



February 1, 2010

*Via Epass*

Mr. Robert A. Morin  
Secretary General  
Canadian Radio-television and  
Telecommunications Commission  
Ottawa, Ontario  
K1A 0N2

Dear Mr. Morin:

**Re: *Broadcasting Notice of Consultation 2009-661 – Review of community television policy framework (BNC 2009-661)***

1. The Canadian Association of Broadcasters (CAB) is the national voice of Canada's private broadcasters, representing the vast majority of Canadian programming services, including private radio and television stations, networks, specialty, pay and pay-per-view services. The goal of the CAB is to represent and advance the interests of Canada's private broadcasters in the social, cultural and economic fabric of the country.
2. In BNC 2009-661, the Commission announced a public proceeding to review its policies for community television and set out a series of questions for parties to address in their written comments. In this submission, the CAB does not intend to respond to every question which the Commission has posed; instead, we focus our comments on the following issues<sup>1</sup>:
  - The objectives of the community TV framework;
  - Whether DTH providers should be authorized to offer a community channel;
  - Access to advertising to fund community programming;
  - Access by independently-operated community-based television services to the Local Programming Improvement Fund (LPIF); and
  - Distinctive features of the French-language market.
3. Given the significant impact that changes to the Commission's community television policy could have on our radio and television members, the CAB requests the opportunity to appear at the April 26, 2010 hearing so as to expand on the comments below, as well as to address the comments submitted by other parties in this proceeding, to the extent they are relevant to the interests of CAB members.

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<sup>1</sup> See in particular sections I and III of BNC 2009-661.

## Executive Summary

4. The CAB submits that no changes to the Commission's current community TV policy framework are necessary or appropriate at this time. We strongly oppose any softening of the community channel's public service mandate that would permit BDUs in any way to convert this important community resource into a quasi-private local broadcasting service which would seek to compete with or replace the service now offered by licensed broadcasters in the BDU's market.
5. The CAB submits that, rather than operate a community channel, regardless of its model, DTH undertakings must meet their primary obligation with respect to local programming by carrying all local stations in the stations' respective local markets, in the manner recommended by CAB in our submission in the Group-based Licensing proceeding (Broadcasting Notice of Consultation CRTC 2009-411). In any event, the CAB submits that it would be impossible for DTH undertakings to operate a community channel within the Commission's community television policy framework. We are also concerned that authorizing DTH providers to fund a community channel would have a substantial negative impact on the Canadian Television Fund and could also impact negatively on the Small Market Local Programming Fund.
6. The CAB opposes any changes to the prohibition against BDUs advertising on the community channel and the prohibition against community-based television services selling regional or national advertising. Circumstances and other factors which have arisen since the Commission's 2002 policy for community-based media only serve to reinforce the appropriateness and necessity of these prohibitions. Permitting BDUs to compete for any commercial advertising - including with respect to the community channel - will take crucial revenues away from television and radio broadcasters. Moreover, the cumulative impact of community television advertising, new forms of advertising, and new or augmented contributions by private broadcasters to various policy priorities would put substantial downward pressure on private broadcasters' financial model, at a time when the sector is undergoing significant structural and cyclical economic challenges.
7. The CAB opposes granting access to the LPIF to independently-operated community-based television services. Adding a new class of recipients for the LPIF would result in less LPIF money available to local conventional broadcasters and thus require them to reduce or eliminate existing or planned local programming benefits which would otherwise result from their access to the LPIF.
8. The CAB's findings and recommendations presented herein apply even more acutely to the French-language market because cable ownership is far more concentrated there than anywhere else in the country. In particular, the CAB is concerned that the tendency for some French-language community stations in Quebec is to offer professional programs that are becoming increasingly similar to those broadcast by French-language OTA and specialty television services with the aim of competing directly rather than being complementary.

## Maintain the Current Community TV Framework

9. In Section I of BNC 2009-661, the Commission questions whether it is now necessary or appropriate to make changes to its 2002 community TV policy framework, including to the rules and objectives for community channels operated by broadcasting distribution undertakings (BDUs).<sup>2</sup>
10. The CAB submits that no changes to the Commission's current community TV policy framework are necessary or appropriate at this time, particularly as the policy framework relates to community channels operated by BDUs. While, admittedly, the media environment has undergone significant changes since the current policy was established, we submit that those changes reinforce, rather than put into question, the relevancy and appropriateness of that policy. Thus, at a high level, we support retention of the Commission's two governing objectives for community-based media as set out in Broadcasting Public Notice CRTC 2002-61,<sup>3</sup> namely:
  - To ensure the creation and exhibition of more locally-produced, locally-reflective community programming; and
  - To foster a greater diversity of voices and alternative choices by facilitating new entrants at the local level.
11. We also submit that the role of BDU-operated community channels should continue to be primarily of a public service nature, facilitating self-expression through free and open access by members of the community. We strongly oppose any softening of the community channel's public service mandate that would permit BDUs in any way to convert this important community resource into a quasi-private broadcasting service which, through its programming, staffing or otherwise, would seek to compete with or replace the service now offered by licensed broadcasters in the BDU's market.
12. To this end, the CAB submits that the community channel should continue to be community access-driven. In this way, the channel will serve to complement the local programming offered by conventional broadcasters in a market while providing members of the community the chance to participate actively in the broadcasting system, for example as BDU-trained volunteer producers, hosts or technical staff.
13. At the same time, and subject to the comments below regarding advertising on the community channel, the CAB acknowledges that it may be appropriate for community channels *solely in markets not served by a local conventional television station* to take on a more comprehensive local programming role, *provided* that their main focus remains to facilitate self-expression through free and open access by members of the community

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<sup>2</sup> See Questions 3 – 6.

<sup>3</sup> Available at <http://www.crtc.gc.ca/eng/archive/2002/pb2002-61.htm#a4>

## No DTH Community Channel

14. The Commission asks in BNC 2009-661 whether circumstances or other factors have arisen that would warrant a change in the Commission's existing prohibition against DTH undertakings operating community channels.<sup>4</sup>
15. The CAB submits that, rather than operate a community channel, regardless of its model, DTH undertakings must meet their primary obligation with respect to local programming by carrying all local stations in the stations' respective local markets.
16. As the Commission is aware, the CAB has consistently advocated in favour of the fundamental principle that DTH providers should abide by a "local into local" rule. CAB maintains that the current refusal by DTH providers to provide "local into local" runs contrary to section 3(1)(t)(i) of the *Broadcasting Act*, which provides that distribution undertakings "should give priority to the carriage of Canadian programming services and, in particular, *to the carriage of local Canadian stations*" (emphasis added), and to the Commission's own policy objective to ensure that the Canadian public has access to local programming. The ability of conventional local broadcasters to generate sufficient revenues to invest in programs which meet the programming needs of their local audiences is severely constrained where their signal is not currently made available in their local market by either or both DTH providers. The CAB and a number of our members emphasized during the recent Group-based Licensing proceeding (Broadcasting Notice of Consultation CRTC 2009-411) that private broadcasters must have access via DTH to the markets which the Commission has licensed them to serve.<sup>5</sup>
17. In the current context, we accordingly submit that, the Commission must ensure DTH providers give first priority to the carriage of local stations by implementing "local into local" in the manner recommended by CAB in our submission in the BNC 2009-411 proceeding.<sup>6</sup>
18. In any event, the CAB submits that it would be impossible for a national BDU to provide a meaningful locally-produced community programming service to all regions of Canada on one national community channel. Instead, DTH operators would likely have to operate multiple regional feeds, which would trigger further concerns regarding the most appropriate use of valuable channel capacity. In addition, the CAB questions how a DTH community channel could provide meaningful access to community members located in all regions of Canada, which is – and should remain – a fundamental component of the Commission's community television policy framework.
19. The CAB is also concerned that authorizing DTH providers to fund a community channel would have a substantial negative impact on the Canadian Television Fund (CTF).<sup>7</sup> Currently, DTH undertakings are required by regulation to contribute 4% of their revenues to the CTF. According to the Fund's 2008-2009 Annual Report, this contribution amounts to \$85.9M or 27.2% of all CTF monies. If DTH undertakings were instead permitted to contribute to a

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<sup>4</sup> Question 9.

<sup>5</sup> See, for example, the CAB's appearance at <http://www.crtc.gc.ca/eng/transcripts/2009/tb1119.html>, beginning at line 5745.

<sup>6</sup> See [http://www.cab-acr.ca/english/research/09/sub\\_sept1409.pdf](http://www.cab-acr.ca/english/research/09/sub_sept1409.pdf), in particular paragraphs 62 – 66.

<sup>7</sup> Soon to be the Canadian Media Fund.

community channel in the same manner as larger cable BDUs (i.e. 2% of revenues), fully 50% of DTH monies to the CTF would disappear. This would have a very significant negative impact on the CTF.

20. Finally, the CAB is concerned that, if permitted to offer a community channel, DTH providers could seek to reduce or eliminate their current obligation to contribute to the SMLPF. During their recent appearance at the BNC 2009-411 hearing, the small market independently-owned television stations emphasized the critical nature of this fund to their survival.<sup>8</sup> Moreover, the Commission announced in Broadcasting Public Notice CRTC 2008-100 that it would enshrine the required DTH contributions to the SMLPF into the *Broadcasting Distribution Regulations*. Accordingly, DTH providers should not be permitted to reduce their contributions to the SMLPF, for any reason.

### **No New or Increased Advertising in Community Programming**

21. In Section III of BNC 2009-661, the Commission questions whether circumstances or other factors have arisen that would warrant lifting the current restrictions on advertising in community programming.<sup>9</sup>
22. The CAB opposes any changes to the Commission's current policy respecting advertising in community programming, in particular the prohibition against BDUs advertising on the community channel and the prohibition against community-based television services selling regional or national advertising. Circumstances and other factors which have arisen since the Commission's 2002 policy for community-based media only serve to reinforce the appropriateness and necessity of these prohibitions.
23. The current public process initiated by the Commission represents the latest in a series of policy review proceedings over the last number of years which have considered, amongst other matters, whether BDUs should be permitted to compete with broadcasters for access to advertising revenue.
24. For example, in 2005, the Commission recognized that permitting BDUs to sell commercial advertising in the local availabilities of US satellite services would negatively impact Canadian broadcasters because it would result in broadcasters competing with BDUs for local advertising revenues.<sup>10</sup> The Commission further determined at that time that such competition would weaken the protection that surrounds the advertising revenues of local and regional television stations, and thus their ability to meet their Canadian programming commitments, including local programming.
25. More recently, the impact on broadcasters should BDUs be permitted to advertise has been either the primary or a partial focus of the BDU/specialty television framework proceeding initiated by Broadcasting Notice of Consultation CRTC 2007-10; the Video-on-Demand (VOD)

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<sup>8</sup> See <http://www.crtc.gc.ca/eng/transcripts/2009/tb1124.html>, beginning at line 9402.

<sup>9</sup> See Questions 15 – 17.

<sup>10</sup> Broadcasting Public Notice CRTC 2005-88, *Determinations on a request by the Canadian Cable Telecommunications Association for an amendment to the Commission's policy regarding the use by cable broadcasting distribution undertakings of local availabilities contained in the signals of U.S. satellite programming services.*

policy review (Broadcasting Public Notice CRTC 2008-101) the local avails policy review (Broadcasting Public Notice CRTC 2008-102), and the Group-based Licensing proceeding (BNC 2009-411).

26. In each of the proceeding noted above, broadcasters made substantial and detailed arguments, supported by extensive and well-researched evidence, regarding the significant financial challenges the industry currently faces. Amongst other things, this evidence overwhelmingly demonstrates the negative impact that BDU advertising would have on broadcasters and the net loss to the Canadian broadcasting system that would result should BDUs enter the advertising market. For ease of reference, **Appendix A** to this submission contains relevant excerpts from the CAB's submission in the BNC 2009-411 proceeding.
27. These well-supported arguments are equally applicable in the current circumstances, whether the Commission were to consider adding community channel advertising as *yet another* opportunity for BDUs to siphon advertising revenues away from broadcasters, or even as the only opportunity for BDUs to do so.
28. The CAB strongly cautions the Commission not to underestimate the negative impact that even this latter possibility would have on broadcasters. Permitting BDUs to compete for *any* commercial advertising - including with respect to the community channel - will take crucial revenues away from television and radio broadcasters at a time when, as repeatedly demonstrated during the Commission's various recent proceedings, many of those broadcasters are struggling to remain viable in the face of a still-uncertain economy and increased competition from a host of other, often unregulated, sources.
29. The Commission also needs to appreciate that the community channel would pose a real threat as a competitor for advertising revenues, notwithstanding its current audience reach and share.
30. First, as advertising revenues would represent a secondary source of financing for the community channel (i.e. in addition to the \$116 million which represented the BDUs' regulatory contributions<sup>11</sup> in 2008<sup>12</sup>), BDUs would have no need to exercise market discipline in setting their rate card; instead, they would be free to undercut the rates charged by other broadcasters in the market, thereby putting downward pressure on those other rates.
31. Second, granting BDUs access to a new, audience-dependent revenue source - advertising - would no doubt motivate them to find ways to increase their community channel audiences so as to increase their associated advertising revenues. This would have an exponential impact: it would motivate BDUs to offer more audience-driven, general interest competitive programming; if successful in this respect, BDUs would then be able to siphon even more advertising dollars away from other broadcasters in the market.
32. Attached as **Appendix B** to this submission is an analysis undertaken by the CAB which examines the potential revenue that community television channels could earn from advertising. It also discusses the impact of community television advertising on incumbent commercial broadcasters in selected markets.

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<sup>11</sup> Pursuant to sections 29 and 44 of the *Broadcasting Distribution Regulations*.

<sup>12</sup> See BNC 2009-661 at paragraph 11. Note this figure is was likely higher in 2009.



33. As the Commission will note, the analysis shows that community television services, had they been permitted to sell advertising in 2009, could have claimed anywhere from \$180,281 in revenues (in Quebec City) up to approximately \$2.9 million (in Vancouver/Victoria), representing as high as 2.3% of radio revenues or 1.6% of television revenues in these markets.
34. In light of the current advertising market, the introduction of additional competition for radio and television advertising could put considerable strain on commercial broadcasters. The broadcast year 2009 saw declines in both radio and television advertising for the five markets examined in Appendix B<sup>13</sup>. For example, TVB data show that television advertising revenues declined by 13.0% between broadcast years 2008 and 2009. RMB data show that, for these five markets, radio advertising revenues declined by 6.9% for the same period.
35. Moreover, there are other pressures on the financial model for commercial radio. For example, commercial radio is also facing significant increases in its copyright burden, which could double (from \$83M to \$173M in 2008, if copyright collectives' tariff proposals are approved), while community radio is seeking nearly \$6M in incremental revenues from commercial broadcasting. The CAB provided extensive evidence regarding the current and projected financial health of the radio industry as part of our submission<sup>14</sup> in the Commission's recent Review of Campus and Community Radio (Broadcasting Notice of Consultation CRTC 2009-418). For ease of reference, **Appendix C** to this submission contains relevant excerpts from the CAB's submission in that proceeding.
36. As noted above, the CRTC is also considering allowing BDUs to sell local avails on US cable channels<sup>15</sup>; the range of estimates of the value of these avails is from \$20M to over \$100M annually. In addition, advertising on VOD is also being considered by the Commission<sup>16</sup>; while the revenue potential of VOD advertising remains unknown, depending on the conditions under which VOD advertising is sold, it could have an impact on commercial broadcasters' ad revenues.
37. The cumulative impact, therefore, of community television advertising, new forms of advertising, and new or augmented contributions by private broadcasters to various policy priorities would put substantial downward pressure on private broadcasters' financial model, at a time when the sector is undergoing significant structural and cyclical economic challenges. Given that BDUs already contribute 2% of their revenues to their community channels, there is no need to inject any further funds that may be derived from advertising, particularly given that the revenues from BDUs' 2% will grow year over year in real terms and since the resulting downside for radio and television broadcasters would far outweigh any potential benefits for the community channel.

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<sup>13</sup> Appendix B examines the following five markets: Ottawa/Gatineau; Calgary; Edmonton; Quebec City; and Vancouver/Victoria.

<sup>14</sup> See [http://www.cab-acr.ca/english/research/09/sub\\_oct1609.pdf](http://www.cab-acr.ca/english/research/09/sub_oct1609.pdf).

<sup>15</sup> BPN 2008-102.

<sup>16</sup> BPN 2008-101.

## No Access to the LPIF by Community-based Television Services

38. The Commission asks in BNC 2009-661 whether the LPIF should also be used to fund the production of community programming on the independently-operated community-based television services.<sup>17</sup>
39. The CAB opposes granting access to the LPIF to independently-operated community-based television services. As the CAB's television members repeatedly stated during the BNC 2009-411 hearing, access to the LPIF, while still at an early stage, is already making an important difference in their ability to sustain and supplement their local programming, to the benefit of their local audiences.<sup>18</sup> Dilution of those funds by adding a new class of recipients would result in less money available to local conventional broadcasters and thus require them to reduce or eliminate these existing or planned local programming benefits. Moreover, the CAB submits that an independently-operated community-based television service would not be able to use its new LPIF money in a manner that would adequately replace the programming which the local broadcasters in the market would offer with those funds.

## Distinctive features of the French-language market

40. The findings and recommendations presented above apply even more acutely to the French-language market, namely because cable ownership is far more concentrated there than anywhere else in the country, with one BDU – Vidéotron – accounting for nearly 80% of cable subscribers in the province of Quebec.<sup>19</sup>
41. Vidéotron, whose cable subscribers numbered 1,729,000 in 2009<sup>20</sup>, operates community television services in nine (9) different regions of Quebec where it operates<sup>21</sup> somewhat like a conventional television network. It provides each community station with network programming comprised of about 30 programs of national interest broadcast by at least 75% of the member community television services. General interest programs in various categories are offered and many of them are hosted by seasoned professionals such as Louise DesChâtelets, Sophie Durocher, Philippe Fehmiu, Didier Lucien, Maxim Martin, Gilles Proulx and Marie-Claude Savard who have the advantage of being known by the French-speaking viewers across Quebec. These programs are not rooted in a particular community and they speak to a pan-Quebec audience. This network programming also includes a certain number of programs that, while of local interest, are each broadcast by at least 75% of the member community television services (see the detailed list at **Appendix D**).
42. This network programming is the lion's share of the programming presented during the evening broadcast period, i.e. from 6 p.m. to midnight, by the community television services that are members of the Vox network. On average, the 35 network programs (i.e. broadcast by more than 75% of the member community television services) we identified for the week of

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<sup>17</sup> Question 18.

<sup>18</sup> See, for example, the appearance by the Small Market Independently-owned Television Stations (SMITS), *ibid*, footnote 2.

<sup>19</sup> Source: StatsCan: CANSIM and CRTC: Communication Monitoring report 2009 (data from 2008)

<sup>20</sup> According to the Commission's Communications Monitoring Report 2009, page 178

<sup>21</sup> In Montreal, Quebec City, the Outaouais, Sherbrooke, Saguenay, Mauricie (Cap-de-la-Madeleine), Rivière-du-Loup, Sorel-Tracy and Granby.



January 25 to 31, 2010 took up nearly 70% of the evening schedule of the eight (8) community stations whose programming schedule was available<sup>22</sup> (see the table at **Appendix D**).

43. While this particular operating method used in Quebec may raise concerns with respect to the access mission, i.e. the participation of ordinary citizens in the design, production and hosting of the programming presented by these so-called “community” television services, there is no doubt that it allows for major economies of scale and contributes to the good financial health of this network that benefited from a contribution to local expression by Vidéotron of \$18.1 Million in 2007-08.<sup>23</sup>
44. The “community access programming”<sup>24</sup> sector analyzed by David Keeble at the request of the Commission is also particularly well developed in Quebec. After emphasizing that:

*“Notably, over the 5 years, Community programmers in Quebec reported a total of almost \$2.5 Million in provincial funding. Only \$22,000 was reported from other provinces for community access programming or capital funding. Funding from cable companies was also almost exclusive to Quebec, with Manitoba the only other province reporting BDU funding.”* (page15)

...he concludes his study by pointing out that:

*“Of the 18,870 hours of production, 16,609 were produced in Quebec and in French. In terms of volunteer hours, Quebec is as large as the rest of the country combined.”* (page 19)

*“It is evident in all the measures that the community access sector is a great deal stronger and more active in Quebec than outside. The availability of significant funding from the province and from BDUs in Quebec is also striking, and may form the basis on which even greater self-financing activity is built.”* (page 19)

45. In short, French-language Quebec community television is in excellent health overall. It has no need for additional financing, whether via access to LPIF resources or via increased access to ad revenues, particularly as such access to ad revenues would have even more pronounced negative effects on licensed television and radio stations, given the very narrow gap between the CPM (cost-per-thousand) of these two medias in local markets. In addition, the CPM has historically been lower in the French-language market than in the English-language market.
46. The main concern regarding French-language community stations in Quebec is the tendency for some to pull away from their duty to set down community roots and to stimulate the active participation of citizens, to the advantage of a network model offering programming made up in large part of national interest professional programs that are becoming increasingly similar to those broadcast by French-language OTA and specialty television services with the aim of competing directly rather than being complementary.

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<sup>22</sup> The schedule for the Granby region was unavailable at the time of compilation.

<sup>23</sup> Source: Documents filed by Vidéotron in the context of the proceeding initiated by BNC 2009-614.

<sup>24</sup> This sector, as defined by David Keeble, excludes BDU productions from the overall data, “the reason being that ‘community access programming’, by definition, is produced by someone else, though the community producer may make extensive use of a BDU’s facilities.”, The Community Access Programming Sector: A quantitative Analysis, David Keeble, Keeble Consulting, September 22, 2009, page 4.

## Conclusion

47. The CAB submits that no changes to the Commission's current community TV policy framework are necessary or appropriate at this time, particularly as the policy framework relates to community channels operated by BDUs. The community channel should continue to be community access-driven. Moreover, it should thus serve to complement the local programming offered by licensed broadcasters in a market rather than compete with them.
48. DTH services providers should not be authorized to operate a community channel but instead be required to meet their obligation to carry all local television stations in the stations' respective local markets.
49. The CAB opposes any changes to the Commission's current policy respecting advertising in community programming. Put another way, the CAB supports the continued prohibition against BDUs advertising on the community channel and the CAB supports the continued prohibition against community-based television services selling regional or national advertising.
50. Finally, the CAB notes that our findings and recommendations as presented herein apply even more acutely to the French-language market given the the high level of cable ownership concentration there.
51. The CAB appreciates the opportunity to provide these comments in this proceeding and looks forward to elaborating on these comments in the context of the April hearing.

Sincerely,

*Originally signed by:*

Pierre-Louis Smith  
Vice-President, Policy and Chief Regulatory Officer

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## APPENDIX A

### Excerpts from CAB's Submission in the Group-based Licensing Proceeding (BNO 2009-411)

#### 1.1 Global Economic Transformation

13. On the economic front, while we are seeing indications that Canada (as well as other countries) may have turned the corner from the downturn, most experts caution that the road ahead remains treacherous. The economic recovery is predicted to be slow. The Economist recently declared that while the global recession may be coming to an end, the ingredients of a lasting recovery are still missing. Increasingly concerns are being raised about growing government budget deficits and their short term relief that *“solid global recovery demand healthy and balanced growth in private demand. Unfortunately that still seems far off.”*<sup>(1)</sup> The Economist further noted in another article that even if the housing market stabilizes in the U.S., *“consumer spending will stay weak as households pay down debt. In America and other post-bubble economies, a real V-shaped bounce seems fanciful.”* Rather *“a gloomy U with a long, flat bottom of weak growth is the likeliest shape of the next few years.”*<sup>(2)</sup>
14. These cautious views are shared by other economists such as Nouriel Roubini, one of the few experts who correctly predicted in advance the current economic crisis. In an Op-Ed piece published recently in the Financial Times, Roubini submitted that *“In countries running current account deficits, consumers need to cut spending and save much more, yet debt-burdened consumers face a wealth shock from falling home prices and stock markets and shrinking incomes and employment.”*<sup>(3)</sup> This combined with massive public deficits, the need for financial institutions to deliver much more than has been done so far and the fact that commodities like oil and food prices are increasing faster than fundamentals warrant, leads Roubini to conclude that *“the recovery is likely to be anemic and below trend in advanced economies and there is a big risk of a double-dip recession.”*<sup>(4)</sup>
15. Despite these cautionary notes, it is tempting to conclude that, once economies rebound, customers will start spending again as they did before. Yet, there are good reasons to think that what looks likely to be the worst downturn since the Depression will spark profound shifts in shoppers’ psychology. In an article published last April in the Economist entitled “From buy, buy to bye-bye”, it is stated that:

*“The trend towards thrift will not disappear when the economy picks up. For one thing, those banks left standing after the bust will be far more parsimonious with consumer credit. For another, many people will still be intent on rebuilding their nest-eggs, which is reflected in sharply rising rates of saving. Sociologists also detect a distinct change in people’s behavior. Until the downturn, folk had come to assume that “affluence” was the norm, even if they had to go deeply into debt to pay for gadgets and baubles. Now many people no longer seem consumed by the desire to consume; instead, they are planning to live within their means, and there has been a backlash against bling. So for years to come, many more households will be firmly focused on saving, splashing out only occasionally on a big-ticket item...The downturn will also accelerate the use of social media, such as blogs and social-networking sites, by consumers looking for intelligence on firms and their products. As trust in brands is eroded, people will place more value on recommendations from friends.”*<sup>(5)</sup>
16. As this new phenomenon is taking place, marketers are starting to take notes and are adjusting to a new reality. One of them, Andy Donchin, director of media investment at Carat, a major media

buying agency that buys ad time on behalf of companies such as Pfizer was recently quoted in the Wall Street Journal as saying: *"This downturn has changed the way marketers think about spending, if not forever, then at least for a very long time."*(6)

17. Why does all this matter in the context of this proceeding?
18. It matters because reduced consumer spending during and after the recession is translating into reduced advertising revenues for traditional media. Lower consumer spending on cable and DTH services means reduced wholesale fees to discretionary services. For an industry that relies on a healthy economy to generate new products that need to be advertised, and global advertising spending projected to decline, the short term forecast is to remain cautionary.
19. This coincides with the so called media revolution whereby the traditional media business model is being significantly challenged by technological changes that have changed the way people consume media and, as a result, are driving a shift in advertising spending away from traditional media such as television. In fact many experts are now saying that the recession is only accelerating and exacerbating the disrupting trend that is forcing traditional media, and importantly, to redefine its business model to find growth in other areas.
20. According to PwC, globally, broadcast TV advertising will drop 13 per cent this year, and decline 1.5 per cent through 2013 to \$116.2B (US) long after the recession will be over.(7) According to Veronis Suhler Stevenson, a private equity group specializing in media, in the US, spending on television is forecast to fall 9 per cent this year to \$44.7B as marketers move money into areas of internet search and sponsorship.(8) In its 2009 Advertising Forecast, Zenith Optimedia estimates that advertising revenue for broadcast television in the US will have declined by 11 % over the period 2007 and 2011.(9) Already, for the first six-months of 2009 preliminary figures from Nielsen show a 15.4 per cent year-on-year decline in US advertising revenues, which represents a staggering loss of 10 billion dollars. More specifically, while cable television (discretionary services) was the only media on which ad spend increased, up 1.5 per cent across English language channels and up 0.6 per cent for Spanish channels, by contrast, "spot" advertising, booked at short notice, fell by 17.4 per cent in the top 100 local TV markets.
21. According to the latest advertising figures from TVB, advertising revenue for conventional and specialty television was down for the first 11 months of the 2008-2009 broadcast year compared to the first 11 months of the 2007-2008 broadcast year. Further, every market reporting to TVB is seeing declines in spot TV revenue. Even markets considered by the Conference Board to be fairly robust from a GDP and retail sales perspective are showing weak results from an ad spot perspective.

## **1.2 New Revenue Sources**

22. Faced with this widespread phenomenon, very few if any industry experts or broadcast executives still believe that the broadcast television business model remains sound. In an article recently published by the Financial Times, part of a series on the future of media, Chase Carey, chief operating officer of News corp. is quoted saying *"In broadcasting, we have an ad-supported business model that does not work."*(10) Likewise, Gerhard Zeiler, chief executive of RTL, the biggest European broadcasting company said in a Financial Times article dated August 26, 2009 that *"[i]n the future, advertising will not pay all the bills"*, and *"every free-to-air group will have to think about, for example Pay-TV, about online services, about video-on-demand"*(11). In fact, more and more broadcasters around the world are now entertaining the idea of morphing their over-the-air advertising driven model into a pay-

TV model. For instance, as reported by the Financial Times, in Britain some analysts hope a new chief at ITV, the largest over-the-air private broadcaster, where advertising revenue fell by 15 per cent in the first half of 2009, might pursue a pay-TV model. As for the US, both NBC Universal and Fox Network are also hinting their over-the-air TV stations could, in the near future, act more like cable networks.

23. Different broadcasters around the world are adopting a variety of strategies to adapt their business model to the new economic reality. Similarly Canadian television service providers are exploring their own strategies specific to the Canadian market. In their own submissions, CAB members will address these strategies and related regulatory measures for dealing with the erosion of the conventional television business model.

### **1.3 New Forms of Advertising**

24. The changing business landscape is not limited to the conventional television sector. In a new book entitled "The Chaos Scenario" Bob Garfield, a media analyst and journalist for Advertising Age, argues that *"In the next decade, specialty television services will also be severely impacted by the digital revolution because the distributors that carry their signals also provide Internet access to consumers that increasingly watch video content through the web, which in turn will impact on programming services subscriber bases and revenue"*.<sup>(12)</sup> In fact, eMarketer estimates that *"by next year, half of the US population will watch online video, a tipping point in the media industry."*<sup>(13)</sup> In this context, it should be noted that specialty services are the only media platform in this country to be subjected to regulatory limits on advertising.
25. Further aggravating the decline in advertising for both conventional and specialty services is the increased take up of personal video recorders (PVRs). According to PwC Global Entertainment and Media Outlook, 2009 17.7% of Canadian households currently have a PVR and this is projected to increase to 51.3% by 2013. While PVR usage is not having an impact on viewership to television services, it is impacting viewership to advertising as Canadians can skip through the ads. As penetration of PVR will increase it will have an impact on how advertising is being purchased on television. It is indeed anticipated that forms of advertising that cannot be skipped such as product placement will represent a growing, and increasingly important part of advertising spending on television. This in turn will reduce the value and monetizing opportunities on foreign, especially US programming, acquired by Canadian broadcasters, since advertising decisions will be made outside of Canada.
26. It is therefore against this backdrop that the CAB is intervening in the context of the current proceeding. The CAB agrees that important steps are being taken by the Commission to respond to Canadian broadcasters' challenges in an ever changing competitive environment. More, however, is necessary.
27. Indeed in some ways, the challenges facing Canadian commercial broadcasters are even greater than those faced by broadcasters in other countries. With the greater use of product integration and other forms of advertising, Canadian broadcasters will have less control over advertising revenue for foreign programming, thus denying them an important source of revenue. At the same time, Canadian Internet users are the most avid viewers of online video in the world, further fragmenting the video advertising marketplace and making the competition for consumer attention and advertiser dollars fiercer.

## NOTES

- 1 [http://www.economist.com/opinion/displaystory.cfm?story\\_id=14085688](http://www.economist.com/opinion/displaystory.cfm?story_id=14085688)
- 2 The Economist article entitled “U,V or W For Recovery” dated August 20, 2009
- 3 Page 7 of the Financial Times article entitled “The Risk of a Double-Dip Recession is Rising”, Nouriel Roubini, dated August 24, 2009
- 4 Ibid.
- 5 The Economist article entitled “Buy, Buy to Bye-Bye,” dated April 2, 2009.
- 6 Wall Street Journal article entitled “Networks hold back selling as in advance” dated August 10, 2009.
- 7 Page 14 of the Financial Times article by Kenneth Li entitled “Television executives reach for the rest button” dated September 1, 2009.
- 8 Ibid.
- 9 Page 13 of the Financial Times article entitled “\$10Billion of Advertising Vanishes from Media Markets in the First Half by Andrew Pedge-diffe-Johnson.
- 10 Page 14 of the Financial Times article by Kenneth Li entitled “Television executives reach for the rest button” dated September 1, 2009
- 11 <http://www.ft.com/cms/s/0/cff8865a-9261-11de-b63b-00144feabdc0.htmlcatid=66&SID=google>
- 12 Le Devoir article entitled “La fin des émissions” by Stéphane Baillargeon dated August 29, 2009.
- 13 Page 14 of the Financial Times article by Kenneth Li entitled “Television executives reach for the rest button” dated September 1, 2009

## **APPENDIX B**

# **THE POTENTIAL IMPACT ON BROADCASTER OF ADVERTISING ON COMMUNITY CHANNELS**

### **Purpose of Analysis**

The CAB has undertaken this brief study in the context of the CRTC's review of its community television policy (Broadcasting Notice of Consultation 2009-661). One of the questions raised in the CRTC's Notice of Consultation considers whether the Commission should change its existing policy with regard to advertising on community channels, both cable-operated and independent. The CAB's analysis examines the potential revenue that community television channels could earn from advertising and the impact of community television advertising on incumbent commercial broadcasters in selected markets.

### **Summary of Results**

The analysis shows that, had community television been allowed to sell advertising in 2009, its advertising revenues could have ranged from \$180,000 to \$2.9M, depending on the market. Because we are assuming that community television spots would be sold mainly locally, at rates comparable to radio rates, community television's potential ad revenues would have represented between 0.5% and 2.3% of radio advertising revenues in the selected markets. This likely underestimates the actual damage that would have occurred in 2009 since access to advertising would no doubt motivate BDUs to find ways to increase their community channel audiences so as to increase their associated advertising revenues causing BDUs to offer more audience-driven, general interest competitive programming thus siphon even more advertising dollars away from other broadcasters in the market

It is difficult to extrapolate these results at a national level, since not all markets have community television stations and radio advertising revenues vary widely from market to market. While the impact on radio revenues in the selected markets appears modest, community television advertising, if allowed, would occur in a period where commercial broadcasting is experiencing numerous strains on its revenue model, including an economic slowdown, increasing competition from the Internet for advertising dollars, and the possibility of regulatory changes that would allow new entrants into the advertising market (e.g. VOD advertising, local avails). The combined impact of all of these factors, along with the possibility of community television advertising, could exacerbate the strains on private radio and television.

### **Methodology**

Determine the potential ad revenue for community television stations



### ***Step 1: Radio as a proxy for community television***

It is assumed that community television, if authorized to sell advertising, would sell mainly local advertising. Because community television is supported through other revenue sources (e.g. cable operators, sponsorships, etc.), it is further assumed that local spots on community television stations would be sold at considerably less than the price of a spot on a local commercial television station. We have therefore assumed that community television spots would sell at a rate closer to commercial radio spots.

Using data from RMB and CRTC we have estimated radio revenues for the broadcast year ending August 31, 2009, for the following markets: Ottawa/Gatineau, Calgary, Edmonton, Quebec City and Vancouver/Victoria.

Using data from BBM's fall diaries, we have calculated total tuning to commercial radio stations in the same markets.

We have calculated the revenue per hour tuned on radio for each of these markets. This revenue per hour tuned has been used as a proxy for the revenue that community television could generate per hour tuned.

Based on this analysis, we have determined that radio revenues per hour tuned ranged from approximately seven cents in Quebec City, to eleven cents in Calgary. These results are shown in Figure 1. Radio revenue per hour tuned data were later used in Step 3, as proxies for community television's revenues per hour tuned.

**Figure 1: Key Radio Indicators for Selected Markets, 2009**

| Market             | A                        | B                    | C  | D                          | E                                 |
|--------------------|--------------------------|----------------------|--|----------------------------|-----------------------------------|
|                    | Total Hrs Tuned/Week (1) | Total Hrs Tuned/Year | Total Hours Tuned/Year to Commercial Radio (3) | Total Ad Revenue, 2009 (2) | \$/Hour Tuned to Commercial Radio |
|                    |                          | <i>Column A x 52</i> |  |                            | <i>Column D/Column C</i>          |
| Ottawa/Gatineau    | 18,776,000               | 976,352,000          | 781,081,600                                    | \$71,605,712               | \$0.0917                          |
| Calgary            | 17,723,000               | 921,596,000          | 810,082,884                                    | \$92,001,857               | \$0.1136                          |
| Edmonton           | 17,821,000               | 926,692,000          | 821,049,112                                    | \$81,587,069               | \$0.0994                          |
| Quebec             | 12,200,000               | 634,400,000          | 529,724,000                                    | \$37,274,721               | \$0.0704                          |
| Vancouver/Victoria | 37,282,300               | 1,938,679,600        | 1,637,258,64                                   | \$128,093,026              | \$0.0782                          |

Notes:

(1) Source: BBM, Fall 2009 reach data (S408 - S209 for Victoria).

(2) Source: RMB, TRAM report August 2009; adjusted to reflect total radio revenues by comparing historic CRTC and TRAM reports.

(3) Source: BBM, radio diary market data for fall 2009 (S408-S209 for Victoria).

### ***Step 2: Tuning to Community Television***

We have used BBM data from fall 2009 to determine the total hours tuned per week and per year to television in each of the markets. The CRTC's Communications Monitoring Report 2009 indicates

the viewing share of community television, in the aggregate, for English-language and French-language markets in 2008. Given that community television viewing share has been fairly stable over the period 2004 – 2008, we have assumed that community television’s 2009 viewing share would be the same as its 2008 viewing share. We applied the average viewing share in French-language markets to the total hours of television viewing in Quebec City, to arrive at an estimate of total hours tuned to community television in that market. The same calculation was made for Gatineau. For Ottawa, Calgary, Edmonton and Vancouver/Victoria, we used the average viewing share of community television in English-language markets to arrive at total hours tuned to community television in each of these markets.

Based on this analysis, we determined that annual viewing to community channels ranged from approximately 2.6 million hours in Quebec City to nearly 35 million hours in Vancouver/Victoria. The results of this analysis are provided in Figure 2, below.

**Figure 2: Viewing Data for Television in Selected Markets, Fall 2009**

| Market             | Total Television           |                        | Community Channels |                            |
|--------------------|----------------------------|------------------------|--------------------|----------------------------|
|                    | F                          | G                      | H                  | I                          |
|                    | Total Hours Tuned/Week (5) | Total Hours Tuned/Year | Viewing Share (4)  | Hours Tuned/Year           |
|                    |                            | <i>Column F x 52</i>   |                    | <i>Column G X Column F</i> |
| Ottawa/Gatineau    | 27,410,000                 | 1,425,320,000          | 0.8%               | 10,832,432                 |
| Calgary            | 30,255,000                 | 1,573,260,000          | 1.0%               | 15,732,600                 |
| Edmonton           | 32,405,000                 | 1,685,060,000          | 1.0%               | 16,850,600                 |
| Quebec             | 24,635,000                 | 1,281,020,000          | 0.2%               | 2,562,040                  |
| Vancouver/Victoria | 67,170,000                 | 3,492,840,000          | 1.0%               | 34,928,400                 |

Notes:

(4) Source: CRTC, *Communications Monitoring Report 2009*. CRTC data are for broadcast year 2007-08.

(5) Source: BBM, *Fall 2009 TV EM Statistics*.

### ***Step 3: Potential Ad Revenues for Community Television***

We have assumed that community television services, which would not be reliant on advertising for 100% of their revenues (in contrast to private conventional television), would sell their local spots at a rate comparable to the rate charged by commercial radio stations.

We have multiplied the total hours tuned to community television (calculated in Step 2, above) by the revenue per hour tuned to commercial radio, to arrive at potential revenue for community television in each of the five markets.

Our analysis showed that community television ad revenues in 2009 could have ranged between \$180,281 (in Quebec City) to approximately \$2.9 million (in Vancouver/Victoria). In turn, these revenues represented between 0.5% and 2.3% of commercial radio’s revenues in these markets. The wide range of revenues results from the different levels of tuning to community television (community television claims a much smaller share of viewing in French-language markets than in English-language markets), and the relative value of an hour tuned to radio (as determined in

Figure 1, above).

**Figure 3: Potential Ad Revenue for Community Television in Selected Markets**

| Market             | \$/Hour Tuned to Commercial Radio | Hrs. Tuned/Yr. to Community Channels | Community Television Ad Revenue/Year | Community Television Ad Revenue as % of Radio Ad Revenue | Community Television Ad Revenue as % of Radio Ad Revenue |
|--------------------|-----------------------------------|--------------------------------------|--------------------------------------|--|--|
| Ottawa/Gatineau    | \$0.0917                          | 10,832,432                           | \$993,064                            | 1.4%   | 1.1%   |
| Calgary            | \$0.1136                          | 15,732,600                           | \$1,786,766                          | 1.9%   | 1.5%   |
| Edmonton           | \$0.0994                          | 16,850,600                           | \$1,674,432                          | 2.1%   | 1.6%   |
| Quebec             | \$0.0704                          | 2,562,040                            | \$180,281                            | 0.5%   | 0.6%   |
| Vancouver/Victoria | \$0.0826                          | 34,928,400                           | \$2,884,499                          | 2.3%   | 1.3%   |

### Conclusions

The above analysis of a selection of broadcast markets shows that community television services, had they been permitted to sell advertising in 2009, could have claimed up to 2.3% of radio revenues or up to 1.6% of television revenues in these markets.

While these proportions seem modest, the introduction of additional competition for radio and television advertising could put considerable strain on commercial broadcasters. Broadcast year 2009 saw declines in both radio and television advertising for these markets. For example, RMB data show that, for these five markets, radio advertising revenues declined by 6.9% between broadcast years 2008 and 2009. TVB data show that television advertising revenues declined by 13.0% for the same period.

Moreover, there are other pressures on the financial model for commercial radio and television. Commercial radio, for example, is also facing significant increases in its copyright burden, which could double (from \$83M to \$173M in 2008, if copyright collectives' tariff proposals are approved), while community radio is seeking nearly \$6M in incremental revenues from commercial broadcasting.

The CRTC is also considering allowing BDUs to sell local avails on US cable channels; the range of estimates of the value of these avails is from \$20M to over \$100M annually. In addition, advertising on VOD is also being considered by the Commission; while the revenue potential of VOD advertising remains unknown, depending on the conditions under which VOD advertising is sold, it could have an impact on commercial broadcasters' ad revenues.

The cumulative impact, then, of community television advertising, new forms of advertising, and new or augmented contributions by private broadcasters to various policy priorities would put significant downward pressure on private broadcasters' financial model, at a time when the sector is undergoing structural and cyclical economic challenges.

## APPENDIX C

### Excerpts from CAB's Submission in the Review of Campus and Community Radio (BNOC 2009-418)

#### Global Economic Transformation

7. On the economic front, while we are seeing indications that Canada (as well as other countries) may have begun turning the corner from the most significant downturn, most experts caution that the road ahead remains treacherous and uncertain. The economic recovery is predicted to be slow. The Economist recently declared that while the global recession may be coming to an end, the ingredients of a lasting recovery are still missing. Increasingly concerns are being raised about growing government budget deficits and their short term relief that *“solid global recovery demand healthy and balanced growth in private demand. Unfortunately that still seems far off.”* (1) The Economist further noted that even if the housing market stabilizes in the U.S., *“consumer spending will stay weak as households pay down debt. In America and other post-bubble economies, a real V-shaped bounce seems fanciful.”* Rather *“a gloomy U with a long, flat bottom of weak growth is the likeliest shape of the next few years.”*(2)
8. In its September 24th, 2009 edition, the Economist reported on an analysis released on September 22nd by IMF economists who studied the aftermath of 88 banking crises over the past four decades. The article states that *“It is not surprising that trouble in the banks results in big drops in GDP: the IMF finds that output per head falls steadily for three years after a typical banking crisis. Recovering from that takes a long time, even after return to pre-crisis growth rates. Seven years after a typical banking crisis has ended output per head is 10 % lower, on average, than it would have been in the absence of a crash. The IMF also finds that recessions (such as this one) that are associated with the banking crises lead to output declines that are about three times as large in the medium term as those that follow currency crises (222 of which the fund’s economists also scrutinized).”*(3)
9. These cautious views are shared by other economists such as Nouriel Roubini, one of the few experts who correctly predicted in advance the current economic crisis. In an Op-Ed piece published in the Financial Times, Roubini submitted that *“In countries running current account deficits, consumers need to cut spending and save much more, yet debt-burdened consumers face a wealth shock from falling home prices and stock markets and shrinking incomes and employment.”*(4) This combined with massive public deficits, the need for financial institutions to deliver much more than has been done so far and the fact that commodities like oil and food prices are increasing faster than fundamentals warrant, leads Roubini to conclude that *“the recovery is likely to be anemic and below trend in advanced economies and there is a big risk of a double-dip recession.”* (5)

#### Changing Economic Realities

10. Reduced consumer spending during and after the recession is translating into reduced advertising revenues for traditional media. For an industry, like private radio, which relies on a healthy economy and which is sensitive to retail trends to generate new products that need to be advertised, the short term forecast will remain cautionary especially with the projected declines in global advertising spending.
11. This coincides with the so called media revolution whereby the traditional media business model is being significantly challenged by technological developments that have changed the way people

consume media and, as a result, are driving a shift in advertising spending away from traditional media such as private radio. In fact many experts are now saying that the recession is only accelerating and exacerbating the disrupting trend that is forcing traditional media, including private radio, to redefine its business model.

12. In an interview with the Wall Street Journal, Sir Martin Sorell, Chief executive of WPP PLC, the world's largest communications company by revenue, raised concerns regarding the recovery of traditional media including radio. Asked what will occur post-recession for traditional media such as radio, newspaper and television, Mr. Sorell answered: *"We describe the recession as L-shaped, which implies that it will never go back to where it was before. The forecast for levels of increase in ad spending, both traditional and non traditional, are pretty anemic for the next two or three years."*(6)
13. In its 2009 Advertising Forecast, Zenith Optimedia estimates that as overall advertising spending drops 10.6 % in the US, ad spending on American commercial radio is projected to fall 14.4 % to \$16.4 billion (second only to Newspaper's decline of 42 %), while advertising spending on the Internet will grow by 13 % to \$22 billion. Zenith Optimedia further forecast that revenue for broadcast radio in the US will have declined by 27 % over the period 2007 and 2011.(7)
14. In its 2009 radio advertising outlook, SNL Kagan forecasted that advertising spending on radio would decline by more than 15 %, following a fall of close to 10 % in 2008.(8) Yet, as early as last February it stated that *"The declines being reported for radio advertising revenue pacing's are of a much larger magnitude than any we have seen since our records began in 1970 and more extreme than broadcasters expected even at the end of 2008. Broadcasters are responding by taking a machete to expenses, cutting dividends and putting all cash toward debt repayment to ride out the year."*(9)
15. To get a better understanding of the situation faced by American radio broadcasters one has only to look at the current stock price performance of some of radio's public companies compared to their 2005 level.

#### Selected US Radio Company Stock Prices in 2005, \$US

|                      | Current Stock Price | 52 Weeks High | 52 Weeks Low |
|----------------------|---------------------|---------------|--------------|
| <b>Beasley</b>       | 13.65               | 18.29         | 12.32        |
| <b>Citadel</b>       | 11.62               | 14.72         | 11.09        |
| <b>Cumulus Media</b> | 12.77               | 15.18         | 10.81        |
| <b>Emmis</b>         | 18.20               | 24.49         | 15.29        |
| <b>Radio One</b>     | n/a                 | n/a           | n/a          |

Source: Forbes and thestreet.com

#### Selected US Radio Company Stock Prices in 2009, \$US

|                      | Current Stock Price | 52 Weeks High | 52 Weeks Low |
|----------------------|---------------------|---------------|--------------|
| <b>Beasley</b>       | 3.04                | 4.49          | 0.71         |
| <b>Citadel</b>       | 0.06                | 0.90          | 0.01         |
| <b>Cumulus Media</b> | 1.55                | 4.57          | 0.33         |
| <b>Emmis</b>         | 0.83                | 1.37          | 0.24         |
| <b>Radio One</b>     | 0.83                | 0.98          | 0.06         |

Source: SNL Kagan

16. SNL Kagan offers the following observations about the health of the radio industry in the US: *“The radio industry is facing one of the most challenging periods of its history: declining revenues, a frozen financial system inhibiting the deal market and access to capital, a collapse of radio shares due to leverage concerns, and doubts about its ability to recover due to competition for ad dollars from the Internet and digital media. Radio has faced down tough times before, and emerged stronger. Radio revenues have remained flat the past six years due to internal industry issues, more local competition and migration of ad dollars to the Internet”.* (10)
17. SNL Kagan now forecasts that all of the 300 US radio advertising markets it surveys will have a negative compound annual rate for the period 2008-2013, from -0.4 % in Washington and San Diego to as much as -4.2 % in Ann Arbor, Michigan, even though for the same period it forecast retail sales growth on a CAGR basis in every market surveyed.(11) In fact, SNL Kagan’s long-term projections for radio in the US do not show advertising revenue returning to 2008 levels until... 2018.(12) Furthermore, it does not suggest that after 2018 radio will ever return or surpass the peak level reached in 2006.
18. Such a phenomenon is not limited to the US. According to PwC, globally, terrestrial radio advertising will drop 12 per cent this year, and will decline at a CAGR of 2.9 per cent through 2013 to \$28.1B (US) long after the recession will be over (13). From a peak of \$34.6B (US) reached in 2007 to a trough of \$26.6B (US) which PwC estimates will be reached in 2011, private radio advertising revenue, globally, is forecasted to decline by 23 %. PwC’s analysis also shows that countries like France, Japan, the United Kingdom and the United States have all seen their terrestrial radio’s advertising revenue decline prior to the start of the worldwide recession; Japan and the UK as early as 2005, while the decline in France and the United States started in 2007.(14) PwC also forecasts that in these markets radio’s advertising revenues will not hit bottom until at least 2012.(15)
19. These forecasts and analyses clearly show that the decline in advertising revenue for the radio sector in many countries are not only cyclical in nature but result from a wider, profound, structural problem that is significantly impacting private radio’s advertising business model.
20. Closer to home, the Canadian private radio sector has not been immune from the impact of the worldwide recession. While contrary to other jurisdictions Canada’s private radio revenue grew at a healthy pace of 5.6 % in broadcast year 2008 (September 2007 to August 2008), it is virtually certain that broadcast year 2009 will show a decline in advertising revenue for Canada’s private radio. Advertising trends in the biggest radio markets tracked by the Radio Marketing Bureau (RMB) indicate that from September 2008 through August 2009 private radio’s advertising revenue in the seventeen radio markets surveyed by RMB declined by more than 7 %. During this period every market surveyed except one showed negative growth in radio advertising revenue both local and national. Given that historically the markets surveyed by RMB represents on average close to 60 % of total revenue for the private radio sector, the CAB estimates that the advertising revenues for the private radio sector could decline at the high end by 4.7 % to a low end of 8.7 % for the broadcast year 2009.
21. This would be the most severe decline in advertising for private radio stations in Canada since revenue data were first collected in 1963, outpacing the 6.7 % decline in revenue that took place in 1993, the last year private radio saw a (broadcast) year-over-year decline of its advertising revenue. Moreover, during (and even beyond) the last full fledged recession of 1991-1992, private radio stations in Canada suffered two years of revenue decline; after advertising revenue fell by 3.5 % in 1991 compared to 1990, it bounced back by more than 5 % the following year but declined even

more abruptly (6.7 %) in 1993, even after the recession officially terminated. This W shape recovery contributed to the weakening of the private radio sector and significantly impacted on the sector's profitability level well into the mid nineties. In fact, it took private radio five years (1995) to re-attain 1990's level of advertising revenues achieved in 1990.

22. For the purpose of comparison, if we transpose the advertising trend data for radio on a calendar year basis rather than on a broadcast year basis, the 2009 picture for private radio so far looks even bleaker as illustrated by the chart below:

**Calendar Year Radio Advertising Market in Selected Countries**

|                      | <b>Q1 2009</b> | <b>Q2 2009</b> | <b>H1 2009</b> |
|----------------------|----------------|----------------|----------------|
| <b>Australia</b>     | n/a            | n/a            | -4.4 %         |
| <b>Canada</b>        | -6.4 %         | -13.2 %        | -10.2 %        |
| <b>United States</b> | -24 %          | -22 %          | -23 %          |

\*Based on advertising revenues generated in 17 radio markets amongst the biggest in Canada representing about 60 % of the Canadian radio advertising market.

Source: Commercial Radio Australia, Radio Advertising Bureau (US), Radio Marketing Bureau (Canada), SNL Kagan

23. Finally, according to PwC, the Canadian radio advertising market is forecasted to decline by a 2.1 % compound annual rate between 2009 and 2013(16). PwC forecast that the Canadian market will see year over year decline until 2012 well after the recession is over. According to this forecast, between peak and trough, Canada's private radio revenue will have declined by close to 20%.
24. Even in a year where overall advertising revenue grew at a healthy pace such as broadcast year 2008, more than a third of all private radio stations were unprofitable. It is therefore reasonable to believe that this situation will have worsened in 2009 and this also pushes marginally profitable stations in 2008 into the red.
25. Despite these forecasts and preliminary data for 2009, we believe that there are positive signs that the radio advertising market has or is close to bottoming out and we are cautiously optimistic that broadcast year 2010 will exceed 2009. Irrespective, given its reliance on advertising as its near exclusive source of revenue, the road to recovery for private radio might be treacherous and the future full of uncertainties.
26. For the radio sector to turn the corner and grow advertising revenue again, it must be able not only to remain relevant to its listeners but also to grow its listenership in an environment where the Canadian consumer has access to a plethora of content choices through alternative delivery platforms. To this end, the CAB notes that over the course of the last ten years (1998-2008), total listening hours tuned to Canadian radio music format stations have declined by a fifth (20 %), despite the fact that the number of music stations licensed by the Commission has increased by more than 30 %. Over the same period, total listening hours tuned to Canadian talk radio format stations more than doubled (115 %). Yet, the significant increase of tuning to Canadian talk radio stations did not offset losses of tuning to music radio stations. As a result, between 1998 and 2008, total hours tuned to Canadian radio decreased by five percent (5 %).



## NOTES

- 1 [http://www.economist.com/opinion/displaystory.cfm?story\\_id=14085688](http://www.economist.com/opinion/displaystory.cfm?story_id=14085688).
- 2 The Economist article entitled “U,V or W For Recovery” dated August 20, 2009.
- 3 The Economist article entitled “Snail’s pace” dated September 24, 2009, electronic edition.
- 4 Page 7 of the Financial Times article entitled “The Risk of a Double-Dip Recession is Rising”, Nouriel Roubini, dated August 24, 2009.
- 5 Ibid.
- 6 Page B1 of the Wall Street Journal article entitled “WPP Chief Tempers Hopes for Ad Upturn”, by Suzanne Vranica, dated September 21, 2009.
- 7 Page B1 of the Wall Street Journal article entitled “Radio Firms Beg Lenders for Mercy” by Sarah McBride, dated September 2, 2009.
- 8 SNL Kagan, Radio and Television station annual outlook, 2009 Edition, page 7.
- 9 SNL Kagan article entitled “Revenue pacing declines of more than 20 % blowing away historical averages, by Robin Flynn, February 24, 2009
- 10 SNL Kagan, Advertising Forecast: US Market Trends and Data for all Major Media. 2008 Edition, p. 183.
- 11 Ibid, SNL Kagan, Radio and Television station annual outlook, 2009 Edition, page 12 to 17.
- 12 SNL Kagan article entitled “What direction for broadcast station revenues in 2010?” by Robin Flynn, September 25, 2009.
- 13 PricewaterhouseCooper, Global entertainment and media outlook: 2009-2013, page 30.
- 14 Ibid, page 30. PwC forecast that between peak and trough, radio’s revenue will have declined by 28.4 % in France, 30.3 % in Japan, 32.7 % in the US and 39.2 % in the UK.
- 15 Ibid, page 30.
- 16 PricewaterhouseCooper, Global entertainment and media outlook: 2009-2013, page 401.

## APPENDIX D

### VOX NETWORK

#### Network broadcast programs of national interest

| Programs                    | MTL | QC | Outa. | Sherb. | Cap-Mad. | Sag. | R. du Loup | Sorel-Tracy |
|-----------------------------|-----|----|-------|--------|----------|------|------------|-------------|
| Absolument Yoga             | X   | X  |       | X      | X        | X    | X          |             |
| Académie des mots           | X   | X  | X     | X      | X        | X    | X          | X           |
| Auditions Juste pour rire   | X   | X  | X     | X      | X        | X    | X          | X           |
| Bonheur total               | X   | X  | X     | X      | X        | X    | X          | X           |
| Boxe Rock                   | X   | X  | X     | X      | X        | X    | X          | X           |
| Confident (Le)              | X   | X  | X     | X      | X        | X    | X          | X           |
| Espace d'un soir (L')       | X   | X  |       | X      | X        | X    | X          |             |
| Guide de l'auto (Le)        | X   | X  | X     | X      | X        | X    | X          | X           |
| Hockey de la LHMQ           | X   | X  | X     | X      | X        | X    | X          | X           |
| Ici et là                   | X   | X  | X     | X      | X        | X    | X          | X           |
| Le 9.5                      | X   | X  | X     | X      | X        | X    | X          | X           |
| LeZarts Studio              | X   | X  | X     | X      | X        | X    | X          | X           |
| Lab (Le)                    | X   | X  | X     | X      | X        | X    | X          | X           |
| Livre show (le)             | X   |    | X     | X      | X        | X    | X          | X           |
| Ma première Place des Arts  | X   | X  | X     | X      | X        | X    | X          | X           |
| Mêlez-vous de vos affaires  | X   | X  | X     | X      | X        | X    | X          | X           |
| Mémoire de Proulx           | X   | X  | X     | X      | X        | X    | X          | X           |
| Meublez vos passions        | X   | X  | X     | X      | X        | X    | X          | X           |
| Parents Avis                | X   | X  | X     | X      | X        | X    | X          | X           |
| Parole et Vie               | X   | X  | X     | X      | X        | X    | X          | X           |
| Plaisir de skier (Le)       | X   | X  | X     | X      | X        | X    | X          | X           |
| Premières Vues              | X   | X  | X     | X      | X        | X    | X          | X           |
| Relève Juste pour rire (La) | X   | X  | X     | X      | X        | X    | X          | X           |
| Rendez-vous Chasse et Pêche | X   | X  | X     | X      | X        | X    | X          | X           |
| Sans filtre                 | X   | X  | X     | X      | X        | X    | X          | X           |
| Vert tendre                 | X   | X  | X     | X      | X        | X    | X          | X           |
| VoirGRAND.tv                | X   | X  | X     | X      | X        | X    | X          | X           |
| WebPresse.ca                | X   |    | X     | X      | X        | X    | X          | X           |

#### Network broadcast programs of local interest

| Programs                        | MTL | QC | Outa. | Sherb. | Cap-Mad. | Sag. | R. du Loup | Sorel-Tracy |
|---------------------------------|-----|----|-------|--------|----------|------|------------|-------------|
| Mise à jour Montréal            | X   | X  |       | X      | X        | X    | X          | X           |
| Mise à jour Québec              | X   | X  | X     | X      |          | X    | X          |             |
| Mise à jour Outaouais           | X   | X  | X     | X      | X        | X    | X          | X           |
| Mise à jour Sherbrooke          | X   | X  |       | X      | X        | X    | X          | X           |
| Mise à jour Cap-de-la-Madeleine | X   | X  | X     | X      | X        | X    | X          | X           |
| Mise à jour Saguenay            | X   | X  | X     | X      | X        | X    | X          | X           |
| Mise à jour Rivière-du-Loup     | X   |    | X     | X      | X        | X    | X          | X           |

Sources: Vox network website, week of January 25 to 31, 2010 (The schedule for the Granby region was unavailable at the time of consultation.)

NOTES:

“*Network broadcast programs of national interest*” refers to general interest programs in various categories, many of which are hosted by seasoned professionals such as Louise DesChâtelets, Sophie Durocher, Philippe Fehmiu, Didier Lucien, Maxime Martin, Gilles Proulx and Marie-Claude Savard who have the advantage of being known by the French speaking viewers across Quebec. These programs are not rooted in a particular community and they are broadcast by at least 75% of the network’s community stations.

“*Network broadcast programs of local interest*” refers to programs designed to meet the needs of a particular local or regional community, but that are each broadcast by at least 75% of the community television services belonging to the network.

The 35 network programs we identified for the week of January 25 to 31, 2010 took up the following percentages of the evening broadcast period, i.e. 6 p.m. to midnight, of each of the eight (8) community stations whose programming schedule was available:

| <b>Regions</b>      | <b>Network programming</b> | <b>Others *</b> | <b>Total</b>  | <b>% of network programming</b> |
|---------------------|----------------------------|-----------------|---------------|---------------------------------|
| Montreal            | 41.5 h.                    | 0.5 h.          | 42.0 h.       | 98.81%                          |
| Quebec City         | 34.0 h.                    | 8.0 h.          | 42.0 h.       | 80.95%                          |
| Sherbrooke          | 31.0 h.                    | 11.0 h.         | 42.0 h.       | 73.81%                          |
| Rivière-du-Loup     | 28.0 h.                    | 14.0 h.         | 42.0 h.       | 66.67%                          |
| Saguenay            | 25.0 h.                    | 17.0 h.         | 42.0 h.       | 59.52%                          |
| Outaouais           | 24.0 h.                    | 18.0 h.         | 42.0 h.       | 57.14%                          |
| Sorel-Tracy         | 24.0 h.                    | 18.0 h.         | 42.0 h.       | 57.14%                          |
| Cap-de-la-Madelaine | 23.5 h.                    | 18.5 h.         | 42.0 h.       | 55.95%                          |
| <b>Total</b>        | <b>231 h.</b>              | <b>105 h.</b>   | <b>336 h.</b> | <b>68.75%</b>                   |

\* Certain programs under the heading “Others” are also broadcast in more than one region, but they do not attain the threshold we established of at least 75% of the regions (6 out of 8). Thus, for example, the magazines *Mise à jour Sorel-Tracy* and *Mise à jour Granby*, that are broadcast in five of the eight regions, were therefore not included in network programming.

## Particularités du marché de langue française

40. Les constats et recommandations que nous venons de présenter s'appliquent avec encore plus d'acuité au marché de langue française, en raison notamment du fait que la propriété des entreprises de câblodistribution y est beaucoup plus concentrée qu'ailleurs au pays, avec une EDR, Vidéotron, qui contrôle à elle seule près de 80% des abonnés à la câblodistribution au Québec.<sup>1</sup>
41. Vidéotron, qui desservait 1 729 000 abonnés à la câblodistribution en 2009<sup>2</sup>, opère les télévisions communautaires situées dans neuf (9) différentes régions québécoises où elle est présente<sup>3</sup> un peu à la manière d'un réseau de télévision conventionnelle. Elle offre à chacune une programmation réseau, composée d'une trentaine d'émissions d'intérêt national diffusées par au moins 75% des télévisions membres. Il s'agit d'émissions d'intérêt général de diverses catégories – dont bon nombre sont animées par des professionnels aguerris avantageusement connus de l'ensemble des téléspectateurs québécois francophones : Louise DesChâtelets, Sophie Durocher, Philippe Fehmiu, Didier Lucien, Maxim Martin, Gilles Proulx, Marie-Claude Savard... - qui n'ont pas d'enracinement dans une communauté particulière et qui s'adressent à un auditoire pan-québécois. Cette programmation réseau comporte aussi un certain nombre d'émissions qui, bien que d'intérêt local, sont chacune diffusée par au moins 75% des télévisions membres. (Voir liste détaillée en Annexe 4)
42. Cette programmation réseau constitue la part du lion de la programmation des télévisions communautaires membres du réseau Vox au cours de la période de radiodiffusion en soirée (18 h. à minuit). Durant la semaine du 25 au 31 janvier 2010, les 35 émissions diffusées réseau (i.e. par plus de 75% des télévisions communautaires membres) que nous avons recensées ont occupé en moyenne près de 70% de la grille horaire de soirée des huit (8) stations communautaires dont la grille de programmation était disponible.<sup>4</sup> (Voir tableau en Annexe 4)
43. S'il soulève des préoccupations quant à la mission d'accès, c'est-à-dire à la participation des simples citoyens à la conception, à la production et à l'animation de la programmation de ces télévisions dites « communautaires », ce mode de fonctionnement particulier au Québec permet incontestablement d'importantes économies d'échelle et contribue à la bonne santé financière de ce réseau qui a bénéficié, en 2007-08, d'une contribution à l'expression locale de la part de Vidéotron de 18,1 M\$.<sup>5</sup>

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<sup>1</sup> Sources : Statistique Canada : CANSIM et CRTC : Rapport de surveillance des communications 2009 (données pour l'année 2008)

<sup>2</sup> Selon le Rapport de surveillance des communications 2009 du Conseil, page 178

<sup>3</sup> Soit : Montréal, Québec, Outaouais, Sherbrooke, Saguenay, Mauricie (Cap-de-la-Madeleine), Rivière-du-Loup, Sorel-Tracy et Granby.

<sup>4</sup> Au moment où nous avons effectué la compilation, la grille horaire de la télévision communautaire de Granby était non disponible.

<sup>5</sup> Sources : Documents soumis par Vidéotron dans le cadre de l'Avis de consultation publique CRTC 2009-614.

44. Le secteur de la « programmation d'accès communautaire »<sup>6</sup> qu'a analysé David Keeble, à la demande du Conseil, est aussi particulièrement bien développé au Québec. Après avoir souligné que :

*« De façon notable, les programmeurs communautaires du Québec ont déclaré avoir reçu au cours de la période de cinq ans presque 2,5 M\$ en financement provincial. Les autres provinces n'ont déclaré qu'un montant de 22 000 \$ destiné à la programmation d'accès communautaires ou au financement des immobilisations. Le financement provenant des entreprises de câblodistribution n'avait lieu pratiquement qu'au Québec, le Manitoba étant la seule autre province à déclarer un financement des EDR. » (page 15)*

il conclut son étude en soulignant que :

*« Parmi les 18 870 heures de production, 16 609 ont été produites au Québec et en français. Le Québec a accumulé autant d'heures de bénévolat que le reste du pays au complet. » (page 19)*

*« Toute les mesures indiquent de manière manifeste que le secteur de l'accès communautaire est beaucoup plus solide et actif au Québec qu'ailleurs. La disponibilité d'un financement significatif de la province et des EDR est aussi frappante au Québec et c'est peut-être la base sur laquelle se sont constituées des activités permettant un autofinancement encore plus important. » (page 19)*

45. Bref, dans l'ensemble, la télévision communautaire québécoise de langue française est en excellente santé. Elle n'a nul besoin de financement additionnel, que ce soit à travers l'accès aux ressources du FAPL ou l'accroissement de son accès aux recettes publicitaires. D'autant qu'un tel accès aux recettes publicitaires auraient des incidences négatives encore plus marquées sur les stations locales de radio et de télévision conventionnelle, étant donné le très faible écart entre les CPM pratiqués par ces deux médias dans les marchés locaux ; CPM qui sont par ailleurs historiquement moins élevés dans le marché de langue française que dans celui de langue anglaise.
46. La principale préoccupation que l'on peut avoir à l'endroit des télévisions communautaires québécoises de langue française, c'est la propension de certaines à s'éloigner de leur devoir d'enracinement communautaire et de stimulation de la participation active des citoyens, au profit d'un modèle de réseau offrant une programmation composée en large part d'émissions professionnelles d'intérêt national, de plus en plus similaires à celles des services de télévision en direct et spécialisés de langue française et visant à les concurrencer directement plutôt qu'à être complémentaires.

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<sup>6</sup> Ce secteur, tel que défini par David Keeble, exclut les productions des EDR de l'ensemble des données, « la raison étant que la « programmation d'accès communautaire », par définition, est produite par un tiers, bien que le producteur communautaire puisse largement utiliser les installations des EDR. » in Le secteur de l'accès à la programmation communautaire : une analyse quantitative, par David Keeble, Keeble Consulting, le 22 septembre 2009, page 4.



|                             |   |   |   |   |   |   |   |   |
|-----------------------------|---|---|---|---|---|---|---|---|
| Madeline                    |   |   |   |   |   |   |   |   |
| Mise à jour Saguenay        | X | X | X | X | X | X | X | X |
| Mise à jour Rivière-du-Loup | X |   | X | X | X | X | X | X |

Sources : Site web du réseau Vox, semaine du 25 au 31 janvier 2010 (Au moment de la consultation, la grille pour la région de Granby était indisponible)

#### NOTES :

Par « *émissions d'intérêt national diffusées réseau* » on entend des émissions d'intérêt général de diverses catégories, dont bon nombre sont animées par des professionnels aguerris avantageusement connus de l'ensemble des téléspectateurs québécois (Louise DesChâtelets, Sophie Durocher, Philippe Fehmiu, Didier Lucien, Maxime Martin, Gilles Proulx, Marie-Claude Savard...), qui n'ont pas d'enracinement spécifique dans une communauté particulière et qui sont diffusées par au moins 75% des télévisions communautaires du réseau.

Par « *émissions d'intérêt local diffusées réseau* » on entend des émissions conçues pour répondre aux attentes d'une communauté locale ou régionale particulière mais qui sont chacune diffusée par au moins 75% des télévisions communautaires membres du réseau.

Au cours de la semaine du 25 au 31 janvier 2010, les 35 émissions diffusées réseau que nous avons recensées ont occupé les pourcentages suivant de la période de radiodiffusion en soirée (18 h. à minuit) de chacune des huit (8) stations communautaires dont la grille de programmation était disponible :

| Régions             | Programmation réseau | Autres *      | Total         | % de programmation réseau |
|---------------------|----------------------|---------------|---------------|---------------------------|
| Montréal            | 41,5 h.              | 0,5 h.        | 42,0 h.       | 98,81 %                   |
| Québec              | 34,0 h.              | 8,0 h.        | 42,0 h.       | 80,95 %                   |
| Sherbrooke          | 31,0 h.              | 11,0 h.       | 42,0 h.       | 73,81 %                   |
| Rivière-du-Loup     | 28,0 h.              | 14,0 h.       | 42,0 h.       | 66,67 %                   |
| Saguenay            | 25,0 h.              | 17,0 h.       | 42,0 h.       | 59,52 %                   |
| Outaouais           | 24,0 h.              | 18,0 h.       | 42,0 h.       | 57,14%                    |
| Sorel-Tracy         | 24,0 h.              | 18,0 h.       | 42,0 h.       | 57,14%                    |
| Cap-de-la-Madelaine | 23,5 h.              | 18,5 h.       | 42,0 h.       | 55,95%                    |
| <b>Total</b>        | <b>231 h.</b>        | <b>105.h.</b> | <b>336 h.</b> | <b>68,75%</b>             |

\* Certaines des émissions Autres sont aussi diffusées dans plus d'un région, sans atteindre toutefois le seuil que nous avons fixé d'au moins 75% des régions (6 sur 8). Ainsi, par exemple, les magazines *Mise à jour Sorel-Tracy* et *Mise à jour Granby* sont diffusés dans 5 des 8 régions et n'ont donc pas été inclus dans la programmation réseau.



## Annexe D

### RÉSEAU VOX

#### Émissions d'intérêt national diffusées réseau

| Émissions                   | MTL | QC | Outa. | Sherb. | Cap-Mad. | Sag. | R. du Loup | Sorel-Tracy |
|-----------------------------|-----|----|-------|--------|----------|------|------------|-------------|
| Absolument Yoga             | X   | X  |       | X      | X        | X    | X          |             |
| Académie des mots           | X   | X  | X     | X      | X        | X    | X          | X           |
| Auditions Juste pour rire   | X   | X  | X     | X      | X        | X    | X          | X           |
| Bonheur total               | X   | X  | X     | X      | X        | X    | X          | X           |
| Boxe Rock                   | X   | X  | X     | X      | X        | X    | X          | X           |
| Confident (Le)              | X   | X  | X     | X      | X        | X    | X          | X           |
| Espace d'un soir (L')       | X   | X  |       | X      | X        | X    | X          |             |
| Guide de l'auto (Le)        | X   | X  | X     | X      | X        | X    | X          | X           |
| Hockey de la LHMQ           | X   | X  | X     | X      | X        | X    | X          | X           |
| Ici et là                   | X   | X  | X     | X      | X        | X    | X          | X           |
| Le 9.5                      | X   | X  | X     | X      | X        | X    | X          | X           |
| LeZarts Studio              | X   | X  | X     | X      | X        | X    | X          | X           |
| Lab (Le)                    | X   | X  | X     | X      | X        | X    | X          | X           |
| Livre show (le)             | X   |    | X     | X      | X        | X    | X          | X           |
| Ma première Place des Arts  | X   | X  | X     | X      | X        | X    | X          | X           |
| Mêlez-vous de vos affaires  | X   | X  | X     | X      | X        | X    | X          | X           |
| Mémoire de Proulx           | X   | X  | X     | X      | X        | X    | X          | X           |
| Meublez vos passions        | X   | X  | X     | X      | X        | X    | X          | X           |
| Parents Avis                | X   | X  | X     | X      | X        | X    | X          | X           |
| Parole et Vie               | X   | X  | X     | X      | X        | X    | X          | X           |
| Plaisir de skier (Le)       | X   | X  | X     | X      | X        | X    | X          | X           |
| Premières Vues              | X   | X  | X     | X      | X        | X    | X          | X           |
| Relève Juste pour rire (La) | X   | X  | X     | X      | X        | X    | X          | X           |
| Rendez-vous Chasse et Pêche | X   | X  | X     | X      | X        | X    | X          | X           |
| Sans filtre                 | X   | X  | X     | X      | X        | X    | X          | X           |
| Vert tendre                 | X   | X  | X     | X      | X        | X    | X          | X           |
| VoirGRAND.tv                | X   | X  | X     | X      | X        | X    | X          | X           |
| WebPresse.ca                | X   |    | X     | X      | X        | X    | X          | X           |
|                             |     |    |       |        |          |      |            |             |

#### Émissions d'intérêt local diffusées réseau

| Émissions                       | MTL | QC | Outa. | Sherb. | Cap-Mad. | Sag. | R. du Loup | Sorel-Tracy |
|---------------------------------|-----|----|-------|--------|----------|------|------------|-------------|
| Mise à jour Montréal            | X   | X  |       | X      | X        | X    | X          | X           |
| Mise à jour Québec              | X   | X  | X     | X      |          | X    | X          |             |
| Mise à jour Outaouais           | X   | X  | X     | X      | X        | X    | X          | X           |
| Mise à jour Sherbrooke          | X   | X  |       | X      | X        | X    | X          | X           |
| Mise à jour Cap-de-la-Madeleine | X   | X  | X     | X      | X        | X    | X          | X           |
| Mise à jour Saguenay            | X   | X  | X     | X      | X        | X    | X          | X           |
| Mise à jour Rivière-du-Loup     | X   |    | X     | X      | X        | X    | X          | X           |

Sources : Site web du réseau Vox, semaine du 25 au 31 janvier 2010 (Au moment de la consultation, la grille pour la région de Granby était indisponible)

NOTES :

Par « *émissions d'intérêt national diffusées réseau* » on entend des émissions d'intérêt général de diverses catégories, dont bon nombre sont animées par des professionnels aguerris avantagement connus de l'ensemble des téléspectateurs québécois (Louise DesChâtelets, Sophie Durocher, Philippe Fehmiu, Didier Lucien, Maxime Martin, Gilles Proulx, Marie-Claude Savard...), qui n'ont pas d'enracinement spécifique dans une communauté particulière et qui sont diffusées par au moins 75% des télévisions communautaires du réseau.

Par « *émissions d'intérêt local diffusées réseau* » on entend des émissions conçues pour répondre aux attentes d'une communauté locale ou régionale particulière mais qui sont chacune diffusée par au moins 75% des télévisions communautaires membres du réseau.

Au cours de la semaine du 25 au 31 janvier 2010, les 35 émissions diffusées réseau que nous avons recensées ont occupé les pourcentages suivant de la période de radiodiffusion en soirée (18 h. à minuit) de chacune des huit (8) stations communautaires dont la grille de programmation était disponible :

| Régions             | Programmation réseau | Autres *      | Total         | % de programmation réseau |
|---------------------|----------------------|---------------|---------------|---------------------------|
| Montréal            | 41,5 h.              | 0,5 h.        | 42,0 h.       | 98,81 %                   |
| Québec              | 34,0 h.              | 8,0 h.        | 42,0 h.       | 80,95 %                   |
| Sherbrooke          | 31,0 h.              | 11,0 h.       | 42,0 h.       | 73,81 %                   |
| Rivière-du-Loup     | 28,0 h.              | 14,0 h.       | 42,0 h.       | 66,67 %                   |
| Saguenay            | 25,0 h.              | 17,0 h.       | 42,0 h.       | 59,52 %                   |
| Outaouais           | 24,0 h.              | 18,0 h.       | 42,0 h.       | 57,14%                    |
| Sorel-Tracy         | 24,0 h.              | 18,0 h.       | 42,0 h.       | 57,14%                    |
| Cap-de-la-Madelaine | 23,5 h.              | 18,5 h.       | 42,0 h.       | 55,95%                    |
| <b>Total</b>        | <b>231 h.</b>        | <b>105.h.</b> | <b>336 h.</b> | <b>68,75%</b>             |

\* Certaines des émissions Autres sont aussi diffusées dans plus d'un région, sans atteindre toutefois le seuil que nous avons fixé d'au moins 75% des régions (6 sur 8). Ainsi, par exemple, les magazines *Mise à jour Sorel-Tracy* et *Mise à jour Granby* sont diffusés dans 5 des 8 régions et n'ont donc pas été inclus dans la programmation réseau.