



September 6th, 2006

To: Members of FCB Steering Committee

From: Ian Morrison, Spokesperson

Subject: *Rabinovitch Performance Up-date (2004/06)*
A Failing Grade

As requested, here is a briefing note on the current management problems at the CBC.

As you may recall, the current President of the CBC, Robert Rabinovitch, was originally appointed by Prime Minister Chrétien in 1999. His appointment was extended for three years by Prime Minister Martin in November 2004, on the advice of a majority of the members of the House of Commons Standing Committee on Canadian Heritage.

At that time, Friends issued a five-year evaluation of Rabinovitch's performance, awarding him a "C minus" grade:

http://www.friends.ca/files/PDF/Report_Card.pdf

Since then, his performance has deteriorated significantly. As you know, Rabinovitch assumed his CBC appointment lacking hands-on television management experience (e.g. in production, scheduling, promotion and/or advertising sales). In his initial years as President, this deficit was attenuated to some extent by the presence of senior professional staff in the leadership of CBC Television, many of whom are no longer with the Corporation.

However in 2004, when he moved to replace the retiring Executive Vice President of CBC Television, Rabinovitch made an egregious error in judgment. Rather than using an open public competition and seeking a new EVP who could compensate for his own lack of television experience, Rabinovitch hired Richard Stursberg, with whom he had a long-standing relationship dating from his days as Stursberg's mentor in the federal public service. In common with his President, the new EVP came into this key job with no hands-on television experience. As a result, instead of renewing and diversifying the professional leadership of CBC's senior management, Rabinovitch hired an alter ego and crony, thereby contributing to the organization's vulnerability to the errors in judgment which ensued:

1. Stursberg dismantled the in-house publicity capacity of CBC Television. The publicity staff had strong roots in its communities across Canada, good relations with the specialized media and efficient audience development skills. Apparently, costs rose and results declined, as evidenced by declining audience numbers. It is noteworthy that CBC's major private sector competitors have maintained their in-house publicity departments.
2. Stursberg killed three drama series much loved by CBC Television's audience: *Da Vinci's City Hall*, *The Tournament* and *This is Wonderland*—without sufficient lead time to develop credible alternatives.
3. Rabinovitch dragged CBC into a disastrous eight-week lockout of its 5,500 employees outside of Quebec and Moncton. Condemned unanimously by members of the House of Commons Heritage Committee, and initiated without the prior approval of CBC's Board of Directors, last year's lockout has left a harmful legacy in two major areas: bad industrial relations, which is most serious in an organization where creativity and human performance are the products in and of themselves; and audience alienation. Many programs have not yet recovered their audiences from this long hiatus during the key autumn weeks of 2005.
4. Under Rabinovitch/Stursberg, CBC Television's commercial revenues remain well below industry averages per viewing hour. This has serious consequences for CBC's ability to fund its programming, and its credibility with advertisers. In 2005, CBC sold an average weekly viewing hour for \$3.90, while CTV achieved \$9.78, and Global \$9.46:

Revenue Per Weekly Viewing Hour of Canadian Conventional Stations, 2001-2005
Based on All Persons Aged 2-Plus

Network/Station	2001	2002	2003	2004	2005
CBC	\$4.92	\$4.51	\$5.05	\$5.07	\$3.90
RADIO-CANADA	\$4.58	\$4.54	\$4.51	\$4.13	\$3.99
CTV	\$6.70	\$8.73	\$9.32	\$9.15	\$9.78
Canwest Global	\$10.43	\$9.27	\$9.59	\$8.92	\$9.46
CHUM	\$4.46	\$5.07	\$5.72	\$5.89	\$6.91
TVA NATIONAL	N/A	\$4.70	\$5.03	\$5.51	\$5.77
TELEVISION QUATRE SAISONS	N/A	\$3.96	\$4.17	\$3.93	\$4.33

(Source: CRTC public files)

5. Rabinovitch/Stursberg are responsible for the disastrous decision to simulcast the ABC reality show *The One*. During July's Middle East crisis, they handed control of CBC's prime-time schedule over to Hollywood, pre-empting *The National* in Ontario and Quebec. When ABC pulled the plug after two weeks on the universally panned show, they left it to newly hired and inexperienced executives to carry the can for this decision.
6. Rabinovitch and Stursberg have misled Parliament about CBC's plans. In response to a question from the then Conservative Heritage Critic and now Heritage Minister Bev Oda on October 27, 2005, Rabinovitch said: "...we do not do reality programming. If we just were chasing audiences, or just were chasing rating points, we could do reality programming. Quite frankly, some public broadcasters in the world do reality programming. Some of the most successful programs, quite frankly, were first developed by public broadcasters. But we don't do that." In February of the same year, the [Ottawa Citizen reported](#) that Stursberg told the Commons Heritage Committee that CBC Television would extend its 30-minute regional supper hour show to 60 minutes in St. John's, Montreal and Edmonton during the coming season. In fact, it was extended only in St. John's.
7. On his appointment as President of the CBC, Rabinovitch inherited a Canadianized prime-time schedule on English Television. This was the culmination of sustained effort by his predecessors over the decade of the 1990s. On his watch, CBC Television has retreated from this achievement, instead airing *Coronation Street* and Hollywood movies for several hours each week:

http://friends.ca/files/PDF/2006/Prime_Time_Foreign_Content_on_CBC-TV_Ottawa.pdf
8. Rabinovitch/Stursberg were responsible for unsuccessful negotiations with the International Olympic Committee for Olympic television rights, enabling a CTV/Rogers consortium to take over the Canadian Olympic television rights beginning with the 2010 Winter Games in Vancouver/Whistler. CBC had held these rights for 16 years. Recently, CBC has lost several on-air personalities to the competition, including popular Olympic host Brian Williams.
9. Stursberg has demonstrated a lack of understanding of the role and mores of a journalistic organization. Here are three examples that have been discussed in the media: he tried to establish a physical presence (a desk) in the CBC Television newsroom; he attempted and failed to muzzle CBC News coverage of the controversy this summer over *The One*, which was on the front pages of Canadian newspapers at the time; and he attempted and failed to intimidate the Publisher of the Globe and Mail by threatening to withdraw CBC's

advertising as a result of critical coverage by the Globe's television columnist, John Doyle.

10. Under external pressure, Stursberg cancelled the second broadcast as well as reportedly withdrawing DVD sales of the drama *Prairie Giant: The Tommy Douglas Story*, both without consulting the production's creators. In our view, this displays a reprehensible disregard for freedom of expression, contempt for due process and for the CBC's professional program development and quality control system. Subsequently *Prairie Giant* has been nominated for nine Gemini Awards.

We are also concerned that Rabinovitch, approaching his final year as CBC's President, may be drawn into spending more and more of this time on his volunteer responsibilities as Chair of the McGill University Board.

I have chosen here a few examples. I know of many more. But what emerges from all this is a pattern of contempt for:

- creative employees (through inept industrial relations),
- Canadian creators, (through inept programming development and scheduling),
- audiences, (through abrupt and arbitrary program cancellations and scheduling changes),
- competent promotion,
- the public service mandate of the CBC,
- regional needs,
- Parliament, and
- ultimately for the shareholders, the people of Canada.

As a result, we have lost any reason to have confidence in the current senior management of the CBC and would award Rabinovitch a failing grade.

