

Future of the CBC

Public broadcasting remains an essential and vital component of Canadian broadcasting. The CBC is obviously the heart of the public broadcasting system. To reposition it effectively requires the following objectives be met:

1. The new CBC must be able to deal with a multi-channel universe and have the flexibility to respond to market conditions.
2. It must be able to live within its parliamentary appropriation as currently projected (approximately \$800 million/year)
3. It must be complementary to the other parts of the broadcasting sector (private broadcasters, specialties, pay and other independent producers).
4. It must be distinctive and Canadian.
5. It must be structured to reflect the differences between the French and English markets.

The central difficulty in achieving these objectives is the future of English television.

Overall Orientation

The purpose of this note is to propose a new approach to repositioning CBC English television that respects these principles.

CBC English television should be refocused to serve specific tastes and interests. It should be reorganized as a number of channels which might include the following:

- an all-news channel (i.e. Newsworld);
- an entertainment, arts and dramatic programming channel (which could be for children until 8:00pm and for adults thereafter); and,
- a channel featuring long form documentaries on science, society, history, etc.

There should be no more than three of these channels.

Production

The majority of production — with the exception of news — should be contracted out to the private sector. Regional production centres and facilities would be wound up. To ensure that the CBC continues to reflect the reality of Canada's regions, purchases from the production community would have to be regionally balanced.

Distribution

The CBC should — when technology permits — move off over-the-air broadcasting and be delivered exclusively through cable and DTH.

Financing

CBC english television should get out of advertising altogether.

Given the savings attendant on the elimination of internal production, regional production and over the air transmission (with their associated overhead), substantial economies should be possible.

Assuming \$200 million is made available to the radio networks, that would leave \$600 million for television.

Of the \$600 million, it would be split \$150 million for the french network and \$450 million for the english.

The french network would continue to enjoy access to advertising revenues (\$100M); and the cable affiliate fees for RDI (\$25M). Under these circumstances, the total financing available would be:

	<u>Proposed</u>	<u>Current</u>
• Radio Canada:	\$250 million	\$320 million
• RDI:	<u>\$25 million</u>	<u>\$25 million</u>
	\$245 million	\$ 345 million

The english networks could have \$400 million plus continued access to the \$50 million available as cable affiliation payments for Newsworld. Conceptually the three new networks could have the following resources:

	<u>Proposed</u>	<u>Current</u>
• Newsworld:	\$75 million	\$50 million
• Entertainment & Arts:	\$375 million	\$580 million
• Documentaries:	<u>\$50 million</u>	<u>—</u>
Total	\$500 million	\$630 million

Administrative Organization (Dis-organization)

The new CBC should be restructured as a set of independent companies: one for each of the specialty channels and one for each of the radio networks. Each of the companies would have operational responsibilities for their own activities. Overall financial planning, strategic and government relations would be managed by a holding company responsible for the activities of the operating units.

A New Act

To give effect to this new structure, the government would pass a CBC Act. The Act would establish a new corporation along the lines described above with an undertaking by parliament for stable five-year funding.

Conclusion

Restructuring the CBC in this way would:

- reposition the english television service to deal effectively with the future, and would do so within the existing budgetary constraints;
- permit it to support the independent production community more effectively;
- allow it to discharge its cultural mandate;
- eliminate overlap between its activities and those of the private broadcasters in terms of programming strategies or competition for advertising dollars; and,
- allow CBC television to rebuild its relationship with its audiences in the same way that CBC radio has done over the last 15 years.