Overview of CBC's Annual Report to the Canadian Radio-Television and Telecommunications Commission For the Broadcast Year 2001-2002

1. Background

The requirement for CBC to report to the Commission in an Annual Report addressing our main operations flows from the CRTC's January 6, 2000 licence renewal decisions (CRTC Decisions 2000-1, 2000-2 and 2000-3). This reporting requirement covers the following CBC services:

- English Television Network and stations;
- French Television Network and stations;
- English and French Radio Networks; and
- Newsworld and Le Réseau de l'Information (RDI)

In granting full 7-year licence terms to these services, the Commission imposed a number of conditions of licence, requirements and expectations. The decisions also require us to file an annual report on our performance by November 30 of each year, addressing our performance in the broadcast year ending August 31st.

In the following pages we provide a summary outlining where the CBC services stand with respect to the requirements that were set out in the Commission's renewal decisions.

Overall, we are very pleased with our performance in 2001-2002 and we therefore take considerable satisfaction that CBC has, for the second year in a row, an excellent report card to present to the Commission.

The decision of the federal government to provide CBC with additional one-time funding of $60 million for each of the last two years has had an immediate, positive impact on programming. We have kept our commitment to government that 100% of these funds would be spent on programming initiatives within our radio and television services, a factor which has played a critical role in ensuring that the Corporation is able to further advance its public broadcasting mandate.

Our English Radio and Television Network services, French Radio's La Première chaîne, and Newsworld and Le Réseau de l'Information (RDI) are all fully in compliance with their conditions of licence, and they have also fully addressed the requirements and expectations set in the renewal decisions.

In addition, our Television services, which are required to report on the majority of the areas and issues set out in the Commission's renewal documents, have again this year demonstrated that they have met and in many instances considerably exceeded the Commission's requirements and expectations in a variety of important areas.

The French Radio service La Chaîne culturelle has been fully compliant with its conditions of licence, except for a small shortfall in meeting its Canadian content requirement for category 2 music. The Network has identified reasons for this shortfall and has put in place additional monitoring measures to ensure full regulatory compliance for future reports.

2. A Summary of Our 2001-02 Performance

a. The Radio Services

English Radio

English Radio has met or exceeded all of its conditions of licence for the second year of its licence term.

English Radio has fully met or exceeded the Canadian content requirements for both category 2 and category 3 music, for both its Radio One and Radio Two services.

The Commission's renewal decision also required the Corporation to report progress in terms of extending its Radio Two service to 50% of the English language populations of each province within two years, and to 75% of the English-language Canadian population generally, within that same two year period.

With the addition of the Corner Brook Radio Two transmitter that went on air in May 2002 to bring Newfoundland's coverage to meet the 50% expectation, all provinces now exceed the 50% requirement established by the Commission in the January 2000 renewal decision.

New transmitters that signed on in 2002 in Mulgrave, Nova Scotia, and Quebec City and Sherbrooke, Quebec, mean Radio Two is now available to at least 75% of English-speaking residents of those two provinces. Applications for services in Ontario, Alberta and British Columbia that are still before the Commission will, when approved and implemented, bring service to at least 75% of the population of those provinces as well.

French Radio

French Radio has met or exceeded all of its conditions of licence with one exception.

La Première chaîne has fully met or exceeded all of its conditions of licence.

La Chaîne culturelle is required to maintain monthly minimum Canadian content levels for both category 2 and category 3 music. In a number of instances during the year La Chaîne culturelle slipped below its minimum Canadian content level for category 2 music, while significantly exceeding the minimum Canadian content levels for its category 3 music.

These shortcomings are in part the result of the nature of La Chaîne culturelle's programming. Over 80% of the music played on this service is classical or jazz. As a result, the shortcomings experienced in popular music reflect a small number of music selections. The majority of the cases where deficiencies were experienced resulted from a shortcoming of six Canadian songs or less over an entire month.

An assessment of how this happened was carried out by French Radio, which then took immediate steps to ensure problems with providing 50% Canadian popular music were identified and corrected. We are confident these measures will ensure that La Chaîne culturelle remains fully in compliance with its Canadian content conditions of licence.

In terms of coverage, since the renewal decision French Radio has undertaken a significant accelerated program to ensure that Canadians in all provinces are able to receive and enjoy the service of La Chaîne culturelle.

- Residents of Winnipeg and Vancouver are now able to tune in new services that went on air during 2002, and, as a result, La Chaîne culturelle is now available to at least 50% of the French-speaking residents of both provinces. An application to extend the service to Victoria has also just been approved by the Commission

- Extension of this service to Victoria and Winnipeg addresses the Commission's requirement that La Chaîne culturelle should be made available in all provincial capitals over the current licence term

- The approval of 18 new Chaîne culturelle transmitters in 2002 by the Commission in decisions published on 30 April and 7 May, 2002, will result in accelerated coverage for the service once these transmitters are built and begin to sign on in 2003. When all these transmitters become operational, La Chaîne culturelle will reach 90% of the francophone population of Canada

Finally, the Commission's objective of seeing the French Radio service replace its last two affiliates in Ville-Marie and La Tuque with the full radio service, came closer to fruition when, in May 2002, the Corporation filed applications with the Commission for the disaffiliation of both services. Upon Commission approval of these applications, this requirement will have been fully met early in the new licence term

b. The Specialty News Services

Newsworld and RDI

Both Newsworld and RDI were granted rate increases as their licences were renewed. These rate increases were predicated on a range of improvements to the two programming services, for which they are being held accountable as part of the annual reporting process. Both services have been operating in full compliance with all their conditions of licence

Noteworthy achievements for **Newsworld** in 2001-2002 include

- The Canadian content level of the service continues to exceed the 90% minimum level required by condition of licence

- Closed captioning on Newsworld was nearly 95% of the full day schedule, exceeding the 90% target that the Commission had required be achieved by September 2002. Effective 1 November 2002, 100% of the program content on CBC Newsworld is being closed-captioned. This covers all regular programming and live breaking news, promos and

- commercials produced by the CBC. As well, CBC will encourage its advertising clients to provide closed captioning of all their externally produced advertisements

- Newsworld also increased its cross-cultural joint projects with RDI, contracting together with RDI for a full season (23 episodes) of Culture Shock at a cost of $435,000 to Newsworld in 2002, versus $240,000 the previous year

Noteworthy achievements in the past year for **RDI** include;

- Canadian programs made up approximately 97% of the broadcast schedule in 2001-2002

- RDI exceeded condition of licence requirements for closed captioning, in terms of both spending and percentage of programming captioned, allocating a budget of $381,000 which resulted in a schedule that is 45% closed captioned overall, with 66% closed captioned between 6 p.m. and midnight and 79% in the peak hours of 7 – 11 pm

- RDI expanded its live, regional and special interest programming with several significant measures;
  - It produces and broadcasts a live, out-of-studio broadcast of *En Direct*, from regional locations in Atlantic Canada, Quebec, Ontario and the West on a weekly basis

- In the Fall of 2001 RDI acquired and deployed three new mobile units which are located in the Saguenay region of Quebec, in Ontario and in the West

- RDI has increased its cooperative ventures with Newsworld, increasing the number of episodes of Culture Shock from 13 to 23, and the two services have continued to cooperate to expand their journalistic coverage across Canada

c. CBC Television Services

Our two television services have met or exceeded all the requirements set for them by CRTC in the renewal decisions. Some of the many significant achievements of both English and French Television for the last broadcast year are highlighted below.

English Television

(i) Completion of the process of Transformation

Transformation, the new strategic direction adopted by CBC English Television as the current licence term began, is now largely implemented. The Transformation plan called for specific changes in network programming to increase the emphasis on the public aspects of "Canadian Public Television". Our first annual report noted a number of achievements of English Television under Transformation in this first year of the new licence term. This second report notes additional initiatives and achievements that came in the second year of our licence term.

Amongst the notable achievements during the 2001-2002 broadcast year are the following:

English Television has met its condition of licence that stipulates it must broadcast 5 hours a week of priority regional programming in the peak period (7 – 11 p.m.) for which the principal photography occurs more than 150 kms outside Toronto;

- In 2001-2002, ETV provided an average of 5.2 hours of qualifying priority regional programming weekly in peak hours.
- Over the broadcast week, for the full broadcast day, ETV provided 23 hours per week of regionally produced priority programming.

For the 2001-2002 broadcast year, 100% of the 6 a.m. to midnight program schedule was closed captioned, and the full broadcast day schedule, including the period after midnight, was 98% closed captioned. Effective 1 November 2002 100% of the ETV schedule, including new breaks, station breaks and CBC produced promotional material has been closed captioned

Our peak time Canadian content level was 86% versus the 80% level set by CRTC expectation

- Independent production now represents 72% of non-news and sports programming versus 67% in year one of the licence term. Moreover, 73% of regional programming comes from the independent production sector

  Regional production for the network increased to 39.6 hours per week vs. 36 hours expected

- There has been a significant increase in the number of hours co-produced and/or exchanged between ETV/FTV with 83.5 hours in the 2001-2002 period more than double the 40 hours set as a benchmark in the Commission's expectation

  Canadian performing arts programming is showcased on ETV, which included 20 Canadian performances in the peak viewing period in 2001-2002, where 12 was the expectation. This total rises to 28 Canadian performances when broadcasts in all day parts are considered

  Amateur sports accounts for 56% of all sports programming

- ETV now provides a weekly average of 22.5 hours per week of Canadian children's programming, where CRTC's expectation is 15 hours, and 3.8 hours per week of this programming is new, original Canadian programming
  - Total children's programming, including many programs representing the best of the rest of the world is now broadcast 7 days a week, for a total of 32.3 hours per week, and all of it is non-commercial

- Youth programming averages 6.7 hours per week, where the CRTC expectation is 5 hours per week

French Television

Amongst the notable achievements during the 2001-2002 broadcast year are the following:

- French Television has fully met its condition of licence requiring the broadcast of 3 hours per week of music, dance and variety programming in the peak viewing period

- Programming for children and youth again exceeded CRTC expectations and conditions of licence, with 22 hours of programming for children, 4 hours of which was original, and 3 hours of youth programming in each week's schedule

- Full day Canadian content was 78%, while prime time Canadian content was 87%, significantly more than the 80% level called for by the Commission

- French Television also broadcast 22.5 hours of Canadian long-form documentaries acquired from the independent production sector in the peak viewing period, exceeding the Corporation's commitment, accepted by the Commission's, to broadcast 18 long-form documentaries annually

- Regional production also greatly exceeded expectations, with a total of 310 hours of regional productions broadcast over the year, 20 hours of which were in peak hours. An average of 5 hours of regional productions were broadcast on the network each week

- The network continues to showcase Canadian feature films, providing 23 original first runs, and 46 repeats, for a total of 133 hours over the 2001-2002 broadcast year

3. The CBC and the Internet

CBC continues to take significant steps to enhance its services offerings to Canadians in all regions of the country. Over the past several years the Corporation has extended the reach of its programming through a variety of Internet activities. For example:

- English Radio and Television have concentrated their efforts over the last year on measures designed to "put the user first" at cbc.ca . This has included more joint production, such as a 9/11 anniversary special, as well as efforts to improve the user experience with clear navigation, effective search, consistency in content, and consolidated content zones such as news and current affairs, regions, kids, sports and arts and entertainment

- English Radio has also continued to push new and innovative content such as 'advanced media' through Radio websites, such as NewMusicCanada web/radio

- French Radio and Television have united in their objective to provide an essential public service for Canadian francophones using the Internet, broadening the Radio-Canada portal to offer high quality content on areas of particular expertise, notably news, culture, youth, the regions of Canada, sports and archives

CBC's New Media activities continue to target the following six audience segments:

1. national generalist (e.g. cbc.ca and radio-canada.ca)
2. regions (e.g. calgary.cbc.ca, radio-canada.ca/alberta)
3. children (e.g. cbc4kids.ca, fd6)
4. youth (e.g. 120seconds.com and *bandeapart.fm*)
5. business communities (cbc.ca/business)
6. educational institutions (radio-canada.ca/education)

We continue to deliver our content to audiences making optimum use of narrowband (regular internet via phone line), broadband (cable, telephone or wireless), and wireless distribution platforms (PCS phones, Palm Pilots, pagers). And we continue to actively pursue partnerships, in both content development and distribution, which promise the best leverage of CBC resources.

4. Conclusion

The attached reports for each of the CBC media lines demonstrate the success and programming achievements of each of the CBC radio and television services over the last broadcast year in regard to the Annual Report to the CRTC.