

## Message from the President and CEO

The year 2000-2001 has been a momentous one at CBC/Radio-Canada. This year we returned to our roots as Canada's national public broadcaster, and experienced the kinds of high points in high-quality distinctive programming that define the best of CBC/Radio-Canada. Programming such as the live coverage of the Sydney Olympics, the federal election and the homage to Pierre Elliott Trudeau, as well as the launching of our epic bilingual documentary series, *Canada: A People's History / Le Canada : Une histoire populaire* – which has reached 15 million Canadians – characterises a revitalised and strengthened CBC/Radio-Canada and illustrates the fundamental role public broadcasting plays in Canada.



National public broadcasting is of utmost importance in the building and strengthening of a country's society and culture. When I accepted the post of President and CEO of CBC/Radio-Canada, I knew that I would encounter the perennial question that faces every President of every public broadcaster worldwide: Do we still need a public broadcaster? My answer is, emphatically, yes, especially in the multi-platform universe of 2001.



In today's globalised environment where traditional national boundaries have disappeared, public broadcasters are even more important than ever. The argument for maintaining public broadcasting is all about taking the kinds of risks and demonstrating innovation in programming that only a public broadcaster can do; about encouraging and promulgating diverse expression, and creating space for a fair reflection of the world's different cultures and values. CBC/Radio-Canada does all these things with a **Canadian** voice across all of its media platforms.

Public broadcasters have a singular role to play, very different from that chosen by private broadcasters. The role of public broadcasters is to reflect the values and culture of their country; to nurture and support genuine indigenous programming; and to provide accessible platforms for a variety of voices and ideas.

Public broadcasters define their audiences as citizens rather than consumers. They devise programming that tells the stories of those citizens and can make a positive difference to people's lives.

As Canada's national public broadcaster, CBC/Radio-Canada must provide Canadians with high-quality, distinctive Canadian programming through the most efficient technology available and in a fiscally responsible manner. Our focus is to strengthen our ability to be a more distinct public service broadcaster and to provide Canadians with a unique experience. In the context of limited resources and an increasingly competitive environment, the Corporation has set out the following priorities to achieve that key objective.

**1) Demonstrate that CBC/Radio-Canada is a well-managed company, and generate cash flow to re-invest in programming.**

Focusing on our core business and leveraging all of our assets is key to our strategy. To increase CBC/Radio-Canada's financial flexibility, we have implemented several new initiatives that will help us reach this objective.

In May 2000, we sold our two US-based cable television channels, Trio and Newsworld International (co-owned with Power Broadcasting Inc.), to USA Networks for \$153 million CDN. CBC/Radio-Canada's share of approximately \$76 million will help support high-quality Canadian programming on our networks. CBC/Radio-Canada remains, however, the packager and primary supplier of news, public affairs and documentaries of Newsworld International. This allows CBC/Radio-Canada to continue to extend its brand in the US market.

We created a distinct, stand-alone Real Estate Division in order to maximise our revenue through selling or renting surplus space. Economies in building operating and capital costs are also a priority of this new Division. Any new revenue achieved from this process can be put into the production and airing of high-quality Canadian programming. The Real Estate Division will also act as landlord for all CBC/Radio-Canada space and will implement ongoing benchmarking of industry best practices.

We also announced that we are exploring the possibility of selling our transmission and distribution assets, a move that other public broadcasters have made recently in order to concentrate their efforts on programming. In July 2000 we issued a Request for Information (RFI) seeking a private sector company or consortium interested in acquiring CBC/Radio-Canada's 608 transmission towers, 750 transmission sites and 2500 transmitters, and the ongoing business of providing broadcasting delivery and other voice/data transmission services to broadcasters and other businesses.

**2) Ensure distinctive programming of the highest quality.**

We are significantly transforming English Television and supporting change initiatives in all media to enhance distinctiveness in the new competitive environment. We are also reinforcing regional presence and reflection across all media, including New Media; showcasing new talents, new voices and new faces; safeguarding our journalistic leadership; creating a dependable, educational and entertaining viewing environment for children; and focusing on high-quality Canadian content.

In a year where we made great efforts to transform our programming Canadians moved in tandem with us, watching in record numbers the new special series, *Canada: A People's History / Le Canada : Une histoire populaire*. Our audiences proved that Canadians have a keen appetite for the kind of programming that only a public broadcaster would offer. We are very proud of the success of this series and pleased with viewers' response to this type of distinctive, high-quality Canadian programming.

**3) Pave the way for a debate on the funding of CBC/Radio-Canada based on achieving greater efficiencies.**

We will use all opportunities to accelerate discussion with the public, Government and key stakeholders to promote the importance of the national public broadcaster. We will demonstrate that CBC/Radio-Canada is being managed efficiently as a business, and that an adequate stable funding level translates into a more distinctive voice and increases the perceived value of our service to Canadians.



**4) Ensure the sustainability of our Canadian schedules.**

Our ability to deliver high-quality Canadian television programs rests in large measure on Canadian Television Fund support for CBC/Radio-Canada programs. The CTF has been renewed by Government for a period of one year and changes to its governance have been introduced. CBC/Radio-Canada must ensure that it can maximise its access to the Fund to maintain and enhance its Canadian schedules.

**5) Position CBC/Radio-Canada to enhance our ability to fulfill our mandate through selective alliances and partnerships.**

We are strengthening CBC/Radio-Canada's position through strategic alliances that will maximise our audience reach and create new revenue streams.

We take pride in the three new specialty television licences awarded by the CRTC in 2000 in which CBC/Radio-Canada is a key partner. These services will play a key role in extending our service to Canadians. All three services will begin operations in Autumn 2001.

*artv* (formerly called *Télé des Arts*) will be a nationally distributed analogue French-language service devoted to arts and culture involving five shareholders: CBC/Radio-Canada (37 per cent), Télé-Québec (25 per cent), BCE Media (16 per cent), ARTE France (15 per cent) and Spectra (7 per cent).

*The Canadian Documentary Channel* will reinforce the leading role CBC/Radio-Canada and the National Film Board have played in the development of the Canadian documentary, and will encourage new Canadian filmmakers. This service involves Corus (53 per cent), CBC/Radio-Canada (29 per cent), the National Film Board (14 per cent) and four independent production companies (1 per cent each).

*Land & Sea* will collect rural and resource-based information and will provide news and information programming anchored from Winnipeg and St. John's. Corus (70 per cent) and CBC/Radio-Canada (30 per cent) are partners in Land & Sea.

We have signed a Joint Marketing Agreement with Corus Entertainment concerning the distribution of Galaxie, our pay audio service. Most major cable operators, and the satellite service Star Choice, now offer a package of 40 music channels, of which half are from Galaxie and half from DMX.

We also reached an agreement with *La Presse* to take advantage of synergies resulting from our complementary activities, notably with the Internet, special events and promotion. CBC/Radio-Canada has also entered into several agreements to extend the reach of our news by providing service to several wireless communications operators.

**6) Reinforce the capacity of CBC/Radio-Canada to work as one integrated conglomerate.**

We are ensuring that synergies are maximised between media. We are strengthening cross-promotion between media; fostering cross-media program initiatives; and ensuring consistent branding throughout the Corporation.

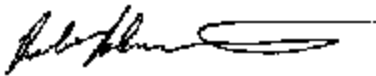


With these priorities as well as our strategic approaches for meeting our goals, we expect to better serve our Canadian audiences and reach new ones. Our goal is to ensure that in a multi-channel universe CBC/Radio-Canada can provide a unique experience to Canadians.

I want to reiterate my belief in the importance of a strong national public broadcaster for Canada. CBC/Radio-Canada can be strong if it is efficient and it can be efficient if it works as an integrated Corporation. In keeping with this philosophy, we have redesigned our Annual Report this year to reflect the new integrated organisation of CBC/Radio-Canada and placed the emphasis on our core business: providing distinctive Canadian programming.

This year has been characterised by the constant search for better ways to do business and to improve the perceived value of the services we deliver to Canadians. The ongoing and full support of the CBC/Radio-Canada Board of Directors was essential in making these changes possible and I am thankful for that. Broadcasting is a people-intensive creative business. Without the support of staff, the new CBC/Radio-Canada that is emerging could not become a reality.

In closing, I want to pay tribute to Guylaine Saucier, a great Canadian who served as Chair of the CBC/Radio-Canada Board of Directors from April 1, 1995 to December 8, 2000. During her time as Chair, Mme Saucier faced the most challenging years CBC/Radio-Canada has ever experienced, and she did so with aplomb and determination. Because of her tenacity and her vision, she managed to steer CBC/Radio-Canada during unprecedented budget cuts while protecting the integrity of CBC/Radio-Canada services to Canadians. Thank you for a job well done and for paving the way for our current efforts to revitalise and strengthen CBC/Radio-Canada's programming.



Robert Rabinovitch  
President and CEO, and  
Acting Chair, Board of Directors

