

18 January 2005  
Ms. Diane Rhéaume  
Secretary-General  
Canadian Radio-Television &  
Telecommunications Commission  
Ottawa, Ontario  
K1A 0N2

**Filed electronically**

**Re: Broadcasting Public Notice CRTC 2004-87- Item 1, CTV Television Inc.  
Reply to Intervenors filed January 5, 2005 (Application No. 2004-0921-0)**

Dear Ms. Rhéaume:

1. The Canadian Broadcasting Corporation/Radio Canada (“CBC/Radio-Canada”) has received the reply of CTV Television Inc (“CTV”) dated January 5, 2005 (“Reply”) to CBC/Radio-Canada’s intervention respecting CTV’s application to amend conditions of its licence for CTV NewsNet (“Newsnet”).
2. CTV’s Reply contains two new elements not raised in its application and deficiencies. These new matters have been raised out of order in the public process established by the Commission in this proceeding, and therefore CBC/Radio-Canada and other parties have had no opportunity to provide comment in this regard.
3. Specifically, the new elements in the CTV Reply are:
  1. Revisions to the proposed nature of service conditions of licence that: a) purport to demonstrate that Newsnet will remain a “headline news service” as part of its nature of service conditions of licence; and b) place limitations on all programs broadcast during each broadcast week drawn from category 2(a); and
  2. A consumer demand survey commissioned from The Strategic Counsel purporting to demonstrate that Canadians are no longer interested in CTV Newsnet’s headline news service operating on a 15-minute wheel format, with a set number of exceptions.
4. Procedural fairness and the rules of natural justice require that the Commission permit parties the opportunity to provide comment on this new material, in so far as it

has direct bearing on the application, and procedurally, it has been raised in a manner that would otherwise deny parties the opportunity to comment.

5. CBC/Radio-Canada's comments on this new material are provided in the remainder of this letter and include the appendix to this letter.
6. CBC/Radio-Canada has reviewed the new proposed revisions to Newsnet's nature of service conditions of licence. CBC/Radio Canada has found no new information or conditions that would allow it to change its view on this application. CTV's proposed revisions would permit the licensee to broadcast uninterrupted blocks of long-form programming on its headline news channel. There is simply no basis for accepting CTV's statement that Newsnet would "remain all headline news all the time", as stated at paragraph 11 of CTV's Reply.
7. In short, with respect to the new proposed revisions to the nature of service conditions of licence, CBC/Radio-Canada must maintain its view that approval of the application as proposed will permit CTV Newsnet to abandon the headline news format for which it was licensed, and deny Canadians the ability to receive a Canadian headline news service.
8. The second element of new information filed on the record of this proceeding by CTV Newsnet in its Reply was a consumer demand survey commissioned from The Strategic Counsel. This survey purports to demonstrate that Canadians are no longer interested in CTV Newsnet's headline news service.
9. The Strategic Counsel's results are extremely surprising given the historical interest shown by Canadians with respect to Canadian headline news services. In order to provide the Commission with more information on this important matter, CBC/Radio Canada retained Decima Research Inc. ("Decima") in January 2005. Decima was asked to conduct a survey to measure the level of public interest in a Canadian headline news channel which provides updates of major news stories of the day, every 15 minutes. Decima's full report on this study is provided in Appendix A.
10. Between January 11 and January 13, 2005 Decima undertook a custom telephone survey of a random sample of 1,000 English Canadian cable and satellite television subscribers aged 18 years of age and older. Contrary to the survey information provided by CTV Newsnet, the Decima survey results confirm the historical results: there is very strong demand for a Canadian headline news service in Canada.
11. Briefly, Decima's key findings from the attached survey results are:
  - **There is significant consumer interest in the headline news format presented in a 15-minute program wheel.**

- Nearly **8** out of **10 (77%)** cable and satellite television subscribers are interested in a Canadian headline news channel that offers local, national and international news updates on the major news of the day, presented in a headline news format, every 15 minutes, 24 hours a day, with nearly 4 in 10 (36%) very interested;
  - Nearly **9** in **10** cable and satellite television subscribers are interested in continuous updates of: local, national and international stories (**87%**), continuous updates of weather (**88%**), and continuous updates of major news events (**85%**) presented in a headline format; and
  - Headline news ranked the highest in interest amongst the following types of Canadian specialty services: headline news, comedy, performing arts, regional sports, children's and senior's channels.
- **Canadians strongly endorse the presence of a Canadian headline news service from a Canadian perspective.**
    - Virtually all respondents (**92%**) indicate that they think that it is important for Canadians to have access to a Canadian headline news channel that provides updates of major news events from a Canadian perspective; two-thirds (**63%**) think that it is "very" important.

12. Importantly, these findings not only confirm Canadians' interest in Canadian headline news formats and headline news services, they indicate that support among Canadians for a Canadian headline news service presented in a 15-minute program wheel has increased since a Canadian headline service first became available.

13. On a number of occasions, CBC/Radio Canada has previously commissioned research to gauge support for a headline news service. Specifically, this research was conducted in 1992, 1993 and 1995. According to the findings of research commissioned in support of applications for a licence to operate a specialty headline news service by CBC/Radio-Canada and Baton Broadcasting Inc. (Application # 931522700) and by CBC/Radio-Canada and Southam News Inc. (Application # 1996000826), approximately two-thirds of cable subscribers indicated that they would be interested in a Canadian headline news channel. The current survey demonstrates that this level of interest in a Canadian headline news service has grown to 77% over the last decade: Canadians now view Canadian headline news services as even more fundamental to their consumption of television services.

14. For the reasons stated in its intervention, CBC/Radio Canada maintains that CTV's application is a request to abandon the headline news format for which it was originally licenced. Research shows that Canadians, now more than ever, want a Canadian headline news channel from a Canadian perspective, delivered in a continuously updated 15-minute format.

15. Furthermore, as stated in its December 20, 2004 comments, should the Commission decide to approve CTV's application, CBC/Radio-Canada requests that

the Commission issue a call for a new headline news service for analog distribution to fill the headline news niche vacated by Newsnet. CBC/Radio Canada notes that it continues to have an interest in providing a true headline news service to Canadians and intends to file an application to provide such a service.

Yours truly,

A handwritten signature in black ink that reads "Bev Kirshenblatt". The signature is written in a cursive, flowing style.

Bev Kirshenblatt  
Senior Director, Regulatory Affairs

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