



19 September, 2014

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

Dear Chair,

I have reviewed your letter of September 15<sup>th</sup> regarding your Committee's continuing study of "the challenges faced by the Canadian Broadcasting Corporation in relation to the changing environment of broadcasting and communications".

Since the beginning of this study, the Corporation has assisted the Committee in its work by sharing information, arranging witnesses, and providing visits to CBC/Radio-Canada operations. With respect to your request to meet with myself and the Corporation's Chair, Rémi Racine, this Fall, we both welcome the opportunity to share with you how the Corporation is meeting the challenges it faces. We will make the necessary arrangements with your Clerk.

I would agree that an important area for study is "how journalism is adapting to the changing environment of broadcasting and communications". Consistent with your stated objectives, we suggest that it would be more useful for our heads of news and current affairs, Jennifer McGuire for CBC and Michel Cormier for Radio-Canada, to meet with the Committee. They have been responsible for developing and implementing the Corporation's strategies to ensure that our journalism adapts to the changing needs of Canadians while remaining the independent, trusted source Canadians depend upon. They can also speak for the journalism on all of our platforms; television, radio, and internet.

I must respectfully decline your invitation for our journalists, Peter Mansbridge and Céline Galipeau to appear as witnesses before your Committee. As I said in my March 26<sup>th</sup> letter to the Committee's earlier request; *"It is not appropriate for journalists, whose job includes reporting on the activities of Senators, to be questioned by those same Senators at a Parliamentary Committee. As you know, some Senators have already been using the current study to pursue Mr. Mansbridge's presentation of Senate expense stories; the salary he earns from the Corporation; and the terms of his public speeches. Journalists, any journalists, must be allowed to do their job, free of political interference."*

The way journalists contribute to public discourse is by fulfilling their responsibilities as journalists. To be summoned before a Committee would force journalists to abandon their journalistic role of observer and become a participant in the Committee's work, including any resulting report and recommendations to Government. This is not a position unique to CBC/Radio-Canada. Other broadcasters have similarly declined invitations for their journalists to appear in the past and we are compelled to do so as well.

Finally, you have again requested the identity and specific salaries of individuals who work for CBC/Radio-Canada, specifically those whose income exceeds \$200,000. This would be a breach of the Federal *Privacy Act*<sup>1</sup>. I fail to see how disclosing individual salaries in breach of privacy laws will assist the Committee's study or even improve the Committee's assessment of the ways in which CBC/Radio-Canada manages the public's investment in the public broadcaster.

I would suggest instead, that you consult the information which is already public. We recently published additional details about the salaries paid to CBC/Radio-Canada senior executives and on-air talent. We have shared this information with all MPs and Senators. I have included it here. It is also on our proactive disclosure website<sup>2</sup>.

This level of disclosure goes further than what is currently available from any other federal Crown Corporation or national Canadian broadcaster. It represents a balance between responding to the legitimate interests of Canadians for as much information as possible about our operations, while respecting federal privacy laws. It also provides a clearer picture of the remuneration earned by our employees, while maintaining our ability to attract and retain high-calibre talent in a very competitive broadcasting industry.

I hope that you will understand our position, and our efforts to participate in the Committee's study. I look forward to meeting with you again.

Sincerely,



Hubert T. Lacroix  
President & CEO

cc: Daniel Charbonneau, Clerk of the Standing Committee on Transportation and Communications  
*encl.*

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<sup>1</sup> *Privacy Act*, Section 3, J (iii)

<sup>2</sup> <http://www.cbc.radio-canada.ca/en/reporting-to-canadians/transparency-and-accountability/proactive-disclosure/compensation/>  
<http://www.cbc.radio-canada.ca/fr/rendre-des-comptes-aux-canadiens/transparence-et-responsabilisation/divulgation-proactive/remuneration/>

Reporting to Canadians

Latest Studies

Acts and Policies

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Business travel and hospitality expenses

Board of Directors Meeting

Court Judgements

External information sources

Privacy

Infosource

Annual Public Meeting

Reports and Plans

Official Languages

Employment Equity

Technology Standards

SYNC: online technology magazine

## Compensation Summary

### Background

People remain a priority of CBC/Radio-Canada. It is the talent, passion and commitment of its people that continue to drive its success. CBC/Radio-Canada is a rewarding, progressive and diverse workplace, enabling a high performance culture of dedicated, innovative and highly skilled professionals.

CBC/Radio-Canada faces the challenge of competing for talent within a vibrant competitive private sector, while also operating as a federal Crown corporation. The Corporation's compensation philosophy is to provide a total compensation package that supports its ability to attract, develop, motivate and retain the talent required to enable the organization to deliver on its strategic objectives.

It positions its total cash compensation offering, with elements such as base salary and at-risk pay, in the middle range of what is offered by comparable Canadian companies from the entertainment, publishing and telecom industries, as well as a selection of Crown corporations and federally-regulated companies. The Corporation also has a short-term incentive plan that senior management are eligible to participate in. This plan aligns all parts of the business around organizational objectives and drives desired behaviours and superior business performance, supported by metrics and thresholds. Two senior executives also currently participate in a long-term incentive plan.

### Unionized workforce

As of April 1, 2014, CBC/Radio-Canada had 8,203 full-time equivalents. Approximately 87% of our workforce is comprised of unionized employees represented by 6 bargaining units; their compensation ranges from \$26,716 to \$99,500, as set out in their respective collective agreements.

### On-Air Talent

In some cases, on-air talent (eg. announcers, hosts, reporters and presenters) receive additional remuneration, above and beyond their union scale, as negotiated individually, based on factors such as their recognized prominence and excellence, as well as their special skills and expertise.

The **following chart** summarizes the actual compensation for on-air talent, as of April 1, 2014 (excluding overtime). This information is set out in the form of salary bands (of \$50,000 increments) and is aggregated, where necessary, to protect the privacy rights of individuals under the *Privacy Act*.

### Senior Management

The **following chart** summarizes the compensation for CBC/Radio-Canada's senior management. It sets out their base salary range and total cash compensation range. It also provides comparisons with compensation in the market.

### Proactive Disclosure

Over the past five years, CBC/Radio-Canada has continued to look for ways to increase its accountability and transparency with Canadians, including through proactive disclosure. By providing the information set out below, the Corporation is at the forefront of other Crown Corporation and other broadcasters, providing a clear picture of the remuneration earned by its employees, while maintaining its ability to attract and retain high-calibre talent in a very competitive broadcasting industry and respecting existing federal law regarding the privacy of individual's specific salaries.

In this way, Canadians can be assured of the Corporation's continued responsible management of its public resources.

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**ON-AIR GROUPS COMPENSATION SUMMARY**  
(at April 1, 2014)

Compensation	Average Actual Compensation <sup>(1)</sup>	Count	
		#	%
>=\$300k	\$485,667	4	0.31%
\$250k - \$299k	\$270,078	6	0.47%
\$200k - \$249k	\$226,395	9	0.70%
\$150k - \$199k	\$179,322	21	1.63%
\$100k - \$149k	\$121,232	89	6.92%
\$50k - \$99k	\$72,147	1,067	82.97%
<\$50k	\$32,146	90	7.00%
<b>Total Count</b>		<b>1,286</b>	<b>100%</b>

**Classification <sup>(2)</sup>**

Canadian Media Guild <sup>(3)</sup>	Syndicat des communications de Radio-Canada <sup>(4)</sup>
Announcer-Operator	Host
Host	Announcer
News-Editor Presenter	Announcer-Interviewer
Provincial Affairs Reporter	Columnist
Reporter/Editor	Columnist-Researcher
Senior Host	Traffic Reporter
Senior Reporter	Commentator-Interviewer
Video-Journalist	Foreign Correspondent
	Journalist
	Journalist-Presenter
	Journalist-Presenter (Thematic / Blended Newscasts)
	Journalist-Producer
	Meteorologist
	Presenter-Producer
	National Reporter
	National Specialized Reporter
	Specialized Reporter
	Lineup Editor (National)
	Lineup Editor (Regional)
	Videojournalist
	Videojournalist (Grandfathered)

<sup>(1)</sup> Does not include overtime (average 9.6%)

<sup>(2)</sup> Classifications determined as "on-air"

<sup>(3)</sup> CMG Band 12 Top of Scale (Apr 1/14): \$81,617.96 - 38.75 hours/week

<sup>(4)</sup> SCRC Band 13 Top of Scale (Mar 3/14): \$89,702 - 37.50 hours/week

**2014 SENIOR MANAGEMENT COMPENSATION SUMMARY**  
(at April 1, 2014)

Cash Compensation at CBC/Radio-Canada	President and CEO <sup>(2)</sup>	Executive Vice-President (EVP) <sup>(3)</sup>	Vice-President (VP) <sup>(4)</sup>
Number Eligible	1	2	5
Base Salary Range	\$367,500 – \$432,300	\$275,000 – \$375,000	\$250,000 – \$350,000
<b>Total Cash Compensation Range <sup>(1)</sup></b>	\$430,500 – \$580,031	\$302,000 – \$594,500	\$274,000 – \$519,000
Comparative Market Data			
Total Cash Compensation - Public and Private Sector Peer Median <sup>(5)</sup>	\$1,741,000	\$1,072,000	\$292,000 – \$547,000
Total Cash Compensation - Publicly Traded Peer Median <sup>(6)</sup>	\$4,231,000	\$1,692,000	\$1,394,000

<sup>(1)</sup> Total Cash Compensation for the President and CEO is governed by the regime for Governor-in-Council appointees. The compensation system for the rest of the Senior Executive Team is overseen by the Human Resources and Governance Committee of the Board. This compensation includes base salary, applicable at-risk incentive pay at target, and other taxable benefits (e.g. car allowance, medical assessment, financial planning, etc.). The two EVPs also participate in a long term incentive plan, but no payment has been made to date.

<sup>(2)</sup> [Governor in Council Appointee.](#)

<sup>(3)</sup> Positions are EVP, English Services and EVP, French Services.

<sup>(4)</sup> Consistent with a desire to reduce the number of executives, some positions are combined and are not easily comparable with other companies of similar size and scope. Positions are: VP and Chief Financial Officer; VP, Brand, Communications and Corporate Affairs; VP, People and Culture; VP, Real Estate, Legal Services and General Counsel; VP, Technology and Chief Regulatory Officer.

<sup>(5)</sup> Per external consultant market studies, including long-term incentives; comparative data from 36 peer companies in the entertainment, publishing and telecommunications industries as well as Crown Corporations and federally-regulated companies. Peer companies include, for example, Cirque du Soleil, Paramount Pictures, La Presse, The Globe and Mail, Bell Canada, Rogers Communications, Shaw Communications, Canada Post, Export Development Canada, and the Treasury Board of Canada Secretariat. President/CEO data from 2011 study; EVP and VP/CFO data from 2013 study.

<sup>(6)</sup> Per external consultant studies of the compensation disclosed in proxy statements of publicly traded peer companies, including long-term incentives, for President/CEO, Executive Vice-President and VP/Chief Financial Officer positions only. Companies include BCE, Cineplex, Cogeco Cable, CORUS Entertainment, IMAX, Lions Gate Entertainment, Quebecor, Rogers Communications, Shaw Communications, TELUS, Torstar, Transcontinental, and the TVA Group. President/CEO data from 2011 study; EVP and VP/CFO data from 2013 study.