

23 July 2020 Filed via GCKey

Claude Doucet

Secretary General

Canadian Radio-television and

Telecommunications Commission

Ottawa, Ontario

K1A 0N2

**Subject:**  **Reply of CBC/SRC to the 13 July 2020 Interventions regarding CBC/SRC’s 12 June 2020 filing of additional financial information; Applications # 2019-0280-0, 2019-0279-2, 2019-0282-5 and 2019-0281-7.**

Dear Mr. Doucet:

1. This constitutes the Reply of CBC/Radio-Canada to the interventions commenting on our
12 June 2020 filing of additional financial information. Appendix A contains a list of intervenors. In accordance with Broadcasting Notice of Consultation CRTC 2019-379-3 we are limiting our Reply to those comments which relate strictly to the 12 June 2020 information filing.
2. Intervenors have raised three main areas of concern:
3. The nature of the information provided by CBC/Radio-Canada;
4. The scope of CBC/Radio-Canada’s mandate; and
5. The effects of the pandemic on CBC/Radio-Canada’s financial situation.
6. We discuss each of these areas, in turn, below.

**The Nature of the Information Filed**

1. In its original Application and in its subsequent deficiency responses, CBC/Radio-Canada filed extensive and comprehensive information regarding its licence renewal proposals. We filed this information in the format and using the time-frames requested by the Commission. The Commission did not request any additional information. Nonetheless, in response to the 20 February 2020 interventions of interested parties, CBC/Radio-Canada offered to provide additional financial information regarding its digital activities in order to provide parties with a broader perspective as to the Corporation’s operations. That additional information was filed on 12 June 2020 and it is the subject of this stage of the current proceeding.
2. In response to the Corporation’s 12 June 2020 filing, many parties have asked for much more additional, detailed information – both financial and other information – regarding
CBC/Radio-Canada’s digital activities. Some parties have also asked that the financial information provided by CBC/Radio-Canada be expanded upon by providing it over an extended timeframe. Parties have asked that all of this new information be provided to the Commission and that it be made publicly available.
3. CBC/Radio-Canada strongly opposes these suggestions.
4. As noted above, the Corporation has provided the Commission with all of the information the Commission has asked for, in the form requested, and for the time periods requested. The licence renewal process is a regulatory process whereby the Commission gathers the information it needs in order to properly assess the proposed licensing framework for CBC/Radio-Canada. That is what the Commission has done. Nothing more is required. It would be regrettable for the process to become a fishing expedition for competing broadcasters and other stakeholders.
5. CBC/Radio-Canada also notes that no broadcaster – Canadian or foreign – has been required to provide to the Commission and publicly disclose the type of detailed financial information regarding exempt digital services that interveners are suggesting CBC/Radio-Canada should be required to provide. Given this fact, it would be unfair and competitively harmful to CBC/Radio-Canada if it were to be the sole broadcaster required to provide such information. It may be that in the future, under a revised version of the *Broadcasting Act*, such information may be requested from all broadcasters participating in the Canadian broadcasting system. But until that time, neither CBC/Radio-Canada nor any other broadcaster should be singled out and expected to provide what no other broadcaster has to provide. The unfairness and resulting prejudice of such an approach is obvious.

**CBC/Radio-Canada’s Mandate**

1. Several intervenors have raised questions about the scope of CBC/Radio-Canada’s mandate under the *Broadcasting Act*. They base their questions on the 12 June 2020 financial information which identifies at an aggregated level the Corporation’s revenues and expenses on exempt digital services and
non-regulated digital activities. This information was provided as a courtesy so as to permit the Commission and interested parties to have an overview of the Corporation’s activities and, therefore, obviate the need for speculation about CBC/Radio-Canada’s financial circumstances.
2. As the Commission is aware, the CRTC’s mandate under the *Broadcasting Act* relates to the regulation of the Canadian broadcasting system. It does not extend to the non-broadcasting activities of CBC/Radio-Canada or any other broadcaster. Consequently, the questions raised by intervenors regarding CBC/Radio-Canada’s mandate are beyond both the scope of this proceeding and the scope of the Commission’s mandate under the *Broadcasting Act*. Such questions are irrelevant to this process.

**The Effects of the Pandemic**

1. Many intervenors have identified the significant uncertainties created by the pandemic which reached Canada this past winter. In particular, these intervenors have emphasized the implications of the pandemic for CBC/Radio-Canada’s financial position and its ability to meet its regulatory obligations and its operational goals.
2. CBC/Radio-Canada agrees with intervenors that the pandemic is having and will continue to have significant impacts on the Corporation’s financial situation. For example, advertising revenues have fallen significantly and may fall further in coming months. The challenging reality is that no one knows when the pandemic will end and what the full effects of the pandemic will be in the near, medium and long term. Canada – and the rest of the world – continue to be in a state of profound economic fragility and uncertainty.
3. Given this reality, CBC/Radio-Canada cannot provide any meaningful predictions regarding its future financial circumstances. No clarity for projections is likely before at least 18 to 24 months. And even then, any economic and financial predictions will be tentative, at best. Consequently, we strongly reject the suggestion that the CBC/Radio-Canada should be required to provide pandemic-updated financials. Such information would be highly speculative given the unpredictability in the course of the COVID-19 pandemic, and likely will be outdated as soon as it published.

**Conclusion**

1. CBC/Radio-Canada recognizes the challenges facing intervenors regarding the uncertainties associated with the Corporation’s licence renewal proposals. Those uncertainties are the direct result of the limitations of the current statutory framework, together with the totally unexpected and grievous effects of the pandemic on Canada and every country in the world. In our view, those uncertainties cannot be resolved in the ways suggested by intervenors.
2. CBC/Radio-Canada should not be competitively prejudiced by being required to provide digital service information that no other broadcaster, including foreign over-the-top (OTT) services, is required to provide. Furthermore, no benefit can possibly be obtained by requiring speculative projections regarding the effects of the pandemic – an event that remains in full flux and with a totally unknown future.
3. In light of these realities, CBC/Radio-Canada opposes the requests of intervenors for any additional information.

Yours truly,



Bev Kirshenblatt

Executive Director, Corporate & Regulatory Affairs

cc: Intervenors

Céline Legault, CRTC Senior Broadcasting Analyst

Tina-Louise Latourelle, CRTC Senior Broadcasting Analyst

**Appendix A**

**List of Intervenors**

Alliance des producteurs francophones du Canada (APFC) – Carol Ann Pilon, Directrice générale, capilon@apfc.info

Alliance of Canadian Cinema, Television and Radio Artists National (ACTRA) - Marie Kelly,
Executive Director, mkelly@actra.ca

Alliance québécoise des techniciens et techniciennes de l’image et du son (AQTIS), l’Association des réalisateurs et réalisatrices du Québec (ARRQ), la Société des auteurs de radio, télévision et cinéma (SARTEC) et l’Union des Artistes (UDA) – Mylène Cyr, Directrice générale, mylene@arrq.quebec

Association québécoise de la production médiatique (AQPM)– Hélène Messier, Présidente-directrice générale, hmessier@aqpm.ca

Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ) – Solange Drouin, Vice-présidente aux affaires publiques et directrice générale, sclaus@adisq.com

Canadian Association of Broadcasters (CAB) – Sylvie Bissonnette, CPA, CGA Vice-President, Finance & Administration and CFO Vice-présidente Finances et administration et ASAF, sbissonnette@cab-acr.ca

Canadian Media Producers Association (CMPA) – Kelsey McLaren, Senior Director, Regulatory & Copyright, Kelsey.mclaren@cmpa.ca

Director's Guild of Canada (DGC) – Dave Forget, National Executive Director, dforget@dgc.ca

Electronic Earth, Sean Young, Founder & President, mailto: sean@electronicearth.ca

Forum for Research and Policy in Communications (FRPC) – Monica L. Auer, M.A., LL.M., Executive Director, execdir@frpc.net

FRIENDS of Canadian Broadcasting – Jim Thompson, Communications Director, jim@friends.ca

John P Roman, johnphiliproman@gmail.com

On Screen Manitoba – Nicole Matiation, Directrice générale, nicole@onscreenmanitoba.com

Quebecor Media Inc. (QMI) – Peggy Tabet, VP Affaires réglementaires, tabet.peggy@quebecor.com

Writers Guild of Canada (WGC)– Neal McDougall, Director of Policy, N.McDougall@wgc.ca

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