

**Broadcasting Notice of Consultation CRTC 2015-421**

**A review of the policy framework for local  
and community television programming**

**Opening Statement of CBC/Radio-Canada**

**29 January 2016**

**[Check against delivery]**

## Introduction of the Panel

Good morning Mr. Chairman, Commissioners, counsel and staff.

My name is Bev Kirshenblatt. I am the Executive Director, Regulatory Affairs at CBC/Radio-Canada. To my left is Heather Conway, Executive Vice President, English Services and to her left is Jennifer McGuire, General Manager and Editor in Chief CBC News and Local Services. To my right is Louis Lalonde, Executive Vice President, French Services and to his right is Patricia Pleszczynska, Executive Director, Regions and Radio, French Services.

We are very pleased to have the opportunity to appear before you today. As you may know, our Strategy 2020 focuses on three things:

- to be more local
- to be more digital, and
- to become financially sustainable.

This hearing directly engages all three of those objectives.

We will start by talking about what we are doing in local television and how we see the future. We will then discuss the regulatory side of things.

Heather.

## **CBC/Radio-Canada and Local Television**

**[Heather Conway]**

Thank you Bev. CBC takes great pride in its local television programming. We offer 14 hours of local television programming per week in Montreal, Ottawa/Gatineau, Toronto, Calgary, Edmonton and Vancouver and 7 hours in St. John's, Halifax, Charlottetown, Fredericton, Windsor, Winnipeg and Regina. In Yellowknife we offer local and regional television programming to the North in English and 8 Aboriginal languages. Local programs include features like Go Public with investigative teams that harness local resources to investigate an issue at a local level and then leverage that journalism for national rollout.

We have had tremendous success with our local programs. Just last year, we won some 90 national and international awards, with all our centres from east to west represented. We hope to continue our programming success into the future.

As you have heard from many witnesses this week, the economic model for local television is broken. But CBC/Radio-Canada must continue to find ways to meet our audiences' needs and mandate.

Both digital and local are key to the future of the public broadcaster. As we strengthen our digital platforms we are also enhancing our local content, providing Canadians with more local news more often. The information we share with Canadians doesn't have one "platform" anymore. A story often starts online as a tweet or Facebook post and builds throughout the day as full stories on radio and television. Our major investigative projects often begin as online initiatives, either mined from databases or as original stories we tell in an innovative way.

One great example is the project we created around missing and murdered Aboriginal women. We compiled the country's only database of every woman murdered and missing through the years. It is searchable and provides context and depth to the issue. It has allowed us to tell their stories on TV and radio. Journalists use it as background research as they tell in-depth local stories about the women. It was recently awarded a NEXTMedia Digi Award for best non-fiction interactive content.

We are transforming our local offer to better serve audiences, particularly on mobile and digital platforms where audiences are migrating. We have maintained our local television regulatory commitments. We have maintained our commitment to radio. And now local communities get continuous mobile service with our local newsrooms now covering news 18 hours a day.

This also benefits television in our multiplatform newsrooms.

Our stations provide local news and information to the local community while also feeding into our regional and national news systems thereby reflecting the local community to itself and to the rest of Canada a key part of our mandate. Louis.

**[Louis Lalande]**

Thank you, Heather. Radio-Canada has 13 television stations in a variety of market types. Six of these stations are located in Quebec. The other seven serve French-language OLMCs in the other provinces across Canada. We therefore have a presence in major competitive markets, smaller markets in Quebec, and regions with French-speaking minority communities. With our CBC colleagues, who, as Heather mentioned, also serve a wide range of English-speaking markets, this gives us a unique perspective on the television environment and, more broadly, on news and content production at both the local and regional level.

For several years now, all of our stations have been integrated TV/radio/digital broadcast centres. In recent years, a fragile financial situation and changing mediascape have forced us to rethink our regional approach, while maintaining our presence in these markets.

Having access to local news all week long is a clear priority for our audiences.

That's what they've told us during the regular consultations we hold with OLMCs across the country. And it's why we chose to maintain our local, multiplatform news offering seven days a week.

Today, our presence in the country's various regions is the minimum we consider essential – particularly for television – to provide our audiences with local content that meets the standards of quality and credibility they've come to expect from their public broadcaster.

In fact, in maintaining our regional presence, we've preserved our ability to produce relevant original content. What's more, we're doing it with seasoned editorial teams who comply with nationally recognized journalistic standards and practices.

The future of local television and, by extension, local and regional news and content, is an issue that affects all Canadian communities, regardless of size. But we believe the smaller markets are where the situation is most critical. The ability to produce relevant, original local content must be urgently supported and protected. Because maintaining it in the current context has become an extremely tall order for all players, including the public broadcaster, whose mandate it is to do so. Bev.

## **The Regulatory Side**

**[Bev Kirshenblatt]**

Thank you, Louis. We believe we have a compelling and practical vision for the future of local programming. But, like all broadcasters, we face significant challenges in local markets. That is why we were so pleased to review the Commission's Working Document.

The Commission has asked for concrete proposals with respect to a fund to support local news. In response to that request, our proposal for a Local News Incentive Fund (LNIF) is attached to these remarks.

### **A Local News Incentive Fund**

The highlights of our proposal are as follows.

#### Purpose of the Fund

The purpose of the LNIF would be to provide incentive funding for incremental expenditure on and exhibition of local news programming beyond a specified threshold.

---

### Source of Funding

The LNIF would be funded by redirecting BDU contributions currently used to support local programming and local expression. Specifically, we are suggesting the LNIF be funded by:

- 1% of broadcasting revenues from terrestrial BDUs; and
- 0.4% of broadcasting revenues from DTH.

There would be no change to BDU contributions to the CMF and CIPFs.

Our rough calculations suggest that under this approach the LNIF would be approximately \$68 M.

### Eligibility

Subject to the additional eligibility criteria I will identify in a moment, the LNIF would be open to all licensed OTA television stations serving small markets (i.e., less than 300,000), as well as all licensed private independent OTA television stations serving a medium-sized market (i.e., between 300,000 and 1 Million). The size of the market would be calculated on the basis of language.

We estimate there are 65 stations in this initial group.



To be eligible a station would have to operate a professional newsroom in the local market. That newsroom would have to be staffed by professional journalists.

A station would also have to broadcast a minimum of 2.5 hours of original Category 1 local news per week.

#### Types of eligible programming

In our view, the LNIF should fund proposals for local news, information and analysis programming.

#### Administration, Structure and Application Process

The LNIF would be administered by the CMF or a similar body.

Eligible applicants would submit applications for incremental projects (i.e., beyond the required minimum level of local news). An application would describe the proposed project and provide a detailed budget.

Applications would be assessed on the basis of: local need; language; and, merit of the proposal. The administrator would also be expected to ensure a balanced allocation of funds across the country.

Successful applicants would be required to produce financial reports to the administrator of the LNIF after the programming is aired and would have to accept an audit if the administrator chose to perform one.

Finally, the LNIF could have a cap (i.e., maximum amount) on the amount each licensee could obtain each year.

As you can see, we have attempted to address the main elements of a fund while staying within the parameters identified by the Commission in its Working Document.

### **Digital Platforms**

Turning now to digital platforms, we were pleased to see the Commission highlight the importance of digital platforms in the local context.

As Louis and Heather have indicated, we are already going down that path. We are committed to deepening our presence on digital platforms. In our view, the Commission could encourage further activity on these new platforms if, under the LNIF, applicants were permitted to include a digital component to proposed projects.

## **Conclusion**

The proposal we have outlined today would promote the continued availability of high quality local news programming from a diversity of voices on traditional and digital platforms for Canadians in smaller markets.

Thank you for the opportunity to appear before you today. We would be happy to answer any questions you may have.

## **Appendix A**

### **CBC/Radio-Canada Local News Incentive Fund (LNIF)**

#### **Objective**

Provide incentive for incremental expenditure on and exhibition of local news programming.

#### **Source of Funding**

- 1% from terrestrial BDUs.
- 0.4% from DTH (SMLPF would be eliminated).
- No change to BDU contributions to CMF and CIPFs.
- No changes to BDU contributions to community programming undertakings under section 34(2) of the BDU Regulations.
- The LNIF would be approximately \$68 M.

#### **Eligibility**

- All licensed OTA conventional television stations serving small markets (i.e., less than 300,000), as well as all private independent OTA conventional television stations serving medium-sized markets (i.e., between 300,000 and 1 Million).
- The size of the market would be calculated on the basis of language.
- We estimate there may be up to 65 eligible stations.
- Station operates a professional newsroom in the local market which is staffed by professional journalists.
- Station broadcasts at least 2.5 hours of original local news per week.

#### **Types of eligible programming**

- Local news, information and analysis programming (categories 1 (news), 2a (analysis and interpretation) and & 3 (Reporting and actualities).
- The project could also include a digital media component that is made available to the Canadian public.

#### **Application Process**

- Administered by CMF or similar body.
- Only 1 applicant per language per ownership group, per market.
- Eligible applicants submit applications for incremental projects (i.e., beyond the required minimum level of local news).
- Applications describe the proposed project and provide a detailed budget.
- Applications are assessed on the basis of: language; local need; merit of proposal; balance to reflect the regions of Canada.
- Licensees would be required to produce financial reports to the CMF after the programming is aired (may have to be audited).
- The LNIF could have a cap (maximum amount) on the amount each licensee could obtain. It could require applicants to put forward applications by a set deadline.

\*\*\*END\*\*\*