



2011-2012 Annual Report to CRTC

TO:	Board of Directors
MEETING:	January 29 th , 2013
FROM:	Steven Guiton, Vice-President and Chief Regulatory Officer Media Technology Services and Regulatory Affairs
PURPOSE:	Provide Board members with an overview of the highlights of CBC\Radio-Canada's 12th annual report to the CRTC
DATE:	January 11 th , 2013

SIGNIFICANT POINTS:

This is CBC/Radio-Canada's twelfth Annual Report filed with the Commission. We are very pleased to be able to report that based on our performance in 2011-2012, we again have presented an excellent report card to the Commission.

CBC/Radio-Canada is required to report to the Commission annually on the following CBC/Radio-Canada services:

- CBC Television network and stations
- La Télévision de Radio-Canada network and stations
- English and French Radio Networks
- CBC News Network and Le Réseau de l'information (RDI)

The report provides a summary of the performance of CBC/Radio-Canada services with respect to the requirements that were set out in the Commission's last licence renewal decisions. This information is provided to the CRTC at the end of November of each year.



2011-2012 Annual Report to CRTC

1. Background

The requirement for CBC/Radio-Canada to report to the Commission in an Annual Report addressing our main operations flows from the CRTC's January 6, 2000 licence renewal decisions (CRTC Decisions 2000-1, 2000-2 and 2000-3). This reporting requirement covers the following CBC/Radio-Canada services:

- CBC Television network and stations;
- La television de Radio-Canada network and stations;
- English and French Radio Networks; and
- CBC News Network and Le Réseau de l'information (RDI).

The Commission granted a full 7-year licence terms to these services, and imposed a number of conditions of licence, requirements and expectations. These licence terms have been administratively renewed until 31 August 2013, subject to the terms and conditions in effect under the current licences.

In the following pages is a summary outlining where the CBC/Radio-Canada services stand with respect to the requirements that were set out in the Commission's renewal decisions. Obligations imposed by condition of licence are the most important regulatory requirements and would require CRTC approval to change them.

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2. Highlights

- **English Radio** has met or exceeded all of its conditions of licence and has addressed the main requirements and expectations set in the renewal decisions. The only exception is that Radio One fell short of the 50% requirement for category 2 Canadian music selections during a discrete one week period.
- **French Radio** has met or exceeded all its conditions of licence and has fully addressed the requirements and expectations set in the renewal decisions.
- **CBC Television** has met its conditions of licence and has exceeded many of the requirements and expectations set in the renewal decisions.



2011-2012 Annual Report to CRTC

- **La Télévision de Radio-Canada's** performance has been exemplary in virtually all areas. The service has again this year demonstrated that it has met and in many instances considerably exceeded the Commission's requirements and expectations in a variety of important areas. As in previous years, the service has been unable to meet the condition of licence in regard to Music, Dance and Variety programming.
- The specialty television service **Le Réseau de l'information (RDI)** has been operating in compliance with its conditions of licence and has fully addressed the requirements and expectations set in the renewal decisions. As with the 2007-2008, 2008-2009, 2009-2010, and 2010-2011 broadcast year, the program schedule reflects changes that modified the programming approach with respect to regional programs, with the result that we are meeting the condition of licence requiring 1/3 regional program content in a manner different than that identified by the Commission.
- The specialty television service **CBC News Network** has been operating in full compliance with nearly all its conditions of licence, requirements and expectations. The exception is that CBC News Network inadvertently exceeded its 12-minute per hour advertising limit on a number of occasions. Corrective action has been taken to prevent a reoccurrence of these errors in the future.

3. A Summary of Our 2011-2012 Performance

a. **The Radio Services**

English Radio

English Radio has met all of its conditions of licence.

Once again, English Radio has met the Canadian content conditions of licence for both category 2 and category 3 music for both Radio One and Radio Two services, with one exception. During the week of Jan 15-21, 2012 Radio One fell short of the 50% category 2 Canadian content music selection (and achieved only 42%) as a result of a rare coincidence during which two programs independently chose subject-matter themes which resulted in an inordinate number of non-Canadian tracks being included in the programs. We have implemented internal processes to ensure this does not occur again.



2011-2012 Annual Report to CRTC

The Commission's renewal decision also required the Corporation to report progress in terms of extending its Radio Two service to 50% of the English language populations of each province within two years, and to 75% of the English-language Canadian population generally, within that same two year period. This expectation was met in the second year of the licence renewal period.

Today, only one province – Saskatchewan – has coverage of less than the 75% target for the Radio Two service. Radio Two coverage currently reaches 71% of the English-language population in Saskatchewan. There are currently no plans to implement additional transmitters in this province by the end of the licence term.

French Radio

French Radio has met or exceeded all its conditions of licence with respect to Canadian content and French language vocal music.

In fact, during every month over the entire broadcast year, la Première Chaîne exceeded the 50% condition of licence for category 2 music and provided an average of 59% Canadian content each month. Canadian content for category 3 music on la Première Chaîne averaged 34% over the broadcast year, exceeding the 20% requirement every month.

On Espace musique, category 2 music averaged 57% over the entire broadcast year (exceeding the 50% condition of licence every month), and category 3 music averaged 27% for all 12 months, exceeding the 20% condition of licence every month.

French language vocal content averaged 95% for all 12 months on Espace musique and 93% for all 12 months on la Première Chaîne, where the expectation is 85%.

The Commission's renewal decision also required the Corporation to report progress in terms of extending its Espace musique service to 50% of the French-language populations of each province, and to 75% of the French-language population in New Brunswick and Ontario.

In terms of coverage, since the renewal decision French Radio has undertaken a significant accelerated program to ensure that Canadians in all provinces are able to receive and enjoy Espace musique. All ten provincial capitals now have the Espace musique service and it now reaches more than 92% of the Canadian population whose mother tongue is French.



2011-2012 Annual Report to CRTC

Today, only two provinces – Saskatchewan and Newfoundland – have coverage of less than the 50% target for the Espace musique service. The coverage currently reaches more than 45% and more than 32% of the French-language population in Saskatchewan and Newfoundland, respectively. There are currently no plans to implement additional transmitters in these provinces by the end of the licence term.

With respect to the 75% target for New Brunswick and Ontario, it is met in New-Brunswick but not in Ontario, where the coverage currently reaches 66%. There are currently no plans to implement additional transmitters in the province of Ontario by the end of the licence term.

Although the 50% target set for Saskatchewan and Newfoundland, and the 75% target set for Ontario was not met, if the numbers were based on the percentage of French-speaking people instead of the percentage of people having French as their first language, our results would be much higher. Saskatchewan and Newfoundland would largely surpass the 50% target, and Ontario would almost reach 75% of the population.

b. CBC/Radio-Canada Television Services

Our two television services have met or exceeded virtually all the requirements set for them by CRTC in the renewal decisions. Some of the many significant achievements of both English and French Television for the last broadcast year are highlighted below.

CBC Television

Among the notable achievements during the 2011-2012 broadcast year are the following:

- Canadian content was 85% over the full broadcast day and almost 81% during the peak period (7-11 p.m.)
- Drama programming averaged 7 hours per week in the peak broadcast period, exceeding our commitment of 5.5 hours per week.
- CBC Television has again met its condition of licence requirement that stipulated it broadcast at least 6 hours a week of priority regional programming in the peak period (7 - 11 p.m.).



2011-2012 Annual Report to CRTC

- CBC Television provided a weekly average of 31.4 hours per week of children's programming, all of it non-commercial, almost all of which was Canadian, significantly exceeding the CRTC's expectation of 15 Canadian hours per week.
- 76% of Canadian productions in primetime are from the independent production sector, (excluding news, public affairs and sports). This year, 81% of Canadian regional productions are from independent producers (primetime and full day).
- CBC Television broadcast 288 hours of original programming in described video. In total, CBC Television broadcast 2170 hours of programming in descriptive video; the vast majority of these were Canadian programs.
- 100% of the CBC Television schedule is closed captioned, effective November 1, 2002. This includes all news-breaks, station breaks and CBC produced promotional material.

La Télévision de Radio-Canada

Among the notable achievements during the 2011-2012 broadcast year are the following:

- Full day Canadian content was 86%, while prime time Canadian content was 93%, significantly more than the 80% level for the 7-11 p.m. peak broadcast period called for by the Commission.
- Again this year, regional production of programs other than news has greatly exceeded the Commission's expectation for the end of the licence term, with a total of 1,094 hours broadcast by each station to its regional audience. FTV broadcast on the network 95 hours of regional productions in between 6pm and 12am, an average of 10 hours each week, which greatly exceeds the Commission's expectations.
- La Télévision de Radio-Canada continues to play an important role in supporting the broadcast of independent programming, with 85% of Canadian programs on primetime (other than news, public affairs and sports) produced by independent production companies. This is significantly more than the 50% level for the 7-11pm period which the Corporation committed to.



2011-2012 Annual Report to CRTC

- La Télévision de Radio-Canada also broadcast 27 original Canadian long form documentaries acquired from the independent production sector in the peak viewing period, significantly exceeding the Corporation's commitment of 18.
- La Télévision de Radio-Canada broadcast 4.1 hours per week of original Canadian production of programs for children aged 2 to 11. The condition of licence requires 4 hours per week. Programming for children and youth exceeded CRTC's overall expectation with 22 hours of programs per week for these groups.
- As noted above, la Télévision de Radio-Canada fell short in meeting the condition of licence to broadcast 5 hours per week of Music, Dance and Variety programming in peak hours. An application was previously submitted to the Commission to amend this condition of licence. Instead, the Commission decided to address this matter in the context of the Corporation's licence renewal proceeding.

c. The Specialty News Services

CBC News Network and RDI

CBC News Network and RDI have been operating in full compliance with nearly all conditions of licence. As noted above, RDI has continued to meet its condition of licence in the area of 1/3 regional programming by other means. As noted above, there were occasions during the year when the maximum number of advertising minutes was inadvertently exceeded by CBC News Network. These occurred primarily during a regularly scheduled two-hour program, *Power and Politics*, which has frequent insertions of live programming material. In many cases CBC News Network did not distribute 12 minutes of advertising material in the first hour of the program. Steps have been taken to prevent a reoccurrence of these errors.

Noteworthy achievements for **CBC News Network** in 2011-2012 include:

- Canadian programs made up more than 94% of CBC News Network's broadcast schedule in 2011-2012.
- CBC News Network delivered live programming from across Canada and internationally, when it happens.



2011-2012 Annual Report to CRTC

- CBC News Network has expanded its journalistic reach into many underserved regions in Canada. In partnership with CBC Television, it maintains a network of video-journalists to report from the following underserved locations across Canada: Corner Brook and Gander, Nfld; Happy Valley/Goose Bay, Labrador; Bathurst, Saint John, and Moncton, NB; New Glasgow and Sydney, NS; Quebec City, QC; Markham, ON; Saskatoon, SK; Surrey and Victoria, BC; Whitehorse and Iqaluit, NWT.
- CBC News Network has closed captioned 100% of its programming since November 1, 2002.

Noteworthy achievements in the past year for **RDI** include:

- Canadian programs made up more than 99% of the RDI broadcast schedule in 2011-2012.
- RDI exceeded its condition of licence requirements for closed captioning, in terms of both spending and percentage of programming captioned, allocating a budget of \$ 1 030 000 that resulted in a schedule that is 100% closed captioned.
- To meet the condition of licence of 1/3 regional program content, RDI has continued with its live, out-of-studio broadcast of *En Direct* on a weekly basis.