

Le 13 juillet 2020

Monsieur Claude Doucet
Secrétaire général
Conseil de la radiodiffusion
et des télécommunications canadiennes
Ottawa (Ontario) K1A 0N2

Re: **Broadcasting Notice of Consultation CRTC 2019-379-3, additional information added to the public record regarding the renewal of the licences relating to the Canadian Broadcasting Corporation / Société Radio-Canada English-language audio-visual services (Application no. 2019-0282-5) and French language audio-visual services (Application no. 2019-0281-7)**

Monsieur le secrétaire général :

1. On Screen Manitoba provides the following comments with respect to the additional information added to the public record by the Canadian Broadcasting Corporation / Société Radio-Canada (CBC/SRC) regarding its digital activities and future plans noted in Broadcasting Notice CRTC 2019-379-3.
2. On Screen Manitoba appreciates the opportunity to provide comments in response to CRTC 2019-379-3. We find the additional information does not provide sufficient clarity nor does it include a fulsome response to the information requested by the Commission, and previously identified as missing by a number of interveners. In order for interveners, and the Commission, to have a better understanding of the CBC/SRC's licence renewal plan, including its proposed new cross-platform approach for programs of national interest (PNI) and children's and youth programming for both its English- and French-language services, the missing information should be placed on the public record in advance of the hearing scheduled to begin on January 11, 2021.
3. In its responses dated May 6 and June 12, 2020,¹ CBC/SRC provided additional financial information regarding its digital activities, including an overview of its annual revenues and expenses for the five-year period of 2018-19 to 2022-23, information relating to CBC/SRC's perspective on the applicability

¹ DM#3876591 – Réponse-Response – 12 June 2020 – Aggregate Financial Summary (Aggregate Financial Summary dated June 12, 2020) and DM#3849736 – Reponse-Response – 6 May 2020 – CBC Reply to CRTC Request to information.

of the digital media exemption order (DMEO) to its various digital platforms, and statements regarding the impact of the COVID-19 pandemic on financial projections.²

4. The following issues remain unresolved or are unclear in the responses provided to the Commission's requests for information:
 - a. **Updated financial information:** On Screen Manitoba requests that CBC/SRC be required to provide updated financial information for the proposed five-year term of its licence September 1, 2021 to August 31, 2026³ including all financial projections previously filed for its local television stations, discretionary services, and digital activities in this proceeding. We also request that actuals for the 2018-2019 year be confirmed.
 - b. **Separation of financial data by language market:** in the financial document dated June 12, 2020, CBC/SRC provides aggregate data on English-and French-language digital platforms. This document does not reflect nor clarify CBC/SRC's proposed plan to share Canadian programming expectations (in regard to PNI and children's and youth programming) across local television stations and digital platforms within each language market, yet each language market is recognized as distinct in the Broadcasting Act and CBC/SRC proposes different approaches for each.

La loi sur la radiodiffusion reconnaît que les marchés de langue française et de langue anglaise sont distincts. CBC/SRC a des structures distinctes pour gérer leurs activités dans chaque marché. De plus, CBC/SRC a développé des plateformes numériques distinctes pour chaque marché : ICI Tou.TV et GEM. Il n'est pas possible de comprendre l'impact de la proposition multiplateforme de CBC/SRC sans séparer l'information financière par marché linguistique. D'autant plus que CBC/SRC propose elle-même des exigences différentes pour chaque marché.

- c. **Clarification des plateformes numériques faisant parti de la proposition multiplateforme :** dans le document financier du 12 juin 2020, CBC/SRC décrit trois catégories de plateformes numériques : 1) GEM et ICI TOUT.TV ; 2) CBC Listen et OHdio ; et 3) sites web, Curio et autres. Toutefois dans sa proposition de renouvellement de licence, CBC/SRC n'explique pas quelles plateformes numériques font partis de leur proposition multiplateforme pour les exigences par rapport aux émissions d'intérêt national (ÉIN) et aux émissions pour l'enfance et la jeunesse. Leur proposition du renouvellement de licence, indique que CBC/SRC considère GEM et ICI.Tou.TV comme étant des plateformes numériques qui tombent sous l'ordonnance d'exemption aux entreprises de radiodiffusion de médias numérique ; par contre, pour les plateformes mentionnées dans les catégories 2 et 3 il n'y a pas de définition. De plus, ce n'est pas claire quels plateformes numériques CBC/SRC propose d'inclure dans son approche multiplateforme pour les émissions d'intérêt national (ÉIN) et la programmation enfance et jeunesse.

² Broadcasting Order CRTC 2012-409, *Amendments to the Exemption order for new media broadcasting undertakings (now known as the Exemption order for digital media broadcasting undertakings)* (DMEO). Please note that On Screen Manitoba does not necessarily agree with the Corporation's views on the applicability of the DMEO to its various digital platforms.

³ The Commission provided a one-year administrative renewal to CBC/SRC from September 1, 2020 to August 31, 2021 subject to the terms of its current licence (CRTC 2020-201).

- d. **Disaggregated revenues and disaggregated expenses:** On Screen Manitoba joins other interveners in requesting that CBC/SRC provide disaggregated revenues, and disaggregated expenses, in regard to its digital audiovisual platforms. In so doing, CBC/SRC should, as noted above in item “c.”, provide a complete list of the digital platforms to be included in its proposed cross-platform approach. In terms of disaggregated revenues CBC/SRC has, in the past, provided revenues by “service type” on a confidential basis in Broadcasting Notice of Consultation CRTC 2019-91, *Call for comments on the Commission’s policy on Canadian programming expenditures* (BNC CRTC 2019-91).⁴ Within the same Broadcasting Notice, CBC/SRC also provided the Commission with disaggregated expenses including items such as; content-related expenses and Canadian programming expenses, expenses related to producing content, expenses related to repurposing content, and expenses related to acquiring content to the Commission.

As CBC/SRC has reported disaggregated revenues and expenses in the past, we believe that this information should continue to be provided. The disaggregated expenses should include the following categories: programming expenses, Canadian programming, and non-programming expenses. The disaggregated revenues and the disaggregated expenses should be clearly attached to the digital platforms included in the proposed cross-platform approach. Finally, in the interest of transparency and to ensure interveners and the Commission may better understand and evaluate CBC/SRC’s cross-platform licence renewal proposal, the disaggregated financial information outlined above should be placed on the public record.

- e. **Historical data regarding “exhibition hours”:** CBC/SRC is proposing a cross-platform “exhibition hours” requirement for PNI and children’s and youth programming, yet has not provided any historical data relating to exhibition hours for these genres on its digital platforms or exhibition hours for children’s and youth programming on each of its French-language and English-language local television. Without this information, the Commission and interveners are unable to assess the proposed approach relating to exhibition hours. On Screen Manitoba requests that CBC/SRC be required to provide historical “exhibition hours” for each language market with a breakdown local television and each digital service included in the cross-platform approach. As stated in our first intervention, On Screen Manitoba believes that expectations of PNI and children’s and youth programming is best expressed as an expenditure; however, we recognize that there is value in including “exhibition hours” as a secondary measure.
- f. **Impact of COVID-19:** in its June 12, 2020 financial document, CBC/SRC makes statements about the impact of COVID-19, but does not provide any detail in regard to the potential financial impact of COVID-19 on its activities. In light of broad-based reports of declining advertising revenue in the broadcast industry, the general Canadian and international production stoppage for most genres that took place this spring through to June or July, the increased costs of production resulting from COVID-19 required safety and health protocols, and the anticipated increased costs in production insurance, it seems likely that COVID-19 would have a financial impact on CBC/SRC’s programming plans. In the interest of transparency, On Screen Manitoba joins other

⁴ Broadcasting Commission Letter addressed to the Distribution List, 1011-NOC2019-0091, dated March 28, 2019.

interveners in requesting that CBC/SRC be required to file updated disaggregated financial projections for its local television stations, discretionary services, and digital platforms to reflect any anticipated impact from the COVID-19 pandemic. If CBC/SRC anticipates the pandemic will have no impact then it should provide an explanation as to why this would be the case.

5. On Screen Manitoba recognizes, and values, the special place CBC/SRC holds in the Canadian broadcasting system. It connects Canadians across the country in both official languages and facilitates the expression of the cultural, geographic, demographic and linguistic diversity of Canadian society through original independent programming of all types and genres. CBC/SRC fulfils a critical role in developing the independent Canadian production industry.
6. As a regionally-based industry association, we support CBC/SRC's efforts to adapt to today's audiences who watch content on a variety of digital platforms including local television; however, even as it adapts its programming plans to current audience behaviour trends, CBC/SRC as our public broadcaster, has a responsibility to provide clear financial information so that the Commission, interveners and the public can understand and evaluate the proposed new cross-platform approach for PNI and children's and youth programming.
7. This is the first time that CBC/SRC is proposing a cross-platform approach and clear, disaggregated revenue data by "service type" with clarified types of expenses, along with existing disaggregated historical information (exhibition hours by service type) are required to ensure a fair evaluation of the proposed new approach. And, should the new approach be approved by the Commission, the information listed above will provide the basis for evaluating the cross-platform approach throughout the new licence period.
8. Since the time when CBC/SRC originally filed its licence renewal the media production industry, along with the entire economy, the health and personal lives of Canadians, has been disrupted by the COVID-19 pandemic. The impact of such disruption must also be considered within the context of CBC/SRC's licence renewal.
9. It is for these reasons that On Screen Manitoba joins other interveners in requesting that the information listed above be provided on the public record prior to the hearing scheduled to begin on January 11, 2021.
10. On Screen Manitoba appreciates this opportunity to provide its comments to the Commission.

Sincerely,



Nicole Matiation,
Executive Director / Directrice générale

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