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Vice-President -- Media

XX November 2007

By Hand to the CRTC

Mr. Konrad von Finckenstein
Chairman
CRTC
Ottawa, ON
K1A 0N2

Dear Mr. Chairman,

Re: Contraventions of station licences held by CanWest MediaWorks Inc.

1. Pursuant to section 9 of the *CRTC Rules of Procedure*, C.R.C., c. 375, the Communications, Energy and Paperworkers Union of Canada (CEP) is filing this letter with the CRTC as a complaint about actions announced by CanWest MediaWorks Inc. (CanWest) at the beginning of October 2007 which constitute violations of decisions setting out the terms and conditions under which it has been granted licences to operate television programming undertakings. As a result of these violations CanWest will no longer be in compliance with these licences, contrary to the provisions of the *Broadcasting Act, 1991*, S.C. 1991, c. 11 (the *Act*) and the public's interest in a properly regulated and supervised broadcasting system.
2. CEP is one of Canada's largest national unions, represents over 160,000 employees in Canada's communications, energy and paper sectors and is the bargaining agent of many employees in Canadian radio and television stations, including a number of CanWest stations.
3. On 4 October 2007 CanWest announced it is creating four Broadcast Centres that will assume control over CanWest's local program production. CEP submits that unless the CRTC has already authorized CanWest's plans for its Broadcast Centres and its stations, their implementation will result in CanWest's breach of its licences, the CRTC's regulations and/or the CRTC's local advertising policy. In brief, CEP complains that

- if CanWest shifts its local stations' program productions to the Broadcast Centres without the CRTC's approval of an amendment to the terms of its licences, CanWest will be operating in breach of those terms
 - if CanWest originates the local news programs of CHEK-TV, CHCA-TV and CHCH-TV from its Broadcast Centres without the CRTC's approval of an amendment to these stations' conditions of licence which require these stations to originate local news, CanWest will be operating in breach of those conditions
 - If CanWest moves origination of the local news programs of its stations with commitments for local news to the Broadcast Centres without the CRTC's approval of an amendment to those commitments, CanWest will be operating in breach of its commitments
 - If CanWest reduces the quantity and quality of local content in the stations' local news programs without the CRTC's approval of this reduction and continues to solicit local advertising in the areas served by these stations, CanWest will be operating in breach of the CRTC's local advertising policy
 - If CanWest transfers its local television stations' programming responsibilities and production capacity to the Broadcast Centres without the CRTC's prior approval, its local stations will be effectively operating as rebroadcasting transmitters, contrary to the terms and conditions under which CanWest's stations were licensed
 - If CanWest's stations yield control over any part of their program schedules to Broadcast Centres that are not licensed as network operators, CanWest will be operating in breach of the *Act*, the CRTC's *Television Regulations, 1987* and its CRTC conditions of licence, and
 - If CanWest's television stations receive a programming service from third party Broadcast Centres, and redistribute this programming for reception by the public without alteration, CanWest's stations will be acting as unlicensed broadcasting distribution undertakings, in breach of section 3 of the CRTC's *Broadcasting Distribution Regulations*.
4. CEP requests that the CRTC hold an inquiry pursuant to section 12(1)(b) of the *Act* to consider CanWest's actions, in relation to this licensee's possible contravention of the terms and conditions of its licences and the CRTC decisions relating to those licences. We believe an inquiry is the most reasonable way to proceed at this time, not only to enable CanWest to explain its actions, but also to ensure that Canadians, affected local communities, CanWest's competitors and other interested parties understand, may assess and have the opportunity to comment on CanWest's actions, and to allow the CRTC to determine whether this licensee is proceeding in full compliance with the *Broadcasting Act, 1991*, the CRTC's decisions, regulations and policies, and with the terms and conditions of CanWest's broadcasting licences.

5. Given the CRTC's ability to proceed with expedited public hearings¹ in broadcasting, CEP requests that the CRTC schedule such an inquiry at the earliest possible occasion, to minimize the public concerns that any lengthy delay would obviously generate. In keeping with the timelines used in 1991 when the CBC restructured its programming services in a similar manner, we suggest that the Commission conduct this public inquiry in January 2008.
6. The remainder of this letter sets out in greater detail the specific actions of CanWest about which CEP is complaining, provides CEP's reasons for asserting that these actions are contrary to its licences, the CRTC's regulations and the *Act*, and describes the actions CEP is proposing that the CRTC consider taking.

I. CanWest's 4 October 2007 announcement

7. On 4 October 2007 CanWest announced to Canadians that it was "consolidating all production for its local news (for both Global Television and E!/CHCH) across the country" to four "broadcast centres". A copy of CanWest's press release is attached as Appendix 1. News reports about CanWest's announcement, two of which are attached as Appendices 2 and 3, provided additional information. A CanWest internal memorandum setting out details of the company's plans was subsequently filed on 12 October 2007 with the Canada Industrial Relations Board, and a copy of the memorandum is attached at Appendix 4.
8. CanWest's internal memorandum, its press release and news reports offered many details about its plans. The internal memorandum, for instance, established the locations of the four Broadcast Centres and the stations they would service:

Vancouver:	Spring 2008	Quebec, Winnipeg and Victoria
Edmonton:	Fall 2008	Red Deer, Maritimes and Edmonton
Calgary:	Fall 2008	Lethbridge
Toronto:	Spring 2009	Saskatoon, Regina and Hamilton. ²

9. This information also set out the following information:
 - CanWest's stations in Quebec and the Maritimes have costs structures that "are out of balance" (Appendix 3)
 - In an interview the senior vice-president of station operations for CanWest is quoted (in Appendix 2) in relation to

¹ See e.g. CRTC, *Expedited procedure for resolving issues arising under the Broadcasting Act*, Broadcasting Circular CRTC 2005-463 (Ottawa, 18 April 2005).

² See Appendix 4.

... the weak financial performance of the Maritime and Quebec markets are resulting in a significant loss of income for CanWest, and that is why it has had to cut news-gathering positions there in addition to production jobs.

"We are not performing. We are losing money in those markets," McGinley said.

- State-of-the-art broadcast centres will support the production needs of CanWest's local television stations across Canada (Appendix 1)
- The broadcast centres will be equipped with digital news room systems, virtual sets and broadband technology (Appendix 3)
- All local news production will be consolidated to the four broadcast centres, so that local news content will be assembled, transformed into a complete program and transmitted from one of the broadcast centres (Appendix 3)
- Each local television station's "control room will be in another city linked to us via the broadband network" (Appendix 4)
- CanWest's television stations' staff levels overall will be reduced by approximately 200 positions, while 50 staff positions will be created in the broadcast centres (Appendix 1)
- CanWest's Halifax station will lose news editors, photojournalists, producers and meteorologists, among others (Appendix 2)
- News staff in each market will generate local content (Appendix 1)
- Local stations' "cameras and robotics will be remotely controlled from the Broadcast Centres" (Appendix 4)
- "Over the course of the day, edited stories will be file transferred from the stations to the Broadcast Centres" (Appendix 4)
- Each station will deliver this local content to a broadcast centre (Appendix 1)
- The broadcast centre will compile a station's local content into a "program format" for air (Appendix 1)
- "National and International stories will be produced in the Broadcast Centres", "If a program needs national or international content to fill it out that will be determined by the producers in the Broadcast Centre" and local stations will have a "final say in terms of all local content" only (Appendix 4)
- CanWest's newcasts in the Maritimes will be done in a virtual set in Halifax, whose cameras are controlled by a centre in Vancouver (Appendix 2)
- Live camera shots will "travel to the Broadcast Centre control room via the broadband network and be inserted in the local program ..." (Appendix 4)
- "Prior to the newscast air time the network feeds will be switched up. This will result in the station cameras being fed back to the Broadcast Centre" (Appendix 4)

- Local television stations will no longer switch news out of their stations (Appendix 3)
 - “At the start of the newscast, we will go to air with staff in the Broadcast Centre controlling all playback from the server and all “live” elements of the broadcasts. Local anchors will have continuous communication via IFB to the control room” (Appendix 4)
 - “Programme feeds and preview feeds will be fed back from the Broadcast Centre to the remote station” (Appendix 4)
 - CanWest’s “managers gave staff in Halifax the option of cancelling the 11 p.m. newscast” (Appendix 2)
 - The Halifax station replaced its regional newscast with a national newscast (Appendix 2)
10. In a complaint filed with the CRTC on 11 October 2007, the President of the Syndicat des employés de Global Quebec writes that after the 4 October 2007 announcement, the management of the Global Television Quebec was questioned about the station’s ability to meet its condition of licence requiring the weekly broadcast of 18 hours of original regional content. The Syndicat complaint states that the management’s answer was that the station would produce fewer original hours and rebroadcast these original hours at different times. The Syndicat complaint also states that Global has closed its news bureaux in Quebec City and Sherbrooke on 5 October 2007, and that it has cancelled its 3-hour morning program.
11. To summarize, according to an internal CanWest memorandum, CanWest’s press release, two separate press reports and the complaint by the Syndicat,
- CanWest is moving production of all of its local news from its individual television stations to four broadcast centres: Vancouver, Edmonton, Calgary and Toronto
 - The Vancouver broadcast centre will be in operation by Spring 2008, and the other three centres by approximately the summer of 2009
 - Once the first and other broadcast centres begin operating, a station’s designated broadcast centre will control the local station’s cameras, and each television station will transmit its completed local content to one of the centres
 - The centre will compile the station’s local news program: since the local station will provide only local content, the broadcast centre will make decisions about and add all non-local news content, such as regional, national and international news
 - After assembling the local news program, the broadcast centre will deliver the compiled program (or programs) to the television station
 - Each television station will subsequently transmit the compiled program it receives from the broadcast centre, for reception by the public

- CanWest has attributed part of its action to excessive costs at its television stations in Quebec and the Maritimes
 - Global's Quebec morning program was cancelled on or after 4 October 2007, and the station's original regional content will be met in part by rebroadcasting this content
 - Global news bureaux in 2 locations in Quebec were closed
 - The management of CanWest's Halifax station delegated decision-making authority over the station's programming to its staff, and replaced a regional newscast with the CanWest national newscast
12. CEP submits that CanWest's acts and planned acts are contrary to the *Broadcasting Act, 1991*, and contrary to the current terms and conditions of CRTC decisions about the CanWest and Global television stations.

II. CanWest's past and prospective actions contravene the *Broadcasting Act, 1991*

13. Under section 32(1) of the *Act*, only licensed broadcasting undertakings are allowed to distribute programming for reception by the public, as it is an offence to do so without a licence:

32. (1) Every person who, not being exempt from the requirement to hold a licence, carries on a broadcasting undertaking without a licence therefor is guilty of an offence punishable on summary conviction and is liable

(a) in the case of an individual, to a fine not exceeding twenty thousand dollars for each day that the offence continues; or

(b) in the case of a corporation, to a fine not exceeding two hundred thousand dollars for each day that the offence continues.

14. Parliament has delegated control over the licensing of broadcasting undertakings to the CRTC through sections 5(1) and 9(1) of the *Act*:

5. (1) Subject to this Act and the Radiocommunication Act and to any directions to the Commission issued by the Governor in Council under this Act, the Commission shall regulate and supervise all aspects of the Canadian broadcasting system with a view to implementing the broadcasting policy set out in subsection 3(1) and, in so doing, shall have regard to the regulatory policy set out in subsection (2).

...

9. (1) Subject to this Part, the Commission may, in furtherance of its objects,

...

(b) issue licences for such terms not exceeding seven years and subject to such conditions related to the circumstances of the licensee

(i) as the Commission deems appropriate for the implementation of the broadcasting policy set out in subsection 3(1), and

...

(d) issue renewals of licences for such terms not exceeding seven years and subject to such conditions as comply with paragraph (b);

...

15. The CRTC requires prospective and existing licensees to describe how they will operate broadcasting licences in their applications to the CRTC for licences or for licence renewals. At section 1.5 of Part I of its *Application to Renew a Broadcasting Licence for a Television Programming Undertaking*, for example, the CRTC has existing licensees confirm that they will operate their undertakings “under the same terms and conditions” of their current licences for those undertakings:

Unless otherwise specified in this application, the licensee proposes to operate this undertaking under the same terms and conditions as specified in the current licence and in the last renewal decision or, if there has been no renewal, in the initial licensing decision, and in any subsequent written approvals granted during the term of its current licence.

If an existing licensee wishes to change the commitments – *i.e.* the terms, conditions or definitions – of its licence, it must complete section 1.6 of the *Application*:

1.6 LICENSEES MUST RESPOND TO QUESTION 1.6 IF RESPONSE TO QUESTION 1.5 is “NO”.

- a) Specify which of the following terms, conditions or definitions you propose to amend:
- b) For each amendment proposed at 1.6a) provide the following:
- i) Outline your current commitments in those areas as well as the status of those commitments;
 - ii) Outline your proposed changes;
 - iii) Provide reasons in support of the proposed changes in relation to your service overall, the broadcasting system and the Broadcasting Act; and
 - iv) Specify the implications/repercussions if you maintained the current terms, conditions and definitions.

16. The CRTC has referred to licensees’ contravention of the terms of their licences in the past. When the CBC announced a restructuring of its programming services in December 1990, for example, the CRTC wrote the Corporation to express

... the Commission’s concern that the actions taken by the CBC appeared to contravene certain terms and conditions of the Corporation’s broadcasting licences, Commission expectations as expressed in previous decisions, and commitments the CBC had made in Promises of performance for individual television stations.³

[underlining added]

17. Commitments offered by licensees during licensing proceedings constitute obligations that may only be altered during licence renewal or amendment proceedings. In CRTC, *Letter to CHUM Limited Re: Non-compliance with conditions of licence re local*

³ CRTC, *Canadian Broadcasting Corporation*, Decision CRTC 91-423 (Ottawa, 28 June 1991).

programming: CKAL-TV Calgary; CKEM-TV Edmonton; and CKVU-TV Vancouver, (20 April 2007), for instance, the Commission stated explicitly that it

... expects licensees to fulfil their commitments throughout the licence term, and considers the appropriate time to review these matters to be in the licence renewal process.

18. Once licensed, each licensee is responsible under subsection 3(1)(h) of the *Act*, for the programs that it transmits for reception by the public:

3(1)(h) all persons who are licensed to carry on broadcasting undertakings have a responsibility for the programs they broadcast;

...

19. To the best of CEP's knowledge, the current terms and conditions under which most CanWest's stations operate are set out in CRTC decisions from 2000 and 2001.
20. CEP submits that by removing production responsibility and decision-making authority about its local newscasts from its local television stations, CanWest is now and will continue to be operating in breach of these decisions as well as its own commitments, the CRTC's expectations and conditions of its licences. It is effectively transforming these undertakings from originating programming stations operated for the benefit of local communities by employees located into those communities, into something entirely different.
21. Our position is set out in greater detail below.

A. Breaches of the terms and conditions of CanWest's licences and its renewal decisions

22. The main effect of CanWest's acts and planned acts is to substantially diminish the quantity and quality of local content in the 'local' programs broadcast by its stations, contrary to the terms and conditions under which the CRTC renewed these stations' licences, including specific financial commitments made by CanWest itself.

1. Financial commitments breached

23. CEP notes that in 2001 CanWest explicitly assured the CRTC that it would fulfill its commitments concerning its television stations regardless of any individual station's financial position:

... as a national broadcaster ... it's one of our contributions to the Canadian broadcasting system that **we will continue to operate these stations and provide the local programming commitments we have in our applications during the licence term**, even though they continue to be running at a loss.

...

... **it is our philosophy that there will be in certain markets at certain times stations that don't contribute positively to the group.**

...

It's our view that, you know, **the cost structure that we have in those stations presently is the cost structure required to maintain a current level of local programming in those markets.**⁴

24. When asked by the hearing's Chairperson, "So is Global committed then to keeping all the stations going that are there now?", CanWest's representative said "Yes, we are."⁵ Now, however, CanWest no longer wishes to adhere to its commitment:

...

In a more direct firing line, it seems are CanWest's news operations in Quebec and the Maritimes. **Dore singled out those two markets specifically saying the stations' costs structures "are out of balance."**

"As a result, we have made the difficult decision to change our approach to local news at these stations. That will result in further staff reductions in our Quebec and Maritimes operations."

....

(Appendix 3: Press report – "Global cutting 200 jobs", bold font added)

25. CEP submits that before breaching its public hearing commitment to the CRTC CanWest should have applied for and been granted an amendment to this financial term, which is important to the decision in which the CRTC granted CanWest's licence renewals.⁶ In the absence of such approval, CanWest is in breach of its commitment to the CRTC.

2. Conditions of licence breached

26. Section 9(1)(b)(i) of the *Act* allows the CRTC to issue licences that are subject to conditions of the licensee "as the Commission deems appropriate for the implementation of the broadcasting policy set out in subsection 3(1)" The CRTC may also amend any condition of licence where five or more years have expired since the CRTC issued or renewed the licence (section 9(1)(c)).
27. The CRTC has attached specific conditions of licence related to local programming to three of CanWest's television stations: CHCH-TV Hamilton, CHCA-TV Red Deer, and CHEK-TV Victoria. CHCH-TV Hamilton must broadcast 29.5 hours of "news programming each week,⁷ CHEK-TV Victoria must broadcast 17 hours of "news

⁴ CRTC, *Broadcasting Applications: TV Renewals - CTV/Global Across Canada*, (Vol. 2) Transcript of Proceedings (Hull, 18 April 2001) at para. 2480 (bold font added); see Appendix 5.

⁵ *Ibid.*, at paras. 2492-2493.

⁶ CRTC, *Licence renewals for the television stations controlled by Global*, Decision CRTC 2001-458 (Ottawa, 2 August 2001) at para. 13:

In Canada, Global considers that owning stations across the country enables it, in some instances, to use the revenues from its more profitable stations to subsidize those that are less profitable. Thus all stations can fulfil their local programming commitments even if some are in a loss position. The licensee also noted that its stations benefit substantially through the sharing of programming, promotion services, national and international services, management services, payroll, accounting and personnel services

⁷ Decision CRTC 2001-458-4.

programming”,⁸ and CHCA-TV Red Deer must devote “not less than 75% of the content of its local programming, including news, to material targeting the Red Deer extended market.”⁹

28. According to CanWest's plans, between 2008 and 2009 the original local news programs for CHEK-TV, CHCH-TV -TV and CHCA will be assembled by Broadcast Centres located outside their communities and the stations will no longer be producing their own news programs. Instead, these three stations' news programs will be assembled and produced at the Vancouver Broadcast Centre in the case of CHEK-TV Victoria, at the Toronto Broadcast Centre in the case of CHCH-TV Hamilton, and at the Edmonton Broadcast Centre in the case of CHCA-TV Red Deer.
29. Unless the CRTC approves an amendment to these stations' conditions of licence before CanWest transfers these stations' news productions to its Broadcast Centres, CEP believes that CanWest will be operating in breach of these three stations' conditions of licence.

3. Program commitments breached

30. During the CRTC's 2001 renewal proceeding concerning CanWest Global, Global filed descriptions of its stations' local news programs with the CRTC which leave no doubt about the central role and local content of its stations' local programming commitments. In the case of Global Atlantic, for example, local news production made up more than 7 hours of content each week, and CanWest described the station's evening news and public affairs program, *Global News at 6*, as consisting of “local news, sports and weather”:

Local News programs				
Station location	Title	Duration	Date and time	Brief description
“Global Atlantic”	<i>Global News at 6</i>	62 min	M-F @ 6:00 PM	“This is our evening News and Public affairs program. The content will be local news, sports and weather. We will have a 7 minute segment inside this program that will be seen only in New Brunswick and Prince Edward Island concentrating on New Brunswick and Prince Edward Island stories.”
	<i>Global News</i>	60 min	Sun @ 6:00 PM	“These are two one-hour newscasts airing on Sunday's. They will focus on all the weekend news, weather and sports.”
	<i>Global News</i>	65 min	Sun @ 11:00 PM	
	<i>Global News (national with local updates)</i>	5 min (local)	M-F @ 11:00 PM	“This is Global's National News package. Inserted in the national package will be a five-minute local news cast. It will contain a wrap up the day's [sic] and weather.”

⁸ Decision CRTC 2001-548-14.

⁹ CRTC, *CHCA-TV Red Deer – New transmitters in Calgary and Edmonton*, Broadcasting Decision CRTC 2007-168 (Ottawa, 8 June 2007), condition of licence 2.

Local News programs				
Station location	Title	Duration	Date and time	Brief description
	<i>Mini-newscasts - Dayside</i>	70 min	Sun-Fri @ 1-6 PM	"News updates"
	<i>Mini-newscasts - Prime</i>	28 min	Sun-Fri @ 7-11 PM	"News updates"
	<i>Entertainment Updates</i>	17 min	Sun-Fri @ 7-11 PM	"Entertainment updates"

Source: Global (from Charlotte Bell to Chairman, and Commissioners), *Re: Clarification of Local Programming with respect to Group Licensing Application*, Memorandum Revised (April 23, 2001) [bold font added], in which Global submitted "clarifications for each Global station regarding its level of local news and local non-news programming."

31. CanWest identified the sources of its programs in its station renewal applications. For instance, in its 2001 Canadian program descriptions for CKND-TV and CIHF-TV, CanWest identified the *Global News* program as "station produced" – but described the *Global National News* program as a "group production":

**CKND-TV 2001 Licence Renewal
Canadian Program Descriptions (news only)**

<u>Program Type</u>	<u>Title</u>	<u>CRTC Key Figure</u>	<u>Orig'l</u>	<u>Repeat</u>	<u>Duration</u>	<u>Day</u>	<u>Time</u>	<u>Brief Description</u>	<u>Product'n Organ'n</u>
News and Local Production	<i>Global News</i>	1-1-1-1-4-010	260	0	30 min	M-F	5:30 PM	Evening news program	Station produced
News and Local Production	<i>Global News</i>	1-1-1-1-4-010	260	0	60 min	M-F	10:30 PM	Late evening news program	Station produced
News and Local Production	<i>Global News</i>	1-1-1-1-4-010	104	0	30 min	Sat, Sun	10:00 PM	Late evening news program	Station produced
News and Local Production	<i>News Update</i>	1-1-1-1-4-010	260	0	5 min	M-F	4:00 PM	Local news update	Station produced
News and Local Production	<i>News Update</i>	1-1-1-1-4-010	260	0	5 min	M-F	5:00 PM	Local news update	Station produced
Group Production	<i>Global National News</i>	1-1-1-5-4-010	260	0	30 min	M-F	6:00 PM	Evening news program	Group Production

**CIHF-TV 2001 Licence Renewal
Canadian Program Descriptions (news only)**

<u>Program Type</u>	<u>Title</u>	<u>CRTC Key Figure</u>	<u>Number of Episodes</u>		<u>Duration</u>	<u>Scheduled Time</u>		<u>Brief Description</u>	<u>Product'n Organiz'n</u>
			<u>Original</u>	<u>Repeat</u>		<u>Day</u>	<u>Time</u>		
News and Local Production	<i>Global News</i>	1-1-1-1-4-010	260	0	60 min	M-F	6:00 PM	Evening news program	Station produced
News and Local Production	<i>Global News</i>	1-1-1-1-4-010	52	0	60 min	Sun	6:00 PM	Evening news program	Station produced
News and Local Production	<i>Global News</i>	1-1-1-1-4-010	52	0	60 min	Sun	11:00 PM	Late evening news program	Station produced

**CIHF-TV 2001 Licence Renewal
Canadian Program Descriptions (news only)**

<i>Program Type</i>	<i>Title</i>	<i>CRTC Key Figure</i>	<i>Number of Episodes</i>		<i>Duration</i>	<i>Scheduled Time</i>		<i>Brief Description</i>	<i>Product'n Organiz'n</i>
			<i>Original</i>	<i>Repeat</i>		<i>Day</i>	<i>Time</i>		
News and Local Production	<i>News Updates</i>	1-1-1-1-4-010	365	0	20 min	M-Su	Various	Daily news updates	Station produced
News and Local Production	<i>Global Sports</i>	1-1-1-1-4-06A	260	0	30 min	M-F	11:30 PM	Sports review program	Station produced
News and Local Production	<i>Maritimes Mosaic</i>	1-1-1-1-4-110	260	0	60 min	M-F	12:00 PM	Local community show	Station produced
Group Production	<i>Global National News</i>	1-1-1-5-4-010	260	0	30 min	M-F	11:30 PM	National News	Group Production

32. The "CRTC Key Figure" codes that CanWest assigned to these programs in 2001 confirm that CanWest distinguished between the production source of its news programs. Using these codes, CanWest listed the production source for *Global News* and *News Updates* as the "local station", and the production source for *Global National News* as a "network":

CKND-TV and CIHF-TV	CRTC Key figure	Origin "1"	Broadcast origination point: "1"	Composition: "1"	Production source: "1" or "5"	Audience target: "4"	Categories: "010"
<i>Global News, News Updates</i>	1-1-1-1-4-010	Canada	Local	Live program	Local station	General audience	News
<i>Global National News</i>	1-1-1-5-4-010	Canada	Local	Live program	Network	General audience	News

Source of information about CRTC key figure codes: *Television Broadcasting Regulations, 1987, Schedule I.*

33. The CRTC subsequently published its expectations for the operation of these licensed services in its renewal decisions, conditions of licence for two stations (CHCH-TV and CHEK-TV), and CanWest's own programming commitments concerning local programming. These expectations, conditions of licence and commitments are summarized below:

CanWest television stations and local programming (hrs:mins per week)										
Station and location	CRTC decision	Commitments			Expectations			Conditions of licence		
		News	Non-news	Total local	News	Non-news	Total local	News	Non-news	Total local
CFRE-TV Regina	2001-458-6			9:15						
CFSK-TV Saskatoon	2001-458-7			9:15						
CHAN-TV Vancouver	2001-458-12 2000-221			42:30	42:30		42:30			
CHBC-TV Kelowna	2005-80 2001-458-13			18:30	16:30	2:00	18:30			
CHCA-TV	2007-168	7% of local programming targeted to Red Deer extended market								
CHCH-TV Hamilton	2001-458-4 2000-221	29:30		36:30				29:30		36:30
CHEK-TV Victoria	2001-458-14	17:00		23:00				17:00		23:00

CanWest television stations and local programming (hrs:mins per week)										
Station and location	CRTC decision	Commitments			Expectations			Conditions of licence		
		News	Non-news	Total local	News	Non-news	Total local	News	Non-news	Total local
CHKL-TV Kelowna	2001-458-12									
CHKM-TV Kamloops	2001-458-12									
CICT-TV Calgary	2001-458-8 2000-221			33:00	24:30	9:00				
CIFG-TV Prince George	2001-458-12									
CIHF-TV Halifax	2001-458-1			15:00						
CIII-TV Paris	2001-458-3			20:30						
CISA-TV Lethbridge	2001-458-10 2000-221			15:00	11:30	3:30				
CITV-TV Calgary	2001-458-9			28:30	26:00	2:30				
CITV-TV-1 Red Deer	2001-458-9	2:30								
CJNT-TV Montreal	2000-744			13:30						
CKMI-TV Quebec	2001-458-2 2002-261 2005-45	Committed to 18:00 hours of Quebec regional programming during last 4 years of licence term								
CKND-TV Winnipeg	2001-458-5			9:30						

34. In brief, each of CanWest's stations is subject to conditions of licence imposed by the CRTC, expectations set out by the CRTC, and/or commitments CanWest made on its own behalf.
35. Since none of these licences has expired, it is our understanding that the terms and conditions set out in those decisions remain in force until modified following CRTC licence renewals that are now scheduled for some time in 2009.¹⁰
36. The obvious question that must be addressed is whether CanWest is still providing the live local and original local programs it committed to provide in its 2001 licence renewal applications.
37. The CRTC has defined what it means by 'local program'. In CRTC, *New television station for Toronto/Hamilton*, Broadcasting Decision CRTC 2002-81 (Ottawa, 8 April 2002) and in CRTC, *Licence renewal for CKAL-TV Calgary and its transmitter CKAL-TV-1 Lethbridge*, Broadcasting Decision CRTC 2002-306 (Ottawa, 11 October 2002), the CRTC defined local programming to consist of a station's own productions, or programming produced by independent producers located in the same community served by a station:

2. The licensee shall broadcast at least 10 hours per week of local programming in categories other than 1 (News), 12 (Interstitials), 13 (Public Service Announcements)

¹⁰ CRTC, "CRTC announces changes to the public proceedings scheduled for 2008" News Release (Ottawa, 5 November 2007):

Given that the outcome of the broadcasting distribution and discretionary services review may have an impact on the conventional television broadcasters, the Commission has moved their licence renewal hearings from April 2008 to late 2008 or early 2009. The current licences will be extended by one year, to August 31, 2009.

and 14 (Infomercials, promotional and corporate videos) between 6 p.m. and midnight. For purposes of this condition, "**local programming**" means **station productions** or programming produced by Toronto-based independent producers that reflects the particular needs and interests of Toronto residents.

[bold font added]

38. The CRTC has also defined what it means by 'original local program'. In CRTC, *Letter to CHUM Limited Re: Non-compliance with conditions of licence re local programming: CKAL-TV Calgary; CKEM-TV Edmonton; and CKVU-TV Vancouver*, (20 April 2007), the Commission established that original local programs are those that are produced by a station, but never previously broadcast:

...
The Commission is of the view that defining "original" as anything produced by CKVU-TV reflects the Commission's definition of "local programming", not "original programming". ... Therefore, the Commission considers **the proper definition of original local programming to be local programming that has not been previously broadcast, either by the licensee or any other party.**

...

[bold font added]

39. Under CanWest's Broadcast Centres plans its television stations will no longer produce their own original live local news programs: these will instead be pre-assembled in their entirety by broadcast centres located outside their communities, before being transmitted back to the local stations for re-transmission to the public. Large portions of those news programs – namely national content and international content, but perhaps also local content of interest in more than one community – will not be created specifically for an individual station, but for all the CanWest stations.
40. Depending on time zones, the Broadcast Centre programming received by a local station may have already been broadcast by other CanWest stations, meaning that the programs or large portions of them will be rebroadcasts and not exclusive to the stations. Even if the Broadcast Centre programs are not previously broadcast by other CanWest stations, they will have been pre-assembled, thereby removing their 'live' quality. So, rather than offering local communities the original, live and local programming content that CanWest promised the CRTC and local communities just a few years ago, CanWest will be offering non-original, non-live and non-local programs – changing course mid-stream, without warning and without the regulator's prior approval.
41. CEP considers that CanWest is therefore in breach of the CRTC's licensing decisions for all of its stations, as it has amended the terms and conditions under which it is operating without the CRTC's prior approval of those changes. CanWest will not be operating these stations as individual broadcast programming undertakings that exercise control over their own content that they broadcast live, but is instead delegating control of the creation and scheduling of their programming away from the

stations that will instead transmit non-exclusive, re-broadcast, pre-assembled and pre-recorded programming they receive from elsewhere.

4. Local advertising policy breached

42. Since 1975 the CRTC has tied television stations' local advertising revenues to their local program production. In licensing CHLT-TV to serve Trois-Rivières, the CRTC attached a condition to the licence that "no local TV sales activity take place in the Trois-Rivières market area until the licensee provides to the community a programming service approved by the Commission." The Commission required licensees to establish local program production facilities in an area before soliciting local advertising revenues from that area:

... that the establishment of broadcasting services in a community should, wherever possible, be a reciprocal matter. Where an applicant proposes to seek local commercial revenue from a community, he should also be prepared to provide some service to the community in the way of locally-produced, locally-oriented programming.

The Commission considers that the applicant should endeavour to develop the necessary facilities to produce local programming in Trois-Rivières, as soon as it is feasible to do so. ...¹¹

43. The Commission formally set out its local advertising-programming policy in 1988, after the CBC asked to be exempted from that policy:¹²

[t]he Commission remains convinced that the existing policy linking the ability to solicit local advertising with the provision of local programming is of significant benefit to the Canadian broadcasting system as a whole. **The policy encourages all broadcasters to provide a local program service and protects those broadcasters who provide such a service from some of the competition resulting from the importation of distant signals.** Further, the Commission is of the view that its policy should apply to both the public and private sectors of the broadcasting system.

At the same time, the Commission recognizes that the CBC is mandated by Parliament to provide certain services which may be, in and of themselves, uneconomic. Such activities are an important aspect of the Corporation's role and Parliament must ensure they are adequately funded. However, **private broadcasters also engage, on occasion, in uneconomic activities that are subsidized by the more profitable aspects of their operations. The Commission allows for the cross-subsidization of activities, where appropriate, in order that all Canadians may be provided with a full range of Canadian television services.** Considering the information and analysis presented by the Corporation regarding cross-subsidization, the Commission does not consider it necessary or appropriate to treat the CBC differently in this respect.

¹¹ CRTC, *Decision CRTC 75-522*, (Ottawa, 25 October 1975).

¹² CRTC, *Comments on the Commission's Policy Concerning Local Television Advertising*, Public Notice CRTC 1988-59 (Ottawa, 13 April 1988); CRTC, *Policy concerning Local Television Advertising*, Public Notice CRTC 1988-131 (Ottawa, 5 August 1988).

The Commission therefore reaffirms its policy prohibiting access to a local television advertising market unless the broadcaster provides a local program service to that market. As is the case with any such policy, a licensee may request an exemption on a case-by-case basis

[bold font added]

44. CEP understands that the CRTC's 1988 policy remains in force. The CRTC's 1999 television policy explicitly states that "licensees may not solicit local advertising in a market unless they provide local news or other local programming",¹³ and the CRTC's May 2007 television framework neither mentions nor modifies the local advertising-programming policy.
45. CEP also understands that the Commission has applied its local sales-local programming policy on several occasions over the last seventeen years. The CRTC has prohibited the solicitation of local advertising revenues when licensees did not plan to broadcast regularly-scheduled local programming, did not offer original station productions for exclusive distribution in an area, or merely included news relevant to a community in another station's newscasts:
- In 1991, the CBC's applied to change the terms of many of its television station licences. It converted six stations into rebroadcasters; it changed the program sources for five other stations, transforming them into contributing bureaux while maintaining their master control facilities. The Commission granted the CBC's application, because CBC agreed to solicit only "national and regional advertising" (being sales of advertising to persons who provide goods or services in more than one market and/ or province).¹⁴ As for the stations with master control facilities, the Commission noted that "[i]n the absence of plans by the CBC to broadcast any regularly-scheduled local programming at the communities concerned, the Corporation's intention to continue local commercial advertising would be contrary to the Commission's policy concerning local television advertising." [underlining added]
 - In 1995, after Electrohome applied to carry some original local content on its Oil Springs rebroadcaster, the CRTC allowed it by condition of licence to broadcast a certain amount of local ads "for each hour of original, station-produced programming broadcast exclusively" on the Oil Springs undertaking each week¹⁵
 - In 1999 CTV applied to replace a transmitter at Warton that carried its CKCO-TV Kitchener signal except for 3 hours of separate original news transmitted to

¹³ CRTC, *Building On Success - A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97 (Ottawa, 11 June 1999) at paras. 45 and 47.

¹⁴ CRTC, *Canadian Broadcasting Corporation*, Decision CRTC 91-423 (Ottawa, 28 June 1991).

¹⁵ CRTC, *Licence renewal for CKCO-TV and new programming undertakings at Oil Springs and Warton*, Decision CRTC 95-107 (Ottawa, 24 March 1995) (underlining added): "a maximum of 6.5% of the commercial availabilities on the Oil Springs undertaking . for each hour" of Oil Springs programming produced by the station.

Warton, with a full rebroadcasting transmitter for CKCO-TV; although it planned to include “news of relevance to Warton residents” in CKCO-TV’s regional news coverage, CTV withdrew its proposal to solicit local advertising in Warton after CHUM objected.¹⁶

46. We also note that in June 2007, the CRTC granted CanWest’s application to amend its broadcasting licence for CHCA-TV Red Deer by operating rebroadcasting transmitters in Edmonton and Calgary, subject to a condition of licence that CanWest “shall not solicit local advertising” in those cities.¹⁷
47. The main effect of CanWest’s planned Broadcast Centres will be to substantially diminish the quantity and quality of local content in the stations’ local news programs that are now controlled, produced and broadcast by its stations. Under these conditions, if CanWest continues to accept or solicit local advertising from these communities without the CRTC’s prior approval, it will be operating in breach of the CRTC’s local advertising policy by obtaining a financial benefit from communities whose CanWest stations have been transformed from fully-operational stations that produce and broadcast their own local programs, into shells that redistribute programs that purport to be local productions but which are actually produced elsewhere.
48. If the CRTC allows CanWest to continue to solicit, accept or broadcast local advertising in communities whose master controls and local program production have been removed to non-local Broadcast Centres, the Commission’s local advertising policy will have been amended or annulled without any prior consultation or discussion about this important “public policy issue, its causes, and context, including its ... immediate and long-term impacts”.¹⁸ This is not only unfair to local communities, from whom CanWest will be reaping asymmetrical financial benefits, but to other local broadcasters that meet the CRTC’s policy on local advertising as well as their own programming commitments and obligations.
49. To summarize, CEP believes it is clear that CanWest has either already breached or is planning to breach the terms and conditions under which the CRTC granted its television licences, along with numerous financial and programming commitments CanWest itself gave the CRTC. CEP requests that the CRTC take immediate action to address CanWest’s unprecedented and non-compliant actions.

¹⁶ CRTC, *Proposed licence amendments for CKNY-TV and CKCO-TV*, Decision CRTC 99-163 (Ottawa, 8 July 1999) at paras. 6 and 10 (underlining added).

¹⁷ CRTC, *CHCA-TV Red Deer – New transmitters in Calgary and Edmonton*, Broadcasting Decision CRTC 2007-168 (Ottawa, 8 June 2007).

¹⁸ *Cabinet Directive on Streamlining Regulation* (1 April 2007) at 4.

B. True nature of CanWest's undertakings is now unclear

50. CEP submits that CanWest has fundamentally altered the nature of its television stations, so that these stations no longer have responsibility for their programs, contrary to subsection 3(1)(h) of the *Act*. To CEP's knowledge, there are only three exceptions to the responsibility conferred by subsection 3(1)(h).

1. Rebroadcasting transmitters

51. Television programming undertakings that merely rebroadcast another station's programming are not defined as stations under the CRTC's *Television Regulations, 1987*:

"station" means a television programming undertaking that transmits sounds and images or a broadcasting transmitting undertaking that transmits sounds and images, but does not include a broadcasting undertaking that only rebroadcasts the radiocommunications of another licensed broadcasting undertaking

[underlining added]

52. By transferring its local television stations' programming responsibilities and production capacity to the Broadcast Centres, CanWest is effectively transforming its local television stations into rebroadcasting transmitters of another party's programming, thereby amending the nature of these undertakings contrary to the terms and conditions under which they have been granted licences as stations or television programming undertakings, without the CRTC's prior approval.

53. CEP notes that if, in the alternative, CanWest is transforming its television stations into journalistic bureaux, its current licences clearly do not authorize such actions to occur without prior CRTC approval – and, we suggest, without any prior consultation with the communities most affected by CanWest's decision.

2. Affiliates of an unlicensed network

54. Under subsection 3(1)(h) of the *Act*, a licensee is not held responsible for the programming it broadcasts on its station if its station is affiliated with a licensed network operator, and the licensee has delegated control over the station's schedule to the network operator. This is because section 2(1) of the *Act* defines a network in terms of delegated control, over any part of the programs or schedule of a broadcasting undertaking:

"network" includes any operation where control over all or any part of the programs or program schedules of one or more broadcasting undertakings is delegated to another undertaking or person

[underlining added]

55. Hence, when a network exists the licensed network operator, rather than the network's affiliated stations and their licensees, is responsible for the network programs

delivered to the public by stations with whom it has signed an affiliation agreement, described by section 2 of the *Television Broadcasting Regulations, 1987* as follows:

"affiliation agreement" means an agreement between one or more stations and another party according to which programs provided by the other party will be broadcast by the stations at a predetermined time; ...

56. The CRTC described network operations in 1998, in a report to the Governor in Council, and explained they were formed as a way to minimize programming costs:

[t]he private television system in Canada began with the licensing of independently-owned stations based in local markets. Networks developed as an important means for these stations to gain access to national news, sports and entertainment programs that would otherwise be too costly for individual stations to produce or acquire. The network model was based upon individual station affiliates delegating control over parts of their schedules to a network licensee. This model reflects the definition of network contained in the *Broadcasting Act*.¹⁹

57. In 2001, the CRTC imposed a condition of licence applicable to all Global television stations related to network service. Specifically, the Commission requires that the "licensee shall not affiliate with or disaffiliate from any network operator without the prior written approval of the Commission."²⁰
58. If as part of its ongoing efforts to reduce its costs to assist it in other business ventures (such as the acquisition of Alliance Atlantis) CanWest is not operating its stations as rebroadcasters, CanWest will be operating as either a network operator or a network affiliate: its stations will be delegating control over the content of their local broadcasts to Broadcast Centres that compile program elements into programs and then distribute the programs to non-originating television stations for subsequent redistribution to the public. If the stations act as if they were network affiliates, without having obtained the CRTC's prior written approval, they will be acting in contravention of condition of licence 8 of Decision CRTC 2001-458. And without a network operator licence for its Broadcast Centres, CanWest will also be operating in contravention of the *Act* and the CRTC's *Television Regulations, 1987*.

3. Broadcasting distribution undertakings

59. Section 2(1) of the *Act* defines a distribution undertaking to exist if it simply retransmits broadcast programming that it receives:

.... an undertaking for **the reception of broadcasting** and the **retransmission** thereof by radio waves or other means of telecommunication to more than one permanent or temporary residence or dwelling unit or to another such undertaking;

¹⁹ CRTC, *Additional National Television Networks - A Report to the Government of Canada Pursuant to Order In Council P.C. 1997-592*, Public Notice CRTC 1998-8 (Ottawa, 6 February 1998) at para. 18 (underlining added).

²⁰ CRTC, *Licence renewals for the television stations controlled by Global*, Decision CRTC 2001-458 (Ottawa, 2 August 2001), condition of licence 8.

60. Section 7 of the *Broadcasting Distribution Regulations* specifically prohibits a distribution undertakings from altering a programming service it distributes but does not originate:

7. **A licensee shall not alter or delete a programming service** in a licensed area in the course of its distribution except

- (a) as required or authorized under a condition of its licence or these Regulations;
- (b) for the purpose of complying with subsection 328(1) of the Canada Elections Act;
- (c) for the purpose of deleting a programming service to comply with an order of a court prohibiting the distribution of the service to any part of the licensed area;
- (d) for the purpose of altering a programming service to insert an emergency alert message in accordance with an agreement entered into with the operator of the service or the network responsible for the service;
- (e) for the purpose of preventing the breach of programming or underlying rights of a third party, in accordance with an agreement entered into with the operator of the service or the network responsible for the service; or
- (f) for the purpose of deleting a subsidiary signal, unless the signal is, itself, a programming service or is related to the service being distributed.

[bold font added]

61. If a distribution undertaking does not originate programs, but merely retransmits the programs it receives from a programming service without alteration, it cannot be held responsible for the programs' content.
62. If CanWest is not operating its stations as rebroadcasting transmitters, or as network affiliates, then each of CanWest's television stations will be acting as an unlicensed broadcasting distribution undertaking when they receive programming content from a third party, and redistribute it without alteration for reception by the public. CanWest's stations could operate as broadcasting distribution undertakings without licences, entirely contrary to the terms and conditions of their existing television programming licences.
63. To summarize, CEP's view is that CanWest is transforming its broadcasting television programming undertakings into rebroadcasters, into network affiliates or into broadcasting distribution undertakings, entirely contrary to the terms and conditions under which the CRTC granted CanWest its television licences. CEP requests that the CRTC take immediate action to address CanWest's unprecedented and unauthorized actions.

C. *Actual and prospective unlawful delegation of programming control*

64. Section 3(1)(h) of the *Act* requires licensees to retain responsibility for the programs they broadcast, and section 32(1) makes it an offence to broadcast without a licence.

65. On 4 October 2007, CanWest appears to have improperly delegated control over CIHF-TV: rather than making a decision about this station's schedule, the station's management delegated this task to the station's staff. Consequently, CanWest may have already breached section 3(1)(h) of the Act.
66. In terms of a prospective breach of the Act, beginning in Spring 2008 individual CanWest stations will no longer direct the content of their newscasts, will no longer select the regional, national and international content of those newscasts, will no longer control the appearance of their newscast sets, and will no longer control the cameras used on these sets. Instead, these responsibilities will be held by one or more Broadcast Centres. The specific ownership, control and legal status of these Broadcast Centres when they begin operations has not been established.
67. By delegating control of the content of its local newscasts to unlicensed broadcast centres, CanWest will be transferring responsibility for these programs such that it can no longer be held accountable for this content. Consequently, CanWest will be in breach of section 3(1)(h) of the Act, by operating its television stations contrary to the terms and conditions of the licences it has been granted by the CRTC for those stations.

III. CRTC authority to act

68. Under the Act, the CRTC must ensure that licensees adhere to Canada's broadcasting legislation, its regulations and the terms of the licensees' licences. Specifically, section 5(1) sets out a mandatory requirement for the Commission to regulate private broadcasters that comprise the private element of our broadcasting system and represent an important aspect of the fulfillment of the Act's section 3 objectives:

5. (1) Subject to this Act and the Radiocommunication Act and to any directions to the Commission issued by the Governor in Council under this Act, the Commission shall regulate and supervise all aspects of the Canadian broadcasting system with a view to implementing the broadcasting policy set out in subsection 3(1) and, in so doing, shall have regard to the regulatory policy set out in subsection (2).

...

69. Section 5(3) then establishes that the Commission is to give primary consideration to Parliament's section 3 broadcasting policy:

5. (3) The Commission shall give primary consideration to the objectives of the broadcasting policy set out in subsection 3(1)

70. Section 3(1)(d)(iii) establishes that one of Parliament's objectives for our broadcasting system is to serve Canadians' needs and interests through employment opportunities:

The Canadian broadcasting system should

through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations, of

Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of aboriginal peoples within that society

...

[underlining added]

71. CEP understands that the CRTC has several options available to it to address CanWest's actions that contravene the terms and conditions of its licences.
72. For example, the CRTC may decide to hold a hearing in connection with CEP's complaint, under section 18(3) of the *Act*:

18.(3) The Commission may hold a public hearing, make a report, issue any decision and give any approval in connection with any complaint or representation made to the Commission or in connection with any other matter within its jurisdiction under this Act if it is satisfied that it would be in the public interest to do so.

73. The *Act* also grants the Commission the authority in subsection 12(1)(b) to hold an inquiry into CanWest's actions in relation to its possible contravention of its licences or the CRTC's decisions, particularly with respect to CanWest's commitments, the CRTC's expectations and different stations' conditions of licence:

[Inquiries]

12. (1) Where it appears to the Commission that

(a) any person has failed to do any act or thing that the person is required to do pursuant to this Part or to any regulation, licence, decision or order made or issued by the Commission under this Part, or has done or is doing any act or thing in contravention of this Part or of any such regulation, licence, decision or order, or

(b) the circumstances may require the Commission to make any decision or order or to give any approval that it is authorized to make or give under this Part or under any regulation or order made under this Part, the Commission may inquire into, hear and determine the matter.

...

[bold font added]

74. Following an inquiry under subsection 12(1)(b), the CRTC may under section 12(2) issue a mandatory order to CanWest, requiring compliance with the CRTC's renewal decisions for its stations:

[Mandatory orders]

(2) The Commission may, by order, require any person to do, forthwith or within or at any time and in any manner specified by the Commission, any act or thing that the person is or may be required to do pursuant to this Part or to any regulation, licence, decision or order made or issued by the Commission under this Part and may, by order, forbid the doing or continuing of any act or thing that is contrary to this Part or to any such regulation, licence, decision or order.

...

[bold font added]

75. Alternatively, under section 9(1)(c) the CRTC may amend any condition of CanWest's licences on its own motion, since five years have passed since the majority of CanWest's licences were last renewed:

9. (1) Subject to this Part, the Commission may, in furtherance of its objects,

...

(c) amend any condition of a licence on application of the licensee or, where five years have expired since the issuance or renewal of the licence, on the Commission's own motion;

76. The CRTC may or may not choose to hold a public hearing in connection with a licence amendment:

18(2) The Commission shall hold a public hearing in connection with the amendment or renewal of a licence unless it is satisfied that such a hearing is not required in the public interest.

[underlining added]

77. CEP also notes that section 33 of the *Act* effectively grants the CRTC permission to request the Department of Justice to initiate proceedings in connection with CanWest's possible contravention of its conditions of licence:

33. Every person who contravenes or fails to comply with any condition of a licence issued to the person is guilty of an offence punishable on summary conviction.

78. CEP's hereby requests that at its earliest convenience, the CRTC initiate an inquiry into CanWest's actions pursuant to subsections 12(1)(a) and (b) of the *Act*.

IV. Why CEP requests the CRTC's immediate action under subsection 12(1)(b)

79. CEP submits that it is critical for the CRTC to proceed immediately with a public inquiry to assess CanWest's announced plans. In keeping with the timelines used in 1991,²¹ when the CBC restructured its programming services, we suggest that the Commission hold a public inquiry in mid-January 2008. There are many reasons why the Commission should hold such a public inquiry.

80. The first reason for an immediate and expedited public hearing process is that CanWest has now set in motion its plans to layoff 200 or more staff at its stations. If CanWest is allowed to proceed, its stations will no longer have the ability to produce the programming to which CanWest committed in its licence renewal proceedings. By the time CanWest's licence renewal proceedings are announced and concluded at the end of 2008 or beginning of 2009, the licensee will have already created a new

²¹ The CBC announced reductions in its services on 5 December 1990; the CRTC wrote the CBC on 14 December 1990; the CBC filed applications to amend its licences on 11 January 1991; the CRTC issued a Notice of Public Hearing on 25 January 1991, and the CRTC's public hearing of the CBC's applications began 18 March 1991 – just over 3 months after the CBC's first announcement. CRTC, *Canadian Broadcasting Corporation*, Decision CRTC 91-423 (Ottawa, 28 June 1991)

operating environment, it will be operating in breach of the CRTC's licensing decisions, and CanWest will very likely claim the existence of insurmountable financial hurdles – due in large part to its attempt to acquire Alliance Atlantis and consequent acceptance of a substantial debt load – to rebuild what it has already destroyed. CEP notes that the CRTC has acted promptly in the past to address similar concerns when other broadcasters have acted without seeking amendments to their licences.²²

81. Second, unless the CRTC immediately acts and CanWest's plans are allowed to continued, the careers and lives of its stations' staff will be thrown into turmoil. Any delay inherent in waiting until prospective licence renewal proceedings is unwarranted and will severely harm not only the broadcasting system but the needs and interests of those who employed in that system. Under section 5(2), Parliament has specifically granted the CRTC the authority, jurisdiction and mandate to ensure the implementation of the legislature's objectives for the broadcasting system, while subsection 3(1)(d)(iii) establishes the CRTC's jurisdiction for investigating employment in Canadian broadcasting. CEP notes that CanWest's job cuts are not occurring in isolation, but represent one of the largest broadcasting staff layoffs of recent years: in 2005, TQS and Global abolished 18 full-time and 6 part time positions;²³ in 2006, CHUM announced it would reduce employment by 281 jobs;²⁴ and in 2007, CTV and Corus also laid off 116 staff.²⁵ Together with CanWest's plan to terminate 200 jobs, Canadian broadcasting will have seen the loss of more than 600 jobs in 3 years. CEP notes that the CRTC has acted promptly in the past when private broadcasters have expressed similar concern about their financial well-being, and assumes that under subsection 3(1)(d)(iii) of the *Act* the Commission has the same concern for broadcast employees.
82. Third, the CRTC must call CanWest to account because laying off 200 or more staff simply does not enrich or strengthen Canada's broadcasting system, but rather weakens it, contrary to subsection 3(1)(d)(i) of the *Act*:

(d) the Canadian broadcasting system should

(i) serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada,

...

[underlining added]

²² See CRTC, *Canadian Broadcasting Corporation*, Decision CRTC 91-423 (Ottawa, 28 June 1991).

²³ SCFP, "La direction de la station abolit sept postes et demi" *Nouvelle* <<http://www.scfp.qc.ca/modules/nouvelles/nouvelle.php?id=673&langue=fr&menu=42>>; CUPE-QUÉBEC, "Life goes on" 6:10 *CUPE IN BRIEF* (22 August 2005) at 3.

²⁴ "CHUM cuts hard news in several markets; centralizes ops. Not cost-cutting, says Switzer" *cartt.ca* (13 July 2006).

²⁵ Tamsen Tillson, "Star! Daily cancelled" *Playback* (16 October 2007); Glenn Wanamaker, "TQS blames financial squeeze, lack of carriage fees, for 40 job cuts", *ccart.ca* (31 October 2007); Patricia Bailey, "Gillen among cuts as Corus shuts Vancouver ops" *Playback Daily* (28 September 2007).

83. Without an expedited inquiry, an important element of the broadcasting system – namely the private commercial television broadcasting sector – will be seriously weakened without any supervisory oversight from the regulatory authority.
84. Fourth, if CanWest’s plans to eliminate its local stations’ local original programming continue, CanWest will be in violation of the CRTC’s policy concerning local advertising, will be placing all other stations that provide local programming at a competitive financial disadvantage, and will be ignoring the Commission’s own commitment to local community program production. In 1995, for instance, the CRTC provided “local stations with the flexibility to play a variety of roles in contributing to quality Canadian programming either through in-house productions, or through co-operative ventures such as co-productions and other imaginative partnership arrangements”.²⁶ In its 1999 television policy the CRTC removed the requirement for applicants to commit to specific quantities of local news programs, but nevertheless continued to require that licensees demonstrate how they will meet local audiences’ demands and reflect their concerns. While it is true that conventional over-the-air television broadcasters face the expense of shifting from analog to digital transmission, it is equally true that the CRTC’s May 2007 determinations about its regulatory framework for conventional, over-the-air television services granted broadcasters new and expanded access to existing and new sources of advertising income, something that CanWest has long sought.
85. Fifth, if CanWest is permitted to implement its plans, its Broadcast Centres will be acting as an unlicensed programming network without assuming any related obligations, whether for minimum levels of local news and information programming or adherence to broadcasting policies, regulations and licensing requirements. This will deprive Canadian communities of the programming services promised to them by the CRTC, reduce local employment that would otherwise benefit these local communities’ economies, and may harm other broadcasters that meet their legal and regulatory obligations.
86. Sixth, if the CRTC allows CanWest to openly flout its own commitments, the terms of its licences and the conditions of licence of its stations, what is to prevent another licensee, such as CTV or Rogers, from centralizing their newscasts’ creation, production and distribution to a few broadcast centres, or perhaps even one single centre?
87. Seventh, a public inquiry offers CanWest the best opportunity to explain how its actions and plans accord with the terms and conditions of its CRTC licences, serve the communities affected and meet the public interest.

²⁶ CRTC, *Introduction To Decisions Renewing The Licences Of Privately-Owned English-Language Television Stations*, Public Notice CRTC 1995-48 (Ottawa, 24 March 1995) at “I Introduction”.

88. Finally an expedited, full and open public inquiry will enable the CRTC to collect the information it requires to reach a determination in this matter, and will enable all parties – including the communities, employees and other broadcasters affected by CanWest's decision – to assess, question and if necessary challenge the information and arguments proffered by CanWest.
89. With the greatest respect, the CRTC's failure to act in a decisive manner at this time in response to our complaint, and the complaints that have been filed by others, is likely to invite additional non-compliance from CanWest and/or from other licensees – a very undesirable situation, and one clearly likely to bring the CRTC's supervision of the broadcasting system into disrepute.
90. For the reasons noted above, CEP respectfully requests the CRTC give this complaint its immediate and urgent attention, and awaits your reply at your earliest opportunity.
91. Should you have any questions, please do not hesitate to let me know.

Sincerely yours,



Peter Murdoch
Vice-President, Media

PM/dpl.cope.343

cc. The Honourable Josée Verner
Minister of Canadian Heritage, Status of Women and Official Languages

CanWest MediaWorks Inc.
1450 Don Mills Rd.
Don Mills, Ontario
M3B 3R5

Appendix 1: CanWest Press Release of 4 October 2007

CanWest, "CanWest to Launch State-of-the-art Broadcast Centres", Press Release
<<http://www.canwestmediaworks.com/newsroom/viewNews.asp?NewsroomID=698>> (Toronto: 4 October 2007)



Category Television Date 10/4/2007

CanWest To Launch State-of-the-Art Broadcast Centres

Streamlining Local Production Enables Stronger Focus on Local Content Generation, Generates Substantial Operational Efficiencies

(TORONTO, Ontario) CanWest MediaWorks Inc today announced it is developing state-of-the-art Broadcast Centres at its stations in Vancouver, Edmonton, Calgary, and Toronto to support the production needs of its local television stations across Canada. This progressive approach to local news production will enable CanWest's news programs to immediately begin their transition to high definition and will improve the operational efficiencies of its Global and E! stations across the country.

CanWest will be using the latest in broadcast technology, including digital newsroom systems and virtual sets, to create a state-of-the-art look and feel to its newscasts across all stations, large and small. Through the development of a sophisticated broadband network CanWest's local television stations will now be able to share content of interest to Canadians, by Canadians, faster than ever, across its entire operations.

News staff in each market will continue to generate local content. All content will be delivered to a Broadcast Centre and packaged into a program format for air. Local anchors will continue to deliver the news from their local stations.

"We are working towards becoming a leading edge, HD-ready operation by upgrading our equipment to meet the demands of the changing broadcast environment," said Christine McGinley, Senior Vice President of Station Operations, CanWest MediaWorks. "This innovative redesign of our local conventional television stations will result in significantly improved efficiencies across our broadcast operations."

"With this dramatic new technology, we will ensure our long term success as a home-grown news gathering operation," commented Steve Wyatt, Senior Vice President, News and Information Programming, CanWest MediaWorks.

Approximately fifty new staff roles will be created in total in Vancouver, Edmonton, Calgary, and Toronto to enable these Broadcast Centres to manage the additional workload, while staffing levels in other markets will be reduced. Once the new system is fully implemented, overall staffing levels will be reduced by approximately 200 positions across the country.

The first Broadcast Centre is planned to be opened in Vancouver in Spring 2008, with the other three expected to be operational over the next 18 months.

About CanWest MediaWorks Inc.

CanWest MediaWorks Inc. is a wholly-owned subsidiary of CanWest Global Communications Corp. (TSX: CGS and CGS.A, www.canwestglobal.com), an international media company. In addition to owning the Global Television network, CanWest is Canada's largest publisher of English language daily newspapers, and also owns, operates and/or holds substantial interests in conventional television, out-of-home advertising, specialty cable channels, Web sites and radio networks in Canada, Australia, New Zealand, Turkey, Indonesia, Singapore, the United Kingdom and the United States.

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Appendix 2: Press report – "Canwest to revamp"

THE CANADIAN PRESS



Paul Saulnier, union local representative and 20-year Global employee, talks with reporters near the station in Dartmouth on Thursday, Oct. 4, 2007. THE CANADIAN PRESS/Andrew Vaughan

CanWest to revamp Global and E TV stations, cutting 200 jobs

Oct 4, 2007

TORONTO - CanWest Global Communications Corp. (TSX:CGS) is cutting 200 jobs at its television stations across Canada - a move it says are part of changes to help it become more "leading edge" while critics call it a masked cost-cutting move.

The jobs will be lost at local Global and E television stations across the country and include everything from on-air positions to building cleaners.

Layoffs are expected to take effect this spring in Eastern Canada, where the bulk of the job losses are said to be coming from, and the fall of 2008 in Western Canada.

The company said it will also add 50 positions in larger centres as it moves to high-definition TV and ramps up the digital capabilities of local newsrooms. But CanWest will reduce overall staff levels by 250 positions as it completes the transition.

Stations that will get the revamp include Global and E stations in Vancouver, Edmonton, Calgary and Toronto. The first broadcast centre is to be opened in Vancouver in the spring, with the other three expected to be up and running over the next 18 months.

CanWest said the changes will improve operating efficiency with the latest in broadcast technology, including digital newsroom systems and virtual sets.

It will also develop a broadband network linking its local TV stations so they can share content faster.

Kim Power, a national representative for the Communications, Energy and Paperworkers Union in Nova Scotia, said the cuts mean newscasts in the Maritimes will be done on a virtual set in Halifax with cameras controlled in Vancouver.

"As far as delivering local news to the people, as far as I'm concerned, it's a bit of a scam," Power said.

She said a total of 41 jobs were to be cut in Atlantic Canada, including 11 in Saint John, N.B., and 30 in Halifax.

News editors, audio operators, producers, photojournalists, the meteorologist and building cleaners are among the jobs being cut in Halifax, according to the union.

The late-night Global newscast that is usually broadcast across the Maritimes was cancelled Thursday night after staff were of the planned layoffs.

Power said managers gave staff in Halifax the option of cancelling the 11 p.m. newscast and they agreed it was a good idea.

Instead of a regional news package, the network broadcast its national newscast.

Christine McGinley, senior vice-president of station operations for CanWest MediaWorks Inc., the subsidiary which holds the company's TV assets, said final numbers have not been determined. CanWest said the changes are vital to help the company become more up to date.

"We are working towards becoming a leading-edge, HD-ready operation by upgrading our equipment to meet the demands of the changing broadcast environment," McGinley said in a release.

In an interview, McGinley said the weak financial performance of the Maritime and Quebec markets are resulting in a significant loss of income for CanWest, and that is why it has had to cut news-gathering positions there in addition to production jobs.

"We are not performing. We are losing money in those markets," McGinley said.

In contrast, the strongest markets are Toronto, Vancouver, Calgary, Edmonton and Winnipeg.

"This innovative redesign of our local conventional television stations will result in significantly improved efficiencies across our broadcast operations."

Ian Morrison, spokesman for the Canadian content watchdog Friends of Canadian Broadcasting, says the layoffs - and the attempt to couch them in a good news announcement - comes at an odd time given CanWest will go to the Canadian Radio-television and Telecommunications Commission (CRTC) in a year and ask for their group licence to be renewed.

Part of the deal that enables CanWest to broadcast big American TV shows is a commitment to Canadian content and local programming, he points out, meaning CanWest should be enhancing local news coverage right now, not diminishing it.

"We all know that when you lay off journalists, what goes down is the quality and quantity of local coverage," Morrison said. "This is a time when logically, they would be trying to do more in quality and quantity of Canadian content, not less."

Morrison also said he suspects the company's debtholders are pressuring CanWest Global, which is in the midst of trying to buy Alliance Atlantis Communications Inc. for \$2.3-billion with U.S. investment bank Goldman Sachs.

Goldman Sachs is footing most of the purchase price for Alliance and has taken ownership of its movie distribution business and a production stake in the CSI: Crime Scene Investigation television series.

CanWest is putting up \$262-million and will take control of Alliance's 13 specialty cable channels - including Showcase, HGTV and The Food Network - and will hold a 36 per cent equity stake and two-thirds of the voting shares assets said to be worth about \$1.5 billion. Goldman will hold a 64-per-cent stake and one-third of the voting shares.

If the CRTC disagrees with CanWest's equity stake, the company would likely have to put up more money to bring its ownership above 50 per cent.

"The message here is that Canwest is in trouble financially and this is a symptom of that and they're spinning it as if it were efficiencies," Morrison said. "This isn't really in their overall best interests, so I would guess that they're being forced by their debtholders."

In a recent report, investment firm TD Newcrest said CanWest will finish the year "more levered than it began."

"There is little financial room left in any part of the organization," wrote analyst Scott Cuthbertson.

CanWest MediaWorks encompasses 65 television, radio, newspaper and online brands across Canada, including more than 30 daily and weekly newspapers, the Global television network plus eight specialty networks including TVTropolis, Fox Sports World and mentv. Websites include Canada.com, working.com and driving.ca.

CanWest MediaWorks Limited Partnership is an indirect, wholly owned subsidiary of CanWest Global Communications Corp. and has interests in media properties in New Zealand, Australia, Singapore, Turkey, the United States and the United Kingdom.

Appendix 3: Press report – "Global cutting 200 jobs"



PRINT CLOSE

Global cutting 200 jobs as local news production retrenched

October 04, 2007

TORONTO – Approximately 200 jobs will be lost as CanWest Global announced today it will build four new broadcast centres in each of Vancouver, Edmonton, Calgary and Toronto, consolidating all production for its local news (for both Global Television and E!/CHCH) across the country to these four locations.

The construction will take about 18 months, according to an internal memo from CanWest's Television president Kathy Dore obtained by Cartt.ca that outlined the impending changes. "Our goal is to update our operations for the HD world and produce higher quality local news, while increasing our efficiency by streamlining the way we produce news," wrote Dore.

News crews will remain in their local markets but that content will be shifted so that it is assembled for playback then transmitted at one of the new broadcast centres, which will feature digital news room systems, virtual sets, and broadband technology.

"As part of this new approach, news will no longer be switched out of our local stations," added Dore. "This means that as our new Broadcast Centres get up and running, we will be making reductions to our local production and technical support positions at many stations. At the same time, we will be creating a number of new production positions in Vancouver, Edmonton, Calgary, and Toronto to accommodate the technological requirements of the new system. Every effort will be made to consider staff impacted at other local stations for the new positions being created at the Broadcast Centres."

According to the CanWest press release, the number of new positions created will be in the 50 range.

In a more direct firing line, it seems are CanWest's news operations in Quebec and the Maritimes. Dore singled out those two markets specifically saying the stations' costs structures "are out of balance."

"As a result, we have made the difficult decision to change our approach to local news at these stations. That will result in further staff reductions in our Quebec and Maritimes operations." The memo did not go into specifics as to how the approach will be changed or what viewers will start seeing as a result of the cutbacks.

"Once the new system is fully implemented and changes are made in Quebec and the Maritimes, our overall staffing levels will be reduced by approximately 200 positions across the country," added Dore's memo.

"(T)he conventional TV broadcast model is challenged and all broadcasters are dealing with the same issues that we are facing. This plan will enable us to continue to provide high quality local news in all of our markets, while building a state-of-the-art infrastructure for the future. As I indicated earlier, because this plan will result in staff

reductions in some markets, we are putting a specific process in place to ensure that impacted staff are considered for the new positions being created," she added.

"Global's decision to drastically cut back its workforce is yet another sign that big broadcasters are deserting the very communities they purport to serve, while attracting large national advertisers for those very same markets," said Peter Murdoch, vice-president media for the Communications, Energy and Paperworkers Union of Canada, in a press release. CEP represents approximately 1,000 members at the network's stations.

"Rather than put the savings made from this restructuring back into the local communities in terms of upgraded local programming and news, the cash goes to the Bay St. bankers. It's outrageous. And in some cities, audiences will actually see a reduction in newsgatherers."

Murdoch said the union is considering all of its options – including filing complaints to the CRTC.

Appendix 4: CanWest “Broadcast Operations Announcement – Q&A (4 October 2007)

BROADCAST OPERATIONS ANNOUNCEMENT - Q&A

For internal distribution only. Not to be forwarded outside of CanWest.

Technical Questions:

Technically, what is happening?

- Modern technology from digital hardware to digital networks allows broadcasters to meld digital content from multiple locations within the body of a newscast.
- To some degree Global has been doing this for some time. For example, an interview can take place from a remote location and inserted live into the body of a newscast and during the same newscast the commercials are inserted seamlessly from Calgary. To the viewer it is a contiguous process and they won't see where the content is originating from.
- The new technology fundamentally allows newscasts for multiple locations to be produced from a single control room, taking advantage of the different time zones.

How does this change the role of local stations?

- With the new technology, local stations will focus 100% on local news acquisition and processing. National and International stories will be produced in the Broadcast Centres; however, National and International content will be available for browsing at all stations which will allow producers in the local markets to view such content before dropping it into run downs.

What equipment will the local stations be getting?

- All stations will be equipped with new HD ready cameras that will be operated using robotic equipment. A digital news system comprising of non-linear editors and a play-out server will also be installed.
- The cameras and robotics will be remotely controlled from the Broadcast Centres.

What will it look like?

- All newscasts will be anchored by local teams using virtual reality sets.
- With the robotic equipment coupled with virtual reality it is possible to make any newscast have the high-quality look and feel of a national newscast.

Operationally, how will a newscast be produced?

- Over the course of the day, edited stories will be file transferred from the stations to the Broadcast Centres.
- There will be a cut off time for transferring content after which late breaking stories will be run as a video clip from the local stations. These clips can be fed from either the non-linear editors or the server.
- Prior to the newscast air time the network feeds will be switched up. This will result in the station cameras being fed back to the Broadcast Centre. The Broadcast Centre does not differentiate between camera feeds from the Broadcast Centre studios and cameras being fed from a remote location – they are one and the same.
- In addition to the cameras being fed back there will be additional feeds to back-haul microwave links and streaming clips in the event of late breaking stories being inserted directly from the remote station.
- The camera, lights, mike levels, etc. will all be controlled from the Broadcast Centres.
- The virtual reality generators will reside in the Broadcast Centres and the only thing being fed from the remote stations will be the positioning data.

- Programme feeds and preview feeds will be fed back from the Broadcast Centre to the remote station.

How will the technology work?

- We will be installing all new, digital equipment in all our newsrooms. This means local stories will be edited on a non-linear editing system called Grass Valley and content generated will be placed in a server.
- This digital news processing system will be integrated with ENPS, which we have been using for several years now.
- These digital systems in each of our local news operations will be linked by way of a broadband network which is now in place. This means we can deliver content simultaneously from one station to another...or one station to multiple stations through these interconnected servers. No more booking fibre lines or satellites to share content.

How can we do a newscast without a control room?

- It will work much the same way as it does now except the control room will be in another city linked to us via the broadband network. We will have a producer at our station who will communicate throughout the day with producers in the Broadcast Centre.
- Here's what will change:
 1. Our anchors will now be sitting in front of a green screen and the Broadcast Centre will deliver a "virtual" set via the broadband network. Through this state of the art technology we will be able to present to our viewers in each of our markets a dramatic "big market look".
 2. Journalists, ENG camera operators and editors in the local markets will do exactly what they do now....generate compelling local content. In the new world, the material collected in the field will be "ingested" or digitized into a server locally. The stories will be edited on state of the art non-linear equipment and the final product will reside in a server, ready for playback.
 3. The local producer will tell the producers in the Broadcast Centre the best order for the local stories and provide suggested lead-ins via ENPS.
 4. If needed, the Broadcast Centre will compile, edit and fold into the ENPS rundown all national and international content.
 5. At the start of the newscast, we will go to air with staff in the Broadcast Centre controlling all playback from the server and all "live" elements of the broadcasts. Local anchors will have continuous communication via IFB to the control room.

What about late breaking stories? What if they aren't edited in time to make it into the server?

- No problem. We will designate a "cutoff" time for stories to be completed and placed in the server and the playback list, say 10 or 15 minutes before air time. But if a story is still being edited right down to the wire we will be able to playback directly from the edit suite.

What about studio cameras and lighting?

- We will be installing the latest robotic camera systems in all of our markets. These will be controlled at the Broadcast Centre. Lighting will also be switched remotely.

Will we still be able to do "live shots?"

- Yes. We will have a technical producer in each local market to assist in setting these up. The signal will travel to the Broadcast Centre control room via the broadband network and be inserted in the local program just as we do now.

What about graphics?

- The virtual set becomes essentially a customizable, electronic graphic into which we can insert a more modern and dynamic version of the traditional over-the-shoulder graphics. We will also be installing graphic templates in our local servers for story specific graphics, such as full frame drops that you may choose to embed in your stories. Unlike the old linear editing system, the new editors can do multiple layers and font. This means the editor simply calls up a branded “templated” graphic background from the server and adds other elements to it such as font or a story-specific image to create the embedded graphic. It is then simply edited into the story.

News people have never had access to this kind of equipment before. Will we get enough training?

- Absolutely. We will have teams of people in each market providing training on not only how to use these digital systems most effectively but also to help you through some modified work flows so that everyone is comfortable working with the remote control rooms.

What about weather?

- Each market will have a locally based weather forecaster. Weather Central, which we are all familiar with, will now be sent from the Broadcast Centre and keyed behind the presenter. The weather presentation will be highly formatted and consistent, pretty much as it is now, and modified each day with just the new weather data. The presenter will work with “off set” monitors just as they do now during the presentation.

Who will have final say over the content of the show?

- Local stations will have final say in terms of all local content. That is our priority. If a program needs national or international content to fill it out that will be determined by the producers in the Broadcast Centre. Even this content can be seen as it is being “built” by the local producers. You can see the scripts and the video in a “browse” mode as it is being assembled in the ENPS rundown.
- We’ll be counting on the local news producers to advise the Broadcast Centre producers if there is any particular national or international content that will be of importance to the local market.

With several markets now relying on a common control room, will we still be able to go “live” locally with breaking news?

- Yes. We will have a control room on standby 24/7 at master control in Calgary to support breaking news broadcasts locally. If the event warrants national coverage, this will be controlled out of Vancouver just as it is now.

Timing Questions:

When will the changes take place?

- We have already successfully implemented news room digital technology in Vancouver, and we are currently working on a digital news room in Toronto. The upgrade of the Broadcast Centres has already begun in Vancouver and will commence in Edmonton and Calgary soon.
- The Broadcast Centres are estimated to be up and running as follows:
 - Vancouver – Spring 2008
 - Edmonton – Fall 2008
 - Calgary – Fall 2008
 - Toronto – Spring 2009

What stations will be handled by each of the broadcast centers?

- Phase One - Spring 2008: Quebec and the Maritimes delivered from Vancouver.
- Phase Two - Fall 2008:
 - Red Deer delivered from Edmonton
 - Maritimes moves to Edmonton
 - Lethbridge & Fox Sports World Report delivered from Calgary
 - Winnipeg and Victoria delivered from Vancouver
- Phase Three - Spring 2009: Saskatoon, Regina and Hamilton delivered from Toronto.

Staffing Related Questions:

How will I know if my position is impacted?

- Our intention is to do whatever we can to minimize the impact on staff as much as possible. Many jobs will not be impacted for many months or in some cases for over a year. This gives us a lot of time to implement the changes in a planned way so we can reduce the number of direct layoffs.
- Prior to a confirmed go live date, station management will meet with impacted employees to canvass employee mobility, job interest and to discuss the options available to them.

Will I have an opportunity to apply for vacancies at other stations including the new available positions in the Broadcast Centres?

- Yes. All vacancies will be reviewed and where it's determined that the vacant position will be filled, these positions will be posted using the existing job posting process. Where we can eliminate positions through attrition we will.

When will we know what our last date of work is?

- Employees will be given as much advance notice of layoff as possible. Layoff notices will be provided after the official "go live" date has been confirmed for the respective stations and will be in accordance with the collective agreement (if applicable).

What severance packages will be offered?

- Severance packages will be offered to impacted employees as per their collective agreement (if applicable).

How can I apply for one of the new positions at the Broadcast Centres?

- All positions will be posted using the job posting procedure currently in place.

Appendix 5: Canwest's commitments to the CRTC

CRTC, *Broadcasting Applications: TV Renewals - CTV/Global Across Canada*, (Vol. 2) Transcript of Proceedings (Hull, 18 April 2001):

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2475 THE CHAIRPERSON: I don't want to go right through your presentation, but after when you talked about the vision you went on to talk about more TV stations provide greater access to consumers and so on. Of course, it has been an objective of CanWest Global for a number of years now to get more television stations across the country with greater or less success, depending upon the year and the location.

2476 Having said that, some of the stations are considerably more profitable than others. In fact, some aren't profitable at all. That's a similar issue that I raised yesterday with the CTV folks. I presume Global has gone into this with a number of the stations, recognizing full well that some of those stations are not now and indeed I suppose some of them may never be profitable and on a stand-alone basis.

2477 We are looking at the renewals today on a group basis rather than individual stations, looking at a separate network and we know historically Global doesn't even like to use that word.

2478 What is your view in terms of the group synergies just within the television stations in terms of the more profitable stations helping to sustain the less profitable or unprofitable ones?

2479 MR. NOBLE: Thank you, Chairman Colville. You are absolutely correct. We have unfortunately a regional disparity in our stations and the profitability of such. There are reasons for that.

2480 It is our view as a national broadcaster that it's one of our contributions to the Canadian broadcasting system that we will continue to operate these stations and provide the local programming commitments we have in our applications during the licence term, even though they continue to be running at a loss.

2481 We honestly believe that it's our duty as national broadcasters to ensure that these regions continue to receive our signal.

2482 THE CHAIRPERSON: As the Manager responsible for the operation of those individual stations, and through to CanWest presumably, what is your strategy with those stations, that ultimately they have got to become profitable and we will do what it takes to get them there or is there a corporate philosophy that we have got to run this as one big operation and maybe some of the unprofitable ones may never become profitable.

2483 MR. NOBLE: Let's hope that there's always a chance that we can make them profitable, but it is our philosophy that there will be in certain markets at certain times stations that don't contribute positively to the group.

2484 Despite that, they are still an important member of the network, the Global Television Network -- I will use that word -- as part of the national -- our view and our desire to be a national, a truly national network, despite the fact that they are unprofitable.

2485 We will and we do encourage our General Managers to look for new revenue opportunities, new program opportunities that can generate revenue opportunities. We do encourage them to try and find new resources and develop new concepts that ultimately may become profitable.

2486 It's not that we have accepted the fact that they don't make money, it's just that we are in this situation -- it's only in the last two or three years as a result of fragmentation that we find ourselves in this position, but we are here for the long term. We are a national network and we will not let these stations fail.

2487 THE CHAIRPERSON: What does it mean on the cost side? On the revenue side you said you encouraged them to find new sources of revenue. What does it mean on the cost side in terms of how far you go to be able to address the profitability question?

2488 MR. NOBLE: Well, again, if we are maintaining a local support and we have a local commitment to provide local programming on the cost side, there's not a lot we can do. That's why they are encouraged to generate whatever they can in extra revenues.

2489 Now, that is not to say that there isn't some minor modifications we can made to those operations. They already benefit substantially with the provision of programming, promotion services, national and international news services, management services, payroll, accounting, personnel services.

2490 They are already getting a huge benefit from the system. I guess my point is there's not a lot more room for us to go in those what I will call administrative back office costs.

2491 It's our view that, you know, the cost structure that we have in those stations presently is the cost structure required to maintain a current level of local programming in those markets.

2492 THE CHAIRPERSON: So is Global committed then to keeping all the stations going that are there now?

2493 MR. NOBLE: Yes, we are.

2494 THE CHAIRPERSON: Regardless of the profitability that the synergies gain that we talked about previously would help keep all those stations going.

2495 MR. NOBLE: Going.

2496 MR. ASPER: I think, Mr. Chairman, we look at this whole matter in the bigger picture with a big picture in mind. There are always lesser and better performing entities in an organization.

2497 Global Television Ontario may do better based on some policy or some programming decision. It may affect Winnipeg negatively in the sense that Winnipeg's profits are not helped by that.

2498 The overall picture we see is one -- from a regulatory sense as well is one that we are willing to say as well -- I think Trina McQueen said it best, some water with our wine. **We just don't look at a Winnipeg in isolation and say it isn't profitable, let's shut it down. It's part of the bigger picture of the company we are trying to build and it always will be.**

2499 We just would not come before you and say we are going to just shut down Regina or Winnipeg because it doesn't work. The whole thing works as a collectivity and that's what we are here to discuss I think.

2500 MR. NOBLE: And these stations are still contributors to the national system. We rely on them for local stories that have relevance nationally. We rely on them to develop new talent that can move throughout the system. We rely on them to be the real connection with the community in those markets and to develop and seek out creative ideas amongst their local groups.

2501 They may be a negative in terms of the financial numbers, but let's ignore those for a moment. They are huge contributors to the overall Global system. We rely on them to be our pipeline to the communities.