



Via GC Key - ABRIDGED

November 30, 2019

Mr. Claude Doucet
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Mr. Doucet:

Re: 2018-2019 – Canadian Association of Broadcasters – Independent Local News Fund (ILNF)

1. The Canadian Association of Broadcasters (CAB) is the national voice of Canada's private broadcasters, representing the vast majority of Canadian programming services, including private radio and television stations, and discretionary services.
2. In Broadcasting Regulatory Policy (BRP) CRTC 2016-224, the Commission established the Independent Local News Fund (ILNF) with the objective of supporting the production of locally reflective news and information by private independent television stations. The ILNF replaced the Small Market Local Programming Fund effective September 1, 2017.
3. As indicated in the above-referenced BRP, the Independent Local News Fund was funded by contributions from licensed terrestrial and DTH BDUs equal to 0.3% of their previous year's broadcast revenues.
4. ILNF funds were allocated by the CAB using the following allocation method outlined by the CRTC in the above-referenced BRP:
 - Two thirds will be distributed in proportion to each eligible station's share of total expenditures on locally reflective news and information over the previous three years;
 - One third will be distributed in proportion to the total number of hours of locally reflective news and information broadcast by each eligible station over the previous three years; and

- No station or group of stations operated by the same licensee in a given market will receive more than 10% of the funding in any given year.

5. The CAB is pleased to provide the Commission with a report on the operational activities of the Independent Local News Fund (ILNF) for the broadcast year ended August 31, 2019.

Total funds received and total funds disbursed

6. The ILNF received \$ 21,188,644.38 from Bell TV, Shaw Direct, Access, Bell Aliant, Cogeco, Eastlink, MTS, Rogers, SaskTel, Shaw, Telus, Videotron, and Zazeen (Distributel) in relation to the twelve-month period ending August 31, 2019. Following is a breakdown of the compensation received from each BDU:

Bell TV	\$3,472,857.74	Bell MTS	\$223,380.23
Shaw Direct	\$2,107,644.00	Bell Aliant	\$379,779.84
Bell Fibe (IPTV)	\$2,757,558.34	Cogeco	\$755,735.00
Eastlink (Bragg)	\$150,792.24	Rogers	\$3,724,381.90
Shaw Cable	\$2,749,231.00	Videotron	\$2,669,821.56
Telus	\$1,926,050.92		
Access	Filed confidentially with the CRTC		
SaskTel	Filed confidentially with the CRTC		
Zazeen (Distributel)	Filed confidentially with the CRTC		

7. For this same period, the ILNF disbursed \$ 21,216,218.27 (including \$27,573.89 of interest) to the 24 eligible stations. A breakdown of the funds disbursed to each station is provided in Appendix A.

Total of spending on Local News for the past three years

8. As noted above, two thirds of the compensation will be distributed in proportion to each eligible station's share of total expenditures on locally reflective news and information over the previous three years. For the 2018/19 fiscal year, expenditures for the 2014-15, and 2015-16 and 2016-17 years were used to calculate each station's share. The recipients reported that a total of \$96,957,337.00 was spent on Local News for the three years indicated.

Number of exhibition hours of Local News for the past three years

9. In addition, one third will be distributed in proportion to the total number of hours of locally reflective news and information broadcast by each eligible station over the previous three years. The recipients reported having broadcast a total of 40,569 hours, 6 minutes, and 39 seconds of reflective news and information during the same three year-period.

Number of reporters employed by recipients

10. Recipients of the ILNF employed a total of 121 full-time and 30 part-time journalist and/or reporters in 2018/19. These numbers do not include News Anchors, ENG/Operations

personnel, Meteorologists, and other technical personnel needed to deliver local news programming.

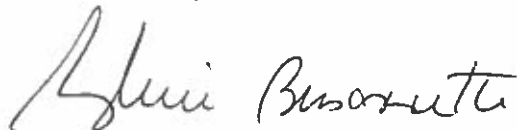
Highlights of qualitative changes made by recipients as a result of the fund

11. Following are highlights of some of the qualitative changes that the ILNF fund permitted the recipients to accomplish:
- Increase the number of hours and/or segments of local news programming being delivered, including weekend coverage.
 - Increase staffing levels for reporters, editors, and producers, permitting broadcasters to deliver more in-depth programming of local stories.
 - Provide ancillary financial resources that allows news reporters to cover travel-related stories in communities across their full coverage area.
 - Improve election and other local stories and event coverage.
 - Purchase additional ENG equipment, including digital cameras, servers, computers etc.
 - Addition or expansion of news sets and other news infrastructure.

We have attached specific quotes from some of the recipients highlighting some of their specific accomplishments in 2018-19 as a result the ILNF in Appendix B attached.

12. The CAB would be pleased to provide the Commission with additional information on the operational activities of the ILNF upon request.

Yours sincerely,



Sylvie Bissonnette
V.P. Finance and Accounting and CFO

c.c. Scott Hutton, CRTC
Guillaume Castonguay, CRTC
Manon Auger, CRTC

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APPENDIX A
INDEPENDENT LOCAL NEWS FUND
Distribution of funds collected for period September 1, 2018 to August 31, 2019

GROUP	STATION(S)	TOTAL
The Jim Pattison Broadcast Group	CHAT-TV, Medicine Hat	\$ 1,258,253.97
	CFJC-TV, Kamloops	\$ 1,427,296.23
	CKPG-TV, Prince George	\$ 1,010,115.92
	TOTAL JIM PATTISON INDUSTRIES LTD.	\$ 3,695,666.12
Stingray	CKSA-TV, Lloydminster	\$ 556,329.04
	CITL-TV, Lloydminster	\$ 492,679.87
	TOTAL STINGRAY	\$ 1,049,008.90
RNC MEDIA Inc.	CFEM-TV, Rouyn-Noranda	\$ 409,909.10
	CFVS-TV, Val d'Or	\$ 493,010.32
	CHOT-DT, Gatineau	\$ 592,481.18
	CFGS-TV, Gatineau	\$ 283,156.84
	TOTAL RNC MEDIA INC.	\$ 1,778,557.43
Télé Inter-Rives Itée	CIMT-TV, Rivière-du-Loup	\$ 977,718.73
	CFTF-TV, Rivière-du-Loup	\$ 437,630.59
	CKRT-TV, Rivière-du-Loup	\$ 490,312.44
	CHAU-TV, Carleton	\$ 533,908.29
	TOTAL TÉLÉ INTER-RIVES LTÉE	\$ 2,439,570.05
Thunder Bay Electronics Limited	CKPR-TV, Thunder Bay	\$ 1,045,620.50
	CHFD-TV, Thunder Bay	\$ 869,073.61
	TOTAL THUNDER BAY ELECTRONICS	\$ 1,914,694.11
Newfoundland Broadcasting	CJON-TV, St. John	\$ 2,121,621.83
	TOTAL NEWFOUNDLAND BROADCASTING	\$ 2,121,621.83
0859291 BC Ltd.	CHEK-TV, Victoria	\$ 2,121,621.83
	TOTAL CHECK MEDIA INC.	\$ 2,121,621.83
V Interactions	CFAP-DT, Quebec	\$ 583,876.13
	CFJP-DT, Montréal	\$ 1,141,701.29
	CFKM-TV, Trois-Rivières	\$ 416,336.39
	CFRS-DT, Saguenay	\$ 416,377.69
	CFKS-DT, Sherbrooke	\$ 416,315.55
	TOTAL V INTERACTIONS	\$ 2,974,607.06
Channel Zero	CHCH-DT, Hamilton	\$ 2,121,621.83
	TOTAL CHANNEL ZERO	\$ 2,121,621.83
Miracle Channel	CJIL-DT, Lethbridge	\$ 999,249.11
	TOTAL MIRACLE CHANNEL	\$ 999,249.11
Total Compensation for 2018/19		\$ 21,216,218.27

APPENDIX B

EXAMPLE OF QUALITATIVE CHANGES MADE BY RECIPIENTS IN 2018/19

- *Northern BC covers a large territory and Prince George is considered its economic hub. As the largest electronic newsroom in Northern BC, it falls to CKPG News to report on the events that happen throughout that area. Stories that occur hours outside the city, even hours outside our broadcast region, can have a direct impact on the fortunes of viewers. In order to cover these locally reflective stories, our news crews must travel great distances. These situations incur extra costs for our stations, but thanks to the ILNF, we were able to accommodate them. (Jim Pattison Broadcast Group).*
- *During the week, the 32-minute newscast aired live at 6 p.m. as well as the 12 and a half-minute newscast broadcast live at noon are the most important local programs on the CHOT-DT schedule. These newscasts were augmented by 10 daily information capsules aired in the morning through the TVA network's program "Salut Bonjour" as well as 12 news reports through "TVA en bref", 4 in "Bonne nouvelle TVA Gatineau-Ottawa" and 1 on "Question du jour". (RNC Média)*
- *The Independent Local News Fund (ILNF) makes it possible for our small local television stations to produce high quality local news 24/7 in spite of the steadfastly difficult environment in which conventional television operates. Without this financial support of the utmost importance, it would be impossible for our television stations to maintain this essential service that is much appreciated by the various communities we serve. (Télé Inter-Rives)*
- *The ILNF fund allowed us, this year, to hire the services of the CTV election team who in turn provided us with professional election data, results management, amazing easy to read and view graphics, as well as a decision desk, staffed with seasoned professionals so that our viewers were completely up to date with voting results at all times on election night. Having the services of the CTV election team also meant NTV was able to "call" the election for the first time ever in its history. (Newfoundland Broadcasting Company)*
- *We have completed our new Studio redesign with HD cameras and new teleprompters and we have updated our technology for improving our capabilities for remote community productions. Our Live events have been vastly improved with HD signals and the quality of the productions for News and Community Events which include: Remembrance Day coverage, Santa and Victoria Day Parades, Light Up Truck Parade, and our Annual Christmas Charity Drive. (CHEK Media.)*
- *The ILNF has allowed Thunder Bay Electronics Limited – CKPR-DT and CHFD-DT, to continue to operate and maintain local news, sports, weather and information to Thunder Bay and Northwestern Ontario. It has provided the financial means to accomplish the following: maintain the local news and reflection on CKPR-DT and CHFD-DT; improve our weather reporting as we provide local weather information required and advise on weather related closures of*

schools, roads and businesses; increase the compensation of the news personnel, making it possible to attract and retain news personnel and to become more competitive with salaries offered in the industry; increase the coverage and quality of news and information of interest to the daily lives of our viewers; maintain a sense of community for the residents of a very large geographic area; improve coverage of charitable events, new business news and community events; improve and increase coverage of local politics and federal and municipal election and news. Lastly, the ILNF allowed our local television operation to remain financially viable and to service Thunder Bay and area to a high professional standard. (Thunder Bay Electronics)