

1 March, 2021

Claude Doucet, Secretary General  
Canadian Radio-Television and Telecommunications Commission  
1 Promenade du Portage  
Gatineau, QC J8X 4B1

e: Claude.doucet@crtc.gc.ca

Dear Mr. Doucet:

**Re: CRTC Consultation 2019-379, Renewal of CBC/R-C Licences**

1 I have discussed the legal element in my oral presentation, and answered the Commission's questions during the initial round of this hearing a year ago. Since that time, a good deal of new information has come to light and a number of new policy issues have surfaced. It seems appropriate, therefore, based on one of the questions raised by Commissioner Anderson to stand back and review events from 30,000 feet.

2 The Commission has asked many interveners what should be a 'priority' if choices must be made about what is going to be preserved. The CBC is not asking for the rising tides that floats all boats, but to have the tides lowered – and we know what that will mean for all boats. Since the conclusion of this hearing, BCE has already further reduced the resources available to its media division.

**The Role of the Commission**

3 Based on the evidence before you, it's unlikely Canada's national public broadcasting service will still exist in 10 years. That will be the current CBC President's legacy (at best), but the Commission should also look to its future.

4 This is something I specifically raised as a concern at the Let's Talk TV hearing in 2014. I didn't raise the CBC's looming demise to make friends or be popular, but to raise an alarm in hopes of righting the ship before things got to their present state.

5 It is improbable that the ship can be kept afloat much longer – so the question for the Commission is: what do you want your legacy in the CBC's regulation to be? For some of the Commissioners this is your first major hearing. I urge you to build a legacy of public service and responsibility. Don't look at this license as a means by which to fix the CBC. Use it as an opportunity to guide the public broadcasting service back on course for the future.

6 If you were re-designing it and had a hand in its leadership, what would you want our public broadcasting service to become in the next 10 years? Give it goalposts to reach, give it monitoring reports to help guide it and give it repercussions if it misses markers along the way. Whenever a Government does decide to give the CBC a new mandate – let them look at the new licence from the CRTC and use it as deep waters with a strong breeze.

7 This is an important decision for the CRTC. If it simply gives the CBC what it wants, it will demonstrate that the Commission has become a rubber stamp, concerned less with national

service priorities than with presenting an appearance of regulation. First the CBC licence, then the Bell Media licences. What purpose is there for appearances without substance?

I urge you to raise the tide, become a regulator that doesn't reward woefully ill-prepared licence renewals regardless of professional cordiality. You well know that the telecoms' regulatory departments are watching. How you as a commission respond to this hearing will fundamentally determine who's in control of the broadcasting and telecommunications sectors, We can only hope it remains the CRTC as regulator, in the public interest.

### **The Commercial Compromise**

8 In its current form, only some of the CBC's services qualify as truly 'public'. Its desperate drive for commercial revenue has compromised both programming and scheduling decisions to the point where in television and online it has become indistinguishable from—though less appealing than - its private sector competitors.

9 This is the time to transform CBC/Radio-Canada into a truly public – and non-commercial national undertaking. Though it would present a fiscal challenge, those difficulties are less dire than they would have been at the 2012 license renewal. Based on its own most recent number, CBC-E makes about \$70m from TV advertising gross but its advertising department of roughly 300 people probably costs about \$30m in salaries alone. So if we are generous, the CBC may be clearing no more than \$40m from TV advertising, though the number could be closer to \$35M.

10 Is this \$40m actually worth the loss of standards and distinctiveness that operating as a unique national non-commercial broadcaster would offer? Look at what happened to Radio 2/ici Musique when the Commission allowed them to experiment with commercials. Audience numbers cratered to 10% of their previous standing when commercials were introduced but, when the experiment ended, listeners have largely returned.

11 Instead of the CBC chasing audiences to sell to advertisers, it should focus on content. Let us not pretend that Family Feud Canada is successfully wooing audiences. It is neither culturally significant nor otherwise appropriate content for a public broadcaster. Instead it is using time and money – the resources that should be directed to programming that meets the mandate and the objectives of the CBC's public service objectives.

12 It is nonetheless important to note that Radio-Canada Télé delivers very healthy numbers of both viewers and advertising revenue. With respect to the flagging CBC-TV, if viewers are fleeing the programming and the commercials, there's very little risk in making a radical change since (objectively) doing worse is not a real risk. This would ensure an appropriate level of regulatory consistency as described in my oral presentation as per hearing 2016-353's public interest test for CBC's commercial licence test.<sup>1</sup>

13 Management going in the wrong direction. The emperor has no clothes. CBC's 'plan' is little more than an exercise in PR spin without substance. The financials eventually released are decidedly unsettling and indicate that management has confused distribution with content. Digital is NOT content. Digital is a delivery mechanism, a pipeline like TV or Radio. It is the

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<sup>1</sup> The four part test set out in 2016-353 -paragraph 5

content – the programs - that will attract audiences on any medium. CBC is not proposing to do interactive content (like choose your own adventure stories) which could only be done on digital – so, in fact, its digital-first focus is still producing audio and audio-visual content (otherwise known as radio and television), but just firing it down a digital pipe. Why the CBC management is committed to spending \$1b on feeding its digital pipeline instead of maximizing access to all its content over the next three years demonstrates how that bandwagon has skewed corporate priorities

### **The Corporate Plan**

14 The CBC management's 'plan' is a plan in name only – and in the absence of substantive information from the licensee, the CRTC must assess the existing licences and decide what should be changed or improved on the previous term's commitments.. If the CBC wants to be the leader in children's content, then require it to produce additional hours of high quality children's content. If they want to appeal to Millennials, then develop programs that will appeal to that demographic. But there must also be audience numbers to demonstrate whether they have succeeded in their goals.

15 Again, the commercial issue surfaces. Why would I watch an hour of program 'X' on CBC's online services when during the numerous commercial breaks I am bombarded by the same advertisement on repeat for the entire program? This idiosyncrasy is compounded when I know that in a few months, if its' a popular show like Kim's Convenience, I can watch it on Netflix commercial-free? CBC management might suggest it's so I can watch the program as soon as possible but, let's be frank. CBC's programming gets better numbers on Netflix than it does on Gem – and as an intuitive streamer, Gem is no Netflix.

### **CBC's Reputation**

16 Unfortunately, CBC's English television and digital entertainment brand is not synonymous with excellence. While not the fault of the current President, there seems to be little progress towards changing that course. If the underlying issue of reputation and quality aren't prioritized, conversations about diversity and cultural significance will be rendered moot by the lack of audiences watching the content. The CBC is not primarily meant as a make-work project. It is meant to be the cultural glue that holds our country together. That can't happen if it isn't being used as a service by enough of the population to create a shared experience and identity.

17 Put another way, the CBC's news and information service is vital to our democracy. Its cultural component is core to our identity as a bilingual nation. If only 4% of Canadians are watching CBC's cultural content, and we can assume based on the amount of production that they are not all watching the same thing, that the shared experience and cultural homogeneity simply isn't succeeding.

18 From a vision standpoint, 2021 is already a write off. We need to think about what our public broadcasting service will need to be in a decade - maybe two decades. That's what I'm trying to envision and work towards getting us to (with my proposals). It would appear that the current management lacks that long term vision and focus.

19 As a final point, Commissioner Anderson asked me if I had any ideas to attract Millennials to CBC. For several reasons, I responded in the negative. Firstly, it's not my job. The CBC pays people (broadcasting 'experts') to approve to develop programming. If their management is failing to attract audiences as Numeris' figures corroborate, there is a competence issue that must be addressed. Secondly, at the 2014 Let's Talk TV hearing, I proposed several avenues for exploration including the development of the already legislated Alternative Programming Service to position our national public broadcasting service on the road to recovery by restructuring, rebuilding, and prioritizing quality content for audiences... instead of quality audiences for advertisers.

### **Conclusion**

20 Commissioners, this has been a long hearing. There have been perspectives on the future of public broadcasting from the CBC/RC, industry representatives, and individual interveners like myself. Ultimately though, our positions (collectively) can only attempt to inform the Commission's perspective on what it believes is needed in the licences for the various CBC services. To that end, I hope with the wide breadth of positions offered that you will have the tools needed to look towards the future of what Canada needs from its national public broadcasting service.

All of the above is respectfully submitted,

John P. Roman