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—
Chair

The Honourable Michael Chong

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• (1530)

[Translation]

The Chair (Hon. Michael Chong (Wellington—Halton Hills, CPC)): Welcome to the 41st meeting of the Standing Committee on Canadian Heritage, this Monday, February 14, 2011. Pursuant to Standing Order 108(2), we are here today to study the mandate and funding of the Canadian Broadcasting Corporation (CBC).

We have with us today three witnesses: Mr. Lacroix, President and Chief Executive Officer of CBC/Radio-Canada; Ms. Stewart, Executive Vice-President of English Services; and Mr. Lafrance, Executive Vice-President of French Services.

Welcome everyone.

[English]

We'll begin with an opening statement.

Mr. Hubert T. Lacroix (President and Chief Executive Officer, CBC/Radio-Canada): Thank you, Mr. Chairman.

Members of the committee, good afternoon.

Thank you for inviting us to come and talk about our strategic plan. I'd also like to thank you for allowing us additional time to present our plan to you. I understand this might be precedent-setting, but don't worry, this is actually a good one.

This strategic plan, "Everyone, Every way", well, you've heard of that a little bit. It's our road map for the kind of public broadcaster we believe we need to be by 2015: more nimble and more connected with Canadians in more meaningful ways.

[Translation]

I spoke a little bit about it the last time we were here, in December.

You have already received some background documents on today's discussion through the clerk. But being in media, I thought it would be useful, appropriate and rather enjoyable to start off our presentation this afternoon with a video.

[Audiovisual presentation]

• (1545)

The Chair: Mr. Lacroix, the floor is yours.

Mr. Hubert T. Lacroix: Mr. Chair, *Everyone, Every Way* is our plan and our commitment to Canadians in an ever-changing broadcast world. Our four guiding principles will ensure that CBC/Radio-Canada will continue to fulfill its mandate to Canadians under the Broadcasting Act.

I am eager to hear what you think, but let me begin by giving you some additional information.

First, you should know that we are not asking Parliament for more money to carry out this plan. We understand the economic challenges facing the government and Canadians. We are very grateful for the \$1.1 billion Parliament provides to CBC/Radio-Canada to fulfill its responsibilities. We are also grateful for the support of this committee, which, in 2008, recommended that our appropriation be increased from \$34 to \$40 per Canadian.

[English]

But we are not asking for more money. We are asking for stability in our funding—in both our appropriation and the \$60 million for Canadian programming that we have been receiving since 2001. That stability is essential to our ability to make the adjustments and investments that this plan requires.

Second, this plan comes with a report card. Each of our four guiding principles has been broken down into specific metrics—measurements that will show how quickly we are reaching our 2015 goals. Twice a year our board of directors will be given the report card to ensure it can monitor how well we're progressing. This information will also be immediately posted on our website, and we will report back to this committee so that everyone is clear on what we're doing.

Finally, we want to hear from Canadians about our vision, our guiding principles, and the main thrust of our strategy. We've set up a website to facilitate online consultation and provide more information on our plan. Engaging with our audiences—every one, every way—is how I believe CBC/Radio-Canada will develop a deeper relationship with the people we serve.

Thank you for your time today. I'll be happy to respond to your questions.

• (1550)

[Translation]

The Chair: Thank you, Mr. Lacroix.

We now have an hour and a half for questions and comments.

We will begin with Mr. Rodriguez.

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Thank you very much, Mr. Chair.

Mr. Lacroix, Ms. Stewart and Mr. Lafrance, welcome to the committee. I am glad to have you here.

That was an excellent video presentation. You did that very well, Mr. Lacroix. You could be on television.

Mr. Hubert T. Lacroix: No comment.

Mr. Pablo Rodriguez: One of your closing remarks was that you were not asking for more money. But your funding should not be cut either. I believe you based your plan on what you have now. Do you have any assurance that your funding will, at least, remain stable over the next few years?

Mr. Hubert T. Lacroix: We have no funding guarantees other than what our minister has said over the past few months regarding his support for CBC/Radio-Canada funding.

Mr. Pablo Rodriguez: I think your plan is excellent. I spent a lot of time poring over it. I think you need guaranteed funding for the next five years.

Is that \$60 million always earmarked for the same thing, programming? And is it subject to renewal every year?

Mr. Hubert T. Lacroix: The \$60 million has to be renewed this year. We usually find out whether we will get it or not around this time every year.

Mr. Pablo Rodriguez: Yes, now.

Mr. Hubert T. Lacroix: That \$60 million goes directly into Canadian programming.

Mr. Pablo Rodriguez: What will happen to your plan if your budget is cut?

Mr. Hubert T. Lacroix: If that \$60 million is not available, it would be a bit disastrous for us in terms of being able to carry out the plan within the set deadlines. We have been receiving that funding since 2001, and only once, was it allocated to us for more than a year at a time. Our goal is to carry out our plan. If we do not happen to get the funding, we will have to pull back on certain initiatives, and we will not be able to stay on schedule.

Mr. Pablo Rodriguez: Have you had any discussions with the government? It is clear to me that this should be built into your core funding and should not be up for debate every time. I understand that you do not necessarily need more money, even though we would all be happy to have it, but you do need stability.

Mr. Hubert T. Lacroix: You are absolutely right, and that is the point I am trying to make.

Mr. Pablo Rodriguez: This is sort of directed to my friends across the way. Building that \$60 million into the core funding would provide that stability, because it would not have to be negotiated this month, again in a year and so forth. Have you had any such discussions with the government?

Mr. Hubert T. Lacroix: We have not had any such discussions with the government. Every year, we discuss the \$60 million and whether or not it is available.

Mr. Pablo Rodriguez: When you say signature events, I assume that some are in English and some are in French.

Mr. Hubert T. Lacroix: “Signature events” in English and “*grands événements*” in French.

Mr. Pablo Rodriguez: Ten in each language or....

Mr. Hubert T. Lacroix: Ten in English and ten in French.

Mr. Pablo Rodriguez: Could you give us an example of a signature event?

Mr. Hubert T. Lacroix: Programs that bring together large numbers of Canadians and have an impact on culture. This year, our French service will be doing a Darwin day. That is something completely new. CBC did the *Champions of Change* contest and the *Live Right Now* challenge. Radio-Canada also broadcast a Christmas concert at the Notre-Dame Basilica of Montreal. These are events that no one else has done and that really set us, the public broadcaster, apart from the others.

Mr. Pablo Rodriguez: That will start....

Mr. Hubert T. Lacroix: In the normal course of business, certain events have already been scheduled. They will air this coming season.

Mr. Pablo Rodriguez: I want to come back to the matter of funding, if I may. There is no index adjustment, per se.

Mr. Hubert T. Lacroix: No index adjustment, correct.

Mr. Pablo Rodriguez: I assume you have already negotiated pay increases with your employees.

Mr. Hubert T. Lacroix: The collective agreements have been signed.

Mr. Pablo Rodriguez: Therefore, you are bound to respect those agreements.

Given that you have signed those agreements and that you are going to honour your commitments, in other words, pay what has been negotiated, you will have to make cuts elsewhere.

• (1555)

Mr. Hubert T. Lacroix: We make adjustments as needed based on the funding we get in order to meet our goals, as planned, and honour our commitments to our employees.

Mr. Pablo Rodriguez: How much are we talking, about 1.5%?

Mr. Hubert T. Lacroix: Correct, 1.5%.

Mr. Pablo Rodriguez: In an ideal world—once again, I am addressing my friends across the way—the funding would also be indexed so the organization could honour its commitments to its employees without having to make cuts elsewhere.

I digress, but should we revisit CBC/Radio-Canada's mandate based on....

Mr. Hubert T. Lacroix: Ever since I accepted this position, I have said that we would welcome a discussion of our mandate. We think our mandate is quite clear under the act: to provide a wide range of programming that informs, enlightens and entertains. No part of that has changed in 20 years.

What you have in front of you, Mr. Rodriguez, is our expression of that mandate based on who and what we are in 2011, against the backdrop of an ever-changing environment.

Mr. Pablo Rodriguez: I think we heard that you wished to expand your service in select underserved markets. To conclude, could you elaborate on that?

Mr. Hubert T. Lacroix: Yes, of course. I will give you two examples because the realities of the English service and the French service are very different in that area.

Let's talk about CBC for a few moments. We saw that Canada's population had moved to different areas and that it was no longer concentrated where it was 20 or so years ago. As a result, we realized that nearly 7.5 million Canadians did not have access to our local service. Our goal is to try to serve 6 million more people over the next 5 years—I repeat, our plan covers 5 years—by opening new local stations. They will be multimedia stations, possibly combining radio service, and local and regional Web sites.

But the public broadcaster must be able to establish a presence and connect with Canadians in those regions.

The Chair: Thank you.

Now over to Ms. Lavallée.

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Welcome everyone.

CBC/Radio-Canada's mandate has always been problematic. You said you would welcome a discussion on that, but there is another issue, as well. CBC/Radio-Canada seems to have a hybrid mandate, and that is inevitably reflected in its funding, which is also hybrid. And the result is that you have a public corporation that is not quite a public corporation, often having to rely on advertising revenue from private TV companies.

I know you are smart enough to know that this problem exists. Your funding problems, if you will, are reflected in how you carry out your mandate.

On page 2 of your plan, you say you want to address Canadians as citizens who want to be informed, challenged and entertained. You want to offer Canadian content, but you air too many American programs that come with a hefty price tag. The one that troubles me most is *Beautés désespérées*, originally *Desperate Housewives*, perhaps because of the location. It is a total depiction of American culture. Is it really your mandate to air American television shows? Is it really your mandate to create specialty channels? Is it really your mandate to offer reality TV? Do you not do these three things to generate revenue because of inadequate funding?

Mr. Hubert T. Lacroix: There are many parts to your question. I will split it up, if I may. Obviously, I will ask Sylvain to help me out with certain answers, especially in terms of his programming schedule. In a few moments, he will tell you what it looked like 15 years ago and how distinctive it is today. He can also confirm how proud we are of our schedule and the programs you see on Radio-Canada.

Let's start with the hybrid model, the CBC/Radio-Canada model. As I said earlier, we are very grateful for the \$1.2 billion the government gives us to carry out a part of our mandate. But for years, both the government and the CRTC have been telling us that if we want to do anything else, we have to raise the money ourselves. That is why we have other funding, in the range of \$700 million to \$800 million, including \$350 million or so in advertising revenue. We have to be able to balance our budget by airing the programs necessary to attract enough viewers, while continuing to offer distinctive quality programming.

I will now ask Sylvain to explain how our schedule has changed over the years and how distinctive it is today.

• (1600)

Mr. Sylvain Lafrance (Executive Vice-President, French Services, CBC/Radio-Canada): It is interesting, because historically, Radio-Canada's television programming has never been as distinctive as it is today, nor has it relied on American shows as little as it does today.

I am old enough to remember watching *Docteur Marcus Welby* (originally *Marcus Welby, M.D.*), *Jinny* (originally *I dream of Jeannie*), *Ma soricère bien-aimée* (originally *Bewitched*) and many other American shows in prime time. They have been replaced with Canadian dramas. Today, no American program is aired in prime time during the regular season. Some are aired Saturday evenings and during the summer.

I think we have made a huge effort on that front. This year, Radio-Canada aired 15 Canadian dramas, which is tremendous. Keep in mind that we are working to be even more independent under our plan. At the same time, however, I would not say our ultimate objective is to do away with foreign programming altogether. This is the 21st century, and I think we still need to offer some foreign programming. But when we do, more and more, it will be in line with our programming choices. Historically speaking, I would say that television has never been as Canadian as it is today.

Mrs. Carole Lavallée: In exchange for predictable, long-term, stable and adequate funding from the government, would you be willing to give up advertising altogether or in part? If so, how much would you need?

Mr. Hubert T. Lacroix: We have already talked about that. It is inaccurate to say that one dollar in additional government funding is equivalent to one dollar of advertising revenue. Production and programming costs have to be taken into account. Substitutes have to be found. Every advertising dollar lost would represent between 1 and 1.5 times that amount in additional government funding. It will always be to our advantage to be very attuned to our Canadian audience, so we can deliver the programs they want, programs that inform, enlighten and entertain.

Mrs. Carole Lavallée: I want to make sure I understand you here. You said that in order to make up for the loss of \$300 million in advertising revenue, you would actually need \$450 million, not \$300 million.

Mr. Hubert T. Lacroix: Absolutely, 1 to 1.5 times more.

[English]

The Chair: *Merci.*

Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you very much for coming today, and thank you for presenting us this five-year plan.

Three years ago this committee, with all party support, made a series of recommendations in order to ensure that CBC/Radio-Canada fulfills its mandate to the Canadian people. One of those recommendations was a longer-term commitment between CBC and the Government of Canada in the order of a five-year plan so that we would have stability and long-term planning. I don't know what happened in the meantime, but the government seems to have fallen offside with that commitment. So you've gone ahead, basically it seems, on your own to deliver to Canadians a plan, a vision, so that we can say where we're going to be.

You mentioned the need for stability in financial funding. How crucial is it, and how possible is it to maintain this plan at the current rate of financing you have?

Mr. Hubert T. Lacroix: We recognize the challenge right now that is affecting all of Canada, and that's why in my opening remarks, in every comment that I've made so far, you've heard us say that what we are looking for is stability of funding and not more.

We've assumed, to deliver what you have read today and what you've seen today, that we will have the same appropriation; that the \$60 million will be available to us and that we will be considered by the different funds—the Canada Media Fund, for example—on an even playing field with all the other broadcasters, with all the same criteria applying to everyone; and that we will not be taken out or disqualified because of the funding we receive, remembering that this funding allows us to do things that nobody else wants to do, because the economic models of the privates simply don't work for things like Canadian programming in prime time and like serving the north. There's no business model for that.

So we are looking, Mr. Angus, for stability in the funding, and not having that will obviously influence the speed at which we can deliver this plan. But in the next years we are going to want to be more national, more regional, and more digital, as this plan says.

• (1605)

Mr. Charlie Angus: The issue of the \$60 million, to me, is staggering. I don't know of any public broadcaster in the world that waits until the end of its financial year to find out if it has enough money to go into the following year. It seems you have to come every year and beg, cap in hand. We see the minister dangling the money—will he or will he not?

What happens if the budget comes down and that \$60 million isn't there? Will that blow a hole through this whole five-year plan that we're looking at?

Mr. Hubert T. Lacroix: The answer is that not having access to the \$60 million, remembering that these dollars have been available to us since 2001, would be catastrophic for us because it would challenge the speed at which we could actually expand our services to get to the 7.5 million Canadians who are not served right now by the CBC. It would slow down the speed at which we would be more digital. And we are the leaders right now in that field. We can't slow down, because the speed at which the applications change, the speed at which people want our services, at whichever time on whatever platform, is not going to slow down. So it would be very disappointing.

Mr. Charlie Angus: Again, we had all-party consensus just two or three years ago, but since then, something has certainly changed

in the water the Conservatives are drinking. We see hostile statements from the minister. I don't think I've ever heard at this committee the Conservative members ask a positive question about the CBC. I'm hoping that'll be different today.

Are you concerned about this apparent move to an openly hostile relationship coming from the federal government in terms of its commitment to the public broadcaster and your ability to do your job?

Mr. Hubert T. Lacroix: The only thing I can tell you about is my relationship with the minister, who I work with on a regular basis. I have a very good relationship with my minister. I think he understands the challenges we have. And I've said this many times in a fun way: he's a techie. So he understands the digital part of what we do. We hope that his interest in and support for the CBC will continue.

[Translation]

Mr. Charlie Angus: We received a report from the Timiskaming branch of the Association canadienne-française de l'Ontario (ACFO), and the message was very clear. Radio-Canada has played a key role in French-speaking communities. Tell us about your mandate to support the development of the francophone culture and identity across Canada.

The Chair: Thank you, Mr. Angus.

Mr. Lafrance, you have the floor.

Mr. Sylvain Lafrance: Naturally, that is a key part of our mandate and something that differentiates our French service. For example, roughly 12 of our 20 radio stations are outside Quebec. So it is important to understand that we play a crucial role as the only provider of French-language radio in these communities, except for a few community radio stations. So we often serve as the connection between everyone and the francophonie, generally speaking. That is very significant.

With that in mind, we have spent the past few years trying to improve these services by going everywhere and creating not just news programs, but also variety programs.

Today, we focus a great deal on developing specific digital services. French speakers outside Quebec have the same media-based needs as all Canadians. Mr. Lacroix was just talking about the economic model. And because there is no business model for serving French speakers outside Quebec, we serve an absolutely critical and unique function, and we are very aware of that.

The Chair: Thank you, Mr. Lafrance.

Mr. Del Mastro, over to you.

[English]

Mr. Dean Del Mastro (Peterborough, CPC): Thank you, Mr. Chairman.

Thank you to the witnesses.

Mr. Lacroix, thank you for your presentation today.

I want to take this funding bogeyman out of the room. I know that people want to keep on casting it out there, but the reality is that our party made a promise that we would maintain or increase funding each and every year for the CBC. We've done that. The \$60 million, it seems to be of some question; obviously that was....

We've only followed in doing...in conducting ourselves the same way as the Liberal Party did, in that fashion. If they object to it now, they certainly didn't when they created it in 2001.

We've kept our word to maintain or increase funding for the CBC each and every year. That is a long-term commitment that we've made, to maintain or increase funding for the CBC, and our record demonstrates that this is what we're doing.

I took some notes as you were speaking, and I have a couple of questions. You talked about partnerships, seeking partnerships. You talked about a "hyper-local" approach in your five-year plan. You also said that you recognize that you can't be all things to all people. I wrote all these things down, because I think it's important to recognize....

If we look back at the old model of the CBC, certainly you could look at the Dominion broadcasting network. You had a lot of private sector partnerships right across all provinces, in cities all across Canada, and I think you did have a very hyper-local presence at that time. I would argue that you were likely quite relevant to all communities and to all people. It wasn't universally popular, however. Some of CBC's own supporters didn't like it because the CBC didn't own it, and they had some concerns about that.

Are you concerned that you might get some pushback from some of the folks who actually...? My feeling is that you can't really have an open discussion about the CBC, because your comments will get...you're in serious danger of being hijacked.

The reality is that there are some folks out there who really think they own the CBC—not just that it's a public entity but that they actually own it, and should be able to tell you what to do.

Are you concerned that you might get a backlash from some of the folks who...? I can think of a few groups.

• (1610)

Mr. Hubert T. Lacroix: There are three things, I think, Mr. Del Mastro, in your comments or questions. You talk about partnerships, you talk about hyper-local, and you talk about "all things to all people".

Let me start with the all things to all people. We understand that in this environment we can't be that. However, what's very important about the public broadcaster right now is that it has to be able to create with you, and with everybody in this room, a relationship that is so special for something that we do, as a public broadcaster, that you will have a special relationship with us. That's the comment, and that's how you should be interpreting all things to all people.

In terms of partnerships, there are different genres of programming—sports comes to mind, and kids—that would lend themselves very easily to partnerships. In this environment, the price to play in those environments is now too expensive for us to be by ourselves in there. I gave an example recently that even in the States right now, NBC, who has owned the Olympic Games for a number of years, has

indicated that it might actually be bidding for the next four games with CBS as a partner. That's never been done before.

Their reality is also our reality in Canada. That's an example of a partnership in a genre that we obviously would be looking for, as we can't do everything by ourselves.

On your last point, about the hyper-local presence, Sylvain has initiatives right now that would look to serve the people who.... For instance, around Montreal, you have a million people living on the south shore and another million on the north shore. Instead of simply having a station that delivers information to Montreal and its surrounding areas, websites that target those communities, instead of our having the standard services, would be of interest to us. We think we would serve Canadians in a better way by doing that.

Those are my remarks to your questions.

Mr. Dean Del Mastro: Thank you. I think that's a great approach, because I think people in local communities want to actually see themselves, or people they know, or their communities, in their news, in their coverage. I think it's the right approach. There's certainly no shortage of information coming at us from everywhere, but sometimes what we want to see is what's close to us, and to keep up to speed with that. So I think it's a great approach.

I'm limited in terms of time here, but I did want to ask you a couple of other questions.

You talked about partnerships. What is your partnership with the Friends of Canadian Broadcasting? What is your relationship with them?

Mr. Hubert T. Lacroix: We have no relationship with Friends of Canadian Broadcasting.

We've actually written them a couple of times to ensure that in whatever press release or information they put out, it is clearly indicated that they have no relationship with us. We wanted them to make sure that, when they want to raise money, it's very clear that the money they raise doesn't come back to us directly or indirectly.

We have nothing to do with them.

Mr. Dean Del Mastro: I don't think that is overly clear in some of the things they send out. In fact, some of the folks in my riding feel that they're sending money to the CBC. But can you clearly indicate that no money that goes to Friends of Canadian Broadcasting is coming to the CBC?

Mr. Hubert T. Lacroix: Absolutely, sir.

Mr. Dean Del Mastro: Have you ever had to ask them to cease and desist on anything? Have you ever had to get involved in any legal actions with them?

Mr. Hubert T. Lacroix: No, we have not.

Mr. Dean Del Mastro: Very good.

Do they always agree with you? Would you consider them a supporter of CBC and what you're trying to do?

Mr. Hubert T. Lacroix: We've had our issues.

Mr. Dean Del Mastro: You've had your issues. I've had my issues with them too.

Thank you very much.

The Chair: Thank you, Mr. Del Mastro.

Madam Crombie.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Thank you, Mr. Chairman.

Thank you, Mr. Lacroix, Mr. Lafrance, and Ms. Stewart for being here with us again today.

I want to congratulate you on your five-year plan and the visual presentation. I think the plan is rich with local regional programming, and some of the new specialty channels look very exciting. I respect that you are here today not asking for any more money, just the money that you've been promised by the government, the \$60 million in funding.

The parliamentary secretary says that they promise, the Conservative government, to maintain or increase CBC funding. So have they?

•(1615)

Mr. Hubert T. Lacroix: The answer is yes, in the last two or three years. I have been here since January 1, 2008. The appropriation has been about the same and the \$60 million has been available to us.

Mrs. Bonnie Crombie: With respect to the appropriation, there was, as Mr. Angus pointed out earlier, a motion passed by this committee in February 2008 on our report, *CBC/Radio-Canada: Defining distinctiveness in the changing media landscape*. We recommended in 4.2 that the \$60 million become permanently added to the corporation's core funding.

Have you ever had any discussions with the government about a permanent appropriation?

Mr. Hubert T. Lacroix: We have not had particular conversations about that. We have had conversations about making sure that the \$60 million is available to us on perhaps more than a one-year basis. Those are the conversations I've had.

Mrs. Bonnie Crombie: It would certainly add to your measure of financial stability and security, I'm sure, if it could be.

Are you concerned that the money will or won't be extended this year?

Mr. Hubert T. Lacroix: I'm always concerned when I do not know whether that money is available to us and I get closer to March 31 and I know that my new year starts on April 1.

Mrs. Bonnie Crombie: What is the drop-dead deadline? It's March 31, the end of the year—

Mr. Hubert T. Lacroix: Yes, March 31 is the end of our tax year.

Mrs. Bonnie Crombie: It's our opinion on this side that CBC has never been more under attack than it is today, in this current environment, with this current government. Yet I think your strategic plan, as I mentioned, is rich with great ideas, local content, regional programming, and I think you should be commended for doing more with less, quite frankly, because it's simply just not realistic for you to continue to do more with less.

I also noted that you had a \$58 million loss in 2010.

Mr. Hubert T. Lacroix: Yes.

Mrs. Bonnie Crombie: How will you continue to be able to do more with less, and how are you going to pay for the \$58 million?

Mr. Hubert T. Lacroix: As you know, last year, in order to balance our budget, we had to sell some of the assets we had on our balance sheet. We actually monetize receivables, and we needed to do that in order to balance our budget. We were able to net about \$153 million. That is the reason you will see a balanced budget on March 31, 2011. It was part of our two-year recovery plan. We're very happy that we managed through it, and it's a great testimony to the quality of the people who work at CBC/Radio-Canada to be able to manage ourselves through our difficult situation.

Mrs. Bonnie Crombie: But this isn't sustainable either, to continue to sell assets.

Mr. Hubert T. Lacroix: Obviously. So now, as this plan says, and in the comments we have made, we're constantly looking at everything we have, because technology also improves. We are trying to do less manual work. We're always trying to improve the way we can produce shows or the infrastructure we have. It's a constant, and it's normal. It's a constant situation where, with the resources we have, we need to be able to deliver this plan, and that's how we're going to get there.

Mrs. Bonnie Crombie: Have you ever considered selling assets such as your buildings or your art, land, or archives?

Mr. Hubert T. Lacroix: Absolutely. Last year, when we were trying to figure out what was the best way for us, we looked at our real estate portfolio, and we continue to look at our real estate portfolio. We chose not to go that way because we thought we were not going to get the best value for Canadians. In a down market, we thought selling assets...because we have to live in those buildings, and then we would have to pay the landlord a higher rate than we normally would in a situation where you're not desperate and you need those dollars. So we thought the best value for Canadians was to monetize our receivables.

Mrs. Bonnie Crombie: Have you had to cut services as well?

Mr. Hubert T. Lacroix: We did. We did a whole bunch of things last year. Our shopping list of things that we cut, either in programs or in services, is very long, on both the French and the English side.

Mrs. Bonnie Crombie: You had to cut staff positions as well, I believe, about 800...8,000, wasn't it?

Mr. Hubert T. Lacroix: Eight hundred.

Mrs. Bonnie Crombie: Eight hundred—sorry.

Mr. Hubert T. Lacroix: Eight hundred full-time positions were taken out of our company, yes.

Mrs. Bonnie Crombie: What about plans to continue reducing your labour force? Would that be through attrition? How do you intend to do that?

Mr. Hubert T. Lacroix: In the normal course of any business our size, some departures will be managed. We have to size the broadcaster as a function of the services we render, but this plan is not about cuts. This plan is about making sure that this broadcaster is nimble and is a broadcaster of the future.

The Chair: Thank you very much, Monsieur Lacroix.

Monsieur Pomerleau.

[Translation]

Mr. Roger Pomerleau (Drummond, BQ): Thank you, Mr. Chair.

I want to thank all the witnesses. The committee members are getting to know you on an almost personal level. And that is a very good thing.

You have numerous client markets in one of the largest countries in the world, and all the coverage issues that go along with that. Obviously, those markets include first nations. Nevertheless, even within each of your two major markets, francophones and anglophones, there are further distinctions. An English speaker in Blanc-Sablon is not the same as an English speaker in Toronto, and a French speaker in the Yukon is not the same as a French speaker in Joliette. When you examine your French-speaking and English-speaking markets, do you get the sense that the Radio-Canada establishment is perceived the same way?

•(1620)

Mr. Hubert T. Lacroix: You are asking whether Canadians have the same impression of Radio-Canada as they do of CBC?

Mr. Roger Pomerleau: Exactly.

Mr. Hubert T. Lacroix: If I consider the quality of our programming and the number of people who watch CBC shows, which is higher than ever, if I look at the ratings for French radio and English radio, if I take into account the TV programming market share that Sylvain has managed to bring in for Radio-Canada, and if I consider the number of people using our Internet services, I can say that both English-speaking and French-speaking Canadians greatly appreciate CBC/Radio-Canada's services equally.

Mr. Roger Pomerleau: My sense was that it was nowhere near equal, if we go back 20 years. I started watching TV in 1952, when I was 7.

Surely, your biggest problem must be figuring out where you are going to get the funding you need to do everything you want to do. Even if we assume that your government funding remains stable, it will still translate into less money when you consider that your costs will all go up, including your operating costs. It is inevitable. If we assume that your government funding remains stable and that you strengthen your presence, diversify your activities and enhance your footprint, you will still have to seek new funding to run your corporation. You mentioned the possibility of increasing your advertising revenue. How do you plan to do that?

Mr. Hubert T. Lacroix: I will give you a few examples. First of all, thanks to the high-quality of our programs, more Canadians are watching our French-language and CBC programming. That is one way we are able to increase our revenues. When you look at what our Web services bring in, with our ever-increasing Web presence and an ever-increasing use of those services, you see that we are also able to increase revenue through Internet advertising.

We have a variety of initiatives, ranging from leasing studio space and partnering with other corporations to make use of our sites across Canada to developing our mobile services. We have all kinds of ways to balance our budget. That is how we are going to increase our revenues.

Mr. Roger Pomerleau: You say you will pursue new avenues and new ways of doing business, form new connections and partner-

ships. Is that what you mean when you talk about ways of operating more efficiently?

Mr. Hubert T. Lacroix: Yes, that is definitely part of it. We also need to review all of our production methods, on both the English side and the French side, to ensure we are operating as efficiently as possible.

Mr. Roger Pomerleau: Very well.

I have another question. We just found out that, on February 4, 2011, the Quebec Press Council adjudicated a complaint related to the program *Les chefs!* The council ruled as follows:

The Council finds that the segment on the program *Les chefs* is more consistent with a promotion spot than a news report. Therefore, the grievance regarding the independence of information and the mixing of formats is founded.

The grievance was filed by Norman McConnell.

What do you do when the Quebec Press Council determines that such a grievance is founded?

Mr. Sylvain Lafrance: First of all, we take it very seriously. It is important to note that *Les chefs!* is not an informative program, but a variety show. So there is a big difference there. Had the same been said about an information program, it would have been dealt with very quickly.

That said, the Quebec Press Council is a very credible organization. So we take its recommendations very seriously. We look at what we can do. Basically, we invent new practices. The program *Les chefs!* is produced regionally, in Quebec City, and made possible by the CRTC's Local Programming Improvement Fund. Clearly, we will examine the matter closely, because we follow a very strict advertising code when it comes to this kind of promotional interference. We determine whether we respected our code in this particular case. I can assure you that we take this seriously, because the distinctiveness of our television content stems in part from our advertising code, which is much more stringent than in the private sector.

•(1625)

Mr. Roger Pomerleau: If I have time left, I want to give it to Ms. Lavallée.

Mrs. Carole Lavallée: How much time is left?

The Chair: You have time for a brief question.

Mrs. Carole Lavallée: I saw a number of your colleagues at the CRTC when it was discussing regional television and, more specifically, in the case of Radio-Canada. We heard that 45,000 homes in Saguenay—Lac-Saint-Jean could not watch Radio-Canada's Saguenay TV programming, but could watch Montreal's, owing to a broadcasting and carriage problem with the two satellite providers carrying the TV networks. Obviously, one of the reasons why this situation in Quebec is so serious is the CRTC rule requiring satellite providers to carry just one Radio-Canada station per time zone. Even if the rule were changed to one station per province, it would not be adequate, because there are five. What do you plan to do?

Mr. Sylvain Lafrance: We testified before the CRTC to convey what a disservice this policy does to the public broadcaster, especially given how scattered the francophone population is throughout Canada. Yes, the bulk of it is in Quebec, but we cannot very well decide not to serve French speakers in Vancouver in order to serve those in Saguenay. We cannot do that kind of thing, we have a national mandate. We appeared before the CRTC in an attempt to get the policy changed and to force companies to carry all regional signals.

[English]

The Chair: *Merci.*

Mr. Brown.

Mr. Patrick Brown (Barrie, CPC): Thank you, Mr. Chair.

I have a few questions. First, how much of the CBC budget is directed toward the creation of Canadian content?

Mr. Hubert T. Lacroix: Do we have exact numbers, Kirstine?

Mr. Patrick Brown: It can be a rough estimate.

Ms. Kirstine Stewart (Executive Vice-President, English Services, CBC/Radio-Canada): Obviously, we deal with the independent community, and in the last year we've spent about \$407 million on programming.

Mr. Patrick Brown: Does that include CMF funding?

Ms. Kirstine Stewart: Yes, that includes CMF funding as well.

Mr. Patrick Brown: You made reference to ten signature events, and I want to see if you have any idea of what type of events you're looking at.

Mr. Hubert T. Lacroix: We want these events to be of a significant cultural impact, as was, for example, Champions of Change, which trumpeted the importance of volunteers in communities. Nobody else does that.

Another one would be Live Right Now, which is a campaign we have going on right now that has a higher purpose of ensuring that Canadians take care of their health. We heard Kirstine say that according to her research, for the first time in a very long time, the generation that follows our generation is actually not going to live as long as ours is. And that's about habits.

Do you want to go on?

Ms. Kirstine Stewart: I think in terms of signature events, what's important, whether it's Champions of Change or whether it's Live Right Now, is the benefit we have as a multi-platform broadcaster. We have the ability not just to select on a national level where we broadcast something quite passively on one network, whether it's radio or television; we actually have the opportunity to iterate whatever campaign it is and give people an opportunity for their voice to come through by either speaking to us via radio programming or interacting with us online.

One Million Acts of Green was the first kind of opportunity where we launched one of these signature programs online, and within three months we had the million acts of green. We thought it would take a year to compile them all from Canadians in their home interacting with each other and with the Canadian broadcaster on a particular subject.

So they're engaged and they're using all the multi-platforms to make sure they have a full understanding of the situation and a full experience. We give information in many different ways and they act on it, and it's been good. We hope to be the facilitator of conversation and be able to connect with Canadians in this way.

Mr. Patrick Brown: I guess Hockey Day in Canada is another example.

Ms. Kirstine Stewart: Absolutely, it did very well.

Mr. Patrick Brown: You've had lots of success with that.

From my own regional perspective, I know it's one of your goals to expand the relevance of the CBC in terms of regional coverage. I come from Barrie, Ontario, in the region of Simcoe County, and when I think of the radio stations that are most listened to, I look at where people go for local news. I don't think CBC has the relevancy it could. I think of local coverage. We have A Channel that covers local news regularly in Simcoe/Muskoka. We have Global and CTV that come up once in a while, but I don't think there's a noticeable CBC presence. Do you have any thoughts about how to enhance your regional presence in that region of Ontario?

• (1630)

Mr. Hubert T. Lacroix: Before Kirstine gives you a snapshot of what the local extension plan is all about, the comments you just made are exactly why we need to expand the reach and the connections we make with Canadians. Next week, as you'll see in one of the apps we're going to launch, it is going to be geo-located for news. So anywhere in this country, by going to the CBC news apps, you will have news right there, about where you are in this country. It will be able to read where you are and it will give you news about the community in which you are, first, before going national.

Let's talk about the plan.

Ms. Kirstine Stewart: The local service extension plan is an exciting plan because it looks at the country and those areas where we are not present. So currently, as Hubert said before, about seven million Canadians don't receive a local CBC service. By the end of this plan, we hope to get to about six and a half million of them. We do that by sending out specific criteria based on the number of towns or cities that have a population of over 50,000 that are currently unserved, and also going back into those communities where we may have had to perform some cuts in recent years, which may also have somewhat narrowed the version of local programming they get.

So our opportunity over these next few years in this local service extension plan is to assess the most need across the country, how we can address those needs based on where market competitors are already located, where we are truly needed, and how we can best connect and give local audiences what they need. So we do have the opportunity through technology to not just do it in the form of television or radio, but with new platforms as well.

The Chair: Thank you, Madam Stewart.

Mr. Wilfert.

Hon. Bryon Wilfert (Richmond Hill, Lib.): Thank you, Mr. Chairman, and thank you for being here today. I'm not a regular on this committee, but I am a huge supporter of CBC/Radio-Canada. I have a few questions with regard to your new specialty channels, through you, Mr. Chairman.

The five-year strategy, "2015: Everyone, Every way", has called for the company to expand its regional presence and also offer specialty programming, including such as the French language SENS, which will launch 2010-11, and websites such as TOU.TV. CBC will look at speciality options for kids, sports, and A and E.

First of all, what factors are considered when launching a new digital TV channel? How is this balance determined between them in terms of cost, reach, demand, existing supply, and alternatives? And then if I might also put on the table, Mr. Chairman, through you, considering the trend that the developed world has been moving toward a greater distribution of specialized content through the Internet, is it the most efficient use of CBC/Radio-Canada funds to be launching a new TV digital channel? Could the specialized interest of Canadians be better served if the CBC used new digital TV channels to offer content attractive to advertisers and use the funds raised to finance specialized programming available through the web? And is it necessary to have specialized content available through digital cable satellite rather than on demand through the web?

After that, I want to come back to this issue of a spillover cost, which may affect the core operations of the CBC, through you, Mr. Chairman.

Mr. Hubert T. Lacroix: All right. Let's talk about specialty channels.

First off, we think we bring a lot when we talk about specialty channels, because we have great brand, we have great content, and this is where, as I was saying a few minutes ago, there are some genres that would be particularly interesting for us to have in a partnership situation, whether that's kids or whether that's sports or whether that's, let's say, the use of our archives.

I'm going to ask Sylvain to tell you what his plans are for his new specialty channel, and then I'll ask Kirstine to give you an idea of how she sees specialty channels for the CBC.

[Translation]

Mr. Sylvain Lafrance: Let me first say that we agree with you that we are investing much more heavily in the digital arena than in new specialty channels, especially given that specialty channels more or less fund themselves. Radio-Canada's Artv model is self-financed through fees and advertising revenues. So the bulk of our investment goes into the digital platform, more specifically as it relates to regional, kids' and cultural services. We are trying hard to bring Canada into the digital age, something that is very important to us.

However, the current economic model does favour the creation of specialty channels a lot more. It is my belief that, in 5 to 10 years, the real economic model, the one that will allow us to strike a balance, will be based on specialty channels.

To create those specialty channels, Radio-Canada is capitalizing on each of the strengths of its main network. For example,

information becomes RDI; culture becomes Artv; health, the environment, nature and topics covered by our science programs become S.E.N.S., which gives us an idea of what it will look like as a TV channel. And channels dedicated to other specific areas will eventually follow. We can assume that these will be extremely sound models in 5 to 10 years because that is already the case.

I would just add that if the shift to digital does take place, we will be totally ready to get on board, because we will have already developed models, such as TOU.TV, that will really help us make the transition quickly.

I want to end by saying that television has a bright future; the television set, however, has some challenges ahead. So when a new television channel is launched, it will be broadcast on the appropriate medium. We are not concerned about whether or not that medium will be a television set, but we are concerned about launching that channel.

• (1635)

[English]

Mr. Hubert T. Lacroix: A few seconds perhaps from our friend from...

Ms. Kirstine Stewart: The strategy is very similar. The different forms of broadcasting, whether it's specialty on a digital platform or whether it's Internet platform, are actually both needed, because the reality of the situation is that the revenues have not yet migrated to the Internet platform where they can get sustained programming being made simply for the Internet. But at the same time, we know that this is a migration that's going to be happening, so we need to be present in both places. Where CBC TV is a little bit behind is in the opportunity to actually have a platform, which is viewed by many Canadians still in a more robust way than online, and to make sure we have the opportunity for diversity of programming, which we can't fit into a static linear channel that is CBC TV. So a CBC Two, a CBC Three, a CBC Four, like the BBC model, is something we are looking at.

Hon. Bryon Wilfert: So it would be the spillover effect of the cost on your...I obviously wouldn't want to see it negatively affect the traditional mandate of the CBC.

Mr. Hubert T. Lacroix: And that's why I think both Sylvain and Kirstine reminded the committee that this model of the specialty channel, where you can get advertising revenue and subscriber revenue, basically is a model that pays for itself over time. That's the purpose of having a specialty channel in your stable: you can actually have a motor there that supports the rest.

The Chair: Thank you very much.

Mr. Armstrong.

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Thank you very much for your presentation. I think you're taking a bold leap into the future.

I do have a couple of questions. This weekend, on a Friday night, the opening of the Canada Games was held in Halifax, and TSN2 had the coverage for that. There were many people questioning, in Nova Scotia in particular, where it was a local event, why the CBC didn't have it because TSN2 had it. They didn't understand. They don't really follow the media, but that was an event they wanted to watch.

Is there anything in this five-year plan—and you mentioned the partnership between NBC and CBS and the Olympics—that is going to allow you to have greater opportunity to have more broadcasting rights to certain events like this, which are really truly Canadian events?

Mr. Hubert T. Lacroix: That's the whole point of trying to make more connections, about being present in cultural events, and cultural events include sporting events across the country. That's what you read, and you read it well.

Mr. Scott Armstrong: Thank you.

The second question I have is this. You talked about one of the directions of your five-year plan being in the direction of accountability. The last time you were here, you'd already taken some steps in doing online expenses and other steps towards moving to accountability. You talked about how you were making attempts to work with the information commissioner to meet access to information requests. Can you update us on that? It's been 90 days since you've been here. Have you taken any steps forward in that area?

Mr. Hubert T. Lacroix: We continue to make more and more pages available on a website that is a specific website with respect to access to information requests. We have a very strong accountability regime, as you know here. We just filed our corporate plan at the end of the month of January with Parliament. We will be coming in a couple of months with our annual report. We keep appearing in front of different parliamentary committees. We're accountable to the CRTC. The annual regulatory report will be in a couple of months. We have a system by which we are transparent, and we welcome that opportunity at every single turn.

• (1640)

Mr. Scott Armstrong: Do you think you'll be totally compliant with the accountability legislation, with the access to information process? Is there a number of months for you to be totally compliant with that? Where are you at with that?

Mr. Hubert T. Lacroix: Since April 1, 2010, we have not had one single complaint for our turnaround time on ATIP requests. At first we were overwhelmed with the number of requests we got. That's why we had conversations with the ATIP commissioner. We're now working through that issue. As I said, on the turnaround times, there has been no complaint on time, which is important.

We still have issues with respect to section 68.1, which is the exclusion in the act, which I talked about in December, and that's being worked on. We have a court that will decide what section 68.1 is all about.

Mr. Scott Armstrong: Right. The last time you were here you suggested if that court case came back and they did not rule in your favour, you might take other steps, procedurally or legally, to again appeal that. Is that still the position of the CBC?

Mr. Hubert T. Lacroix: We'll see what that conclusion is and what the court of first instance decides, and we'll take it from there. But we will, obviously, comply and respect any decision of a court of law of last instance telling us how to interpret our act, for sure.

Mr. Scott Armstrong: Thank you.

The Chair: Thank you, Mr. Armstrong.

Mr. Angus.

Mr. Charlie Angus: Thank you.

A follow-up initially on a couple of questions my colleague asked. Is it possible for CBC to use some of your ATIP expertise to help the Conservative government? I had two years of waiting for documents and I got 40 pages blanked out, and they made me pay for it. It took two years. I thought, you guys are not having complaints on turnaround time, so maybe you could teach that government a little bit and we'd all be a lot happier.

I'll just leave that as a thought that you could put into your next five-year plan.

I'm interested in the issue of sports, because when you guys show the Vancouver Canucks on the Timmins television network, I get calls from people who are going to burn my office because they want to see the Habs. People look to CBC because of its sports. They just assume a great Canadian sporting event is going to be on CBC and they're going to watch it. But now we're in a completely different market, and especially with the dramatic change in the media landscape in the last year, where you are going up against massive conglomerates who are going to be bidding on big, big programs. My colleague says that if it's on TSN or that, people who just assume they're going to turn on their TV and watch are not necessarily going to see that.

How do you see the changing relationship where CBC has a relationship with a viewing public and they expect to watch it? Is it going to be through partnerships, or are we going to see some dramatic changes in the ability of Canadians to watch major sporting events?

Mr. Hubert T. Lacroix: I think sports is a very good genre that lends itself to partnerships, partnerships with different levels, because the cost of entering that game—if you'll pardon the pun—is extremely high. You will see more of that happening around us, and I think that's how we intend to continue being there for Canadians on important sporting events.

Mr. Charlie Angus: Thank you.

As politicians, we often hear that the sky is falling. We're always brought into an issue because it's a crisis. We have to do something. We often hear how beleaguered our cultural industries are, and yet it seems to me that we're in a golden age right now, in terms of our film, our television. I actually sit down and watch drama, where some years I might have done a pass. I feel that we're creating really excellent home-grown talent that we can promote.

I'd just like to go through some of the priorities you have, because you are dealing with a fixed budget. Drama is a big-ticket item. Then we expect—this is going back to being all things to all people—news and investigative journalism. That's a big ticket. Sports is a big ticket. We expect cultural right across the board, and then we have Radio One, Two, and Three, and podcasts. Those are all costing.... And then we have the local, regional, and you say hyper-local.

When you look at reinvesting, where is that reinvesting going to happen? We certainly took major hits on our local and regional programming last year when there was that major shortfall. How do you prioritize? Is it going to go into drama? How do we ensure that our local voices are going to have some restoration?

● (1645)

Mr. Hubert T. Lacroix: There are the three priorities you heard, including very distinctive Canadian programming. I'll ask Kirstine to come in and give you an idea of how she will make that priority operational under our plan.

The regional part is going to be done in different ways. With technology we can go places we never dreamed of going, in a different and much cheaper way. The apps and all that magic through which you connect and have a one-to-one conversation with us, that's going to be the third priority.

Everything we're doing right now will be focused on those three priorities. Kirstine can tell you how she will interpret over five years the first priority, the Canadian content piece in drama.

Ms. Kirstine Stewart: I think it's important to prioritize what we do. We have available to us things like the CMF, which incents us to make sure we're spending the right amount of money in scripted programming. The benefit of the CMF is that it has been set up along the lines of rewarding past success. The benefit of CBC's having a growing audience, which is unheard of with other conventional broadcasters, is that we have the opportunity to invest more in the programming, whether it's our revenue through advertising or through the access to these funds. With local programming, the shows that seem to be resonating best with Canadians are shows set in specific regions across the country. Whether it's *Republic of Doyle*, set in St. John's, or *Heartland*, set in Calgary, these specifically and unabashedly Canadian regional shows allow the location to become another character in the storyline. This helps us connect, and these shows have more viewership than ever before.

Rick Mercer, who goes across the country and showcases a different town every week, has in the last nine seasons never had such high impact—it's over 1.5 million viewers now. So we know there's a benefit to building on the strengths of local Canadian programs.

The Chair: Thank you, Mr. Angus.

Thank you, Madam Stewart.

Mr. Del Mastro.

Mr. Dean Del Mastro: I want to go back to the matter of Canadians wanting to see themselves reflected in the programming. I argue that it's part of the success of *Dragon's Den*, because people are seeing Canadians come forward with Canadian ideas and it's quite an entertaining show. I have to confess I watch it fairly often. I had a local constituent on it recently. It was in the newspaper. It raised the temperature inside the room at *Dragon's Den*. I know I was probably blushing a bit at what was being presented, but nonetheless it was a big story in Peterborough that we had somebody on *Dragon's Den*.

If you look at your programming, there's been a lot of success in variety shows. There are things like *American Idol* and *Canadian Idol*. You had great success when you auditioned for the lead role in the *The Sound of Music*, I believe. That was really well followed.

Are there any thoughts about that type of show, about providing a stage for Canadian talent to come forward, and allowing Canadians to interact with a show on the CBC and to actually say who goes to the next level?

Ms. Kirstine Stewart: The benefit of those shows lies in the opportunity to connect directly with Canadians. The best example of that in the last year was probably *Battle of the Blades*, in which you had skating clubs and communities from across Ontario coming to Toronto to watch the show, as well as people across the country voting for their favourites. You had Kelly from Saskatchewan, and you had people from across the country representing charities in their own provinces.

So reality programs create a great opportunity for us to have a dialogue with Canadians. We're careful when we select the variety programming formats we either make or pick up. They have to be of a certain quality and of a certain form to fit into the programming we want to make for Canadians. So we're pretty particular, and we make sure those programs are not exploitive and actually create an opportunity for a movement. For example, there is the Live Right Now show, *Village on a Diet*, set in Taylor, B.C.

So there are opportunities, but those are not solutions. Opportunities can create variety in a schedule, but we need to be able to be supportive of the scripted drama and comedy areas as well. That's a different kind of talent, and that's a fostering of something that would not be open to many people across the country without our being there.

•(1650)

Mr. Dean Del Mastro: Mr. Angus referenced some of the vertical integration and how that's changed the landscape. But one of the things that really seems to be prevailing—in fact, I'd almost argue that it's stronger today than it may have been a few years ago—is local radio.

You've actually taken a look at local radio and indicated that this is something you want to take a look at investing back into, but you're taking a bit of an innovative approach. You're talking about some web-based radio and so forth. Can you expand on that a little bit and see where you think some of the opportunities are for CBC with respect to radio?

Mr. Hubert T. Lacroix: I think radio is essential to the extension of our presence in the regions. That's why, when you hear us talking about the extension of our services, we don't talk about the extension of a radio station. We're talking about local stations where you could see a multimedia platform, where you could see a regional web, plus a radio station or a new website supporting radio somewhere.

There's a question there in regard to what's available in terms of airwaves and the environment in which we are. There's a cost related to it, because opening a radio station and being present there is a different proposition for us than having people on the ground who populate a website for Canadians in a particular region to then connect them back to our major network. So you're going to see the radio network being the major conduit by which we will be in those regions.

Mr. Dean Del Mastro: Thank you.

I know that when you came here last time I asked you about *Hockey Night in Canada*. To me, it's a major flagship piece, obviously, for the CBC. Many people would argue that it's part of what defines CBC.

When you talk about partnerships, is that something where you would actually...? You've done this with the Olympics in the past; you've actually sought some private sector partners. It would seem to me that it would be a good opportunity for you to expand *Hockey Night in Canada* while keeping it within the fold. Is that something you would consider or perhaps are considering?

Mr. Hubert T. Lacroix: *Hockey Night in Canada* is a very important piece of us and hockey. It's a very important piece of CBC. It's something that we're very proud of and it's an important brand for us.

You will see in the plan over the next years a commitment to ensuring that we solidify even more than we do now the connection Canadians have with that.

You saw Hockey Day on Saturday from Yellowknife. That's an example of how we take our brand on the road: hockey in the nation, with 3,000 kids in seven different communities in the country, hooked to hockey through *Hockey Night in Canada*. Yes, I'm very passionate about *Hockey Night in Canada*.

Yes, partnerships at a particular point in time are something we could be considering, but we want to ensure that we keep *Hockey Night in Canada* within CBC, because it's important for us.

Mr. Dean Del Mastro: Well, you've stuck with it for so long that I'd hate for you to abandon the space and then see the Leafs win the Stanley Cup.

Voices: Oh, oh!

The Chair: Thank you very much, Mr. Del Mastro.

Monsieur Rodriguez.

[*Translation*]

Mr. Pablo Rodriguez: Thank you, Mr. Chair.

In your strategic plan, you talk about increasing Canadian content, strengthening your regional presence and adopting a strategy to address new platforms. I would say you have checked all the right boxes, and I sincerely hope that all of this works out for you. Obviously, there are criteria for success. Everything will have to work together, to some extent, and the funding will have to be there. We talked about that earlier. It is important that the road not be littered with too many pitfalls or obstacles.

Has the CRTC already said that it was going to start the process to renew your licence?

Mr. Hubert T. Lacroix: Yes, I believe the dates for that are September 13 to 25.

Mr. Pablo Rodriguez: How much could that change or derail your strategic plan for the next five years?

Mr. Hubert T. Lacroix: It is our hope that, like you, the CRTC will see that our strategy holds significant value for Canadians and that the recommended licensing conditions allow us to carry out our plan in its current form, as presented to you today in our document and video.

Mr. Pablo Rodriguez: That is my hope, as well, but I have my concerns given the current government's efforts to take over the CRTC's control. I see it as somewhat of an ideological takeover attempt, meaning that the government is trying to appoint key people who share its views. And that is why I am concerned for you. But I am not trying to lure you into a partisan debate.

My concern is that, with the government pulling the strings, it will succeed in doing indirectly what it cannot do directly and be able to bring its friends into the organization. I worry that that could eventually have an impact on your licence renewal or the changes you will have to make to your plan. I want the licence conditions to help, not hinder, you.

Do you have anything to say about that, or would you prefer not to?

•(1655)

Mr. Hubert T. Lacroix: The licence renewal process will start in September. We will do everything in our power to show the CRTC just how significant the strategic plan we presented is to us. We announced the plan on February 1st, so that every Canadian would understand what the public broadcaster wants to do. You will see all of us here today giving many speeches and talks across Canada to explain the significance of the plan.

Mr. Pablo Rodriguez: But the CRTC could still use the renewal process to throw a wrench into your plans.

Mr. Hubert T. Lacroix: The people at the CRTC are going to discuss the content of the plan with us, Mr. Rodriguez. Keep in mind that both sides need to agree to the conditions of the licence. They cannot impose conditions that we do not agree with.

Mr. Pablo Rodriguez: If they try, you can call on the minister, can you not?

Mr. Hubert T. Lacroix: There is a process through which both sides must come to an agreement on the conditions of the licence.

Mr. Pablo Rodriguez: I hope it does not go that far.

Tell me something. August 31st is fast approaching. Where are you in your digital transition?

Mr. Hubert T. Lacroix: We continue to implement the plan we announced back in June. We are working to build 27 digital transmitters in all of the areas where we offer original programming and to meet the August 31, 2011 deadline.

Mr. Pablo Rodriguez: Will you make it?

Mr. Hubert T. Lacroix: Right now, that is our goal.

Mr. Pablo Rodriguez: You are on schedule. Wonderful.

Could you elaborate on what you have in mind in terms of social media?

Mr. Hubert T. Lacroix: Yes. As you saw, the third thrust of our plan has to do with establishing a personal connection between Canadians and the public broadcaster. And that will happen within a space that we will create, where people will be able to exchange ideas on current affairs, such as the recent events in Egypt, or some other local, regional or Canadian issue. That connection will create spaces. We fully understand that social networks will greatly expedite the creation of those spaces and significantly influence the number of participants in the conversation.

At both Radio-Canada and CBC, we have a strong presence when it comes to social networks. That is why we are doubling our level of digital investment. We want to understand just how far this can take us. That said, I do not think you or I can predict what those networks will look like in two or three years.

The Chair: Thank you, Mr. Lacroix.

Go ahead, Mrs. Crombie.

[*English*]

Mrs. Bonnie Crombie: Mr. Lacroix, like other organizations, CBC receives money from the government to cover salary increases for inflation. We know that about a year ago in the estimates you received your salary funding, but then when the budget was tabled, the government froze all salary increases for agencies and departments. And then when the supplementary (B) estimates came out, they deducted \$13.7 million from the \$60 million you received. Am I correct?

Mr. Hubert T. Lacroix: Yes.

Mrs. Bonnie Crombie: So how have you been able to deal with the clawback? Did you cut salaries? What did you have to do to absorb that \$13.7 million clawback from the budget?

• (1700)

Mr. Hubert T. Lacroix: With regard to the clawback, the \$13 million was actually dollars that were given to us in advance. That's why, and this is important, it's not like they took away money. It was clear from the budget that that was what they were going to do, and all agencies and crown corporations were treated the same.

The issue that creates for us, and I think that's the question you're raising, is that we have to fund, through our operations, the salary increases that we did not get for the employees. So for that 1.5%, we have to take our actual operating budgets and cut, or adjust the services that we render, in order to make sure that the commitments we've made to our employees are met.

Mrs. Bonnie Crombie: You just negotiated a multi-year collective agreement with that 1.5% increase, right?

Mr. Hubert T. Lacroix: Yes. We have a number of collective bargaining agreements that have been renewed. Actually, they were all overdue, and they had an assumption of a very basic 1.5% increase for our employees.

Mrs. Bonnie Crombie: In the strategic plan, you expect conventional revenue to increase 2.8%, but digital and other platform revenue will probably skyrocket, right? Are you pursuing other revenue growth initiatives and cost agreements? What are some of the new revenue streams you're—

Mr. Hubert T. Lacroix: Madam, in our environment, where every dollar that we can raise helps us balance our budget, it's a priority. It's top of mind constantly.

So, yes, the Internet revenues will double, but they will double from a very small number, so when you look at the overall picture of CBC/Radio-Canada in the short term, they're not significant. Over time, they will become more significant. People in our industry understand the business model of how to actually monetize the thousands and millions of hits on our websites.

Advertising revenues will increase, we think, because of the quality of the teams these two people have built and the quality of the programming that Kirstine and Sylvain have been able to deliver to Canadians. More people watch us than ever. That translates into better advertising revenues for us.

Mrs. Bonnie Crombie: Great.

So the non-friends of CBC—and I'm not looking in any particular direction—may say this is déjà vu all over again. One of your predecessors, many years ago, Perrin Beatty, came to committee in 1995 with a similar plan. He said the CBC's funding had just been stabilized under previous cuts by the previous Conservative government, and staff had been slashed, etc. Back then, if you turned on CBC, you would have had a better chance of watching reruns of *The Fresh Prince of Bel-Air*—you can tell I never watched it—than you would of watching anything made in Canada. And his solution too was more Canadian content and more regional and local programming.

Here we are, 15 years later, with similar kinds of problems and a similar kind of plan. How do we know you're going to succeed this time?

Mr. Hubert T. Lacroix: We're going to succeed because we've proven over the last years how able we are to produce great Canadian programs. Whether it's on the Radio-Canada side—and we talked about being distinctive a few minutes ago—with a clearly distinctive programming schedule in prime time for television, or having our radio networks being listened to by an incredible number of people, or having millionaire shows now—and by millionaire shows I mean millions of people actually watching more than one show...and because they come to us, we think now that we have the momentum. We are listened to. We are watched. People actually care about CBC/Radio-Canada, and we think that if we do this plan and we focus on establishing the relationship that we need to establish with Canadians and the public broadcasters, we're going to be very successful.

Mrs. Bonnie Crombie: Thank you.

The Chair: Mr. Wilfert, you have time for a brief question.

Hon. Bryon Wilfert: Thank you, Mr. Chairman.

Mr. Lacroix, what data is CBC/Radio-Canada using to forecast its advertising revenues given the drop-off of revenue in 2009-10? And what accounts for the difference between the projections of the industry and those of CBC/Radio-Canada?

The Chair: Go ahead, Monsieur Lacroix.

Mr. Hubert T. Lacroix: Sure.

We have a number of ways of measuring, and we follow the advertising revenues we have. We look at trends. We think we can beat the 2.4% industry average, because, as I said a few seconds ago, we're doing well and people are watching us. Based on that, and based on simple averages of what we know, we think the 2.8% that is in the budget is absolutely reachable and feasible.

The Chair: Thank you very much, Mr. Wilfert and Monsieur Lacroix.

[*Translation*]

You have the floor, Madam Lavallée.

Mrs. Carole Lavallée: Thank you very much.

I want to come back to the question I asked you earlier about the budget, since your response was incomplete.

I asked you whether, in exchange for stable government funding, you would be prepared to give up a portion or all of your advertising

revenues. You replied that it would cost in the neighbourhood of \$400 million to replace the \$300 million you take in advertising revenues. However, you didn't say that there was in fact an imbalance in advertising revenues among general broadcasters, especially in Quebec. As you know, the Bloc Québécois is more concerned about Quebec's interests.

In your opinion, does an imbalance currently exist? Could you do without advertising revenues? You indicated what the financial implications would be. Have you ever calculated the cost per capita?

● (1705)

Mr. Hubert T. Lacroix: No, but I would assume that could easily be done by dividing \$500 million by the number of Canadians. However, the point is that stability and a long-term commitment are critically important. It would be extremely difficult to take away from the CBC/Radio-Canada its ability to generate revenues and control its own future though its own activities without making a commitment to funding for more than one or two years. As you may be aware of, funding is committed for 10 years in England, and for three years in Australia.

Mrs. Carole Lavallée: I understand what you are saying. The Bloc Québécois believes that the corporation should receive stable, predictable funding so that multi-year planning can be done. The Bloc has made its position known in several reports, including the one released last year. In our study on the television industry, we recommended that the corporation receive per capita funding and that it end its dependence on advertising revenues.

If the government committed to providing predictable, stable funding, do you think the CBC/Radio-Canada should then no longer rely on advertising revenues?

Mr. Hubert T. Lacroix: We would have to weigh the implications and the government's commitment to provide funding. We would have to see how programming would be affected and have some assurance that funding levels would not change during the licence term.

Mr. Sylvain Lafrance: There is no rule of three that says that private broadcasters would benefit if the CBC/Radio-Canada ended its reliance on advertising. France Télévisions' recent experience illustrates this perfectly. The advertising that France Télévisions no longer sold did not automatically translate into more advertising for private broadcasters. That wasn't the case. Everyone in France was taken by surprise. So then, we need to be careful when making these kind of calculations because the broadcast world is constantly evolving and no one really knows what changes of this magnitude might bring about. France Télévisions officials went against the grain on this issue.

Mr. Hubert T. Lacroix: Taking money away from the CBC/Radio-Canada does not automatically mean that other broadcasters will immediately receive more in the way of advertising revenues.

Mrs. Carole Lavallée: I'd like to discuss the subject of hyperlocal news. My riding of Saint-Bruno—Saint-Hubert takes in part of Longueuil. There is talk of providing hyperlocal news content. I want to know what exactly this would mean. Would CBC/Radio-Canada journalists start to cover the press conferences of the elected representatives of Saint-Bruno—Saint-Hubert?

Mr. Sylvain Lafrance: As far as Longueuil and the North Shore/South Shore initiative is concerned, we feel that the CBC/Radio-Canada is not active or present enough in these heavily populated regions. Not only do we need journalists, we need something else as well. Increasingly, residents of the communities on the South Shore live their cultural, economic and social life on the South Shore. They have transportation problems that other people do not have. From a sociodemographic standpoint, the region is home to many young families.

We feel that we need to put in place services that are geared to these residents, and to reflect the local and regional politics of these two major population centres, namely the North Shore and the South Shore. We are looking into ways of doing just that. We will achieve this objective largely because of digital technology. Our focus is not merely on news stories, but on the social, cultural and political life of the residents of these regions.

The Chair: Thank you, Madam Lavallée and Mr. Lafrance.

I have a question for you.

[English]

You mentioned that you're going to use radio as the conduit to expand your audience. Is the CBC going to give southwestern Ontario a new local radio station?

Mr. Hubert T. Lacroix: As Kirstine said, there are many criteria that are going to be looked at as we roll out this plan. They include the number of people in communities that are not served, and the competition, the number of other players in that particular space. Over the next five years we will identify the best places for us to expand our services.

• (1710)

The Chair: I can tell you it would be very well received.

Thank you very much for your testimony. It was very informative, and I appreciate all your comments and questions in this regard.

We'll allow our three witnesses to depart.

I'll give the floor to Mr. Del Mastro.

Mr. Dean Del Mastro: Thank you, Mr. Chairman.

It has been brought to my attention that the Friends of Canadian Broadcasting, which partly inspired this set of mini-hearings we're having, are unable to attend Wednesday's meeting due to a scheduling conflict. I want to provide them the opportunity to appear—I'm sure all members of the committee do—so I move that we provide an additional meeting to allow them to come. I believe they indicated they can come in the first week of March.

The Chair: I will endeavour to do that if members are in agreement.

Madame Lavallée.

[Translation]

Mrs. Carole Lavallée: Mr. Chair, have you received any requests from people wanting to speak to the committee about the CBC/Radio-Canada's plan?

The Chair: No.

Mrs. Carole Lavallée: Has the clerk received any requests?

The Chair: Yes. Requests have been received from the Alliance de la francophonie de Timmins, an organization in Mr. Angus' riding, from the Association canadienne-française de l'Ontario pour la région du Timiskaming, which is also in Mr. Angus' riding, and from the Peterborough-based group I Love CBC. Mr. Scarpaleggia has also asked to address the committee.

[English]

Friends of Canadian Broadcasting is one group that asked to appear, and Quebecor Media Inc. asked to appear as well.

[Translation]

Mrs. Carole Lavallée: Why are requests from some groups granted, while others are rejected?

The Chair: We agreed to hold two meetings on this subject, one today and one Wednesday. However, Friends of Canadian Broadcasting informed us that they could not be here on Wednesday.

So, we're discussing this matter today.

Mrs. Carole Lavallée: I see. So, in terms of granting or denying requests, the same principles of fairness apply to everyone

[English]

The Chair: In terms of the witness list, there are five witnesses that people have asked to appear,

[Translation]

including to the Alliance de la francophonie de Timmins, the Association canadienne-française de l'Ontario pour la région du Timiskaming,

[English]

I Love CBC-Peterborough, Friends of Canadian Broadcasting, and Quebecor Media Inc.

Mr. Dean Del Mastro: They didn't actually ask to come. Mr. Scarpaleggia asked—

The Chair: Yes.

On Wednesday, we have the minister and officials appearing. We only agreed to two meetings, so my point to you today is that if you want to have a third meeting, I need direction from you on this. I wasn't going to call a third meeting to have these other witnesses appear because you didn't give me that direction. The principle on which I based my decisions as chair is the direction you gave me. The direction you gave me some weeks ago was to have two meetings, one for the CBC and the other one for the minister and Heritage officials. Mr. Del Mastro is suggesting that we have a third meeting to have Friends of Canadian Broadcasting appear. It's up to the committee to give me direction.

Mr. Angus.

Mr. Charlie Angus: Thank you.

It had been my understanding, because I've been called by some of these groups, that Friends couldn't make it and this group from Peterborough was going to take its place. My understanding was they thought they were going to be on Wednesday. So I don't know what happened there, but I would—

The Chair: I instructed the clerk to change the witnesses who were appearing on Wednesday because I didn't think it was appropriate just to have one of these third-party groups of witnesses appear and not afford that opportunity to the other four witnesses. As chair, I made that decision to amend the meeting notice to simply have the minister and departmental officials.

Mr. Charlie Angus: I would like to offer them an hour. I'd feel uncomfortable having just one witness speak for one hour.

I'd like to see if it is possible if Alliance or ACFO could come, because I know they were interested. I think there were some health reasons that explain why they couldn't make it. But I wouldn't mind having another viewpoint, particularly for the francophone community outside of Quebec. It would be helpful. If they can't make it, life goes on, but if we're going to meet on March 1, it would be good. We'd hear a couple of opinions, and then we could close this study up.

• (1715)

The Chair: Okay.

So the direction, as I'm getting it from the committee, is to invite three witnesses to appear. It would be Friends of Canadian Broadcasting, l'Alliance de la francophonie de Timmins, and *troisièmement*, l'Association canadienne-française de l'Ontario *pour la région du Timiskaming*. Okay?

Thank you for that guidance. I appreciate it. I'll endeavour to try to slot in the third meeting. It's not going to be for a couple of weeks because—

Mr. Pablo Rodriguez: Who's coming? All of them?

The Chair: I'm going to invite all three of them to appear.

Mr. Del Mastro.

Mr. Dean Del Mastro: Are we now saying we're going to invite everybody who wants to come or just three of them? How are we determining just three, because I'm concerned that the committee runs the risk of being probably...?

Mr. Charlie Angus: It closes after this.

Mr. Dean Del Mastro: It closes after this. So shouldn't we also allow Quebecor to come in? Aren't they on the list of people who are asking to come?

The Chair: To be consistent, if we're going to open it up to private sector media, then we should also extend an invitation to the other major national media chains.

Mr. Dean Del Mastro: I agree.

The Chair: At this point, the three witnesses we've invited are not-for-profit entities that have an interest in—

Mr. Dean Del Mastro: So tell me who you're inviting again.

The Chair: L'Alliance de la francophonie de Timmins, the Francophone Alliance of Timmins, l'Association canadienne-fran-

çaise de l'Ontario, which is the Association of French Canadians of Ontario, and thirdly, Friends of Canadian Broadcasting.

Mr. Dean Del Mastro: There are no substitutions on that. That's who's being invited, and if they don't come, they don't come.

The Chair: If that's what you tell me, those are the three witnesses I will invite. But I want to forewarn the committee that it might be a couple of weeks before I can fit it in. Friends of Canadian Broadcasting has informed the committee that it is not able to attend until the first week of March at the earliest.

An hon. member: So no private sector.

The Chair: Okay, I'll take that direction. Thank you very much.

We'll now move on to the second item on orders of the day, which is committee business. We have two motions in front of us. We'll proceed in the order they were given to me.

We have received a notice of motion from Mr. Angus.

Would you care to read and move your motion?

Mr. Charlie Angus: Thank you.

You asked if Madame Lavallée and I could put the motion together, and we're willing to do that. However, by Friday, I think, I had sent in an amendment, which I'd like to be able to read so we could get this all done in one shot.

The Chair: Please proceed.

Mr. Charlie Angus: I don't have a problem using the language in Madame Lavallée's motion, but my amendment is about the process for choosing, and that's what I thought we needed to hear about.

It is moved that Tom Pentefountas, the new vice-chairman of broadcasting of the Canadian Radio-television and Telecommunications Commission, appear before the Standing Committee on Canadian Heritage to discuss his vision and his thoughts on the following subjects: global, societal, and economic trends in broadcasting; government policies and their relation to the CRTC; the legislative framework and regulations governing the broadcasting and telecommunications industries in Canada and abroad; and the major issues involved in media convergence.

Further, that the committee call witnesses from the Department of Heritage, Privy Council, and the Prime Minister's Office to explain the criteria used in the vetting of applications, the process for approving the list of candidates, and the timelines for interviews that led to the appointment.

Further, that the Standing Committee on Canadian Heritage request copies of applications submitted to the CRTC for the position of vice-chairman and the short lists that were prepared for that position.

The Chair: As a point of information, I've not received any notice of an order in council appointment with respect to this person, so you're asking me to ask the clerk to look for things that we don't know exist. We've not received any notice of an order in council appointment; I don't know if this has been gazetted or if this in fact has taken place. I've read the news, like the rest of the committee, but we haven't received any notice.

● (1720)

Mr. Charlie Angus: I guess we're in an odd position. Normally we'd read an order in council appointment and then we would be invited to submit.... What we read was a press release put out by the minister announcing his position.

It's an odd process to follow. Normally it would be an order in council, but since they did a press release stating this was the case, I feel we need to at least find out about the process.

We know the Privy Council was involved in the appointment, the Heritage department certainly was involved, and we know the Prime Minister's Office was. I'd like to find out what the process was, how it was done, and what the timelines were.

The Chair: Okay. We have a motion on the floor, as read by Mr. Angus.

Mr. Del Mastro now has the floor.

Mr. Dean Del Mastro: Thank you, Mr. Chairman.

You know, it's funny. I sit as a parliamentary secretary in the department. Mr. Angus keeps using the term "we know". I actually don't know any of those things he's alleging about the Prime Minister's Office being somehow involved. He knows how many applications there were, apparently, and who the qualified people were and who they weren't. I don't know any of those things, because they're actually protected. We don't put those things out in the public. I suppose it's for personal privacy and for the protection of that privacy.

First of all, I don't think Mr. Pentefountas would be afraid to appear before this committee. I'm not quite sure what role it plays in his appearance here. But if that were the will of the opposition members, I'm pretty sure he would attend.

Now with respect to a broader witch hunt with respect to how various appointments are made, what processes are followed, or why an NDP member didn't get the position, I'm not quite sure it serves a purpose over the longer term. In fact, I think it sullies the entire appointments process. It also makes it very difficult for the government, in the future, to find qualified applicants to actually put their names forward. They know, in putting their names forward, that they could be subject to a kangaroo court before Parliament and find their names in the newspapers in a fashion they never thought they would be.

Some people run for political office and some people do not. Those who do not, many times, don't want to be in a political process. But they could find themselves in that position if all of the appointment processes we start to undertake become a process whereby you need to expect that you're going to be hauled before Parliament and embarrassed.

Please don't cut me off yet at this point, Mr. Chair. I'm just closing off my comments.

Mr. Chairman, for people who aren't aware of the CRTC process, this vice-chair was a vice-chair from Quebec. It had to be. We therefore accepted applications only from Quebec. At the same time, everyone knows, because we've made this commitment, that the next

chairperson of the CRTC will be from Quebec. And that is coming up in less than a year.

I would argue that if this becomes a bit of a dog-and-pony show, we could very well hurt our opportunity to attract good applicants from Quebec for that chairperson position if they are afraid that they're going to be subjected to a kangaroo court of Parliament. I'd encourage members to consider that.

The Chair: Thank you, Mr. Del Mastro.

Mr. Angus, before I go to Madame Lavallée, could you just clarify the last part of the motion you appended to the text?

Mr. Charlie Angus: Yes. I'm just going to bring it back up here. I thought I would have had a....

The Chair: The clerk and analysts didn't get a chance to get it down in its entirety.

Mr. Charlie Angus: It is that the committee request copies of the application submitted to the CRTC for the position of vice-chairman and the short lists that were prepared for that position.

Again, in the interest of privacy, we don't need to see the names. But I think we should know how many applications came and what the short list was. Mr. Del Mastro says he doesn't know. I don't know. I think it would be good if, once we know what the process is, we can get on about our business. This is what I'm asking for.

● (1725)

The Chair: Thank you.

[*Translation*]

We'll go to Madam Lavallée first, and then to Mrs. Crombie.

[*English*]

Note, members, that we have only five minutes left.

[*Translation*]

Mrs. Carole Lavallée: I just want to point out briefly that the text of my motion is taken directly from the job description. I didn't make anything up. It says that the candidate must have sound knowledge of the issues listed. It also says that the candidate must be a francophone, not someone from Quebec. That's in the job description.

The Chair: Thank you.

Next up is Mr. Rodriguez, followed by Mrs. Crombie.

Mr. Pablo Rodriguez: This is a delicate, albeit important, subject. However, I would not want us to devote a whole series of meetings to this topic. In my opinion—and I have said so publicly—Mr. Pentefountas is not qualified for this position. We will not need to question him for two hours to bring that fact to light. One hour would be sufficient to hear from this individual. Should we decide to proceed with the other line of questioning, to go in that direction, then we might need another hour.

That said, I will be mindful of the privacy considerations mentioned by Mr. Del Mastro, because we need to respect that. On the one hand, we want information, but on the other hand, we want to protect the identity of those involved and not make the process overly personal.

[English]

The Chair: *Merci.*

Madame Crombie, please be brief. We only have three minutes left, if you want me to call the vote.

Mrs. Bonnie Crombie: I just want the opportunity to say that this is in no way a witch hunt. I think there are some very serious issues at stake here, with transparency being the key one. This government was elected on a promise to create an appointments commission and never did strike that commission. So I think it's very important for us to learn about the process.

What is the process for the appointment of candidates? It's vital to us to learn what's encompassed there. What qualifications are necessary? Who qualifies and on what basis? I think it's important for us to understand that before we put someone's name forward.

Televised hearings aren't uncommon in the U.S. We're not asking for that. We're asking to better understand this process.

Thank you.

[Translation]

The Chair: Please go ahead, Mr. Pomerleau, and keep your comments brief.

Mr. Roger Pomerleau: I'll do that.

I agree that the committee should hear from Mr. Pentefountas. Unfortunately, given the very nature of politics, a person appointed to a political position must expect to be questioned, because their salary is paid by the State and they must openly demonstrate that they are qualified for the job.

[English]

The Chair: *Merci.*

Monsieur Del Mastro, you have two minutes left in this meeting.

Mr. Dean Del Mastro: I don't think Mr. Pentefountas would in any way oppose coming, but if you make this a dog-and-pony show....

I assume—and I'll want some clarification from the chair on this—you will first call a vote on the amendment and then the motion as amended.

The Chair: No, I'm calling a vote on the motion. There is no amendment on the floor.

Mr. Dean Del Mastro: There must be an amendment, because I have two motions, neither of which reads—

The Chair: No. Mr. Angus read the motion into the record. Disregard your paper copies. They are not relevant. The motion was

read into the record, as moved by Mr. Angus. That's the motion we're dealing with.

Mr. Dean Del Mastro: So neither one of these is the actual motion we're voting on.

The Chair: Those are simply notices of motion. Mr. Angus moved a different motion that he has read into the record.

Mr. Dean Del Mastro: I'm not familiar with this procedure, because in any other committee I've been to you receive a motion. A motion can be amended for a vote, and then you vote on the amendment.

The Chair: The procedure is simple. Members must give notices of motion for issues that are not on the agenda. Two members of this committee gave notices of motions to discuss a particular issue, which is the supposed appointment of Mr. Tom Pentefountas to the Canadian Radio-television and Telecommunications Commission. That is the subject under which we are debating today, and therefore any member can move a motion in that regard.

Mr. Angus moved a motion and it is in order. So the motion as he moved it verbally, as he read it into the record, is the one we're dealing with right now.

● (1730)

Mr. Dean Del Mastro: The minister will be here on Wednesday, and I imagine many of the questions pertaining to what I would refer to as an amendment to Madam Lavallée's motion can be placed to him at that time. But I caution members that if this is the process and how things are going to be dealt with....

I remember us putting a pledge to bring forward a separate body to preside over appointments, but I also remember that the candidate we brought forward, who was the CEO of the year, was bounced by opposition members as a person they didn't see as qualified to staff that. So we wouldn't subject another person to another kangaroo court performance.

If this is how we are going to do these things, I think it's a sad day—a very dark time for our political process.

The Chair: Thank you very much.

Is there further debate?

There is further debate but the meeting is out of time, so I will reschedule additional time. I cannot call the question. You cannot collapse debate on a motion, so this debate will continue at our next meeting after the minister and departmental officials appear. I will allocate half an hour for debate on this motion, seeing that 15 minutes wasn't sufficient this time around.

This meeting is adjourned.

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