



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Official Languages

LANG • NUMBER 021 • 2nd SESSION • 41st PARLIAMENT

EVIDENCE

Thursday, May 1, 2014

—
Chair

The Honourable Michael Chong

Standing Committee on Official Languages

Thursday, May 1, 2014

• (0845)

[Translation]

The Chair (Hon. Michael Chong (Wellington—Halton Hills, CPC)): Welcome to the Standing Committee on Official Languages. Today is Thursday, May 1, 2014, and this is our 21st meeting.

Pursuant to Standing Order 108 and to the motion adopted by our committee on Wednesday, December 4, 2013, we are here to study CBC/Radio Canada's programming following recent budget cuts.

With us today are Mr. Lacroix, Ms. Pleszczynska and Ms. Kinch, from the Canadian Broadcasting Corporation.

[English]

Welcome to all three of you.

Yes, Monsieur Godin.

[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): A point of order, Mr. Chair.

I have two quick motions to introduce.

The Chair: They are notices of motion, are they not?

Mr. Yvon Godin: Yes, that's right.

I give notice of a motion inviting the Minister of National Defence to discuss respect for official languages in the Canadian Forces.

I give notice of a second motion. This one invites the Minister of Canadian Heritage and Official Languages to appear before the committee to explain the delay in the payment of grants allocated to official languages groups.

The Chair: Thank you for those notices of motion, Mr. Godin.

Mr. Lacroix, the floor is now yours.

Mr. Hubert T. Lacroix (President and Chief Executive Officer, Canadian Broadcasting Corporation): Good morning, Mr. Chair, members of the committee. Thank you for your interest in CBC/Radio-Canada.

As the chair mentioned, with me this morning is Patricia Pleszczynska, who is responsible for our regional services at Radio-Canada, and in particular, our services to francophone minority language communities, and Shelagh Kinch, who is responsible for CBC English services in Quebec.

I would like to begin today by talking about three things. First, the measures we announced on April 10 to balance our budget for this

year, and what effect that will have on our services. Second, our new conditions of license, which reflect our commitment to minority language communities. Third, the choices we must face in developing our new strategic plan.

By now you have heard about the cuts we have had to make this year, of a total of \$130 million, mostly due to market-related pressures and fixed cost increases. This will mean the elimination of 657 full-time equivalent positions. We will also have to incur an additional one-time payment of \$33.5 million to cover severance for these job losses.

All of that is on top of the \$390 million in financial pressures we have had to manage since 2009, first because of the 2008-2009 recession, then the deficit reduction action plan, the elimination of the local program improvement fund (LPIF) by the CRTC, salary funding freezes by the federal government in five of the last six years, including this year, and reductions in Canada media fund funding.

You will find a detailed breakdown of the current job cuts by service and by region in your folders.

• (0850)

[English]

As you've heard, we will no longer compete for the broadcast rights to professional sports. Our amateur sports coverage will be reduced, and future coverage will only be done on a break-even basis. These are two examples of the kinds of choices we've needed to make in order to balance our budget for 2014-15 while trying to protect our three strategy 2015 priorities: Canadian programming in prime time, service to the regions, and investment in digital. However, this time around we couldn't protect them completely. The numbers were simply too big and our margin for manoeuvring too thin from the cuts we've had to make since 2009.

Let me give you an idea of what that means for our regional services. We've had to cancel the rest of our regional expansion plans, including a radio station that we had planned for London, Ontario. CBC's ten-minute late-night newscast in the north has been eliminated. CBC weekend TV news in Calgary and Edmonton will be consolidated into one regional newscast. CBC Radio's local afternoon show from Thunder Bay and Sudbury will now be a single regional program. On Espace musique, our daily regional morning program that currently broadcasts from 11 communities will be replaced by one single network program. *Quelle histoire!*, Radio-Canada's daily network TV program from Ottawa-Gatineau, has been reduced from 90 to 36 episodes.

In your folders is a more detailed list of all the programs that were affected.

[Translation]

These are all difficult cuts to make. Not only are we losing incredibly valuable talent, we are reducing the programming we provide to Canadians. However, despite what you have just heard, our focus on the regions remains. We made the decision to protect our existing footprint. This means that we are not closing any stations or bureaus as we strongly believe that we should be delivering programming that originates and reflects the whole of our country.

Let me explain the background for that choice. Funding from the local program improvement fund was essential to helping us enhance our television services, particularly for francophone minority language communities. When the CRTC eliminated the LPIF, the logical decision would have been to cancel all regional programs supported by the fund. Instead, we took resources from elsewhere within our corporation in order to protect regional news, seven days a week, from all of our stations.

However, to keep our commitment to news, we canceled all non-news programming in the regions, programs like *Caméra boréale*, (out of Regina), which was produced by five young video journalists who told their travel stories throughout northern Canada to francophones across the country. We also had to reduce the number of regional productions for the network show *Tout le monde en parlait*. LPIF funding from 2010 to 2013 supported the production of 20 shows from francophone communities outside of Quebec, such as *La cloche de Batoche*, (Winnipeg), *La Sagouine*, (Moncton), and *L'école de la résistance de Penetanguishene*, (Toronto). Unfortunately, with the new season, which starts on May 6, only one regional documentary, *Le monstre de Pont-Rouge*, (Quebec), will be aired on *Tout le monde en parlait* this year.

Our commitment to the regions is also reflected in our new CRTC conditions of license, conditions that we continue to meet. Radio-Canada's seven regional stations serving francophone minority communities will offer at least five hours of local programming a week, on average over a year. In Montreal, CBC will offer anglophones 14 hours of local television per week, including one hour of non-news programming.

Our conditions of license require us to hold consultations with francophone minority communities in each of these regions: Atlantic Canada, Ontario, western Canada and northern Canada. In fact, Patricia has just returned from our western consultation, held Tuesday in Edmonton. I invite you to ask her questions.

But let us be clear.

• (0855)

[English]

The challenges we are facing are severe. All conventional television broadcasters are struggling with declining revenue, as advertisers are shifting their money to live programs like professional sports, and, increasingly, to online. For CBC/Radio-Canada, our commitment to Canadian programming is much more expensive to produce and broadcast, particularly in prime time, than what the

private broadcasters are doing, which is mainly simulcasting American programs.

This then brings up our funding model. Among the 18 most important international public broadcasters in the world, CBC/Radio-Canada now ranks 16th in terms of our level of per capita funding for public broadcasting. That's third from the bottom. Again, you have that chart in your folders.

This puts in plain sight the fact that we've received no permanent increase to our base budget since 1973. As I keep reminding everyone, we still don't have access to a credit line to manage our cash flow, or situations like the one that we lived through in April. The steps we just announced will balance our budget for this year, but that's not enough. That doesn't work. We simply can't be in a position where we have to keep cutting the public broadcaster every second year in order to balance the yearly budgets.

We've begun the work for our next strategic plan, the one that will take us to 2020. We'll have more to say about that at the beginning of the summer. But I can tell you right now that we have to make some very difficult choices about what kinds of services Canadians will expect from us and what we can deliver to them. In this context, we will need to do less.

[Translation]

In 2020, we need to be a smaller and more focused public media company, one that is more agile and can adjust as the media consumption habits of Canadians change. But we still need to live up to the spirit of the mandate that we were entrusted with more than 75 years ago: to inform, enlighten, and entertain.

In many ways, I think you can see our future when you look to our recent coverage of the Olympic Winter Games. In Sochi, we reached over 33 million Canadians in 17 days. More than 10 million Canadians—one in three—followed the Olympics on computers, tablets and phones, consuming about 14 million hours of video content offered live and on demand. Our French and English services worked together to maximize our resources. We partnered with other broadcasters. We used the latest technology to deliver a unique personal experience to every Canadian, while simultaneously bringing Canadians together to celebrate our country and the performances of our athletes. I believe that moments like this demonstrate the best of CBC/Radio-Canada. This is what we strive to give Canadians in the future.

[English]

Mr. Chairman, we would be pleased to take the committee's questions.

[Translation]

The Chair: Thank you, Mr. Lacroix.

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

We will start with Mr. Godin.

Mr. Yvon Godin: Thank you, Mr. Chair.

Mr. Lacroix, welcome to the Standing Committee on Official Languages. I know that you do not like people calling you Mr. Lacroix, so let me start again. Hubert, welcome to the Standing Committee on Official Languages, and welcome also to your team.

I have difficulty grasping your meaning when you say that, despite all the budget cuts, CBC is continuing with the same mandate, as it has done for 60 years.

Mr. Hubert T. Lacroix: I am sorry. I did not hear the last part of your comment.

• (0900)

Mr. Yvon Godin: I have a hard time grasping your meaning when you say that CBC will continue with the same mandate, as it has done for 60 years, despite the incredible budget cuts. In other words, the mandate will not change despite the budget cuts. I have difficulty believing that.

Let us not forget that, in 1994, when the Liberals were in power, there were cuts of \$400 million. You would think that people wanted to forget that the Liberals made cuts of \$400 million.

Now, the Conservative government is making budget cuts of more than \$115 million. That is without counting indexed salaries and expenses, which could not be done, correct?

Mr. Hubert T. Lacroix: Correct.

Mr. Yvon Godin: We are talking about millions of dollars, and everything is supposed to keep working like a charm.

Governments, especially the current government, want to see CBC disappear rather than to support it, don't you agree?

As you pointed out in one of the graphs that showed the per capita level of public support, Canada is at 33 and France is at 68. I do not know whether the numbers are percentages or dollars. Whatever they are, a democratic country like ours does not provide a huge amount of support to its national television broadcaster.

Mr. Hubert T. Lacroix: Mr. Godin, there are various aspects to your comments; let me start with the mandate set out in the Broadcasting Act.

Today, I wanted to highlight the fact that, each time a decision is made at CBC/Radio-Canada, the goal is to provide Canadians with services that will live up to the three verbs I mentioned. Those verbs are contained in the act and they influence us in the way in which we deliver our services: to inform, enlighten and entertain.

I did not tell you that we are going to continue to do that as if nothing had happened; quite the contrary. In my remarks, I said that, for the moment, given the cuts we have just made, we are greatly reducing the programming we provide to Canadians. The goal of the public broadcaster, of the two senior managers with me today and of all the other members of our team, remains to meet the expectations of Canadians.

With that background, I am telling you today that the environment in which we are working is very complicated and the cuts will force us to deliver less programming to the Canadians who listen to us, watch us, and use our services. However, I can assure you that the

objective of each of the decisions we make remains to fulfill our mandate.

Mr. Yvon Godin: Mr. Lacroix, two reporters' positions were eliminated in Moncton, in the Atlantic region. There are two RDI journalists in Moncton and you are eliminating one of them. That represents half. For us, eliminating one reporter's position at RDI means that we have lost 50% of the staff. Your mandate is to produce news, but what kind of news?

Moncton is two and a half hours from Bathurst. If an RDI reporter goes off to Saint John, forget it, there will be no news.

What is CBC's mandate? It has a mandate on paper, but, in reality, you cannot fulfill it.

You are not going to get me to believe today that CBC can fulfill its mandate seriously and honestly by making unacceptable cuts. CBC's mandate, Mr. Lacroix, is to serve Canadians all over the country and in minority areas, whether that is in Edmonton, Alberta or Prince George, British Columbia. These cuts are going to affect many more people that we are being led to believe.

Mr. Hubert T. Lacroix: You are absolutely right, Mr. Godin. I did not say today that we could meet the expectations of all Canadians everywhere, given the current environment.

In the documentation, there is a graph that shows the level of public funding per capita that public broadcasters receive in various countries. In Canada, that level will be \$29 per person in 2014-2015. The lower that contribution, the fewer services we can provide. In England, each person contributes \$97, in a country with one time zone and a population of 70 million.

We provide services that match what we receive. Of course our financial resources have to fit. The choices we are making tear us apart. I call them Sophie's choices, just like in the film. With the financial resources currently at our disposal, we are trying to fulfill our mandate, which is to enlighten people and make them think.

• (0905)

Mr. Yvon Godin: Official language minority communities are affected by the cuts to a greater extent.

Mr. Hubert T. Lacroix: Quite the opposite. We consider that the regions have to do their part for the effort, given the extent of the cuts. However, according to our mandate, the regions are key to our daily services. I will ask Ms. Pleszczynska to explain to you how we consult people. We go to the communities to find information that will allow us to focus our efforts. The conditions of licence we have in the regions will be met. For the moment, that will be the public broadcaster's contribution in our financial context. We can no longer do as much as we did before.

Mr. Yvon Godin: You mentioned programs like *La Sagouine* and *La revue acadienne*. The people in minority regions saw themselves in those programs, but they no longer exist.

Mr. Hubert T. Lacroix: We made that choice in order to be able to keep the news service.

Mr. Yvon Godin: I know that is a choice, but CBC's mandate has been reduced. You cannot have me believe that the mandate can be fulfilled as it has been for 60 years with cuts that are as drastic as these.

The minister got up in the House yesterday and said that her government was not responsible for this, it was CBC. Are you not doing your job or is the government not giving you the means to do it?

The Chair: Thank you, Mr. Godin.

Mr. Lacroix, you have the floor.

[English]

Mr. Hubert T. Lacroix: Do you want me, Mr. Chairman, to answer the last comment?

[Translation]

The Chair: Yes.

Mr. Hubert T. Lacroix: In a context like this, I always come back to the same thing. We announced major cuts in order to balance our 2014-2015 budget. The environment we find ourselves in is changing. We have given you a picture of the funding to which public broadcasters have access, according to the services they provide.

What I am telling you is that, with the resources at our disposal, we have to make choices. The Broadcasting Act has not been changed since 1991. The mandate it gives us is still the same: to provide broad programming that informs, enlightens and entertains. Given that, we have had to make the choices that we have been discussing.

The Chair: Thank you.

Mr. Gourde, you have the floor.

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you, Mr. Chair.

Thank you for joining us today, Mr. Lacroix.

My question deals with CBC's mandate and today's media reality in which private networks are competing with CBC.

To what extent is CBC still able to make its mark in different niches? Have audience ratings gone up? If not, does CBC feel that it will be difficult to keep going in some niches and to seek more revenue? We know that CBC's revenues are mixed, they come from both the public sector and the private sector. It seems to me that the private sector revenues have started to drop. Why do we have that situation?

Mr. Hubert T. Lacroix: Your question contains a number of smaller ones. Let me start by telling you about our Canadian listening and viewing audience. In that area, we are doing quite well.

First, BBM has just announced the market shares from its winter surveys. Radio-Canada's are up everywhere. With the Sochi Olympics, we got almost 10 extra points.

I could give you a long list of our quality programs from *Unité 9* and *Les enfants de la télé* to *Les Parent* and *Mémoires vives*. I could give you the numbers of people who watch them. That is the result that Radio-Canada has on television.

I could also tell you about the importance of our radio services in the regions. There is little or no advertising, except for Espace musique, and no revenue comes from our radio. I mention that because a part of your question dealt with revenues.

Let me talk about CBC now. CBC also has had significant and very successful flagship programs that have attracted Canadian viewers. The Olympic Games were a great way for us to combine our resources with those of other private broadcasters and to meet the objectives we told Canadians we had: a reasonable offer to win the rights, an intelligent financial model and a return on investment for Canadians.

In that kind of environment, according to the CRTC statistics that have just been published, there is no doubt that advertising revenue is down for all broadcasters. That is the case for us as it is for private broadcasters like CTV, Global and TVA.

We are moving towards digital and specialty channels. That is why, three or four years ago, all broadcasters, both public and private, came before various committees and the CRTC to make the case that a price had to be paid for the signal. I think that everyone is aware of the famous battle over the value of the signal. However, our arguments did not win the day.

All that long story is to get you to understand that, in this environment, advertising revenue is down and that, despite the quality of our offerings, our financial model is under pressure, as it is for all broadcasters.

● (0910)

Mr. Jacques Gourde: We know that CBC/Radio-Canada has lost the rights to broadcast hockey, which affected a lot of people. You have just told us that all media are having a hard time selling advertising. But private networks are able to pay an astronomical amount to get the rights to broadcast hockey. Is there not a contradiction in that?

Mr. Hubert T. Lacroix: No, there is no contradiction.

You have surely been following what Rogers is going to do. Rogers' business model is simple; they are going to transform CityTV into a hockey platform; actually, they are going to take all their specialty channels and turn them into hockey channels. So the platforms that, at present, are Sportsnet 1, 2, 3 and 4, and the channel called The Score, are going to be the channels on which Canadians are now going to be able to watch hockey. This is a completely different business model. With the model also vertically integrated, Rogers will be able to sell you the whole thing for your smart phone or for whatever tablet you use. It is completely different from the situation and business model that CBC had.

Mr. Jacques Gourde: How will Radio-Canada set itself apart? It still receives relatively stable funding of about \$1.1 billion from the federal government. That gives you good leverage in keeping a high level of quality. Whatever the situation, how are you going to offset the losses in private-sector revenue?

Mr. Hubert T. Lacroix: When you say losses in private-sector revenue, you probably want to talk about advertising revenue.

The choices that we have explained to you are set in a context of increasing revenue and cutting costs. We are working in an environment in which our base funding has not increased for many years. In fact, the amount has not been indexed to inflation.

In the seven years I have held this position, I have never said that we must have more money. We want multi-year, stable, predictable funding. Given that, we want enough money to fulfill our mandate and provide Canadians with services. That is what I have said repeatedly.

All of a sudden, the funding model, which is several years old, no longer works. A few years ago, CBC/Radio-Canada was able to compete regularly for the sporting events that Canadians are interested in and have them as part of our programming. We will no longer be able to do that because of the revenue, the platforms and the places from which Canadians watch those events. The environment has completely changed and we have to accept that fact. That is my message today.

Mr. Jacques Gourde: Is the mandate too ambitious? Would you like to change it?

Mr. Hubert T. Lacroix: Clearly, that is the government's decision. The government decides what it wants to do with its public broadcaster. We are doing what the Broadcasting Act requires, doing what we can with the means of funding currently available to us.

Mr. Jacques Gourde: Thank you, Mr. Lacroix.

The Chair: Ms. St-Denis, you have the floor.

Ms. Lise St-Denis (Saint-Maurice—Champlain, Lib.): Mr. Lacroix, you have talked about your mandate to inform, enlighten and entertain, and also about the drop in your revenues. It is all true, we understand, we have all the documents. The fact remains that choices have to be made.

Here is my first question for you. Do you not feel that, given your commercial choices, which often mimic those of private enterprise and its flood of deathly boring entertainment at prime time—I am one of those looking for information—CBC is somewhat moving away from its original mandate?

Should you not be using other productions instead? For example, on French Radio-Canada, we never get to see programs produced in other provinces. This week, I heard a report on Radio-Canada about transportation problems in Toronto. I think that was the first time. I was happy because I told myself that it was not just Montreal that has problems; Toronto has even more. But that was the first I had heard of them.

Sometimes, programs in French are shown in other provinces around noon or 2:00 p.m. when no one is watching television. But never in prime time.

So perhaps our disagreement lies with the choices, especially for OLMCs, for minority groups. They are poorly served, by radio or otherwise. Are there other choices you could make?

Let me continue with my questions and then you can answer them together.

Choices are also made as the result of a vision. When Ron MacLean talked about French-speaking referees, Radio-Canada did not react. Does that not reveal a kind of vision that goes with some of the choices that Radio-Canada makes?

● (0915)

Mr. Hubert T. Lacroix: Ms. St-Denis, I'm going to ask Patricia to give you an idea of the contribution the regions have made to the network, particularly as regards information, and the way we increasingly reflect the regions in our information. In fact, we are aware of that aspect of our mandate.

However, with all due respect, I was stung by your comments on our programming. When you say that our variety programs are mortally boring, obviously, I cannot accept a comment like that. Our televisual performance has never been better. The figures I am providing apply to our sweeping dramas, our public affairs programs during peak hours—we are the only broadcaster to do that on a large and targeted scale—our information programs and our variety programs. When we consider all of that I think that the people who watch CBC-Radio-Canada will tell you very clearly that we discharge our mandate very well. If we judge by our ratings and the relevance we have in their eyes, it's spectacular. It has never been as high. Let's keep that in mind.

I will now go back to information and the importance we give to official language minority communities as well as our mandate to represent them. I'm going to ask Patricia to complete my reply.

Ms. Patricia Pleszczynska (Executive Director, Regional Services and ICI Radio-Canada Première, Canadian Broadcasting Corporation): Thank you, Hubert.

Indeed, it's about choices, as you mentioned. For some time now we have been hearing minority francophone communities tell us that they need to be represented in a more regular, more sustained way on our airwaves.

Over the past year we have put in place a three-point strategy.

The first point was a structural strategy that consisted in separating the Greater Montreal branch from the national branch. That may seem trivial, but in fact it is not. It really allows us to ensure that we align the priorities of programs for Montreal audiences, Montreal being up to a certain point a region like any other, even though it constitutes the biggest francophone region of the country, and the priorities of national programs whose mandate is indeed to reflect the whole of the country. That separation of the two branches had direct repercussions on the programs. For instance, this made it possible to create a radio program like *L'heure du monde* and give a new mandate to *Culture club*, a cultural program on the radio. Those are all things all of our regional stations can do to strengthen the links with their community.

The second point of our strategy was a new approach, a new positioning for our news and information. We have to reflect our country. I will give you an example. You say you heard some news from Toronto. In fact, we provide frequent news bulletins from all of the regions of the country. The number of regions we cover has increased over the past year, precisely because of the addition of two national reporters, one in Alberta and the other in Acadia. Their role is to contribute directly to the *Téléjournal* that is on at 10 o'clock. We have had on-the-ground RDI teams for several years now. The contribution from the regions to RDI is constant I would say, regular, and represents about 33% of our programming. Moreover, some citizens had told us that they had issues with the 10 o'clock *Téléjournal*. Thanks to the addition of those reporters we have been able to increase our representation of the regions.

At the last CRTC hearings some communities asked the CRTC if we could impose a certain quota on Radio-Canada for the *Téléjournal*. The CRTC deemed that this was not a good idea, editorially speaking, and we support that. In fact, we can't regulate the number of news items. Be that as it may, I would tell you that with the addition of those two journalists, our representation of the regions on the *Téléjournal* has now gone up to 14%.

The third point of our strategy is really our capacity to create, in compliance with that philosophy of reporting on the whole country, contact points among all of the citizens, to tell stories about the country, but from the perspective of a specific region. Let's take, for instance, the withdrawal of Canadian soldiers from Afghanistan. If that had happened two years ago, we would probably have been reporting from Valcartier since it is close, we go there regularly and there is a good team of journalists in Quebec who cover Valcartier on a regular basis. However, we chose to do a news report with Sylvain Bascaron, our new reporter in Alberta, from Edmonton. Our new philosophy allows us to tell viewers about the country and tell stories that concern all Canadians, but from different locations in the country.

● (0920)

The Chair: Thank you.

Ms. Bateman, you have the floor.

Ms. Joyce Bateman (Winnipeg South Centre, CPC): Thank you, Mr. Chair.

[English]

Monsieur Lacroix, I'd like to ask lots of questions.

You have a big operation, with 8,000 employees, and you have some new tools that are available to you, such as Facebook, Twitter.

I'm curious on how CBC goes about their utilization. Is it another layer? Do you need more people to manage that, or is it a tool that makes you more efficient and effective and you can use as almost market research?

Mr. Hubert T. Lacroix: They are completely embedded into the media lines, not another layer. We are asking our staff, *nos artisans*, our CBCers, to work with these tools because that's what allows us to do more.

As you saw from Sochi, one Canadian out of three didn't go to a television to watch the Olympic Games; they watched it on our app.

It was downloaded 2.5 million times. That's the kind of stuff that we do.

Ms. Joyce Bateman: That leads me to my next question, actually. I was very gratified to hear your response to that one.

Young people no longer buy a television. I don't have a television where I live here. How do you reach them? How are you reaching those people?

Mr. Hubert T. Lacroix: We reach them by providing podcasts, by involving them in social media, by sending them to our catch-up TV sites, by Tou.tv, for example, where you don't have to actually be in front of your television set on Tuesday nights at 9:00 to watch *Les enfants de la télé*, you'll watch it directly on Tou.tv. That's the way we do this.

I think that when you look at what CBC Radio-Canada has done there, we kind of lead the show. People are very proud of what we do. We raise the bar for everybody else. As you saw from Strategy 2015, one of the three pillars is to be a leader in digital, and we are going to protect a certain amount of investment in our budgets to actually go there, because in the tendencies of the world, that's where we're going.

Ms. Joyce Bateman: Okay. Given that you're talking about the budget, and that's of great interest to me, I see that *Les Parent* is on, I think, Netflix—

Mr. Hubert T. Lacroix: Absolutely.

Ms. Joyce Bateman: How do you get revenue? First of all, can you tell us how much of your original programming is on these non-traditional platforms and what kinds of revenue they bring in?

Once a chartered accountant, always wanting to find out—

Mr. Hubert T. Lacroix: I'm happy that you're into numbers because, you know what, I'm into numbers too, particularly in the environment we are in.

We have partnerships and commercial agreements with Netflix. For example, some of our programming that was not used and, frankly, that was living on shelves after its showing on our traditional networks, we packaged and sold to Netflix, and we continue envisaging other agreements of that kind.

● (0925)

Ms. Joyce Bateman: Then there is a revenue stream that is non-traditional?

Mr. Hubert T. Lacroix: Absolutely. It's not important. It's not significant at all, but we are extremely aware—

Ms. Joyce Bateman: But it's incremental to what the revenue source was?

Mr. Hubert T. Lacroix: Absolutely, because, madam, as you know, the model for funding should be—

Ms. Joyce Bateman: “Contribution costing” we used to call it.

Mr. Hubert T. Lacroix: Sorry?

Ms. Joyce Bateman: “Contribution costing” is what we used to call it.

Mr. Hubert T. Lacroix: What we have at CBC Radio-Canada is a hybrid model. For years, government has said and the CRTC has said that if you want to continue, we're not going to provide you with more dollars, but if you want to continue delivering new services to Canadians, then you have to do it on your own, and that's what we have gone out and done.

There's about \$400 million to \$500 million of commercial revenues generally, and subscription revenues, and revenues from rental of our facilities, and from all other initiatives that come to add to the billion dollars in order to deliver in this environment, in a complicated environment, services to Canadians. That's the business model.

Ms. Joyce Bateman: Now, speaking of complicated environments, I want to ask a few questions about CBC's mandate and where it comes from.

Mr. Hubert T. Lacroix: The act.

Ms. Joyce Bateman: Perfect. The mandate regarding official languages, what is it? Do you have to give equal—

Mr. Hubert T. Lacroix: The words are exactly that: “*de façon équivalente*”. It's not “equal” but “*équivalente*”.

[Translation]

Ms. Joyce Bateman: Very well, thank you.

[English]

How does the CBC interpret its mandate regarding the promotion of both national languages, or does it?

Mr. Hubert T. Lacroix: It is the DNA of your public broadcaster. We deliver our services in both official languages across the country, from one ocean to the other and up to the top, and it's so embedded in us that now we are more and more one corporation. We share services in the regions, at the network level...

Ms. Joyce Bateman: You share services in the regions?

Mr. Hubert T. Lacroix: Absolutely. We share their expertise.

Ms. Joyce Bateman: Do you not share services here or in Toronto?

Mr. Hubert T. Lacroix: Absolutely. The regions means in every

[Translation]

Ms. Joyce Bateman: Is that everywhere in Canada?

[English]

Mr. Hubert T. Lacroix: Yes, it's across the country because we have two levels. We have a network program that goes across the country, and then we have programs that come from the different regions where we are present, and in there we have sometimes CBC and Radio-Canada and, more and more, CBC and Radio-Canada work together.

We can give you a whole bunch of examples of how incredibly close and tightly knit our operations are right now.

Ms. Joyce Bateman: That's good to hear.

Mr. Hubert T. Lacroix: Absolutely.

Ms. Joyce Bateman: What importance do you give to official languages in the distribution of your budget, percentage-wise or—

Mr. Hubert T. Lacroix: We look at the services we have to render to Canadians, and we then look at how we best serve them, what services we must fund. We look at the resources we have and we allocate it based on one corporation. That's what we do.

Ms. Joyce Bateman: How does it shake down?

Mr. Hubert T. Lacroix: It shakes down—

Ms. Joyce Bateman: Ball park.

Mr. Hubert T. Lacroix: Ball park? Right now, close to 55% of our budget goes to CBC and about 45% goes to Radio-Canada... Not on budget, I should say, but on

[Translation]

the government's attributions.

[English]

We just looked at this right now, but in the last 15 or 16 years it will vary between 60:40 to 55:45. Right now it's much closer to 55:45 than it is to 60:40.

Ms. Joyce Bateman: I want to understand what the CRTC's role is in ensuring that the CBC provides diversified and quality programming in both languages. Or does it have a role?

Mr. Hubert T. Lacroix: You better believe it, Madam, that it has a role. It used to be every five years, and the last time we had to wait 13 years, but it brings us in front of it. It looks at the contribution of the CBC in what we famously call the “media ecosystem” in the country.

It understands the mandate that we have. After hearing a number of intervening parties—and we did this in November 2012—it establishes the conditions of licence under which we can actually broadcast our services across the country. When I spoke about the conditions of licence, that's what I was referring to.

• (0930)

The Chair: Thank you very much.

Before we go to Mr. Chisu, there have been discussions, I understand, amongst members from the various parties, and there's a consensus that we would like to go to 10:45 a.m. for this discussion, and move the discussion of the debate regarding Monsieur Godin's motion to another meeting.

If you're amenable to that, Monsieur Lacroix, we'd like to go for an extra 15 minutes.

Mr. Hubert T. Lacroix: We'll do whatever the committee wants to do.

The Chair: Thank you for your co-operation and I'll give the floor to Mr. Chisu.

Mr. Corneliu Chisu (Pickering—Scarborough East, CPC): Thank you very much, Mr. Chair.

Thank you very much, Mr. Lacroix, for your presentation. It was an excellent presentation. I now understand a lot of the things that the CBC is doing.

I know that the CBC has a mandate, which is very clearly described in the Broadcasting Act. Of course, I consider this as a limitation, that you need to work inside this act.

I was looking at your fiscal picture and I see that on March 31, 2013, you had \$646 million for revenues and you received from the Government of Canada approximately \$1.1 billion. I also see that the revenue, for example, from 2012 to 2013 dropped by 6.2% and the government financial contribution dropped only by 0.6%.

Looking at your great management skills, how do you plan to increase the revenues at the CBC in the future? There is a place for it and I think that you will be able to do it. I'm confident that you have a plan for it.

Mr. Hubert T. Lacroix: I have a couple of things to say first.

The mandate comes from the Broadcasting Act. The CRTC also enforces the mandate on CBC/Radio-Canada. When I sat in front of the chairman and the CRTC in November 2012, the first thing that the CRTC chairman said when he looked at us was, "We expect you to deliver a wide range of programming to Canadians that basically informs, enlightens, and entertains them. Please go ahead and show me how you're going to do this".

This was an environment which had a number of actors in it. Over time that has changed. Yes, increasing revenues is key. To be able to increase revenues, you need levers. The levers that we have—and that was my hint of a few minutes ago—are limited to the conventional advertising environment.

Conventional advertising, as you know, has been eroding. When this mandate was drawn, you didn't have 742 different channels on your satellite beamed into your home in 1991. You had a very specific number of broadcasters. There were a very specific number of platforms on which you actually showed television or listened to radio, and the number of players were not integrated like they are now.

That was the model. That was the model that funded us over the years. Revenues started moving on the digital piece, we adapted to that. As you know, we have a very, very strong presence in digital, but we don't have 52 speciality channels like Rogers or Bell to take revenues and actually support the conventional network. Hence, the conversation we had a few years ago with value for signal, and how important it is. Because, as you know.... Do you have a cable or a satellite bill, sir?

Mr. Corneliu Chisu: I have a cable bill.

Mr. Hubert T. Lacroix: On your cable bill, when you pay, let's say \$50 a month, \$0 of that amount comes to CBC, to Radio-Canada, to CTV, or to TVA—\$0. That's because the broadcaster, the distribution unit—Bell, or whatever in your environment—takes our signal off air and sends it back to you in its package.

We said to Bell a few years ago that we think that has value and we should be paid some dollars. They're taking our signal and making a business model and a business out of it. Our arguments were not upheld. It actually went up to the Supreme Court. It's a complicated story, and we won't go there.

To answer your question, we are looking at maximizing our revenues on our television piece. We are looking at maximizing the revenues on the digital piece. We are trying to shrink our real estate environment. We're trying to sell some of the places we have, to transform ourselves into tenants. We're trying to rent out the space that we create; that's rental revenues.

There are only two ways for us to do this. Either we increase the revenues or we reduce our costs, in an environment where the shrinking pie of advertising revenues that we have access to is smaller and smaller.

• (0935)

Mr. Corneliu Chisu: Thank you very much.

The CBC is a great corporation, and it has around 8,000 employees. Of course, that's a lot of employees who are my age. They are baby boomers; they are retiring, and so on.

How are you working with Canada's francophone and bilingual universities to ensure that new graduates have the technical skills needed to work in the industry that is rapidly changing, as we know?

The Chair: Thank you, Mr. Chisu.

Madam Pleszczyska.

Ms. Patricia Pleszczyska: Thank you.

We do work with the universities. We in fact have programs where we create internships, with Université Laval, in Quebec City; with Université de Montréal. We use internship programs to ensure we have young people coming in to get training on how Radio-Canada does business...and then sending them out into the regions for replacement work during the summer, frankly. Often, these young people will end up being recruits and getting jobs in some of our regions across the country.

I wish there were more francophone universities, and francophone universities outside of Quebec, that could supply us with staffing. One of the discussions we've had for years with collège Saint-Boniface has been effectively that we need a journalism program there. We have encouraged them to build one. We've given them all kinds of support and all kinds of ideas, and I hope that some day that will happen. Ideally, we would have students becoming journalists in francophone communities out west who come from there and remain there, as opposed to being a revolving door for young student journalists from Quebec going out west and then coming back to Montreal.

We do work with them, mainly with internship programs, and many of our top journalists or managers lecture and spend time within classes to familiarize people with what Radio-Canada does and how we work.

The Chair: Okay.

Mr. Hubert T. Lacroix: Mr. Chairman, if you would allow me one second, I'd like Shelagh to tell you what we do at Concordia also. That will give you an idea of what CBC does, just as an example, in Quebec.

Ms. Shelagh Kinch (Managing Director, English Services in Quebec, Canadian Broadcasting Corporation): We have the same thing as Radio-Canada. We have an internship with the journalism school at Concordia. We bring students in for the summer on paid internships so they can develop the skills they need, so that when they graduate we have somebody prepared to come into the business.

The other thing we're doing now, which we've started recently with the journalism program, is that we're working with the digital class. Their final projects are posted on the CBC Montreal website. They get the experience of working in a real newsroom and doing a project that we oversee and work with them on. We understand what their skills are and what they can bring to us. That project was started this year, and we're going to continue, on a term-by-term basis, with Concordia.

The Chair: Okay. Thank you very much.

Mr. Nicholls.

Mr. Jamie Nicholls (Vaudreuil-Soulanges, NDP): Thank you, Mr. Chair.

Mr. Lacroix, I'd like to thank you for providing us with this chart. When I look at it, the majority of these countries listed here—notably Norway, Switzerland, Germany, Sweden, Finland, and the U.K.—are some of the most competitive economies in the world. I think these countries' governments are conscious that a well-informed population and increased transparency help an economy in general, and help it become more competitive.

When I look to CBC programs like *the fifth estate* and *Enquête*, these are programs that uncover corruption in our country, and in doing so help our economy. More locally to me, we have journalists like Mike Finnerty of CBC Montreal, who asks difficult questions of Quebec politicians and tries to get people engaged in the public process.

In this context, it's with sadness that I look at these cuts and at the miscomprehension of successive Liberal and Conservative governments about the value of a public broadcaster, noting, on the flip side of this, that at the very time of the explosion of channels you mention, and the explosion of media in the nineties, you have a \$400-million cut from the Chrétien government.

I just have to commend you on the amazing adaptations you've made over the years. That you're still standing, that you're still providing services to Canadians around the country, I just shake my head; I commend you for the incredible adaptations you've made.

I must pass to my questions here, the majority of which will go to Ms. Kinch.

Can you give us the details, Ms. Kinch, of the cuts that will affect CBC Montreal?

• (0940)

Ms. Shelagh Kinch: We will have ten cuts, which we announced yesterday, within the CBC. At this point, I think four or five people will be walking out of the building. They had their contracts terminated and their positions declared redundant. For other people, we found ways to save positions through vacancies and through reassignments of work.

Mr. Jamie Nicholls: Thank you.

I'm wondering if you're willing to meet with QCGN and ELAN to discuss how CBC intends to meet its obligations under the Official Languages Act and the conditions of its broadcasting licence towards Canada's English linguistic minority communities.

Ms. Shelagh Kinch: In fact just last year we had two meetings with QCGN. One was in Quebec City, where we brought people in from the *régions éloignées* and met with them, and with our French colleagues as well, to discuss their needs. We had another one in Montreal last year as well where we brought local groups that are under the QCGN umbrella to come in and talk about our programming.

We regularly meet with ELAN. I think it was just a couple of months ago that our manager of cultural affairs and our manager of communications met with ELAN to discuss our programming. At the same time, we are offering them now pitch workshops—that is, how can they get their stories to us in a way that will get them onto the CBC so that we can address the concerns of the English-speaking communities?

Mr. Jamie Nicholls: So the collaboration will continue on this?

Ms. Shelagh Kinch: Yes, we will meet with them.

Mr. Jamie Nicholls: Wonderful.

Ms. Shelagh Kinch: Sorry; that really was your question.

Mr. Jamie Nicholls: Yes.

As well, the CRTC recently made it a condition of licence that the CBC will not spend less than 6% of its national English-language programming budget in Quebec. The CRTC also expects that CBC English Quebec independent production will not fall below 12% of their national independent production budget.

How is CBC planning to implement these conditions of licence, and how will CBC report on these investments in a way that is transparent and meaningful?

Ms. Shelagh Kinch: What I can tell you is that, first of all, it's a network commitment, not a local commitment. Locally we continue to work with our English-language independent producers by producing six documentaries every year.

Recently we brought in our executives from Toronto to meet with the independent producers here in Quebec to address how that money would be spent, to talk to them about how they could make their pitches to the network and what the network was looking for in terms of programming moving forward.

Mr. Jamie Nicholls: So these docs are produced by local Quebec independent companies?

Ms. Shelagh Kinch: Yes.

Mr. Jamie Nicholls: I'm curious about the ten cuts you mentioned. Were these mostly from the television wing or the radio wing?

Ms. Shelagh Kinch: Every program was touched—radio, TV, and digital.

Mr. Jamie Nicholls: Can you give the committee the details of the budget cuts and how they will affect each regional station? Is it one region in particular in Quebec that will be affected, or is it...?

Mr. Hubert T. Lacroix: Shelagh will tell you how we are structured in Quebec and how we deliver our services out of Quebec City and out of Montreal to English-speaking Quebecers.

Mr. Jamie Nicholls: Sorry, I have one supplementary question to that. In this chart here, you have “to be determined” and you have 55 cuts under English services. Will any of those involve Quebec?

• (0945)

Ms. Shelagh Kinch: Are you talking about Quebec City or about the whole region?

Mr. Jamie Nicholls: I mean as a whole.

Ms. Shelagh Kinch: As I told you, we have 10 positions that are being cut in Quebec.

Mr. Hubert T. Lacroix: Shelagh, I think the member would appreciate understanding what you do out of Montreal, what the Montreal CBC delivers, its services, what we do in Quebec City, and what the Quebec City station does for the rest of the country. We don't have as many stations in the province of Quebec as Radio-Canada does. We actually deliver our services out of two different stations.

Ms. Shelagh Kinch: In Montreal, naturally, we have a more urban focus on the English-language minority community. We have many special projects that you've probably heard about if you listen to Mike Finnerty, in which we specifically target the issues and concerns for that community.

In Quebec City, we have two programs. We have *Quebec AM*, our morning show, and *Breakaway*, our afternoon program, which address the issues of the English-language-speaking community across the province.

We also have a reporter in Sherbrooke, so that we have somebody available in the Eastern Townships, where we have a larger English-speaking community. We have a travelling journalist. We have a journalist who travels throughout the province and tells stories that are clearly of interest to our audience.

As well, we go on remote as often as we can. It's very important for us to get out into the community and to talk with the community itself. Recently, our Quebec City bureau went to Baie-des-Chaleurs and did a remote there. Three weeks ago, I think it was, we were in Lennoxville for *Quebec AM*, and we did a remote show. Actually, it was more than three weeks ago, because it was around the election. We went down to Lennoxville to do a remote show there to talk about the issues and the concerns during the election.

We're constantly finding ways to reach out to our audience and really speak to them on a more one-to-one level as well.

The Chair: You can have one last question.

Mr. Jamie Nicholls: There is a substantial TV and film community in Montreal as well. Has it ever been within the plans of CBC to perhaps provide a dramatic show that's produced out of Montreal, rather than documentaries, in the future that could maybe provide a sort of different angle from what's usually offered by CBC programming produced out of Toronto?

Mr. Hubert T. Lacroix: Actually, we had such a show. It was called *18 to Life*. It was based in Montreal on our prime time television schedule a couple of years ago. It wasn't renewed. That's something that we're always looking at. It's a question of resources and how we can best impact Canadians through the prime time television schedule. It's a question of the funding of that schedule and of how we trigger that funding mechanism.

We've always been interested in trying to showcase different parts of the country in our television schedule on CBC. Look at what we had for a long time. We had *Republic of Doyle* out of St. John's, Newfoundland. We had *Arctic Air*, which we no longer carry, but this was the north end of Vancouver. We had *Little Mosque on the Prairie*, which was in Saskatchewan. Again, this is no longer on the schedule. *Heartland*, which is there, is from Calgary. We had *Being Erica*, which was from Toronto.

We do that, and most often—and this is something that we're very proud of—the Canadian city is as much a character in the show as the actors themselves, and that's why you recognize the program as being a CBC program or a made-in-Canada program.

The Chair: Thank you very much.

Mr. Daniel.

Mr. Joe Daniel (Don Valley East, CPC): Thank you, Chair.

Thank you, witnesses, for being here this morning.

I'm going to follow on a little bit about your workforce and the changing technologies that are coming along. I actually don't have TV at home at all. I get all the things I need completely off the Internet. You can see the changing environment in the broadcast industry.

There are several parts to my question, but let's start with this one. One of the key things we've noticed from a number of other committees is that getting technical francophone staff is very difficult, because there are very few universities or colleges that provide technical engineering degrees, etc. As you're transitioning into the future like this, say over the next few years, five years, ten years, or whatever, you're going to need more of these sorts of folks. What's your plan?

Ms. Patricia Pleszczynska: Certainly what I can tell you is that when I was talking earlier about our relationship with some of the universities, francophone universities in Quebec and colleges outside of Quebec, we work with Université de Moncton. We work with Université de Sudbury and, here in Ottawa, with Cité collégiale of Ottawa-Gatineau. Cité collégiale is a very important supplier for us of young journalists and young *artisans*, as we call them, young professionals who in fact do come in to us with an ability to do technical work.

But I would say that what used to be a fairly strict and a fairly clearly defined distinction between editorial staff and technical staff is no longer the way we work, because, in fact, our journalists use Twitter, they do their own editing, and they often will do their own shooting. They'll do it on their iPhones, they'll do it on iPads, and they'll do it with light cameras. We also have video journalists. The technology has become lighter, so the mix of responsibilities that our professionals have is becoming even more complex, in the same way that some of the professionals who were previously exclusively technical are now working in digital. Our engineers are doing graphics and all kinds of creative work that contributes to the quality of our programming.

Perhaps I could add one little comment to what you were saying about not having a television. It's true, but whether it's a television or a radio as a piece of equipment is really not the issue. There's visual content and there's audio content, and that audio and visual content has to be produced by somebody. Whether the actual platform on which you consume it is an old-fashioned AM/FM radio, a television that's on cable or satellite, or a large screen monitor that connects to your Internet, the video content has to be produced by our teams. These are same teams that will produce material for the Web as the ones that will produce material for the traditional platforms, because our teams across the country, in Radio-Canada as well as the CBC, are fully integrated journalist and production teams.

● (0950)

Mr. Joe Daniel: But presumably you have your own networks that need to be maintained: your connections to the Internet, your radio in terms of the technical transmission, etc. Are you able to get the right kind of people, the engineers who can actually put that up and maintain that? How do you propose doing that in the future?

Ms. Patricia Pleszczynska: Certainly we have the right people. I think the problem is that for the traditional platforms—and I don't know if Hubert wants to get into that—the whole distribution network is a very heavy one for the traditional platforms, and it certainly is a very costly one, one for which we haven't had any increased funding to maintain all of those transmitters across the country. It's an aging infrastructure, and certainly it's one that is very costly to maintain.

Mr. Joe Daniel: But presumably you're going to be transitioning into the newer technologies and the newer radio systems for wireless, etc., and all those old ones will be just antiques, really.

Ms. Patricia Pleszczynska: Sure, but I'll tell you something. I heard this very clearly during the consultation in Edmonton that I just came back from. We spoke to about 400 people. Some of them were listening to us on the Web. We had about 100 people in the room in Edmonton, and the rest of the people were connected to us through video. We were broadcasting on the Web, so people were contributing to that conversation by texting us or by emailing us from the four western provinces and the three territories.

What people were telling us is that we are very much in a transition period. In the same way that we had people who—just like yourself, sir—no longer consume media on traditional platforms, other people were telling us to wait a minute, that they don't even have cell coverage in their community, let alone broadband. They were saying, “Don't abandon me, because I'm not there yet and my community isn't there yet.” I think that's particularly true for francophone communities in many parts of the country, because francophones are not necessarily concentrated in large centres. Whether it's Manitoba, Alberta, or Saskatchewan, you'll have a sprinkling of small communities all over the countryside that are struggling with the connectivity issue.

The Chair: Thank you very much, Mr. Daniel.

Monsieur Nantel.

[*Translation*]

Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP): Thank you, Mr. Chair.

First I want to thank you for being here with us. In the current context, I can well imagine your concerns, Mr. Lacroix. I'm going to call you Hubert since you generally sign your communications with your first name only.

Hubert, you just mentioned the good ratings results you have obtained. I am happy to learn that the surveys mean I am right. As a Quebecker and French-Canadian from Montreal, I ardently defend what is referred to as the Radio-Canada brand. People say that it is in trouble right now but I don't know what they are talking about. I think that CBC/Radio-Canada programs, be it on radio or on television, are just as relevant as ever. As for ratings, the latest BBM surveys correspond to what you have just said.

I don't know how we can let Minister Glover say things like she said last April 9. She said among other things that the drop in the number of viewers was what explained CBC/Radio-Canada's difficulties. She also said this:

CBC/Radio-Canada has enough money to fulfil its mandate under the Broadcasting Act, and it is up to that organization to offer Canadians the programming they want, whether in English or French.

I would like to hear your comments on that. I think that a lot is being put on your plate here.

● (0955)

Mr. Hubert T. Lacroix: Mr. Nantel, I'm not going to interpret the minister's words; rather I will go back to the questions asked by Mr. Godin a few minutes ago, as well as the other questions of committee members about our level of service.

There is a direct relationship between the public broadcaster's funding level and the quality of the service it provides. The more financial resources are given it, the greater the repercussions on its mandate. In New Zealand there is no public radio and all television, practically, is commercial. In that case you have a \$21 per capita contribution. Is that what we want? However, if we want something that resembles the whole range of services the British receive, we have to know that there the contribution to public broadcasting is \$97 per person. There is clearly a direct proportional link between the funding public broadcasters receive and the level of service they provide. All of the that comes under an umbrella we call the mandate.

If we have \$5 per person to provide a service, we have to decide if that service is intended to inform, enlighten or entertain, for instance. And we will only have five dollars' worth of that. Then it will be up to us as a civil society to decide whether that is sufficient, to evaluate whether a reduction in service compromises our democracy, to see whether our information programs are less relevant, and so on. That is the debate.

We have a very broad mandate that has not been adjusted since 1991 and does not even mention new digital platforms. The mandate only refers to television and radio. Mr. Daniel was talking earlier about a transition toward digital. There is indeed a transition to digital. However, allow me to say that over 85% of the people who listen to us are still watching our television programs sitting in their armchairs, at the precise time when these programs are broadcast on television.

Mr. Pierre Nantel: Allow me to intervene. What you have just said corresponds perfectly to what most people concerned by the fate of CBC/Radio-Canada or engaged in this file feel.

However, you concluded your statement by mentioning that in 2020 you will have to be a more flexible public media organization that will be better able to adjust to changes in the habits of consumers of media. That seemed very relevant, but you also stated that you had to be a smaller and better targeted media organization. That concerns me. I feel that your slogan for 2015-2020 may have to be "Everywhere, a Little Bit" rather than "Everyone, Every Way".

You seem to be turning your back somewhat on that problem, which is very worrying. As you have just said there is a direct link between public funding and the services that are provided. However your statements seem fatalistic to me.

Mr. Hubert T. Lacroix: Mr. Nantel, it is not fatalism, but simply an observation.

The message I want to leave with you is the following one. On the one hand there are expectations from the public broadcaster; on the other hand, it has a mandate entrusted to it under the law. In the current economic environment, all of the actors who are players in the Canadian media ecosystem have access every year to a certain number of millions of dollars. We are sharing a publicity pie that is increasingly migrating to other platforms. The public broadcaster has an enormous mandate but its funding is constantly decreasing. That is where we have to make choices and that is why we have chosen to abandon sport, or just about. I find that deplorable because personally the sports service was my favourite.

• (1000)

Mr. Pierre Nantel: Is that not precisely the nature of generalist television? That is why I agree with you entirely when you defend your variety programming. The objective is that a program like *La semaine verte*, which is about agriculture, can be broadcast just before a game show about popular music, for instance.

The CBC/Radio-Canada problems we sometimes discuss and outline are the lot of any generalist broadcaster, are they not?

Mr. Hubert T. Lacroix: The answer is yes.

The Chair: Thank you.

Mr. Williamson, you have the floor.

[English]

Mr. John Williamson (New Brunswick Southwest, CPC): Thank you, Chair.

Mr. Lacroix, it's nice to see you again. I thank you and your colleagues for being here today.

I have a couple of comments, and mine will be a shotgun approach of a few questions. But I'll say off the top that I do appreciate the work that CBC and Radio-Canada do, particularly when it comes to minority language communities, in presenting a national platform for news so that we don't live in silos in our respective provinces across the country. I think one of your strengths is bringing news from different regions to different parts of the country. I see that in my home province of New Brunswick. I'm also aware of the good work you do in bringing news from western

Canada right into Quebec. I don't believe your competitors do that nearly as well.

Turning to a couple of questions, I'm curious to get your thinking around the mandate to connect Canadians, but at the same time you obviously have commercial pressures when it comes to programming. How do you determine which programs are going to make it to air when it comes to looking at changes and cutting them? For example, *Arctic Air* is one that I have recently noticed is being phased out or cut, but for a while it seemed to be getting some pretty good promotion on your network. That's just one example. I'm curious how your commercial mandate meshes with the need to connect Canadians globally.

Mr. Hubert T. Lacroix: Mr. Williamson, that is the most important question that our programmers ask themselves every day: Heather Conway, who leads our English services and Louis Lalonde, who leads the French services, and their teams. When they look at their television schedule, they have to contend with trying to balance a television schedule that is clearly differentiated or trying to differentiate itself from the commercial broadcasters, which means Canadian programs in prime time, which means *Marketplace* in prime time, which means public affairs.

If you look at what we do in French, you have *Découverte* on Sunday nights, you have public affairs, but something like *Enquête* now works with *Marketplace* more and more in developing stories that nobody else actually investigates because that's what we do. We look at the international piece because, as you probably know, we are the only ones who actually have a window for Canadians on the world, and the world on Canadians through Canadian eyes, so we look at this.

We then look at the cost of that particular slot, that particular program, that particular show, and what it will bring. We then balance that with respect to the resources that we have. People make calls on the interest that audiences have, whether those shows differentiate CBC enough, and whether they are still at the centre of our mandate.

Patricia, you are much closer to that than me. What would you add?

Ms. Patricia Pleszczynska: I was going to add that the choices about what to keep on the air, once they're on the air, are exactly as Hubert was describing.

One of the issues however is getting them on the air. As you certainly know, we don't produce drama in-house. Drama, and all fiction in fact, is produced with the contributions of the Canada Media Fund or the FMC en français. So that process in and of itself is a complex one, and it's an extremely complicated set of criteria that we have to follow in order to get our projects approved.

Even sometimes with programming that we are convinced would be a really good reflection of our country or would be a really good story line, if it's not accepted or if it doesn't factor into the criteria and the point system, we may not get that on the air because we are not using exclusively our own funding and therefore our own decision-making process to put those programs on the air. That certainly is attached to performance because one of the very important criteria in the CMF is performance on the air. It's a bit of a vicious circle in that, if you put programming accepted by the CMF on the air and it is not performing and you keep it there, then the following year your envelope is reduced in consequence. So that's where the fine balance between quality and popularity is a factor in our decision making.

• (1005)

Mr. John Williamson: Thank you.

Turning now to the local programming improvement fund, which I believe began in 2008, wasn't that meant to be phased out at some point? Is that correct? Can you provide some background on that?

Mr. Hubert T. Lacroix: I think it was supposed to be a bridge. I think the CRTC saw a hole in the way that local programming was done in the country. I think the people who actually had access to the fund, because it was not only us, it was anybody.... The criteria were there and if you met the criteria you were actually able to trigger some funding. I think it suited exactly what we did, so that's why I think we were successful in triggering funding from the local programming improvement fund.

The life of that fund was not determined at the beginning, and Jean-Pierre Blais knows this because I've repeated it many times. Jean-Pierre Blais is the chairman of the CRTC. For us, this was a really big disappointment and I think it was a very negative decision on what we and other broadcasters brought to support programming in the communities when they decided to get there. Frankly, it was a pass-on. On your cable bill you saw \$1.22 or something charged to Canadians to support programming in the different communities.

Mr. John Williamson: With the challenges, with some of the budgetary pressures you've seen, whether it's from some of the decisions that have been made in Ottawa or some of the market decisions that are much more recent, have you examined alternate funding models that don't involve either a tax or a forced levy, like the British TV tax for example, that you could consider as a way to boost revenues?

The Chair: Thank you, Mr. Williamson.

Monsieur Lacroix.

Mr. Hubert T. Lacroix: The funding models to which CBC could have access involve changing the model for everybody who is in there, because if you decide that we have access or a different access to the Canadian media fund, you're immediately impacting everybody else who has access to that fund.

If you decide that we are going ad-free, and let's say that the public broadcaster should be going ad-free, that's \$250 million to \$300 million a year. We give that back to the privates and the privates then have access to those advertisers and we don't. How are you going to then allow the public broadcaster to get those dollars back in a stable way? Is it going to be a government incentive, is it going to be a tax on your television set as in the U.K., or is it going

to be something on the new Internet providers so they'll have to pay some portion, as they did in Europe—in France and in Spain—a portion of some line in your P&L? All of these are available, but they involve having an open conversation and rethinking the whole of the model. This is not only a CBC/Radio-Canada situation, but is one in which we're directly involved.

When we went with the private broadcasters and sat for the first time—frankly, for the first time in our history, Mr. Williamson—with CTV and with TVA and with Rogers, we told the CRTC that this makes no sense, that value for signal is going to be important for the conventional broadcasters to live. That was a very strong signal.

Keith Pelley, who heads Rogers, was in front of the CRTC on the license renewals of Omni and of Citytv two or three weeks ago. The numbers he threw at the CRTC as to how much money they were bleeding on their conventional networks, he said, showed that this is not going to work and that the next people who were going to show up in front of the CRTC—CTV and Global—were also going to tell the CRTC that their conventional model doesn't work.

This is why this is something that needs to be addressed. As an industry, we're there, we're involved, and we're stuck in the middle. We don't have the platforms that the other broadcasters have, nor the integration that they have to support the conventional broadcaster.

• (1010)

The Chair: Okay, thank you, Monsieur Lacroix.

Monsieur Godin.

[*Translation*]

Mr. Yvon Godin: Thank you, Mr. Chair.

First of all, I must not forget to point out that today is May 1, International Workers' Day. I want to wish all workers a good day wherever they are in Canada. Without them, we would not have a country.

I'd like to go back to Ms. St-Denis's question. Hubert, I know you're not going to like the question, but I would like you to answer me about Mr. Ron MacLean. Is he going to continue Don Cherry's habit of insulting francophones? Since you are the big boss I'd like to know what you intend to do. As a public broadcaster you represent the country's taxpayers. It is becoming tiresome to see our communities and our people divided up in this way. It is unacceptable. Mr. Lacroix—and here I am going to call you Mr. Lacroix—it is your responsibility to call this person to order.

Mr. Hubert T. Lacroix: Out of all of this fuss around the comments made by Ron during the first game of the series, I have retained the fact that his comments were immediately corrected during the second game. He explained what he meant and mentioned that he had used the wrong words to express his thoughts. Everyone here has probably at one time or another spoken words that did not exactly match what they were thinking. That is what happened there. I read and heard Ron's apology in that context, and as far as I am concerned the matter is closed.

Mr. Yvon Godin: We just don't want to go through—again—what Don Cherry put us through throughout his career.

Mr. Hubert T. Lacroix: In a few weeks, Mr. Cherry will no longer be working at CBC. Rogers, which bought the broadcasting rights, has built its own crew and has invited Don Cherry and a few other members of the team to join. So the environment will be different.

Mr. Yvon Godin: I want you to understand the point I am trying to make. We are two peoples that have to get along, and these comments are inappropriate and don't help keep us united. It's unfortunate we had to wait for someone to retire to no longer have to hear their comments against francophones. We saw what just happened in the United States sports world. The league did not wait for that 80-year-old man to retire before doing something about his behaviour. That's all I will say about this, since we have other fish to fry.

As this is the Standing Committee on Official Languages, I want to discuss programming cuts again. I am looking at the table you submitted to us. Cuts in regions with official language minority communities are hurting us. Nothing further needs to be said about this, as you know what is happening and understand it. A Radio-Canada group, which includes Céline Galipeau, even sent a letter that states something along these lines:

Over the years, we have perfected and reinvented our methods in order to become more efficient. However, we are reaching a breaking point. These cuts will definitely affect our programming and our news bulletins.

It's clear. People can see it, and they know how much the cuts are hurting.

Let's look at the table you distributed and see what groups are affected. In Saint John, New Brunswick, one francophone is affected, but no anglophones. In Moncton, seven francophones are affected, but no anglophones. In Victoria, one francophone is affected, but no anglophones.

Let's now consider the overall cuts. On the anglophone side, at CBC, 334 positions are being eliminated. On the francophone side, at Radio-Canada, 323 positions are being cut. Among the 33 million to 35 million Canadians, there are probably 8 million francophones, but the number of francophone and anglophone positions cut are the same.

I want to make sure that you understand my point. I didn't want there to be any cuts at Radio-Canada. My anger, my defence of Radio-Canada and my opposition to the cuts are due to the fact that this is my favourite television station. That's what I watch. That's what we in Acadia care so much about. Without Radio-Canada, we would have had precious little. This means that I really care about it very much.

However, I see an imbalance in these cuts. Doing away with seven francophone positions in Moncton will hurt the programming. I could spend all my floor time stressing how much that imbalance in the cuts made by the crown corporation is hurting us.

Céline Galipeau, a very respectable individual, and 17 others who signed the letter said that they are reaching a breaking point. Are they wrong? Are they not telling the truth? Is that not what the future holds? Your duty is to defend the crown corporation. You are trying to do two things at the same time. On the one hand, you are in charge of a crown corporation. On the other hand, you are complaining

about the government cutting part of your funding, which comes out to \$29 per person, while that amount is higher in other countries. That really hurts. The situation is bad, not only for Radio-Canada, but also for Canada's public broadcaster as a whole. Where is all this headed?

• (1015)

Mr. Hubert T. Lacroix: I'm pleased to see that you watch our programming. I invite you to continue to do so.

Mr. Yvon Godin: Don't worry, I am watching.

Mr. Hubert T. Lacroix: I will start with that.

Mr. Godin, the table does indicate that seven positions will be cut in New Brunswick. However, I don't want to start saying that five positions are being cut in Toronto or elsewhere. In fact, they are many more than that. An important point about the environment we are currently facing is that the cuts will hurt CBC/Radio-Canada. Cuts of \$82 million are being made at CBC, and the Radio-Canada budget is losing \$42 million or \$43 million.

The number of positions affected is indicated. You say that practically the same number of positions are being cut on the French side and on the English side, and that seems like an imbalance to you. However, that is explained by the production models and the choices we are making. For instance, at Radio-Canada, we do more production in house.

Don't forget that 60¢ on every dollar invested in CBC/Radio-Canada is used to pay wages. If we have to make these kinds of cuts, full-time positions will clearly be affected. We don't have machines that make glasses or chairs. Our employees are highly talented individuals involved in programming. On each dollar invested, 60¢ is used to pay wages.

I want to come back to what you said. I remind you that the cuts at CBC amount to \$82 million and those at Radio-Canada amount to \$42 million. We are talking about significant cuts. I repeat that we have a very broad mandate and are increasingly underfunded. The mandate will be negatively affected by that lack of funding. However, we think that our mandate is behind the cuts we are making.

When Patricia sits down with Louis Lalonde, who tells her that she needs to come up with x millions of dollars and asks her how she will do that, she takes into consideration the minority communities and the regions. The same goes for Shelagh. Maybe she can talk about the process that leads to these decisions.

The Chair: Thank you. I must now turn the floor over to Mr. Gourde.

Mr. Hubert T. Lacroix: Okay. We will use another question to give you that information.

The Chair: Very well.

Mr. Gourde, go ahead.

Mr. Jacques Gourde: Thank you, Mr. Chair.

France Belisle, your director of communications and public relations, said that the job cuts were related to a drop in your revenues, and not to political factors.

Can you explain to us what she meant by that?

Mr. Hubert T. Lacroix: The cuts we announced on April 10 stemmed from a number of market-related factors.

Those factors included the loss of broadcasting rights for hockey, given the importance hockey had not only at CBC, but across our corporation. That affected CBC's programming and the way it sells advertising. Hockey also helped Radio-Canada, in the sense that many of those who advertised on CBC would usually buy advertisement across our corporation.

Add to that the wage freeze announced by Mr. Flaherty in his economic statement last November.

A whole host of factors are involved and add up to \$130 million, which is further to the \$390 million I mentioned in my opening statement. So, as a result of a combination of factors, we no longer have the necessary leeway to do anything other than implement the cuts you are seeing.

• (1020)

Mr. Jacques Gourde: Some 40 years ago, when I was young, we had two television options. On the one hand, we had Radio-Canada, and on the other hand, we had TVA and also....

Mr. Hubert T. Lacroix: CFTM.

Mr. Jacques Gourde: Over the years, Radio-Canada has become one of our preferred choices.

Today, young people in the 10 to 25 age group have so many options, which will shape their viewing habits going forward.

How will Radio-Canada attract those young viewers and maintain its ratings? If you lose the next generation of viewers, it will be difficult to remain on top in terms of ratings.

Ms. Patricia Pleszczynska: If I may, I will provide an example. We are perfectly aware of this transition period I was talking about earlier. On the one hand, we have a generation that is still very loyal and uses traditional platforms to consume media and entertainment content. On the other hand, we have a new generation that is increasingly using digital platforms. To an extent, that generation is completely wireless. It is referred to as the cord-cutting generation. It doesn't consume any media on traditional platforms.

I will give you a little example to show how we are trying to balance all this out and build some sort of a bridge between those two generations or realities that exist in the country.

On Tuesday, we launched a new documentary series on the radio—on the ICI Radio-Canada Première network—about the war of 1914-1918. Those are five episodes we will broadcast starting in mid-May. This is an excellent series narrated by Claude Legault. Traditionally, we would have promoted it for several weeks leading up to its premiere. What we did instead is put it on the web. That way, it is available immediately, all at once, for those who prefer to use a digital platform and who would perhaps never listen to it on the radio otherwise.

That's one of the ways we have tried to build a bridge between the generations, or rather between user types. It's more appropriate to talk about two different types of users rather than generations defined by their age, since that reality applies to people of all ages.

Mr. Jacques Gourde: You have managed to broadcast the program *Tout le monde en parle* both on the radio and on television. That's very practical for people who have to travel on Sunday night.

Could the same approach be used for other shows? That would give Canadians more opportunities to tune in.

Ms. Patricia Pleszczynska: Radio is its own medium, as is television. This is working in the case of *Tout le monde en parle* because the show is based on conversation. That program is not based on visual content, but on conversation.

What defines the radio is the human voice, the conversation, the exchanges. That's why we decided to broadcast this program over all the others. We felt this was must-see Sunday night programming on Radio-Canada television. On Monday morning, everyone talks about it, everyone discusses what they watched the previous evening. So our strategy was to try to use this to ensure an audience. Despite all the love I have for ICI Radio-Canada Première, the network I manage, I have to admit that, if you are listening to the radio on a Sunday night, you probably have no interest in television, you are on the road or you have no access to a television set. So that was a way to provide the service to those who want to catch this not-to-be-missed programming for francophones in Canada.

Mr. Jacques Gourde: I congratulate you on this initiative. Many Canadians, like myself, spend several hours a week on the road, and that's a special time to tune in to Radio-Canada's programs on the radio. I must say that I listen to that radio station a lot. They do a pretty good job. The programming is very interesting. It allows us to spend several hours on the road without feeling the weight of time, while also being informed.

• (1025)

Ms. Patricia Pleszczynska: Thank you very much.

Mr. Jacques Gourde: Thank you.

Ms. Patricia Pleszczynska: I will pass on the compliment.

The Chair: Thank you.

The floor now belongs to Mr. Nicholls.

[English]

Mr. Jamie Nicholls: Ms. Kinch, in a moment I'm going to ask you to confirm if these 10 job cuts in Quebec are the only ones that will be made, but before I do that, it being May 1, I want to note one worker in particular who is today out of a job, who is Pierre Landry.

Pierre Landry in CBC Montreal is a man who announces important cultural happenings in Montreal. He just recently won the ADISQ cultural columnist of the year award. Mr. Landry was a man who promoted francophone music to the anglophone population of Quebec, bridging the gap between the solitudes, and Mr. Landry's contributions go directly toward the mandate of promoting official languages. Anglophones in Montreal are largely employed in the cultural sector, and this cut, this loss of Mr. Landry on the airwaves, will harm our community.

I can just tell you the voice of the people, Kelly Greig, says:

Huge hugs today for @PierreLandry. An amazing reporter, mentor, deskmate and friend who I had the honour of working with on @cbcHomerun.

Nicolas Boullé states:

Sad to hear that @PierreLandry will be no longer the culture reporter of Homerun on CBC.

Emily Skahan comments:

Crushed to hear CBC terminated the BEST person they ever hired. No one cares more about the artistic integrity of Mtl than @PierreLandry.

And then there's Steve Faguy, who asks:

So who, other than Pierre Landry, is getting laid off from CBC in Quebec? I'm making a list.

[Translation]

I will go on:

All my thoughts go out to @PierreLandry a former colleague from @MusiquePlus whose position was cut at CBC. You did a good job, good luck!

[English]

Steve Rukavina notes: I couldn't believe this when I heard it...anyone who listens to CBC knows you are one of the best we have...these cuts hurt.

Tanya McGinnity says: WHAT? WHAT? WHAT? NO. Not pierrelandry. He's a cultural icon here in Montreal.

And Steve Rukavina continues: Just unbelievably sad to be losing dedicated, friendly, fun colleague Pierre Landry to cbccuts.

This is just to put a face.... We're talking about numbers here in committee but there are people there who have contributed to the mandate of CBC who are losing their positions today and will continue to lose across the country, and that's going to harm our community in Montreal.

I could keep going on and on with the tweets, but Ms. Kinch, can you confirm to us that these 10 cuts will be the final ones to be made to English services in Quebec?

Ms. Shelagh Kinch: I can't tell you how much I agree with you that Pierre Landry is a loss. This was not an easy decision to make. It did not come simply. There was a lot of discussion about it, and we were very sorry to have to end his contract. As I said, it wasn't simple.

We have a very large cultural arts unit within CBC Montreal, and we do believe in cultural and arts programming, and we will continue to fulfill that mandate. We already have, as you know, programs that do that, specifically, *A Propos* with Jim Corcoran and *C'est la vie* with Bernard St-Laurent. Those shows have not been cut. We've preserved those programs. We will continue, as I said on *Homerun*, to be able to provide that strong cultural content. As well, we have Brendan Kelly on *Daybreak* who also plays that role.

Yes, Pierre Landry is a big loss. I absolutely agree with you, but we are still committed to our mandate of providing cultural programming.

Mr. Jamie Nicholls: I'm just worried. Pierre Landry was crucial in mentioning events that were going on around town for people to go and check out. So it will be a big loss.

Ms. Shelagh Kinch: That won't be lost.

Mr. Jamie Nicholls: You mentioned that those are the cuts to be made now. Does that imply that there will be further cuts down the road beyond these 10?

Ms. Shelagh Kinch: You know what? I can't predict, and I'm actually going to pass that question to Hubert.

Mr. Hubert T. Lacroix: Mr. Nicholls, first off, I thank you for putting a face on this, because when I look at this, I look at numbers, but every morning when I wake up, I realize that we've just affected the lives of 647 people, and the administrative assistant who just lost her job is as important as Pierre. The person, the technician who lost his job, who allows a Céline or a Peter Mansbridge to be able to deliver, is as important. There are 647 stories today of people who are affected. Those are the choices we have to make. My mandate is to ensure that we have a balanced budget. Those are the choices. They come with it, and we have to balance—and I think Shelagh's comment is important—whether we are still going to be able to meet the mandate and deliver and tell you what's going on in Montreal, and, if the answer is yes, how we are going to do this differently. That's the answer to your question.

• (1030)

The Chair: Thank you very much.

Mr. Daniel.

Mr. Joe Daniel: Thank you, Chair.

Thank you, witnesses, again.

Following on from my previous discussions, how do your workforce costs compare with those of some of the other broadcasters?

Mr. Hubert T. Lacroix: That's a difficult question, because the other broadcasters don't have to put up any numbers. It's so integrated that I don't know what the costs of the workforce at, for example, CTV or Global are. So I can't answer that question except by guessing, and I'm not going to guess.

Mr. Joe Daniel: No problem.

During your last appearance in front of this committee back in January of 2013, you spoke about the activities that the CBC would undertake for the 150th anniversary of Canada. Can you give us an update on these activities and where you're going with that?

Mr. Hubert T. Lacroix: The 150th anniversary is a key part of the mandate and what we think we should be doing for Canadians. As you know, we started that conversation with a number of meetings across the country. We put that into a book. We have offered our minister access to all of the information that we have so that if she wants to, she can tap into this, and actually help map out the kinds of activities.

I could update you later on, because I don't have that information in front of me. As to where we were, I think we've parked a few things just to see how these numbers fall and how these cuts fall, but the 150th is something that is germane. It's central to what we do, and we understand that.

Mr. Joe Daniel: I'm now going to come back to my thing about education and engineering, and stuff like that. Clearly, you're going to be transitioning from existing infrastructure to newer infrastructure that you will need for the future. I'm really looking to see what your plans are in actually making that transition.

Mr. Hubert T. Lacroix: This is a complicated question, and I'm not simply saying it's a complicated question to make the answer more difficult. We are literally trying to drive a car on the highway in the third lane as fast as we can to keep up with what's going on in the world and changing the tires at the same time because we can't park the car as all of these technologies are changing.

We told you a few minutes ago that people are still watching live television. More than 80% of Canadians, 85% of Canadians, are watching it in a linear way, so we can't take all of the infrastructure and shift it over. The timing, the metrics, the indicators that we have, and that we are following to make sure that when we decide that we're no longer over the air but we're all digital, for example, either on television or radio, over time—and we're talking years now, not months—are what we look at based on research of Canadians, based on habits, based on information, and based on new technology.

I keep telling people that in Vancouver at the Olympics there was no iPad. That was not 40 years ago; that was 2010. There was no iPad in the context of the Olympics, so that's why we can't decide that we're shifting too fast or too slow. That's our challenge. That's what we do every day.

Mr. Joe Daniel: In terms of the funding model you are looking at against other countries, have you actually taken a look at how their geography and population is impacted, given that Canada is such a large country and is spread over such a large area with a relatively small population compared to many of these countries?

Mr. Hubert T. Lacroix: The answer is, absolutely. In the context of the next strategy, we've spoken to 11 or 12 broadcasters at length. I have a special relationship with Mark Scott, who is the head of ABC, the Australian Broadcasting Corporation. Of all the countries in the world, Australia is closest to Canada. It is a big country, populated on its borders, with important aboriginal roots, and with very important and dedicated immigrants. If you look at it, it is spectacularly similar to ours. They have challenges. We speak all the time. I'm supposed to see him in a month or so.

With the BBC, we also have a spectacular relationship and we share our research, and obviously, France Télévisions.

We can't think of the public broadcaster in Canada as being alone on an island. With the people that are there, we have constant conversations. We share our knowledge, our challenges, our breakthroughs. We show numbers. We exchange information on technology. We do this on a daily basis.

• (1035)

The Chair: Madame St-Denis.

[Translation]

Ms. Lise St-Denis: I would like to come back to the program *Tout le monde en parle*. As we know, that's a privately produced program. Is the fact that the show is so popular and is also being broadcast on the radio an economic advantage or disadvantage for Radio-Canada? I assume that you buy the rights. Is the cost lower for you because you're also broadcasting it on the radio? Is that beneficial? Could that contribute to regional radios, owing to the cumulative budget?

Ms. Patricia Pleszczynska: No, it's not an advantage. Doing that certainly does not reduce our costs. Naturally, we can't just broadcast a program like this one without some sort of packaging. Another thing to keep in mind is that there is no advertising on ICI Radio-Canada Première. The network is not a source of revenue. So we have to adjust by broadcasting the program during periods when ads are on television.

However, that's not a model for the radio. The radio turning into television without images is certainly not a model for the radio, nor is that our intention.

I explained to you the very particular context of that program. It's really only under those circumstances that, in our opinion, it was worth our while to test the model to determine whether this audience could be served in such a manner. However, there are no financial benefits to that approach.

Ms. Lise St-Denis: Oh, okay.

Is there reason to hope that all those position and programming cuts in the regions you talked about are temporary, or are they final? Could those cuts be reversed through some changes in production practices, or is it all final?

Ms. Patricia Pleszczynska: The decisions we had to make this year are final. We had to make the difficult decision to abolish local animation on Espace Musique, and I do not see that decision being reversed. We hoped to carry out this project in several steps. We even hoped to add musical programming to the animation. However, we did not have the means to do so. Two years ago, when the DRAP was implemented, we had to cut afternoon animation. That's the last cut for Espace Musique in the region. We cannot reverse that decision.

The same goes for the regions of Quebec. We did not mention this earlier, since it does not relate to official language minority communities. However, in Quebec, we had to cut three Saturday morning programs and regionalize the Saturday morning programming. That's part of the very difficult choices we had to make in a context where the funding is not being increased. The radio generates no advertising revenues.

I feel that it is impossible to reverse the decisions that affect the regions and the radio.

Ms. Lise St-Denis: Since national hockey is no longer being broadcast, have you thought about promoting television programs on amateur sports?

Mr. Hubert T. Lacroix: As I explained a few minutes ago, the programs on our schedule are selected based on a large number of criteria. The programs' ability to generate revenue for CBC is important.

When we announced we would no longer pursue the rights for professional sports, we also said that we could no longer afford to broadcast amateur sports that cost us money. So if we were able to find a model that allowed us to cover amateur sports without negatively affecting our finances, we would do so.

Of course, CBC has covered amateur sports a lot over the years. That being said, this is another decisions we are making. We will provide less coverage of those sports.

The Chair: Thank you.

[*English*]

The last word goes to Mr. Williamson.

• (1040)

Mr. John Williamson: Thank you, Chair. Thank you, again, for the opportunity.

I feel the need to raise a couple of issues in light of the support you have from the official opposition in particular about the importance of the CBC. Particularly after Mr. Godin's comments with respect to asking you to effectively censor one of your on-air personalities, I'd be curious to get your comments.

My view is that if there is indifference to the CBC across the country, it's because at best you're a network that appeals to only half of the nation.

Mr. Nicholls just read off some tweets from May Day. If we wanted to have this meeting yesterday, on tax filing day, I could have read off some tweets from outraged taxpayers when it comes to their tax bills and a desire not to pay.

I'd like you to comment a bit. One of the issues I have with the CBC is my concern that while you're committed to a diverse workforce, you don't seem to be committed to a diversity of opinion within your news gathering and your on-air commentary. I think until you resolve that, there's, at best, going to be broad support for the CBC in half of the country, and, frankly, indifference in the other half of the country.

I'd invite your comments.

Thank you.

Mr. Hubert T. Lacroix: Monsieur Williamson, diversity of opinion, diversity of voices, is something that Jennifer McGuire, who is the editor in chief of CBC, and Michel Cormier, who does that in French, are focused on. They report on it on a regular basis at the board level and in the context of the indicators that we have through the programs and our journalistic standards. Diversity of opinion is what we think differentiates us from just about anybody out there.

It is at the heart of what we do with information. It's monitored. It's reported on. It's researched.

We actually ask Canadians, in the context of surveys that we do, whether they think we reflect diversity of voices. Obviously one has

different opinions, and maybe one day I will be able to change your perception. But I can assure you that diversity of voices is key to the delivery of information at CBC/Radio-Canada.

Do you want to add something to that?

Ms. Patricia Pleszczynska: I will add perhaps simply that not only is it monitored, but certainly on Radio Canada—and I think it's the same thing at CBC—we have also managers who have been in fact assigned the responsibility of working with our teams to ensure that it is monitored. Every time that we have major events such as elections, outside teams are brought together, so that we have advisory groups, panels of citizens, who help us monitor the way in which we do our work.

Mr. Hubert T. Lacroix: As you know, Mr. Williamson, we're the only organization in the country that has an ombudsman on the English side and on the French side. If you look at the rulings of the ombudsman, the ombudsman takes a very important role, and has a very important role in being completely independent from the system, and applies the rules, and when they see something that is not according to our journalistic standards, they will call us on it.

Mr. John Williamson: I agree that on election night your panels come together from across the country and you bring in outside viewpoints. What do you say to the numerous critics you have who say that when it comes to political reporting, the CBC is just a left-Lib. echo chamber? There is no ideological diversity of opinion. I mean, I could go through the hosts you have here in Ottawa and highlight the Evan liberal, Rosie liberal, Terry über-liberal.

I'm not talking big-L; I'm talking small-l here. I think a number of years ago, a former colleague of mine, we worked at the *National Post* together, Ezra Levant, appeared before the CBC board and challenged it with, "Can you identify a single small-c conservative voice you have in your outlet?" I think they pointed to Don Cherry—and Ezra rightly chuckled at that because of course he was doing hockey commentary—and as you just pointed out, he'll be on his way out shortly.

Even by that measure, you're losing perhaps the one conservative voice you have in the outlet. Again, I'm talking small-c; I'm not talking a partisan Conservative.

The Chair: Thank you very much, Mr. Williamson. I'll allow Monsieur Lacroix to respond.

• (1045)

Mr. Hubert T. Lacroix: Mr. Chairman—

The Chair: Point of order from Monsieur Godin.

[*Translation*]

Mr. Yvon Godin: There is a difference between broadcasting news and comments, and insulting people.

Thank you.

[*English*]

The Chair: Thank you, Mr. Godin, that was not a point of order.

I will give the last word to Monsieur Lacroix.

Monsieur Lacroix, go ahead.

Mr. Hubert T. Lacroix: Mr. Chairman, I'm not going to go through—because we have 40 seconds—the different pieces of what we do and name people because I don't frankly know which colour, which political party, our journalists actually vote for when they are in their box.

Their job, and this is what differentiates us from everybody else, is to bring diversity of opinion, diversity of voices to Canadians—and to challenge. It's extremely important. Our managers know this. We have indicators that follow it, and when we feel that we don't do the job, we correct it.

The Chair: Thank you very much.

Monsieur Lacroix, Madam Pleszczynska, and Madam Kinch, thank you for your testimony.

I appreciate all of the comments and questions from the members of the committee.

This meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>