



April 9, 2014

Honourable Dennis Dawson
Chair
Standing Committee on Transportation and Communications
The Senate of Canada
Ottawa, Ontario
K1A 0A4

Mr. Chair,

Bonjour Dennis,

On behalf of CBC/Radio-Canada, I would like to thank the Committee for having met with us in the course of its study on *"the challenges faced by the Canadian Broadcasting Corporation in relation to the changing environment of broadcasting and communications"*. During my appearance, several members of the Committee pursued other lines of questioning and requested additional information. I would like to take this opportunity to address those questions.

Salaries

Several Senators asked about the specific salaries of some of our employees. While the salary range for every employee is public, a Canadian's specific salary is private information, protected under the federal *Privacy Act*. The *Act* limits the disclosure of personal information on salaries to the position or functions of an individual, including "the classification, salary range and responsibilities of the position"¹. The names of every employee of the Corporation, their position, and their salary classification is available on our website: <http://www.cbc.radio-canada.ca/en/reporting-to-canadians/transparency-and-accountability/access-to-information/documents-released-in-answer-to-ati-requests-of-general-interest/miscellaneous/>

We would also note the Government's response in Parliament to a similar request for specific salary information, made in Parliamentary Question 246, January 30, 2012: <http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&Parl=41&Ses=1&DocId=5342809>

¹ *Privacy Act*, Section 3, J (iii)

Travel to Sochi

Senator Plett asked about the number of CBC/Radio-Canada employees who flew to Sochi for the Winter Olympics: “Of the people who went, did any of them fly in business class or did they all fly in economy class.” The Senator also asked about our travel policies.

The trip from Canada to Sochi takes approximately 16 hours. As I mentioned, we sent 287 employees of CBC/Radio-Canada to Sochi to produce our coverage of the recent Winter Olympics. In addition, five employees went in advance of the Games to set up the installations and another 23 non production staff were also there for business purposes. Eleven (senior management and talent) flew business class. In addition, one contract member of the production team flew business class for one flight from Montreal to Frankfurt because no economy seat was available.

Under the Corporation’s travel policies, business class airfare is permitted for members of the Senior Executive Team² outside the Montreal – Toronto – Ottawa triangle. Our policy states that “All travelers are expected to use economy class unless approved by the Vice-President or his/her delegate.” 2.3.23 Travel Management Policy.

Incentive Pay and Pension contributions

With respect to eligible incentive pay amounts, Senator White asked for a list of “how many executives are in the 5 to 10 per cent range, (...) 11 to 20 and so on up to the 41 to 50 per cent range, as well as the pension plan funding ratio so I have an understanding as to whether it's 1 to 1, 2 to 1, 3 to 1, 4 to 1 or 5 to 1 of all people who would fit into the executive description?”

In 2012–2013, 564 employees were eligible for incentive pay based on their success in meeting specific performance targets. Of those, 47 would be considered senior management. The following tables show the reduction in incentive pay over the past two years as well as the percentage ranges.

Table 1 Fiscal year	Management			Senior Management (Executives, VP and EVP)			Total	
	Total \$ (millions)	# FTEs	Average \$ (thousands)	Total \$ (millions)	# FTEs	Average \$ (thousands)	Total \$ (millions)	# FTEs
2011–2012	6.3	513	12.3	3.3	50	66.0	9.6	563
2012–2013	5.6	517	10.8	2.9	47	61.7	8.5	564

² The Senior Executive Team is composed of the President & CEO, Vice-Presidents and Executive Vice-Presidents.

Table 2 Level	Target possible payout¹ (% of base salary)	Eligible FTEs (fiscal year 2012–2013)	
Management	8% or 10%	489	87%
	20%	28	5%
Executives	25%	41	7%
Vice-Presidents	40%	5	1%
Executive Vice-Presidents	50%	1	
Total Eligible		564	100%

¹. *Providing all performance targets are met.*

With respect to pension contributions, as of July 1, 2013, all CBC/Radio-Canada employees contributed a share of 40% to their pension plan. The Corporation will be increasing that ratio to 50-50 by 2017, consistent with Government objectives outlined in the 2012 Federal Budget.

Legal Expenses and Real Estate Revenues

The Deputy Chair asked for the number of “in-house” lawyers at CBC/Radio-Canada as well as the “Corporation’s total budget for legal advice and legal fees”. CBC/Radio-Canada has 23 in-house lawyers. The total 2013–2014 budget for the Corporation’s legal department is \$9 million.

The Deputy Chair also asked for the amount of revenue generated by CBC/Radio-Canada through its infrastructure and real estate. In 2012–2013, CBC/Radio-Canada earned \$46.7 million in revenue from its buildings, tower, facility and service rentals.

Again, I thank you for your interest in CBC/Radio-Canada.

Respectfully yours,



Hubert T. Lacroix
President & CEO