



Canadian Association of Broadcasters
Association canadienne des radiodiffuseurs

Via comment/intervention/answer form

October 23rd, 2012

Mr. John Traversy
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Mr. Traversy:

Re: *Broadcasting Notice of Consultation CRTC 2011-379-5 Licence renewals for the Canadian Broadcasting Corporation's (CBC) French- and English-language services - Information on Revised Programming Budgets - Intervention of the CAB CEO Radio Council regarding additional information filed by the CBC on October 12th, 2012*

1. The Canadian Association of Broadcasters CEO Radio Council (The Radio Council) is pleased to submit its intervention regarding the revised programming budgets provided by the CBC on October 12th, 2012.
2. In its initial intervention on the above matter, the Radio Council filed a statistical analysis of the CBC's application prepared by Communic@tions Management Inc. (CMI). We requested that CMI review and prepare an analysis of the additional information filed by the CBC on October 12th, 2012.¹
3. CMI's analysis reveals that the revised programming budgets raise a number of specific issues.

¹ A statistical profile of CBC/Radio-Canada, Supplementary Report, compiled by Communic@tions Management Inc., October 23, 2012.

4. First, the revised programming budgets filed by the CBC reveal that as a result of cuts to its Parliamentary appropriation, CBC's senior management made the following strategic decisions in relation to the CBC's English conventional television service. It determined that this service should:
 - Have a greater reliance on advertising;
 - Incur a drastic cut of 31 percent to its spending on news and
 - Significantly increase its spending on sports (more than a 20 percent increase).²
5. These changes have been proposed by the CBC despite evidence that increased spending on sports does not yield a corresponding increase in advertising revenues. Moreover, CBC has not offered any explanations as to how it will achieve projected advertising revenues while decreasing its overall spending on programming.
6. Second, with respect to CBC's French conventional television service, CBC's senior management made the following strategic decisions:
 - Have a greater reliance on advertising;
 - Effect no drastic cut to news; and
 - Decreased spending on sports.³
7. Once again, the CBC has not offered any explanations or evidence as to whether it can achieve projected advertising revenues in the face of decreased spending on its programming.
8. The Radio Council believes that the CBC has sufficient funds to operate its core services without draining funds from its radio operations or its news programming. Moreover, we question how significant increases in incremental spending on sports programming will support their English television service, since this spending clearly does not produce an incremental 'surplus'.
9. Finally, the prospect that the CBC may not be able to achieve its projected advertising revenues in the face of programming cuts reinforces our deep concern that any shortfall might be addressed by future attempts to add advertising, both national and local, to other services such as Radio One and La Première Chaîne. This would have a significant impact on commercial radio in

² CMI, p. 3.

³ CMI, p. 5.

Canada and would dramatically impact the diversity of radio voices in the Canadian broadcasting system.

10. All of which is respectfully submitted.

Your truly,

A handwritten signature in black ink, appearing to read "PSK", with a small dot at the end.

Paul Ski, Chair
CAB CEO Radio Council

Cc: Regulatoryaffairs@cbc.ca

Attachment