, to Canadians' opinions about the CBC. Unfortunately, <u>CBC's</u>

achievements in actually meeting sections 3(1)(I) and (m) of the *Broadcasting Act* cannot be measured by attitudinal research alone. Part II, below, and Attachment 1 address the Forum's proposals for measuring CBC's implementation of Parliament's broadcasting policy for Canada.

## II. Evidence-based regulation

- The CBC addressed "metrics" at the January 2021 hearing, confirming that no differences exist for linear and digital services in terms of measuring types and hours of programming: "the content is content" (11 Jan/21, line 286). The Forum agrees with the CRTC's Chairperson comment t the hearing that "[I]e Conseil et la CBC/Radio-Canada doivent être en mesure de rendre compte de ces résultats de manière transparente" (11 Jan/21, line 16). Noting that its "proposed framework would streamline existing reports, as well as add some new metrics" CBC summarized it as including: 1) An inventory and availability of all services offered by CBC/Radio-Canada, including activities to promote discoverability; 2) How these services are consumed and perceived by Canadians; 3) The impact of these services on society, culture, and the economy, and 4) The environmental factors affecting the Corporation's service to Canadians (DM#3981695, para. 28).
- 38 The single element missing from CBC's proposed performance measurement framework is the most critical: the amount of programming that CBC actually offers. The Forum submits that the most valid, reliable and objective measures of CBC's performance are the total and original (first-run<sup>1</sup>) hours of programming broadcast by CBC's linear services and made available by its programming services. In other words, the CBC's programming performance should be measured primarily in terms of the original program hours it provides to Canadians, especially local news: see Attachment 1. The Forum also agrees that CBC should collect and report data about local news: while it appeared to argue that this would be burdensome ("it's hundreds of stories a day across the country in many forms" [13 Jan/21, para. 2182]), CBC also confirmed that "decision making happens locally in local newsrooms" (12 Jan/21 at para. 875) – where, presumably, data entry could also take place. The degree to which CBC's services are available should also be measured by Canadian households' access to each of its services (including any prices that CBC charges for such access). In some cases new measures could be developed through focus groups held every two to three years. As for expenditure requirements, the Forum supports conditions of licence by medium and language, and opposes the use of 'cross-platform expenditure obligations' that would permit CBC to shift more resources from linear to digital while limiting Canadians' access to the programming that their financial support enables CBC to offer.
- 39 The Forum also proposes that the CRTC invite public comments on any new measurement framework and reporting format it decides to impose on the CBC to maximize the chance that its first reports will be relevant (by using valid and reliable measures) and useful.

# III. The enormous gap between CBC and Canadians

- 40 Finally, the Forum concludes its final submissions with the regret that the gap between the CBC's selfimage and Canadians' perception of the Corporation has never been greater.
- 41 Canadians want a national public broadcaster but now have a commercial broadcasting 'company' heavily subsidized by the public. In the six days during which it answered the CRTC's questions the CBC's representatives described the Corporation at least 74 times as the "company" or the "business" –

<sup>&</sup>lt;sup>1</sup> The Forum does not support CBC's proposal that the CRTC modify the definition of 'first-run' in the case of CBC's programming, as the changes will make comparisons with CBC's past and with other broadcasters impossible.

and mentioned the "public interest" just once. If words have meaning, CBC does not fully self-identify as a public broadcaster established to serve the public interest.

- 42 Canadian public broadcasting began partly because "no other scheme other than that of public ownership can ensure to the people of this country, without regard to class or place, equal enjoyment of the benefits and pleasures" of broadcasting.<sup>2</sup> CBC claims on the one hand that it wants to "serve all Canadians" (11 Jan/21, para 294), but affirms on the other that it wants to "deepen" its relationship with those who "subscribe because; one, they don't want to see advertising; or two, they could have access to other programming that might no[t] be available on the free platform" (11 Jan/21, para 209). If actions speak louder than words, CBC no longer sees Canadians as equally deserving of its services.
- The CBC wants Canadians to believe it is competent but it has not for years reported the amount of original programming content funded by their financial support for CBC and could not explain plans to allocate funding between its linear and digital services, saying that it cannot "provide a meaningful estimate as to the amount of digital-only spending on PNI" (DM#3986662, at p. 13). The CBC wants Canadians to believe it is meeting its mandate to be informative but a quarter (25%) of Canadians disagree that CBC's news and information programming is "independent and impartial" (DM#33995595, App. C, p. 21). The CBC says that it offers local programming but makes it difficult to find that content, as "[a]ny and all of our local programming could conceivably be found on any platform depending on the character of the news and the surrounding circumstances" (DM#3986662, at p. 13).
- It is trite to say that once broken, trust is difficult to regain. Accountability detailed and timely reporting to Canadians about the total and original hours of programming that it is actually broadcasting or making available online, and the elimination of advertising would help the CBC regain Canadians' trust.
- 45 We look forward to the opportunity to review CBC's answer to interveners' final replies, and to the CRTC's decisions in this proceeding.

Sincerely yours,

m.

Monica L. Auer, M.A., LL.M. Executive Director Forum for Research and Policy in Communications (FRPC) Ottawa, Ontario

c. Ms. Bev Kirshenblatt regulatoryaffairs@cbc.ca; bev.kirshenblatt@cbc.ca Executive Director Corporate & Regulatory Affairs, CBC/Radio Canada

<sup>&</sup>lt;sup>2</sup> Prime Minister Bennett addressing the House of Commons (18 May 1932).

#### Attachment 1

Broadcasting Act	Concept	Programming: original and total hours / # titles	Perception	
(I) 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;	Informative programming TV, radio and digital news Enlightening programming TV, radio and digital analysis and documentaries Entertaining programming TV, radio and digital sports, drama/comedy, children's programming	By language, medium and programming category * Addition of information about local news stories and local reflection	Attitudinal surveys; focus groups ('informative', 'enlightening', 'entertaining')	
<ul><li>(m) the programming provided by the Corporation should</li><li>(<i>i</i>) be predominantly and distinctively Canadian,</li></ul>	Amount of Canadian and non- Canadian programming Distinctiveness of Canadian programming	By language and medium and program source (Canada, US, other nations)	Not applicable (CRTC defines Canadian content) Attitudinal surveys; focus groups ('distinctiveness')	
( <i>ii</i> ) reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions,	National programming Regional programming Special regional needs	By program origin (local, regional, national service)	Attitudinal surveys; focus groups ('special needs')	
( <i>iii</i> ) actively contribute to the flow and exchange of cultural expression,	Exchange of cultural expression	* Exchanged between CBC and SRC (unless shown in 'Production source')	Not applicable	
(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,	Official language community needs Linguistic minority needs	Demographic information <u>* Linguistic community source</u> (OLMC)	Attitudinal surveys; focus groups ("needs")	
(v) strive to be of equivalent quality in English and in French,	Program quality, by programming category and language	Total expenditures per program** (to determine total and average programming expenditures of CBC and of SRC)	Attitudinal surveys; focus groups ('equivalent quality')	
(vi) contribute to shared national consciousness and identity,	National consciousness National identity	* Program identified by CBC as related to national consciousness / identity	Attitudinal surveys; focus groups ('consciousness' vs 'identity')	
(vii) be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose, and	Availability Efficiency	* % of households served, by medium (radio, TV, digital) * Distribution cost per household served (radio, TV, digital)	Not applicable	
(viii) reflect the multicultural and multiracial nature of Canada;	Multiculturalism Multiracial nature	* Reflects multiculturalism * Reflects multiracial character of Canada * Employment on/off screen	Attitudinal surveys	
(d) ( <i>iii</i> ) through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations	Employment	Total employment of CBC and its independent producers, by medium, language and occupation (needs/aspirations)	Attitudinal surveys, focus groups ('needs', 'interests', 'aspirations')	

\* Yellow highlighting: may require additions to CBC's radio and TV logs (in columns following current regulatory requirements)

\*\* Need not be public