



**CBC/Radio-Canada Corporate Plan Summary  
for 2004-2005 to 2008-2009**

# **BUILDING FOR THE FUTURE**

**Presented to the Minister of Canadian Heritage**

June 2004

**CBC**  **Radio-Canada**

# 2004-2005 CORPORATE PLAN SUMMARY

## TABLE OF CONTENTS

---

---

EXECUTIVE SUMMARY .....	1
I) BUILDING FOR THE FUTURE.....	3
II) CANADIAN BROADCASTING TRANSFORMED... AND CHALLENGED.....	5
III) BROADCAST REVIEW CONCLUDES PUBLIC BROADCASTING VITAL... AND IN NEED OF RENEWED INVESTMENT .....	6
IV) The "NEW" CBC/Radio-Canada.....	8
A. Greater Value for Canadians .....	8
B. Quality Programming.....	9
C. Efficiency .....	17
D. Creative and Human Resources.....	18
E. Strategic Partnerships .....	20
F. Collaboration.....	21
G. Strong Stakeholder Relationships .....	23
V) FINANCIAL OVERVIEW .....	24
APPENDIX A	
Financial Operating Overview .....	27

---

---

## EXECUTIVE SUMMARY

---

As Canada's national public broadcaster, the Corporation exists to help Canadians understand and appreciate themselves within both the Canadian and world contexts. In essence, Canadians turn to their national public broadcaster to help them connect to the Canadian experience.

This mandate presents considerable challenges. Increased competition for viewers and listeners and the economics of Canadian programming is putting intense pressure on broadcasters' business models. Concerns about media concentration and the need to enhance diversity of editorial content are becoming increasingly important. In this context, the Corporation's role in offering Canadians a wide range of voices and perspectives is critical.

Over the past three years, CBC/Radio-Canada has dramatically re-shaped itself to respond to these challenges. The Corporation has sought to bring Canadians greater value for their investment by fundamentally transforming its programming, operations and management.

- Our radio and television schedules are distinctively Canadian.
- Our share of French radio listening has reached historic levels and English Radio's share is within one share point of its highest total.
- Our television services continue to reach the vast majority of Canadians.
- CBC/Radio-Canada's high-impact programming strategy is delivering substantial audiences. Examples include special programming such as *Trudeau, The Last Chapter II: The War Continues / Le Dernier Chapitre II, Music Hall* and *Shattered City*.
- Greater efficiency and collaboration across media lines has yielded significant savings for re-investment in programming.

- Our news and current affairs programming continues to bring a uniquely Canadian perspective to regional, national and international events.
- An increased number of news bureaus, new radio transmitters, and the high penetration level of CBC/Radio-Canada's New Media services have helped improve the Corporation's reach across Canada.
- Our children's programming has been significantly enriched. CBC/Radio-Canada continues to be one of the leading sources of high-quality, educational and commercial-free content for children and young adults.
- CBC/Radio-Canada has long reflected the special place held by sports in the Canadian imagination by featuring Canada's aspiring athletes as they rise through national and international competition. To that end, CBC/Radio-Canada is proud to hold the Canadian rights to the Olympics until 2008.

The Government of Canada has recognised this work by providing CBC/Radio-Canada with \$60 million in additional funding for each of the last three years. These resources, together with the Corporation's internal savings, were invested to strengthen programming, enhance journalism and reduce commercials from important sections of the Corporation's programming schedules.

However, CBC/Radio-Canada needs increased and stable multi-year funding to sustain its distinctive schedules. The Corporation is calling on the Government to make the \$60 million a part of its base budget and to increase that amount by an additional \$40 million. These additional resources are vital if CBC/Radio-Canada's distinctive Canadian schedules are to be maintained.



Our Corporate Plan focuses on eight strategic priorities:

- 1) Ensure distinctive Canadian programming of the highest quality.
- 2) Recognise the importance of regional reflection and of the changing face of Canada.
- 3) Ensure the sustainability of CBC/Radio-Canada's Canadian schedules.
- 4) Demonstrate that CBC/Radio-Canada is a well-managed company and generate cash flow to re-invest in programming.
- 5) Strengthen CBC/Radio-Canada's commitment to all its employees – to those who create and those who support them.
- 6) Position CBC/Radio-Canada to enhance its ability to fulfill its mandate through selective alliances and partnerships.
- 7) Reinforce the capacity of CBC/Radio-Canada to work as one integrated company.
- 8) Enhance/strengthen CBC/Radio-Canada's stakeholders relationships

In line with these corporate priorities, key action plans have been designed to bring to Canadians the quality programming that they deserve and can expect from their public broadcaster.

- English Television will complete its transformation process initiated three years ago to increase its value to Canadians by bringing the service back to its roots as a public broadcaster.
- French Television is pursuing a repositioning exercise by developing public television that takes risks and that invites its viewers to explore reality.
- CBC/Radio-Canada Radio services will continue to be deeply rooted in the regions and to rely on journalistic excellence.

- English Radio's continuing goal is to be connected to the lives of listeners across the country and reflective of the widest possible range of values and interests. English Radio has developed program initiatives in 5 areas that build on Radio's traditional strengths:
  - 1) Reflecting and embodying contemporary Canada
  - 2) Bridging the international gap
  - 3) Flexibility and responsiveness
  - 4) Programming on a range of platforms
  - 5) Making public broadcasting values heard
- French Radio recently announced that it will do more for culture, for musical diversity and for young adults. It will continue to build on its strengths in news and information. It intends to intensify its partnership initiatives, boost its creative strengths, create a stimulating, engaging work environment, leverage the full potential of the Radio-Canada group, maximize the quality of its schedules and streamline management operations.
- Canada's increasing diversity requires strong action plans to ensure we are connecting Canadians across regional and cultural lines. To that end, each media line has developed specific action plans to ensure that on-air content remains as relevant as ever for multi-cultural and regional audiences.
- CBC/Radio-Canada is prepared to come forward with a plan and identify the necessary resources to enhance its local and regional programming.

At \$29 per year per Canadian, CBC/Radio-Canada is a sound investment in Canada's future.



## I) BUILDING FOR THE FUTURE

---



Robert Rabinovitch

*At a time when CBC/Radio-Canada's role in connecting Canadians to the Canadian experience is more important than ever, the challenges of doing so have never been greater. The Corporation is calling on the Government of Canada to renew its commitment to public broadcasting.*

As Canadians strive to make our nation a better place to live, work and grow, and as we consider what role Canada should play in the world, knowing who we are has never been more important. Helping Canadians connect to this Canadian experience is the *raison d'être* of CBC/Radio-Canada.

Today's fast-paced, globally integrated world offers unprecedented challenges. Over the past few years, world geo-political tensions have risen to new and unnerving levels. The vision of a new world order based on multi-lateral collaboration has been tested. The outlook for the world economy remains uncertain.

For Canadians, there remain persistent challenges such as maintaining our health care system and managing dynamic tensions – along regional, cultural, linguistic and economic lines – in our increasingly diverse society. These have been accompanied by unexpected new problems such as SARS, a mad cow disease scare, West Nile Virus, massive forest fires in B.C., an Ontario power outage and hurricane Juan on the East Coast.

In this environment, CBC/Radio-Canada's role is critical. As Canada's national public broadcaster, the Corporation exists to help Canadians understand and appreciate themselves within both the Canadian and world contexts. In essence, Canadians turn to their national public broadcaster to help them connect to the Canadian experience.

CBC/Radio-Canada operates over 20 services in a multi-channel universe, where broadcasters compete fiercely for audience share and loyalty. The Internet has exploded to command the attention of large and increasing audiences, especially among young people. The rollout of new services and technologies such as Digital Television (DTV) continues.

More intense competition for programming is increasing costs and putting pressure on broadcaster finances and business models. Concerns about media concentration and the need to enhance diversity of editorial content are significant. In this context, the Corporation's role in offering Canadians a wide range of alternative voices and perspectives is more important than ever.

Over the past three years, CBC/Radio-Canada has been dramatically re-shaping itself to respond to these challenges. The Corporation has sought to bring Canadians greater value for their investment by fundamentally transforming its programming, operations and management.

In programming, the Corporation has strengthened its traditional excellence in journalism, children's programming, sports, arts, drama and entertainment. It has undertaken change initiatives across all media lines – repositioning French Television, transforming English Television, renewing English and French Radio and investing in New Media services. The Government of Canada has recognised this work by providing CBC/Radio-Canada with additional funding for each of the last three years. These resources, together with the Corporation's internal savings, have been invested to strengthen programming, enhance journalism quality and remove or reduce commercials from important sections of the Corporation's programming schedules.

In operations and management, the Corporation has found new ways of doing business. New Real Estate, Transmission and Merchandising divisions have been created to better manage the Corporation's assets and to generate additional revenues to invest in programming. In addition, alternative service delivery options to attain greater efficiency were explored across the Corporation. As a result, a new Shared



Service Organization was created, allowing the Corporation to simplify and standardize some of its administrative activities in the areas of Human Resources management, Finance and Information Technologies. As well, all our television affiliate agreements are being reviewed to enhance the carriage of the Corporation's programming and to reduce costs.

Against this backdrop, a number of timely reviews of broadcasting which have significant implications for CBC/Radio-Canada's future have taken place. One of the most important was a two-year review of the Canadian Broadcasting System conducted by the House of Commons Standing Committee on Canadian Heritage. That process revealed that Canadians care deeply about their broadcasting system as both a window on the world and a connection to their communities.

The Standing Committee expressed grave concerns about the future of public broadcasting and it reaffirmed "the importance of public broadcasting as an essential instrument for promoting, preserving and sustaining Canadian culture." It recognised that CBC/Radio-Canada is the primary guarantor of high quality, distinctively Canadian television programs. In addition to calling for a three-to-five year funding cycle, the Standing Committee also cited the need for increased funding to ensure the Corporation can continue to fulfill its mandate. It also called on the Government to provide one-time funding to support CBC/Radio-Canada's transition to digital television.

CBC/Radio-Canada is proud of its recent achievements, many of which are highlighted in this Summary. Building on these successes, the Corporation is poised to further increase its relevance and value to Canadians.

What CBC/Radio-Canada needs now is increased and stable multi-year funding, without which it is difficult to plan and develop distinct programming. A five-year funding cycle would ensure support for programs during the several years it takes to go from idea to broadcast.

The Corporation is calling on the Government of Canada to make the \$60 million a part of its base budget and to increase that amount by an additional \$40 million. Such additional resources are vital to the continued offering of the kind of high-impact programming Canadians want.

While the Government's response to the Standing Committee's report has not yet addressed the Committee's key CBC/Radio-Canada recommendations, the Corporation will continue to call for increased, stable and multi-year funding.

It is also crucial that the current funding system of the Canadian Television Fund (CTF) be restructured to enable the more efficient funding of Canadian programming while taking into account the leading role of CBC/Radio-Canada in this regard. The Corporation is extremely pleased that the Government has renewed CTF funding at its original levels for the next two years. CBC/Radio-Canada is also pleased that the Government is exploring what changes can be made to simplify and clarify the CTF's structure.

Reflecting the rich variety of Canada's communities is an essential role for CBC/Radio-Canada and the Corporation is keen to improve its levels of local and regional programming. That is what Canadians want.

In its report, the Standing Committee also proposed that the Corporation provide Parliament with a strategic plan and associated costs to enhance local and regional programming. The Corporation fully endorses this recommendation and is working to develop a detailed local/regional strategic plan. We would like to create a new "Contract with Canadians" – one that spells out precisely what Canadians can expect in local and regional programming from their public broadcaster- and what it will cost.

Such actions represent an important and necessary investment in Canada's future.



## II) CANADIAN BROADCASTING TRANSFORMED... AND CHALLENGED

Today's complex broadcast universe is one where multiple channels and a myriad of broadcasters compete fiercely for space and audience loyalty.

Audience fragmentation and eroding advertising revenues have forced media companies around the world to develop aggressive strategies to maintain their bottom lines. As a result, fewer, larger media conglomerates dominate today's industry. Many own properties and businesses all along the broadcasting value chain, giving them the power to exert control over editorial content and distribution channels.

Meanwhile, the Internet has exploded and is commanding the attention of large and increasing

audiences, especially among younger generations. As well, the rollout of new services and technologies such as Digital Television (DTV) continues.

In Canada, the economics of Canadian programming remains a central issue as the simulcast of popular U.S. entertainment products continues to drive Canada's private broadcasters' schedules (see box below).

In response to these poor economics of Canadian programming, particularly in the area of drama programming, the CRTC commissioned a review of the state of Canadian drama, which is currently underway.

### Canadian Television

Market forces continue to make it more profitable to carry foreign programming rather than programming that reflects Canadian values and perspectives. Consider:

- The production cost of high-impact Canadian programming remains considerable. For instance, the four hours of the *Shattered City* miniseries cost more than \$10.4 million to produce, *Trudeau*, more than \$7.7 million for four hours. The series *Da Vinci's Inquest* costs over \$15 million to produce (13 one-hour episodes).
- Canadian broadcasters pay a licence fee of \$200,000 to \$250,000 per hour for Canadian programming, which is likely to generate only \$65,000 to \$90,000 in advertising revenues. It is five times more expensive to produce Canadian programming than to acquire translated American shows in the French Canadian market.
- Simulcast rights to popular U.S. sitcoms and dramas can be purchased for \$100,000 to \$125,000 per hour, roughly half the cost of licencing a Canadian program. Purchases of these rights also benefit from publicity that the U.S. networks use to promote these American shows. Popular U.S. series attract large audiences and command premium advertising rates in Canada. The most successful ones generate revenue of between \$350,000 and \$450,000 per hour, about three to four times their cost and five times the revenue that top Canadian programs generate.
- Canadian television producers recover their costs through a combination of public subsidies and foreign sales. Up to 60 percent are public monies such as broadcast licence fees, Canadian Television Fund allocations, tax credits, provincial film commissions and CRTC-mandated private funds. The rest is earned through foreign sales.



### III) BROADCAST REVIEW CONCLUDES PUBLIC BROADCASTING VITAL... AND IN NEED OF RENEWED INVESTMENT

---

*CBC/Radio-Canada needs adequate levels of stable, multi-year funding if it is to continue to fulfill its pivotal role in Canadian broadcasting.*

One of the most important developments on the regulatory front was a two-year review of the Canadian Broadcasting System, conducted by the House of Commons Standing Committee on Canadian Heritage. That process revealed that Canadians care deeply about their broadcasting system as both a window on the world and a connection to their communities. It confirmed that Canadian broadcasters are struggling to meet the challenges of new technology, globalization, corporate convergence and the high expectations of Canadians.

CBC/Radio-Canada is delighted that the Standing Committee on Canadian Heritage has reaffirmed the importance of public broadcasting as an essential instrument for promoting, preserving and sustaining Canadian culture, and provided key recommendations to promote and enhance this role.

While CBC/Radio-Canada is pleased that the Government reaffirmed the unique and essential role of the public broadcaster, it had hoped that the Government response to the Standing Committee's report would go further and address many of the Committee's recommendations, especially those relating to increased, stable and long-term funding for CBC/Radio-Canada.

The key recommendations from the Standing Committee are set as below.

#### **Stable, Multi-year Funding**

Recognising the importance of multi-year funding for programming stability, the Standing Committee recommended a funding cycle of three to five years. The impact of this type of financial stability is already evident. Thanks to special government budgetary infusions of \$60 million in each of 2001-2002, 2002-2003 and 2003-2004, the Corporation has renewed programming vitality across all media lines. The funding has helped underwrite high-impact

programming that enhances Canadians' understanding of themselves and their country.

#### **Strategic Plans to Parliament**

The Standing Committee called for the presentation of a CBC/Radio-Canada Strategic Plan to Parliament that would encompass Canadian programming, local and regional programming and new media. The Committee also recommended that the Corporation submit a plan and related resource requirements with respect to the transition to DTV. (Rec. 6.3)

Canadian Programming: As evidenced by the audience response to programs such as *Trudeau* and *The Last Chapter / Le dernier chapitre*, it is clear that Canadians want high quality Canadian programming. CBC/Radio-Canada remains committed to providing such high-quality programming.

Local and Regional Programming: As Canada's public broadcaster, CBC/Radio-Canada strives to serve Canadian communities on radio, television and the Internet. The Corporation spends about 40 percent of its total operating budget in the regions or in support of regional activities. As well, fully half of the Canadian programming on CBC/Radio-Canada reflects Canada's regions. The Corporation is also developing a detailed strategic plan to enhance local and regional programming.

New Media: The Standing Committee recommended that the value of the Corporation's New Media services be recognised as complementary elements of our programming strategy in the *Broadcasting Act* (Rec. 6.2). Including new media initiatives in a Strategic Plan would enable CBC/Radio-Canada to expand its "Contract with Canadians" in this area.

Digital Television: The Standing Committee stressed the importance of the transition to digital television and called for one-time funding to CBC/Radio-Canada to support it in this significant project (Rec. 6.5). The Corporation would need about a year to





prepare a plan that identifies costs, including those that the Corporation may be able to absorb over time.

CBC/Radio-Canada believes that these Plans, with their associated cost estimates, can offer a clear strategic road map for the Corporation's future by articulating a new "Contract with Canadians" – one that sets out clear expectations about how the public broadcaster would serve its audiences in key areas, with increased accountability through the clear indication of what those commitments will cost.

### **Canadian Television Fund Renewal**

The Standing Committee recognised that CBC/Radio-Canada is the primary guarantor of high-quality, distinctively Canadian television programs in the broadcasting system. Of course, the Corporation can only achieve this through independently produced programs financed by the Canadian Television Fund (CTF).

The Corporation is extremely pleased that the Government has renewed CTF funding at its original levels for the next two years. It is clear that the CTF's current governance structure is not consistent with the vastly different objectives of public and private broadcasters. The Corporation is very encouraged by the Government's expressed intent to simplify and clarify the structure of the CTF.

Over the past few years, CBC/Radio-Canada has made considerable progress in demonstrating real value to Canadians. With more than 95 percent of Canadians citing CBC/Radio-Canada as an essential service, never before has so much been asked of us – more regional and local programming, more multi-cultural diversity in programming, the provision of New Media services and meeting greater competition for audience attention.



## IV) The “NEW” CBC/Radio-Canada

### A. Greater Value for Canadians

*At \$29 per year per Canadian, CBC/Radio-Canada is a sound investment in Canada’s future.*

Three years ago, CBC/Radio-Canada launched a new strategic course to re-focus the Corporation into a true public broadcaster – one that delivers the kind of high-quality, distinctive Canadian programming that Canadians want and need in today’s complex world – by adopting a clear strategic direction that would lead to the transformation of programming and operations.

The Corporation is proud of its progress and is poised to do even more to bring Canadians value and understanding in an increasingly complex world. Audiences are responding to these changes – more than 95 percent of Canadians consider CBC/Radio-Canada to be an essential service.

This Corporate Plan Summary highlights plans for achieving further progress in the years ahead.

A fundamental concern that remains is to ensure that CBC/Radio-Canada is equipped financially to meet the challenges of a more competitive and technologically driven broadcast industry. The Government has shown confidence in our strategy by allocating \$60 million in new funding for each year since 2001-2002 and up to 2004-2005. While we welcome these contributions, CBC/Radio-Canada needs increased stable multi-year funding to plan and develop distinct programming. In 2003-2004, the Corporation faced a \$10 million reduction as its share of the Government’s re-allocation process.

<i>Eight Corporate Priorities Grouped Under Six Strategic Areas Guide the Way We Do Business Today</i>	
<i>Quality Programming</i>	<p><i>1) Ensure distinctive Canadian programming of the highest quality.</i></p> <p><i>2) Recognise the importance of regional reflection and of the changing face of Canada.</i></p> <p><i>3) Ensure the sustainability of CBC/Radio-Canada’s Canadian schedules.</i></p>
<i>Efficiency</i>	<i>4) Demonstrate that CBC/Radio-Canada is a well-managed company and generate cash flow to re-invest in programming.</i>
<i>Creative Human Resources</i>	<i>5) Strengthen CBC/Radio-Canada’s commitment to all its employees – to those who create and those who support them.</i>
<i>Strategic Partnerships</i>	<i>6) Position CBC/Radio-Canada to enhance its ability to fulfill its mandate through selective alliances and partnerships.</i>
<i>Collaboration</i>	<i>7) Reinforce the capacity of CBC/Radio-Canada to work as one integrated company.</i>
<i>Strong Stakeholders Relationships</i>	<i>8) Enhance/strengthen CBC/Radio-Canada’s stakeholders relationships.</i>



### B. Quality Programming

*Ensure distinctive Canadian programming of the highest quality.*

*Recognise the importance of regional reflection and of the changing face of Canada.*

*Ensure the sustainability of CBC/Radio-Canada's Canadian schedules.*

Distinctive, high-quality Canadian programming is the essence of CBC/Radio-Canada. It is what we are best known and appreciated for by Canadian audiences who can turn to us for Canadian perspectives and stories from across all regions of Canada, on radio, television and the Internet, in news and current affairs, arts and culture, youth and sports programming.

CBC/Radio-Canada remains focused on supporting change initiatives to enhance our distinctiveness across all media lines. We continue to reinforce our regional presence and reflection so that our national networks reflect the ideas, preoccupations and artistic talents of Canadians from across our diverse nation. We continue to showcase new talent, new voices and new faces. We continue to safeguard our journalistic leadership and to create a dependable, educational and entertaining viewing environment for children. We are taking risks and confronting the challenges of creating innovative high-impact Canadian programming.

#### High-impact, Nation Building Distinctive Canadian Programming

CBC/Radio-Canada is the only broadcaster in Canada

with the resources and expertise to bring together the strengths of radio, television and new media, in English and French, to produce excellent, high-impact, cross-cultural, cross-media programming. An important goal for the Corporation is to deliver innovative, unique nation-binding programming that helps foster cultural understanding and a strong sense of Canada.

CBC/Radio-Canada's TV networks will focus on building on such past successes as *Trudeau, The Last Chapter II: The War Continues/Le Dernier chapitre II*, and *Music Hall*.



English and French Television are planning to jointly create a six-part dramatic series about René Lévesque for broadcast in 2005.

#### ***English Television: Canada's Own***

Three years ago, English Television began a transformation process to solidify its place in the hearts and minds of Canadians by returning to its public service roots. Having clearly established itself as *Canada's Own* broadcaster, the network will continue working on its high-impact strategy, making news integration work, renewing current affairs programming, putting top quality arts and entertainment programming on air, positioning CBC programming leadership internationally, and driving the CBC brand into all programming areas. This work will be guided by six tenets:

- Bring programming excellence to audiences.
- Develop the technological tools necessary to function as a leading edge broadcaster.
- Ensure the long-term sustainability of our business.
- Extend the CBC brand through merchandising activities.
- Strengthen the power of our people.
- Leverage content through rights management.

## Quality Programming

English Television has set a goal of seven high-impact specials or limited series each season which will provide an alternative to popular U.S. programming, which is widely available in Canada. High impact specials presented in 2003-2004 included *Shattered City* (a movie about the Halifax harbour explosion) and *Human Cargo* (an unflinching look at the world of refugees).

### News & Current Affairs: Leadership & Excellence



CBC/Radio-Canada is Canada's trusted source for news and current affairs, bringing a uniquely Canadian perspective to regional, national and international happenings that affect our lives. CBC/Radio-Canada is Canada's largest news organisation, the only one with a presence throughout the country operating in both official languages, and the only broadcaster to place French-language journalists west of Ottawa.

CBC/Radio-Canada also operates 12 international bureaus (Amman, Bangkok, Beijing, Rio de Janeiro, Cairo, Dakar, Jerusalem, London, Moscow, New York, Paris and Washington). Most of our foreign correspondents file in both official languages for Radio, Television and New Media services. Such talent significantly boosts our ability to deliver more value and a broader range of stories and background context to Canadians.

CBC English Television and Radio are collaborating more closely than ever before in a wide variety of program areas, especially information programming and

newsgathering.

The Corporation has already had enormous success with the integration of Radio, Television and on-line news resources which were begun more than a year ago. Under the leadership of a new Editor in Chief of CBC News, English Radio and Television are moving forward to make the best possible use of our talent and resources, to provide better service to our listeners, viewers and web site visitors, and to maximise the value and impact of the CBC News brand. The ultimate goal is to improve the quality of CBC's journalism by sharing valuable resources more effectively and by fostering collaboration across all platforms.

Having completely restructured daily News operations to strengthen news gathering and reporting on multiple programs, networks and platforms, English Television will be applying the findings of a recent *CBC News Study of Canadians' changing attitudes and information needs* to identify new program ideas, pilots and projects to serve Canadians' information needs.

To improve regional reflection, English Television and Radio will establish news bureaus in Manitoba, Alberta and Saskatchewan.

CBC Newsworld will continue to concentrate on its strength in daily news, live breaking news, topical analysis and documentaries.

While remaining a key outlet for regional reflection, particularly for rural audiences, Country Canada will focus on developing more programming variety and leveraging other CBC programming.

As part of its overall re-positioning, French Television continues to identify opportunities for innovative news and current affairs programming specifically aimed at French-speaking audiences.

### *French Television: We explore with you.*

The repositioning of French Television is built on the network's distinguishing values, which stem from its mandate: a public television service for audiences made up of citizens, not consumers; a window that showcases our artists and culture; programming that is unique and daring and that also reflects who we are while bringing us together.

This sums up the philosophy behind French Television's repositioning: public television that invites viewers to explore reality and fiction by going a step further, by offering perspectives distinct from those of other broadcasters, and by daring to take risks. The repositioning will be gradually rolled out and consolidated through 2006, but its effects will be visible in our program schedule beginning next fall. "Exploration" must be reflected both in our programming and the way we produce television.



English Radio continues to add innovative new programs and to bring the best of them to national audiences in new formats and platforms. In regional programming, CBC Radio intends to provide immediate local response to emergencies/breaking news in the tradition of the B.C. fires and floods, the Ontario hydro outage and hurricane Juan on the East Coast. The network will also enhance its local focus in Southern Ontario and B.C.

Over the past few years, French Radio has enriched its regional news services by repositioning services in Acadia, implementing new programming approaches in Estrie, Mauricie and central Quebec, completing the launch of 18 new transmitters and extending the reach of *Chaine culturelle*.

To address the needs of new regional audiences benefiting from our expansion of *La Chaine culturelle*, French Radio will be developing a variety of new programs. It will also continue to expand its international coverage so that francophone Canadians have a better grasp of their place in this ever-changing world.

All CBC/Radio-Canada media lines will continue to work with New Media services to provide up-to-date news and current affairs, 24-hours-a-day, on *radio-canada.ca* and *CBC.ca*. New Media services will continue to explore opportunities with outside partners to offer CBC News through various Internet portals, wireless devices, affiliate programs and licensing agreements.

### Arts & Culture: Top Showcase for Canadian Talent



CBC/Radio-Canada is the country's most important vehicle for nurturing and showcasing Canadian arts and culture, with the Corporation providing direct payments to artists and independent producers in the range of \$126 million per year.

Having refined its hosted theme nights, further reduced commercial time and invested in exciting new cultural arts programming, drama, comedy and variety programming, English Television is seeking to further strengthen its reflection of Canada's cultural diversity. To this end the network will:

- Introduce a new day-time drama that reflects diverse, contemporary Canadian themes, characters and settings.
- Present 24 short films on cultural intersections in a new program called *Mix Flicks*.

#### **English Radio:**

English Radio is redesigning and renewing its services to maintain audience share and high satisfaction levels. The continuing goal is to increase the extent to which English Radio is seen as being connected to the lives of listeners across the country, and reflective of the widest possible range of values and interests. To this end, English Radio is pursuing change initiatives to:

- Present thoughtful, moving, wide-ranging, original and fun programming that reflects contemporary Canada in all its regions and diversity.
- Feature the best of programming from around the world.
- Solidify the network's place as a lifeline when needed and a trusted and engaging companion at all times by adopting greater flexibility in radio schedules and programming.
- Make the best Canadian audio programming available to all Canadians on a range of delivery platforms.



## Quality Programming

- Highlight holiday traditions from a range of cultures and faiths in a new program called *Holiday Stories*.

Over the next three years, French Television will further enhance its cultural programming selection by adding new drama and plays in the *Les Beaux Dimanches* series.

- *Les Beaux Dimanches* offers a wealth of programming, including prestige galas, stage performances, one-of-a-kind documentaries and made-for-TV movies. The 2003-2004 lineup included such new program concepts as *L'Union fait la force* (with Patrice L'Ecuyer), *Solstrom* (featuring the world-renowned Cirque du Soleil) and *Humoristes à table*.
- *Zig Zag*, a new cultural magazine from Western Canada, along with programming already originating from Atlantic Canada (Brio) and Ontario (Le garage), will round out the network's regional arts and culture programming.
- A new drama series, *Les aventures tumultueuses de Jack Carter*, made its debut in 2003-2004. Others that launched later included *La grande ourse*, *Samuel et la mer* (the first drama series set in Acadia), *Le Bleu du ciel* (set in Eastern Quebec), and *Les Bougon – C'est aussi ça la vie*.

A large part of English Radio's regular programming is popular and classical music. The network actively promotes new talent, composers and performers of classical, jazz, orchestra, opera, folk and alternative pop

music, as well as drama, comedy and literature. CBC Radio Two will initiate a three-year project to redefine its mandate and programming role. The review will start with a comprehensive scan of the Canadian culture/music environment.

French Radio recently announced that, beginning in Fall 2004, it will do more for culture. Chaîne culturelle is gearing up for a makeover, with a new focus on musical diversity and Canadian talent.

Through live performances, recordings, news, analysis, criticism, competitions and scholarships, Chaîne culturelle will continue to reflect the dynamism and quality of Canadian arts and culture. Music enjoys pride of place on Chaîne culturelle airwaves. Our strategic plan calls for us to continue developing talent in all its forms. The goal is to record and broadcast the works of emerging Canadian talents and follow their progress on regional, national and international stages. Chaîne culturelle will also continue initiatives aimed at promoting up-and-coming songwriting talent in cooperation with radio producers in Switzerland, Belgium and France.

Première Chaîne will feature 12 additional hours of cultural programming per week. Première Chaîne will also contribute to the development of arts and culture via spoken and musical content in daily programs, and through a number of special projects, documentaries, major prestige series, talent development, as well as all cross-cultural, new media and cross-media projects.

### **French Radio:**

French Radio continues to build on its market leading position for commercial-free programming and journalism excellence. The network continues to invest in a dynamic team of announcers and artists. It is reaching out to new audiences and stakeholders through promotional activities and is playing a more active international role in "Radios francophones publiques".

An integrated strategy for the development of talent and the production of musical programming is also underway. We also want to reinforce our regional presence and clearly position French Radio Services.



### Reflecting Canada's Multi-Cultural and Regional Face

CBC/Radio-Canada has long sought to portray the Canadian experience from ALL perspectives. As the face of Canada has become increasingly multi-cultural, the Corporation has changed in lock step to ensure that on-air content remains as relevant as ever. Consider:

- Our news and current affairs programming that looks at the full diversity of Canadian society and important issues such as racism.
- On both our English and French networks, we regularly feature multicultural characters and situations in drama.
- One-third of the material shown on English Television's *ZeD* showcases talent or tells stories from Canada's multiethnic communities.
- English Radio in Toronto recently presented several programs dealing with multicultural issues, including *99.1 Comedy Night: Accent on Toronto* (featuring comedians from various ethnic backgrounds), *Poetry Night at the Hughes Room* (featuring poets from diverse ethnic backgrounds), a special series on the Asian community in Toronto, the *Jamaica Connection* series and *Underground Toronto* (about Black history).
- The multicultural make-up of Canadian society is also reflected in CBC/Radio-Canada's choice of on-air hosts, journalists and actors. Visible minority hosts and actors can be seen on many programs, while behind-the-scenes of such programs as *Hockey Night in Canada* and *ZeD*, are directors, creative teams and technicians who also represent the multicultural face of the country.
- Broadcasting in eight Aboriginal languages of the North, CBC North serves and reflects those who live in Canada's three territories, as well as the Inuit and Cree peoples of Northern Quebec and Labrador.
- Radio Canada International (RCI) offers programs in English and French, Spanish, Arabic, Chinese, Russian and Ukrainian that share Canadian experiences and values with audiences around the world.

Canada's increasing diversity necessitates even stronger actions to ensure we are connecting Canadians across regional and cultural lines. As CBC/Radio-Canada moves forward, we will introduce new programming across all media lines that reflect the perspectives, issues and concerns of Canada's cultural mosaic.

- English Television will introduce new reflective day-time drama and maintain the *Canada Now* Task Force.
- English Radio is planning to add to its schedules new forms of audio-story-telling programs and will improve Canada's changing face reflection with better content planning measures and through more selective program hires to provide more adequate reflection.
- English Radio has also initiated a series of action plans to provide immediate response to emergencies and breaking news and improve differentiation of programming in both Southern Ontario and Greater Vancouver area i.e. both regions with high visible minority populations.
- Additional new news bureaus, serving both English Television and Radio will help improve our regional reflection.
- French Television will continue its plan to bring regions and decision centres closer together.
- Specific initiatives are being developed to maximise our regional presence and harmonise regional and network productions.
- The modernisation of television centres throughout the country will continue
- With its recently expanded system of stations and transmitters, French Radio will improve its strategic position in Quebec, Ontario and the Western regions.
- New Media will continue to expand its regional content on Web pages dedicated to regions from coast to coast to coast.



## Quality Programming

### Children & Young Adults: Non-violent, Commercial-free



Our media services offer a wide range of thoughtful, non-violent and entertaining programming for young people; much of it commercial-free. By featuring actors and hosts who represent Canada's diverse cultural population, we help to foster a sense of inclusion among all Canadians.

The direction for preschool programming on English Television is the development of the optimistic child using the underpinnings of exploring, discovery and learning. Preschool programming is designed to be comforting and trusted by parents, while engaging the imagination of preschool children aged 2-5 years old.

Our objective is to provide a competitive after school programming block and to build a destination for cool, clever, active kids - with the clear aim of linking kids from across the country.

In 2003/04, we made a purposeful shift to reach teens with programming that truly reflects the youth sub-culture, providing teens with comedy, drama and issues-based programming specifically targeted to them. Success in this age group requires an adult approach with a teen sensibility.

French Television offers about 26 hours of programming for children each week. For preschoolers, daily favourites include *Benjamin*, *Les Tweenies* and *Rolie, Polie, Olie*. *Moi*, also seen on CBC Television as *Me Too!*, explores daily lives and experiences with family and friends. A new daily magazine, *Têtes @ Kat*, focuses on the interests and preoccupations of adolescents.

Over the past few years, New Media, Radio and Television production teams have collaborated to help

all services reach out to youth audiences. *SmartAsk!*, a joint venture involving English Television, Radio and *CBC.ca*, for example, is a multimedia quiz show for high-school students. *ZeD*, a collaboration between English Television and *CBC.ca* is a late-night innovative and interactive program showcasing emerging Canadian film and performance talent and content. Our New Media services also launched an improved online *CBC.ca* zone for children and youth, integrating all existing online content for these groups.

New Media services will continue to work within the Radio and Television media lines to strengthen the current selection of Internet-based programming, which now includes *120seconds.com*, *newmusiccanada.com* and *justconcerts.com*, as well as the highly popular and critically acclaimed *bandeapart.fm* and *bandeapart.tv*.

### Sports: Celebrating Canada's Athletes



CBC/Radio-Canada has long reflected the special place held by sports in the Canadian imagination by featuring Canada's aspiring athletes as they rise through national and international competition on their way to the Olympics. Our presentation of professional sports not only stimulates greater interest in amateur sports, but also helps us leverage our resources to better our coverage of amateur events.

CBC/Radio-Canada is proud to hold the Canadian rights to the Olympics until 2008. The 2004 Olympic Summer Games in Athens will be covered by all CBC/Radio-Canada media lines. Olympic Game coverage is a prime example of our ability to leverage infrastructure (i.e. employing well-known broadcasters, as well as a strong technical team) to offer Canadians high-quality analysis and perspectives on a variety of sports and on our Canadian athletes.





## Quality Programming

English and French Television services will continue to emphasize amateur sports coverage as a foundation for Canadians' understanding and appreciation of our athletes' efforts. National and International events such as the Diving World Cup (Athens, February 2004), the Road World Cycling Championships (Athens, March 2004), the Canadian Track and Field Championships (Victoria, July 2004) and the World Cup of Hockey (various locations, September 2004), provide a shared experience for Canadians and help build pride in our home-grown talent.

Professional sports continue to be an important part of the Canadian culture. CBC/Radio-Canada's professional sports coverage provides Canadians with a view of the world's best athletes in their respective sports and a source of inspiration for young athletes.

These programming initiatives are a clear indication of CBC/Radio-Canada's commitment to truly distinctive Canadian programming which is the essence of our services.



## Quality Programming

The following charts illustrate the Fall 2003 Prime Time Television schedules and clearly demonstrate

that CBC/Radio-Canada is the home of Canadian content.


## CBC English Television Fall 2003 Prime Time Schedule

		MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
 CBCTelevision	07:00	This Hour has 22 Minutes	Life & Times	Nature of Things	Opening Night / Best of the World	It's a Living Just For Laughs Gags	Hockey Night in Canada	Wonderful World of Disney
	07:30	Royal Cdn Air Farce						72 Hours
	08:00	Specials *	Marketplace	This Hour has 22 Minutes				
	08:30		CBC News: Disclosure	The Fifth Estate	Passionate Eye	An American in Canada		Da Vinci's Inquest
	09:00					The Red Green Show		Sunday Report
	09:30		CBC News: The National	Sunday Report				
	10:00	Venture						
	10:30							

\* Ten out of 14 specials programs were Canadian in Fall 2003.

\*\* Reflects a 13 episodes series starting on November 30th 2003.

## CBC French Television Fall 2003 Prime Time Schedule

		Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
 CBCTelevision	07:00	Virginie				Infoman	Soirée du Hockey Molson	Découverte
	07:30	Rumeurs	La Facture	Le Monde de Charlotte	L'épicerie	Palmarès		Les Beaux Dimanches
	08:00	L'Auberge du chien noir	Super Mamies	Dernier Chapitre	Marché Jean-Talon / Un gars, une fille	La Fureur		
	08:30				Catherine			
	09:00	Jack Carter / Humoristes à table	Enjeux	Qui l'eût cru!	Cap Random	Zone libre		
	09:30							
	10:00	Le Téléjournal / Le Point					Le Téléjournal	Le Téléjournal
	10:30						Cinéma sous-tension	Conversation



## C. Efficiency

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

As Canada's national public broadcaster, CBC/Radio-Canada must provide Canadians with high-quality, distinctive Canadian programming in a fiscally responsible manner. To further build CBC/Radio-Canada's capacity to deliver its mandate, the Corporation has sought to leverage existing assets to generate savings and new revenues for re-investment in programming. These changes encompass highly integrated efforts in real estate, management and administration, content management, merchandising and technology.

### Real Estate

In Ottawa, Edmonton and Quebec City, we are bringing all media lines under one roof and achieving savings by dramatically reducing space needs, sharing technological investments and fundamentally changing the way we produce news programming. These projects are proceeding on schedule and on budget.

### Management and Administration

We are also examining internal processes and activities in information technology, human resources and financial administration to ensure these functions are executed with utmost efficiency. The outcome of this study has already resulted in the creation of a Shared Service Organization located in Ottawa.

### Merchandising

In September 2002, we created a Merchandising Division to improve our merchandising and licensing practices. Our goal is to extend the CBC/Radio-Canada brand and generate additional revenues for investment in programming. The experience of other public broadcasters in this regard suggests there is significant opportunity for success.

### Content Management

Through the Vision Project, English and French Television are making dramatic improvements to the

way we do business and to the quality of information on which key decisions are based. Using new systems and creating new business processes, the Vision Project will allow the integrated management of contracts and content, program inventory and schedules, program management, revenue management, marketing and sales, promotions and airtime analysis. In so doing, the Vision Project will facilitate better leveraging of assets and generate new production efficiencies.

### Technology

In the area of technological infrastructure, systems and operations, we have identified a number of potential areas for efficiency gains. By centralising master control operations in Toronto and Montreal, we are saving more than \$5 million annually. Another annual reduction of \$6 million in distribution costs will also be achieved by feeding our transmissions via satellite.

In Windsor, our new Parker Vision technology is permitting integrated studio production that has yielded a seamless, more efficiently produced on-air product. Our new Centre de l'information in Montreal is another exciting example of how new technology and new work methods can deliver greater value to Canadians. By combining and digitising resources for news gathering and production for both French Television and RDI, the new facility enables us to leverage maximum value from shared resources.

### Radio Canada International

We are further incorporating RCI's journalistic expertise into French Television and RDI's daily programs, so as to give greater context to world events. Strategies are already in place to encourage closer collaboration between RCI and the networks. Already in Vancouver, an RCI reporter appears live on Première Chaîne newscasts and other daily programs, helping to provide greater context and an international perspective on events.



## **D. Creative and Human Resources**

*Strengthen CBC/Radio-Canada commitment to all its employees  
– to those who create and those who support them*

Creative organisations like CBC/Radio-Canada survive and thrive on the basis of their ability to attract, retain and motivate creative talent. The Corporation is committed to creating and maintaining a work environment where employees are equipped and motivated to succeed in their work, where they understand how their work fits into the Corporation's overall direction, and where they have the opportunity to continually improve their skills and pursue a career path that benefits both them and the Corporation.

CBC/Radio-Canada has instituted a number of human resources initiatives to strengthen our commitment to our creative and human resources. These include: employee communications, employee development and employee relations.

### **Employee Communications**

The Corporation's Employee Communications strategy provides for two-way communication between management and employees:

- Senior management is committed to regularly meeting with small groups of employees to exchange information and ideas.
- The Board of Directors now issues a note to staff about decisions taken at all its meetings.
- Through the Corporate Intranet, employees are able to easily access key information about major corporate initiatives.
- Other communications vehicles, such as town halls, briefing kits and announcements are also employed.

### **Employee Development**

CBC/Radio-Canada is dedicated to the development of the skills of its employees.

- Across all media lines, the Corporation continues to invest in training, job exchanges and such employment equity initiatives as the "Help" funds.

- Greater efforts are being made to link training to performance management and employee career objectives.
- Employees are now participating in performance management and staff development discussions to better understand how their own objectives tie into those of the Corporation.
- Learning and Development has been re-aligned to better serve all media lines.

### **Employee Relationships**

CBC/Radio-Canada is committed to improving relations with its employees and, where applicable, their bargaining agents.

Last year, the Corporation held the second of a series of Union-Management Leaders Forums as an important step in sharing information and sustaining a productive dialogue between senior management and employee representatives.

The Corporation also continues its efforts to simplify its Industrial Relations structure and processes. A Section 18 application to the Canada Industrial Relations Board (CIRB) to merge multiple bargaining units into one agent each for the English and French networks is ongoing. In February 2003, the CIRB rendered a favourable decision to CBC/Radio-Canada in the case of the merger of unions for the English Networks. The three units in question (CMG Unit 1 and 3 and CEP Unit 2) will be combined into a single bargaining unit at CBC/Radio-Canada. In a CIRB-initiated vote, CBC employees were asked to decide which union (CMG or CEP) would represent them and the CBC's employees chose the Canadian Media Guild (CMG). This merger will help us align our work environment with current and future English Radio and Television production methods. It should also lead to a simplified bargaining process and a reduction of jurisdictional barriers.



### Best Among Employers

CBC/Radio-Canada is also extremely proud to have been chosen as one of the Top 100 Employers in Canada by Mediacorp Canada. Mediacorp Canada evaluates companies in their respective industry sectors against seven key areas: physical workplace, work and social atmosphere, health, financial and family benefits, vacation and time off, employee

communications, performance management and training and skills development. CBC/Radio-Canada was recognised in particular as the standard by which Crown Corporations should treat their employees and as a strong developer of talented broadcast professionals.



### E. Strategic Partnerships

#### Position CBC/Radio-Canada to enhance its ability to fulfill its mandate through selective alliances and partnerships.

As it has for the past three years, CBC/Radio-Canada continues to identify and pursue strategic partnerships and alliances to extend its reach, optimise its investment, mitigate risk and create new revenue streams. The Corporation also continues to strengthen key relationships with its shareholder, the Government of Canada and with audiences across the country.

#### Strategic Alliances and Partnerships

While CBC/Radio-Canada has acquired a 100 percent interest in Country Canada to better serve Canadians in rural markets, we continue to be actively involved with our strategic partners in *ARTV* and *The Documentary Channel*.

To increase Canadians' access to its full schedule, and to reduce costs, the Corporation continues to

re-define its relationships with television affiliates, particularly in the English market.

Alliance Atlantis Communications and CBC/Radio-Canada struck a three-year agreement to jointly commission Canadian television projects ranging from dramatic series to children's shows. In today's environment, CBC/Radio-Canada believes that partnerships between the public and private broadcast sectors are a key to its future.

Through Newsworld International, the Corporation continues to offer Canadian programming choices to over 15 million U.S. households. Building on this success, English Television intends to develop a broader strategy that will involve working with other public broadcasters to offer an "alternative to BBC World".

#### Specialty Services

*ARTV* is a French Television service that offers a place for discourse and dialogue between artists and the public. It is the product of a partnership with Télé-Québec, BCE Media, ARTE France and Spectra. *ARTV* is now available to more than 1.6 million subscribers across Canada. Nearly half of its programs are Canadian.

*The Documentary Channel* is a 24-hour source of documentary films from across Canada and around the world. It unites the expertise of CBC/Radio-Canada, Corus Entertainment Inc., the National Film Board and four independent production companies to showcase the very best documentary makers, nurture first-time filmmakers, emphasize cultural diversity, and help unite our linguistic and regional communities. It is now enjoyed by more than 530,000 subscribers.

*Country Canada* explores and celebrates rural Canada. It was initially made possible through a partnership between CBC/Radio-Canada and Corus. On October 24, 2002, CBC/Radio-Canada received the Canadian Radio-television and Telecommunications Commission (CRTC) approval to acquire Corus' 70 percent interest in the channel. Since then Country Canada has been a wholly-owned subsidiary of CBC/Radio-Canada.

#### *TV5 Monde & TV5 Quebec, Canada*

In 2003, CBC/Radio-Canada became part owner of TV5 Monde, the organisation that runs the international French-language channel TV5, which broadcasts 24/7 to some 150 countries. TV5 derives most of its funding publicly, with contributions from the governments of France, Canada, Quebec, Belgium and Switzerland. CBC/Radio-Canada sits on the TV5 Monde board of directors and has a say in program content and schedules, how major events are covered and how the organisation's budgetary resources are used.

CBC/Radio-Canada is also represented on the board of directors of TV5 Québec Canada, along with Télé-Québec and TVOntario, and chairs the board with Télé-Québec on a rotating basis. TV5 Québec, Canada, a business entity independent of TV5 Monde, reaches 6.2 million cable and satellite subscribers in Canada, including 4.2 million outside Quebec. Some 30 percent of TV5 Québec, Canada funding comes from the Government of Canada and the Quebec Government.

French Television and RDI, via their assigned time slots on the network's schedule, provide TV5 Monde with news, science, documentary and entertainment programs, and TV5 Québec Canada, with current affairs programs and specials.



## F. Collaboration

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

CBC/Radio-Canada media lines have traditionally operated as separate media entities to address the uniqueness of their respective markets. However, the Corporation's English and French Radio networks have long collaborated on performance programming and all media lines collaborate on major news or national events, such as elections or Canada Day celebrations. Today, with the help of new technologies, cross-media collaboration is increasingly facilitated.

From early concept and production, to coordinated broadcast dates and promotional activities, the Corporation's list of collaborative accomplishments is growing rapidly:

- Programs such as *Canada: A People's History / Le Canada : Une histoire populaire*, *The Last Chapter / Le Dernier Chapitre*, *Random Passage / Cap Random* have helped millions of Canadians to better understand their country and one another. *The Last Chapter II: The War Continues / Le Dernier chapitre II* picked up where the first season's hard-hitting landmark series left off. It was filmed simultaneously in English and French and broadcast on both Television networks.
- Over the past year, English and French News co-operated in covering such events as the Canadian visit of the Queen and the Pope, the New Democratic Party debates and convention, the U.S. inquiry into the friendly fire incident that killed Canadian soldiers in Afghanistan and the Washington snipers shooting rampage.
- Leading up to and during the conflict in Iraq, there was an unprecedented degree of collaboration between assignment desks, daily news and current affairs programs, foreign bureaus and special field units assigned to Iraq, Iran and throughout the Middle East.
- CBC/Radio-Canada News services also demonstrated leadership and innovation in their seven-day coverage preceding the release of the report of the Commission on the Future of Health Care in Canada. In *A CBC News Inquiry Health Care: Problems and Cures*, our journalists examined the key issues in the national debate on our health care system through a series of connected programs and platforms. Only CBC/Radio-Canada could, or would, mount such an extensive and innovative multimedia initiative.
- Our Northern services are also collaborating to bring high-quality news and entertainment programming to the North. In the Northwest Territories, English Radio has ongoing shared coverage of regional news and current affairs in English, Dogrib, Chipewyan, North Slavey, South Slavey, Gwich'in and Inuvialuktun. In Nunavut, there's bilingual programming in English and Inuktitut. Radio-Canada Nord Québec broadcasts Radio programs in Cree and French, and produces a television program in Cree.
- Looking ahead, CBC/Radio-Canada media lines will continue to identify opportunities for even more collaboration. The Corporation has allocated \$1.83 million for joint special programming between English and French Radio. French language training for English Radio reporters, secondments for employees into the other language service units and new programming initiatives such as the production of 20 documentaries called *Ten Meditations for Our Time / Dix questions pour notre temps* are planned.
- Co-productions aired in 2003-2004 included the Rolling Stones' summer 2003 SARS benefit concert in Toronto, the bilingual Governor General's Awards gala, *Solstrom*, produced by Cirque du Soleil Images (winter 2004) and a New Brunswick Arts Board awards gala called *Atlantic Provinces Celebration*.
- Collaborations between English and French Radio are frequent and ongoing. Current co-ventures include a series profiling 40 creators (20 anglophones and 20 francophones) in various artistic disciplines. French and English Radio co-present the CBC/Radio-Canada Literary Awards, culminating in prestige programs on our respective networks.



## Collaboration

- French Radio and Television also worked together on a series of variety specials, including *Au Cabaret des refrains*, which aired in the summer of 2003.
- French Radio and Television's regional stations frequently cooperate (e.g. Western Canadian stations co-produce the annual Chant'Ouest awards for emerging French song writers, along with several documentaries; in Atlantic Canada, the two media lines collaborate on the National Acadian Day celebrations).
- Radio and Television will continue to seek opportunities for multi-platform programming efforts for other programming genres as well. For example, we will continue such joint Radio and Television initiatives as *Smart Ask!* (a new quiz show featuring high school students from across the country competing in a high-energy game), and *The Great Canadian Music Dream* (a cross-Canada talent search and competition open to emerging singers and musicians).
- Building on the successful launch of the Centre de l'information in Montreal, French Radio and Radio Canada International (RCI) will continue to integrate operations in this completely digital environment.

### Cross-promotion

One of the most significant advantages of collaboration lies in its potential to reinforce the brand identity of individual services by leveraging the strengths and values of the entire Corporation. Nowhere was this more clearly demonstrated than the Corporation's 50<sup>th</sup> anniversary celebrations. English and French Television networks worked closely to deliver over 26 hours of Television specials and series that looked back on five decades of CBC/Radio-Canada programming. Interactive new media initiatives also profiled how CBC/Radio-Canada has reflected Canada's story over the last 50 years. Community events across Canada paid tribute to CBC/Radio-Canada's important role in connecting Canadians from coast-to-coast-to-coast. A special 50<sup>th</sup> anniversary train crossed the country presenting popular on-air personalities, onboard live broadcasts and exhibits.





## **G. Strong Stakeholder Relationships**

### *Strengthen CBC/Radio-Canada's key stakeholder relationships.*

#### **Stakeholder Relations**

A key priority for CBC/Radio-Canada is to strengthen stakeholder relationships through sustained dialogue with Canadians, the Government of Canada, the business and broadcast communities and cultural agencies.

#### **Public Relations and Outreach Program**

CBC/Radio-Canada will continue the development of a comprehensive public relations and outreach program for the Chair, Board of Directors, the President and CEO and other senior representatives.

Key objectives are to promote the unique value and challenges faced by Canada's national public broadcaster, to generate increased awareness of CBC/Radio-Canada's new strategic directions and foster overall support for the Corporation.

CBC/Radio-Canada will also continue to use Town Hall discussions and special programs to review key issues of interest to Canadians and obtain feedback regarding its coverage of special events and its journalistic presence. The Corporation will continue to conduct extensive research among Canadians, and use these findings to enhance program development.

#### **Government Relations**

The Corporation maintains its accountability and transparency to Canadians through direct representation to parliamentarians and the Government. Maintaining a

strong relationship with the Standing Committee of Canadian Heritage and its individual members, as well as with other Committees of the House and Senate remains a key priority. In addition, CBC/Radio-Canada plays an active role within the various agencies that are part of the Heritage Portfolio, and conducts regular briefings with Treasury Board, the Office of the Auditor General and the Department of Finance.

#### **Audience Relations**

In October 2002, in line with its commitment to more fully connect Canadians to their national public broadcaster, the Corporation introduced a national toll-free telephone service (1-866-306-INFO[4636]) providing quick access to audience services for the Corporation's English and French Radio and Television networks, specialty channels, digital and New Media services. A new toll-free number is also offered for the hearing impaired.

Town Hall meetings across the country will continue. One popular venue invites audiences to meet with CBC/Radio-Canada's Foreign Correspondents, both English and French, on their annual return home from assignment. The Foreign Correspondents participate in panel discussions and interact with the audience for live Television and Radio broadcasts.



## V) FINANCIAL OVERVIEW

---

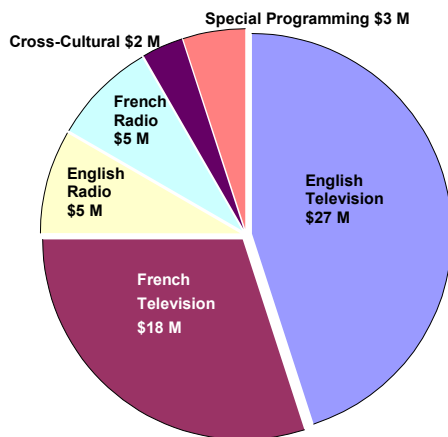
The critical role that CBC/Radio-Canada plays in the Canadian experience can only be achieved with a long-term commitment to Canadian production dollars. This is why stable multi-year funding is so important to CBC/Radio-Canada.

To fulfill our mandate and to face increasing competition and rising costs, CBC/Radio-Canada must have the tools and the financial flexibility to pursue its strategic priorities.

Thanks to one-time government budgetary infusions of \$60 million in each of 2001-2002, 2002-2003 and 2003-2004, the Corporation has revitalized programming across all media lines.

The following chart illustrates how the funds have been distributed among CBC/Radio-Canada's programming operations.

**2003-2004 Additional One-Time Government Funding**



However, as a result of the Government re-allocation process, \$10 million was removed from CBC/Radio-Canada's operating appropriations for 2003-2004, with unfortunate impacts on the Corporation's programming.

The Corporation is calling on the Government of Canada to make the \$60 million a part of CBC/Radio-Canada's base budget and to increase that amount

by an additional \$40 million. Such additional resources are necessary if CBC/Radio-Canada is to continue to offer Canadians the high-impact programming they want. Additional funding would be required to further enhance CBC/Radio-Canada's regional and community programming activities and to improve its New Media services to the level recommended by the Committee on Canadian Heritage in its report "Our Cultural Sovereignty".

The financial operating overview presented in Appendix "A" illustrates the Corporation's financial situation for 2003-2004 to 2008-2009. The first table entitled "Sustaining Our Canadian Programming" reflects the level of resources required to maintain the quality and sustainability of CBC/Radio-Canada's programming at current levels and to address the needs of the programming development cycle. It factors in the above \$60 million plus the additional \$40 million needed to sustain CBC/Radio-Canada's activities over the next five years. The following table entitled "No New Permanent Funding" shows the extent to which CBC/Radio-Canada's Canadian schedules will be impacted should no new additional permanent funding be forthcoming starting in 2004-2005.

### OPERATIONAL FLEXIBILITY

In a highly competitive radio and television marketplace, the ability to move quickly, with certainty and confidence, is fundamental to making new business arrangements that will provide long-term benefits. Both strategic alliances and creative ideas for new opportunities must flourish quickly to stake out competitive advantages.

To seize new opportunities in its marketplace and maximise its value to Canadians, CBC/Radio-Canada needs increased flexibility and financial certainty. The mere perception that the Corporation lacks the authority or the ability to commit quickly to business decisions can discourage other organisations from considering it as a primary choice for new business opportunities. Increased flexibility would allow CBC/Radio-Canada to become more responsive to



the needs of Canadians, more efficient in the management of its resources and more fiscally responsible for the delivery of its mandate.

In its presentation to the Standing Committee on Canadian Heritage, CBC/Radio-Canada identified several key areas where it believes changes to the *Broadcasting Act* would provide it increased flexibility. While the Committee considered that several of these recommendations dealt with very specific aspects of the *Financial Administration Act* and Treasury Board requirements, it considered that these issues deserved further consideration by the Government.

In some cases, changes to the *Broadcasting Act* would be required (e.g. to acquire, hold and dispose of shares, to obtain loans, to acquire real property and dispose of real or personal property), while others require changes to other acts (e.g. income tax status). CBC/Radio-Canada will take advantage of any opportunity that arises to amend the *Broadcasting Act* and will work closely with government to achieve maximum flexibility in other areas.

CBC/Radio-Canada requires operational flexibility in the following key areas:

### ***Flexibility to Acquire, Hold and Dispose of Shares***

In today's competitive broadcasting environment, CBC/Radio-Canada needs the flexibility to conduct its affairs to the maximum extent possible, like a corporation in the private sector. The Corporation's ability to enter into business partnerships and to react quickly to market opportunities is hampered by the necessity of obtaining Governor-in-Council (GIC) approval to acquire, hold and dispose of shares in a corporation (*Broadcasting Act* S.46 (1) (q)). This approval process is time consuming. In the current broadcasting environment, strategic partnerships with the private sector are often formed around incorporated business entities such as specialty services. The ability to make commitments in a timely manner with regard to these entities can determine the success of future strategic alliances.

In spite of these constraints, CBC/Radio-Canada was successful in obtaining GIC approval to acquire, hold and dispose of shares in the capital stock of TV5

Monde S.A., an international French-language television network. The acquisition of these shares will give CBC/Radio-Canada membership on the Board of Directors and a voice in determining programming, coverage of major events, approval of the broadcast schedule, and a say in directing the budget of the organisation.

### ***Flexibility in Obtaining Loans***

CBC/Radio-Canada must currently obtain the approval of the Minister of Finance to borrow money (*Broadcasting Act* S. 46.1 (1)). Total indebtedness is limited to \$25 million (*Broadcasting Act* S. 46.1(3)(a)). These restrictions on the borrowing power of the Corporation do not provide it with the flexibility required to operate in today's competitive broadcasting environment. The approval of the Minister of Finance should only be required for borrowing over \$50 million. The Corporation needs this flexibility to be able to borrow to meet current needs and to plan projects in a businesslike manner .

### ***Increased Flexibility for Real or Personal Property***

Section 48(2) of the *Broadcasting Act* restricts CBC/Radio-Canada's ability to dispose of or acquire real property or to dispose of any personal property in excess of \$4 million by requiring Governor-in-Council (GIC) approval of these transactions. The \$4 million limit applies to the sale or purchase of an asset, including real estate. These restrictions discourage the Corporation from pursuing productive asset disposals.

The Corporation is allowed to dispose of program material or rights without limitation (*Broadcasting Act* S48(2)(a)) and the Corporation should similarly have the right to dispose of and keep the proceeds of all personal property without restriction.

In the case of real estate, CBC/Radio-Canada recently sought and received GIC approval to increase the limit for lease transactions from \$4 million to \$15 million.



### ***Transfer Funds Between Capital and Operating Votes***

Unlike its private sector counterparts, CBC/Radio-Canada has extremely limited flexibility to react to financial conditions or opportunities that call for modifications to its existing capital and operating plans. Once these plans are approved, changes require the approval of Parliament.

The Corporation therefore appreciates the ongoing support of the Government for allowing it to transfer funds between capital and operating votes.

### ***Income Tax Status***

Parliamentary appropriations are CBC/Radio-Canada's principal revenue source. Currently, government appropriations, together with revenues generated through business activities, are considered as the Corporation's total income for tax purposes. Since the appropriations are given to the Corporation in order to fund specific activities, and since the Corporation is not expected to generate a profit for distribution, the Corporation seeks government support to obtain a tax-exempt status from the Department of Finance.



# Appendix A

## Financial Operating Overview



## SUSTAINING OUR CANADIAN PROGRAMMING SCHEDULE

### FINANCIAL OPERATING OVERVIEW

	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
<b>SOURCES OF INCOME</b>						
Operating Appropriation	842,695 <sup>6-7-8</sup>	857,442 <sup>6-7-8</sup>	859,524 <sup>6-7-8</sup>	859,034 <sup>6-7-8</sup>	859,034 <sup>6-7-8</sup>	859,034 <sup>6-7-8</sup>
One-time Funding (programming initiatives)	60,000	60,000				
Frozen allotment from 2001-2002 <sup>1</sup>	40,000					
<i>Recommended additional funding on a permanent basis</i> <sup>2</sup>		40,000	100,000	100,000	100,000	100,000
Government reallocation	(10,000)					
<b>Total Operating Appropriation</b>	<b>932,695</b>	<b>957,442</b>	<b>959,524</b>	<b>959,034</b>	<b>959,034</b>	<b>959,034</b>
Advertising and program sales	282,194	341,393 <sup>9</sup>	352,093 <sup>9</sup>	281,993	283,403	338,520 <sup>9</sup>
Real Estate	13,966	15,426	15,739	15,606	15,762	15,920
Transmission and Distribution	5,148	6,155	5,676	5,676	5,733	5,790
Galaxie	15,805	17,438	19,344	20,919	21,128	21,339
Other revenues <sup>3</sup>	189,986	173,926	167,924	171,545	173,260	174,993
<b>TOTAL SOURCES OF INCOME</b>	<b>1,439,794</b>	<b>1,511,780</b>	<b>1,520,300</b>	<b>1,454,773</b>	<b>1,458,320</b>	<b>1,515,596</b>
<b>OPERATING EXPENDITURES:</b>						
Television and radio services <sup>4</sup>	1,293,029	1,364,219 <sup>9</sup>	1,372,013 <sup>9</sup>	1,305,696	1,308,488	1,365,013 <sup>9</sup>
Special funding for programming initiative <sup>5</sup>	60,000	60,000	60,000	60,000	60,000	60,000
Transmission, distribution and collection	71,019	71,729	72,446	73,170	73,902	74,641
Corporate Management	15,584	15,710	15,836	15,963	16,091	16,219
Provision for tax/Large Corporation Tax	519	482	369	310	208	95
Amortization of capital assets	118,872	120,061	121,261	122,475	123,700	124,937
Deduct: Items not requiring current operating funds	(119,229)	(120,421)	(121,625)	(122,841)	(124,069)	(125,309)
<b>TOTAL OPERATING EXPENDITURES</b>	<b>1,439,794</b>	<b>1,511,780</b>	<b>1,520,300</b>	<b>1,454,773</b>	<b>1,458,320</b>	<b>1,515,596</b>
<b>NET POSITION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup> Reflects the reprofiling of operating funds approved by Treasury Board.

<sup>(2)</sup> Assumes additional \$60 million funding will be confirmed on a permanent basis as of 2005-2006 and an additional \$40 million funding on a permanent basis starting in 2004-2005, as per CBC/Radio-Canada's recommendation to Government.

<sup>(3)</sup> Includes Specialty Services (CBC Newsworld, Le Réseau de l'information and Country Canada) and other miscellaneous revenues.

<sup>(4)</sup> Includes expenditures related to CBC's main services and Specialty Services (CBC Newsworld, Le Réseau de l'information and Country Canada).

<sup>(5)</sup> Funding used for special programming initiatives and strengthening network and regional radio news and program development. Assumes additional \$60 million funding will be confirmed on a permanent basis as of 2005-2006 as per recommendation of CBC/Radio-Canada to Government.

<sup>(6)</sup> Assumes no funding from Treasury Board for salary increases. It is assumed that the salary funding will be equivalent to the increase. The impacts of any difference between approved funding and related increases will be accommodated within the CBC's current funding level.

<sup>(7)</sup> Includes a transfer of funds from NATV proceeds which will offset a transfer to Capital included in the Main Estimates (\$36,001,000 in 2003-04, \$2,536,000 in 2004-05) and includes the repayments of these funds (\$9,277,000 in 2005-2006, 2006-2007, 2007-2008 and 2008-2009).

<sup>(8)</sup> CBC/Radio-Canada received Treasury Board authorization to include, in its approved parliamentary appropriation, \$15.5 million for Radio-Canada International (RCI). These funds were previously included in the category "other revenues".

<sup>(9)</sup> Includes Olympics revenues and expenditures: Athens in summer 2004, Turin in winter 2006 and Beijing in 2008.

**Note: Does not include allocation for additional local/regional programming. CBC has agreed to provide to Government a fully costed strategic plan to enhance local/regional services to Canadians.**



## NO NEW PERMANENT FUNDING

### FINANCIAL OPERATING OVERVIEW

	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
<b>SOURCES OF INCOME</b>						
Operating Appropriation	842,695 <sup>5-6-7</sup>	857,442 <sup>5-6-7</sup>	859,524 <sup>5-6-7</sup>	859,034 <sup>5-6-7</sup>	859,034 <sup>5-6-7</sup>	859,034 <sup>5-6-7</sup>
One-time Funding (programming initiatives)	60,000	60,000				
Frozen allotment from 2001-2002 <sup>1</sup>	40,000					
Government reallocation	(10,000)					
<b>Total Operating Appropriation</b>	<b>932,695</b>	<b>917,442</b>	<b>859,524</b>	<b>859,034</b>	<b>859,034</b>	<b>859,034</b>
Advertising and program sales	282,194	341,393 <sup>*</sup>	352,093 <sup>*</sup>	281,993	283,403	338,520 <sup>*</sup>
Real Estate	13,966	15,426	15,739	15,606	15,762	15,920
Transmission and Distribution	5,148	6,155	5,676	5,676	5,733	5,790
Galaxie	15,805	17,438	19,344	20,919	21,128	21,339
Other revenues <sup>2</sup>	189,986	173,926	167,924	171,545	173,260	174,993
<b>TOTAL SOURCES OF INCOME</b>	<b>1,439,794</b>	<b>1,471,780</b>	<b>1,420,300</b>	<b>1,354,773</b>	<b>1,358,320</b>	<b>1,415,596</b>
<b>OPERATING EXPENDITURES:</b>						
Television and radio services <sup>3</sup>	1,293,029	1,364,219 <sup>*</sup>	1,372,013 <sup>*</sup>	1,305,696	1,308,488	1,365,013 <sup>*</sup>
Special funding for programming initiative <sup>4</sup>	60,000	60,000	60,000	60,000	60,000	60,000
Transmission, distribution and collection	71,019	71,729	72,446	73,170	73,902	74,641
Corporate Management	15,584	15,710	15,836	15,963	16,091	16,219
Provision for tax/Large Corporation Tax	519	482	369	310	208	95
Amortization of capital assets	118,872	120,061	121,261	122,475	123,700	124,937
Deduct: Items not requiring current operating funds	(119,229)	(120,421)	(121,625)	(122,841)	(124,069)	(125,309)
<b>TOTAL OPERATING EXPENDITURES</b>	<b>1,439,794</b>	<b>1,511,780</b>	<b>1,520,300</b>	<b>1,454,773</b>	<b>1,458,320</b>	<b>1,515,596</b>
<b>Reduction to Canadian Programming</b>	<b>-</b>	<b>(40,000)</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>(100,000)</b>
<b>NET POSITION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup>Reflects the reprofiling of operating funds approved by Treasury Board.

<sup>(2)</sup>Includes Specialty Services (CBC Newsworld, Le Réseau de l'information and Country Canada) and other miscellaneous revenues.

<sup>(3)</sup>Includes expenditures related to CBC's main services and Specialty Services (CBC Newsworld, Le Réseau de l'information and Country Canada).

<sup>(4)</sup>Funding used for special programming initiatives and strengthening network and regional radio news and program development.

<sup>(5)</sup>Assumes no funding from Treasury Board for salary increases. It is assumed that the salary funding will be equivalent to the increase. The impacts of any difference between approved funding and related increases will be accommodated within the CBC's current funding level.

<sup>(6)</sup>Includes a transfer of funds from NATV proceeds which will offset a transfer to Capital included in the Main Estimates (\$36,001,000 in 2003-2004, \$2,536,000 in 2004-2005) and includes the repayments of these funds (\$9,277,000 in 2005-2006, 2006-2007, 2007-2008 and 2008-2009).

<sup>(7)</sup>CBC/Radio-Canada received Treasury Board authorization to include, in its approved parliamentary appropriation, \$15.5 million for Radio-Canada International (RCI). These funds were previously included in the category "other revenues".

<sup>(8)</sup>Includes Olympics revenues and expenditures: Athens in summer 2004, Turin in winter 2006 and Beijing in 2008.

**Note: Does not include allocation for additional local/regional programming. CBC has agreed to provide to Government a fully costed strategic plan to enhance local/regional services to Canadians.**



## FINANCIAL REQUIREMENTS

### Borrowing Plan for 2004-2005

Pursuant to the provisions of Section 46.1(1) and 54(3.1) of the *Broadcasting Act*, CBC/Radio-Canada seeks the approval in principle of the Minister of Finance to borrow money, not exceeding in the aggregate \$25 million, subject to the following general conditions:

- Proposals that are to be financed through borrowing will be consistent with and enhance the Corporation's ability to meet its mandate.
- Borrowing will be for venture investments or for activities related to ongoing operations that demonstrate viability by generating funds sufficient to achieve a positive rate of return.
- The Corporation will not borrow money to finance base working capital activities or operating shortfalls.

The Corporation will submit specific borrowing proposals to the Minister of Finance, consistent with the above principles.

### Working Capital

Despite considerable challenges in recent years, the Corporation continues to manage within its working capital funding level. As a result, the Corporation is seeking no adjustments to its \$4 million approved working capital reference level in this Corporate Plan submission.

### Capital

CBC/Radio-Canada's internal capital process has undergone a significant overhaul to ensure that all capital investments support business strategies that are in line with priorities. Overall, the revised capital process is more sensitive to ensuring that efficient and effective capital investment solutions are put in place and, where appropriate, common technology is used across the Corporation.

Total capital spending in 2004-2005 is planned to be \$102.9 million, excluding funds carryover from 2003-2004 to complete projects started in the previous year. Beyond 2004-2005, it will remain at approximately \$95 million.

Roughly half of the capital budget over the next three years is planned to be spent on production infrastructure where major initiatives include replacing failing obsolete analogue equipment with digital standards, modernising Radio production facilities, converting La Maison de Radio-Canada facility in Montreal to digital standards and centralising the presentation operations in both French and English Television networks.

More than one-third of the budget is planned to be spent on corporate-wide systems and technology infrastructure. Specific initiatives include investments in an integrated television system to manage program inventory, telecast schedules, commercial and promotional inventory and sales business, thereby eliminating the need to currently operate 46 separate systems to support these activities. Other system investments include updating our desktop radio production system, which has been pushed to the limits of its useful life, and an electronic newsroom system to enable





journalists to share information and media clips between English and French Radio and Television operations. Further investments include completing the consolidation of our facilities in Edmonton, Ottawa and Quebec City, updating our integrated support services systems and various personal computer and server infrastructure and software upgrades.

The majority of the remaining budget will be spent on transmitter and tower maintenance, and to improve and extend Radio services in line with CRTC commitments. Other investments include building improvements and changes to comply with codes and regulations, as well as optimising space utilisation to reduce operating costs.

The Corporation will also be grappling with the pressures of replacing its aging towers and transmitters that were introduced during the Accelerated Coverage Program (ACP) of the late 70's and 80's. Generally, these assets have a useful life between 20 and 30 years. The concentration of towers and transmitters introduced over the ACP period presents an anomaly in the replacement cycle of these assets, with a resultant spike in the demand on the capital funds.

The transition to Digital Radio Broadcast (DRB), Digital Television (DTV) and High Definition Television (HDTV) will be market driven and will be very costly but necessary. We foresee private broadcasters rolling out DTV within the next few years. On June 12, 2002, the CRTC issued its licensing framework for the transition to digital (PN 2002-31) and a proposed framework for the distribution of digital television services (PN 2002-32). Shortly thereafter, CityTV became the first broadcaster to apply for a transition digital television license.

DTV rollout in the U.S. made significant progress this year with the introduction of FCC Chairman Michael Powell's DTV transition plan. Introduced in April 2002, the Powell's plan has lifted some key impediments in the US to a successful rollout of DTV, such as minimum levels of High-definition programming, carriage of DTV on cable and satellite and integration of DTV tuners into consumer electronics equipment. With the close proximity of the U.S., Canadian broadcasters must introduce DTV at a similar pace with the US to remain competitive.

CBC/Radio-Canada has applied for Digital Terrestrial broadcasting licenses for Toronto on Channel 20 (CBLT) and Channel 24 (CBLFT). These applications were on the agenda for the Public Hearing of November 17<sup>th</sup> 2003. Also on the agenda for the same hearing were applications from CTV Television Network Inc, Crossroads Television and Craig Broadcasting. All of these applications were approved in January 2004. It is expected that Global's and Rogers' applications are pending. As a result, all Toronto broadcasters should have over-the-air digital signals within one year. In March and April 2004, CBC/Radio-Canada applied for new Digital Terrestrial licenses, this time for Montreal stations CBFT and CBMT, as well as CBUT in Vancouver.

CBC/Radio-Canada must not fall behind private broadcasters in the transition to digital. Capital investments will be required in transmission and distribution infrastructure as well as production studios and other equipment. Over the next three years CBC/Radio-Canada is planning to make its initial investments in DTV and HD production equipment. Currently HD equipment costs at least 25 percent more than the comparable standard digital equipment.

