



Via GC Key - ABRIDGED

November 30, 2020

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

Dear Mr. Doucet:

Re: 2019-2020 – 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, 2020.

Total funds received and total funds disbursed

6. The ILNF received \$ 20,904,975.11 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, 2020. Following is a breakdown of the compensation received from each BDU:

Bell TV	\$3,336,951.84	Bell MTS	\$240,598.08
Shaw Direct	\$2,079,516.00	Bell Aliant	\$405,686.28
Bell Fibe (IPTV)	\$2,775,058.08	Cogeco	\$785,208.00
Eastlink (Bragg)	\$146,368.92	Rogers	\$3,649,440.36
Shaw Cable	\$2,554,518.00	Videotron	\$2,608,896.84
Telus	\$2,051,539.20		
Access	Filed confidentially with the CRTC		
SaskTel	Filed confidentially with the CRTC		
Zazeen (Distributel)	Filed confidentially with the CRTC		

7. On December 20th, 2019, the CAB was advised by Zazeen (Distributel), that in August 2019, they were granted approval by way of Decision 2019-298 to operate as an exempt BDU in each of the service areas where it previously operated as a licensed BDU. Since Zazeen's BDU licences were revoked and they are now operating as an exempt BDU, they advised that they have discontinued their remittances effective November 2019.
8. For this same period, the ILNF disbursed \$ 20,919,792.87 (including \$14,817.76 of interest) to the eligible stations. A breakdown of the funds disbursed to each station is provided in Appendix A.
9. On September 1, 2019, there were 24 eligible stations to receiving funding from the ILNF however, on May 15th, Groupe V sold their stations to Bell Media, making the five stations owned by them, ineligible. From May 15th, 2020 to August 31st, 2020, there were 19 eligible stations. The 15.33% share of the funding that Groupe V was receiving, was redistributed amongst the remaining eligible stations effective May 16th, 2020.
10. On August 10, 2020, the CAB filed a Part 1 application with the CRTC to seek approval to raise the current 10% market cap to 12% effective September 1, 2020, in order to preserve the status quo following Bell Media's acquisition of Group V on May 15, 2020. The application was gazetted by the Commission on August 18, 2020. Pending the Commission's decision on this application, the CAB will continue to disburse funds in the 2020-2021 broadcast year utilizing the 10% cap. As required, necessary and appropriate disbursement adjustments will be made after the Commission renders its decision.

Total of spending on Local News for the past three years

11. 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 2019/20 fiscal year, expenditures for the 2015-16, and 2016-17 and 2017-18 years were used to calculate each station's share. The recipients, including Groupe V, reported that a total of \$89,447,426.00 was spent on Local News for the three years indicated.

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

12. 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, including Groupe V, reported having broadcast a total of 41,070 hours, 38 minutes, and 22 seconds of reflective news and information during the same three year-period.

Number of reporters employed by recipients

13. Recipients of the ILNF employed a total of 140 full-time and 26 part-time journalist and/or reporters in 2019/20. 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

14. The following are highlights of some of the qualitative changes that the ILNF fund permitted the recipients to accomplish:
 - Permitted stations to continue to maintain local news and other important information during very uncertain times caused by the Covid-19 pandemic.
 - In some cases, increase the number of hours and/or segments of local news programming being delivered
 - Maintain staffing levels for reporters, editors, and producers, permitting broadcasters to deliver more in-depth programming of local stories.
 - Invest in new technology allowing stations to expand their community outreach.

We have attached specific quotes from some of the recipients highlighting some of their specific accomplishments in 2019-20 as a result the ILNF in Appendix B attached.

15. 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
Manon Auger, CRTC

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APPENDIX A
INDEPENDENT LOCAL NEWS FUND
Disbursement of funds for September 1, 2019 to August 31, 2020

GROUP	STATION(S)	Caps	TOTAL
The Jim Pattison Broadcast Group	CHAT-TV, Medicine Hat	\$	1,328,702.52
	CFJC-TV, Kamloops	\$	1,655,751.80
	CKPG-TV, Prince George	\$	1,038,647.33
	TOTAL JIM PATTISON INDUSTRIES LTD.	\$	4,023,101.65
Stingray	CKSA-TV, Lloydminster	\$	413,929.90
	CITL-TV, Lloydminster	\$	568,769.35
	TOTAL STINGRAY	\$	982,699.25
RNC Media Inc.	CFEM-TV, Rouyn-Noranda	\$	449,692.46
	CFVS-TV, Val d'Or	\$	480,550.23
	CHOT-DT, Gatineau	\$	663,456.02
	CFGS-TV, Gatineau	\$	313,270.40
	TOTAL RNC MEDIA INC.	\$	1,906,969.11
Télé Inter-Rives Itée	CIMT-TV, Rivière-du-Loup	\$	964,486.30
	CFTF-TV, Rivière-du-Loup	\$	515,768.50
	CKRT-TV, Rivière-du-Loup	\$	514,319.53
	CHAU-TV, Carleton	\$	636,647.96
	TOTAL TÉLÉ INTER-RIVES LTÉE	\$	2,631,222.28
Thunder Bay Electronics Limited	CKPR-TV, Thunder Bay	\$	1,038,049.89
	CHFD-TV, Thunder Bay	\$	896,026.88
	TOTAL THUNDER BAY ELECTRONICS	\$	1,934,076.77
Newfoundland Broadcasting	CJON-TV, St. John	\$	2,091,979.30
	TOTAL NEWFOUNDLAND BROADCASTING	\$	2,091,979.30
CHEK Media (0859291 BC Ltd.)	CHEK-TV, Victoria	\$	2,091,979.31
	TOTAL CHECK MEDIA INC.	\$	2,091,979.31
V Interactions	CFAP-DT, Quebec	\$	399,453.75
	CFJP-DT, Montréal	\$	858,821.08
	CFKM-TV, Trois-Rivières	\$	337,085.81
	CFRS-DT, Saguenay	\$	337,111.73
	CFKS-DT, Sherbrooke	\$	337,081.36
	TOTAL V INTERACTIONS	\$	2,269,553.73
Channel Zero	CHCH-DT, Hamilton	\$	2,091,979.31
	TOTAL CHANNEL ZERO	\$	2,091,979.31
Miracle Channel	CJIL-DT, Lethbridge	\$	896,232.16
	TOTAL MIRACLE CHANNEL	\$	896,232.16
Total Compensation for 2019/20		\$	20,919,792.87

APPENDIX B

EXAMPLE OF QUALITATIVE CHANGES MADE BY RECIPIENTS IN 2019/20

- *In response to COVID, CHCH immediately expanded daytime news coverage with the latest breaking local news stories and interrupted daily programming to broadcast live press conferences by the Prime Minister, the Premier and local politicians, incurring additional staffing costs. This continued right through mid-August. As required, CHCH has begun 600 MHZ Repack transition on two of its towers at a cost of \$1.0M. (Other capital investments include the build of a Mobile Studio & Fleet Vehicle Replacements). Despite significant COVID hit to revenue, CHCH has continued with the level of annual spending on local news programming that started in 2019 (+450K over the 2018 baseline). (Channel Zero)*
- *While expanding our newscast to a full live two hours, we invested in new live technology(bonding), allowing CHEK to expand its community outreach. Starting with a series of road shows stretching up and down the Vancouver Island which then transformed into a nightly segment that has continued to be produced during the pandemic. We have seen a 70 percent rating increase while investing not just in technology but by investing in our employees, pay raises and adding jobs during one of the worst economic downfalls in generations. (CHEK Media)*
- *If we did not have INLF, it is likely that we would have little or no local news on CHAT TV. Maintaining our newsroom is one of our larger expenses, and CHAT TV News would not be maintainable without ILNF. Instead of our current 90 minutes of original news programming every weekday and a week in review show once per week, we would likely be reduced to no local news—or, at best, some very short bulletins. Staffing would likely have to be cut to the bone, perhaps by as much as 80-90%, and our coverage of all local news, including special coverage of elections, disasters, and special items of community interest would be impossible to maintain. As we are the only major broadcast newsroom south of Calgary, this would be a major hardship to our community and region. We are a valuable and professional news organization, as evidenced by our receipt of a Canada-wide award this year from the RTDNA for a series of features broadcast in 2019. This is just one of the many awards received by CHAT TV over the years, including multiple wins as Best Small Market Newscast in Canada. (J. Pattison Broadcast Group)*
- *The Prince George Division (CKPG-DT) has focussed on special programming, specifically news-based features that are longer form within our local newscast, to which the produced content then becomes a full broadcast half- or one- hour feature show. The focus for 2019 was on the systemic homeless issues in the downtown core of Prince George titled "a city in crisis". Through 2020, the follow-up program is dubbed "Prince George - a City in Recovery". (J. Pattison Broadcast Group)*
- *Funding has increased our resources which has given us the flexibility to produce more 'live-hits' for CKPG-TV's 5pm evening news package, bringing our viewers closer to the scene of the event which adds more to their understanding of how the event may impact them in their daily lives.*

Often these events occur outside normal working hours, so the extra coverage involves additional human resources and overtime costs. (J. Pattison Broadcast Group)

- *In 2018-19, ILNF funding led to a 23% increase in local news production aired by RNC MEDIA Inc. stations compared to the previous year. The Fund also made it possible to maintain all the journalism positions, plus add one full-time person per market assigned to news coverage in the news rooms of the Abitibi and Gatineau-Ottawa markets. (RNC Média Inc.)*
- *The ILNF has allowed Thunder Bay Electronics Limited-CKPR DT and CHFD DT to continue to operate and maintain local news, sports, weather and other important information for Thunder Bay and Northwestern Ontario during this very uncertain economic time. It has allowed us to update our community on the COVID pandemic on a regular basis through interviews with the Mayor on what our city government is doing during the pandemic, with the head of the Regional Hospital's COVID Response team, with the Thunder Bay District Health Unit, as well as with the Federal Minister of Health, who is our local MP. It has also allowed us to produce some local features focusing solely on pandemic related issues and tips. (Thunder Bay Electronics)*
- *With the help of the ILNF the Télé Inter-Rives four local television stations all surpassed their commitment levels for locally reflective news in 2018-19. Given the challenging advertising environment in which Canada's private television stations are evolving, the ILNF is a form of financial support that is essential to maintaining the levels of quality and quantity of local news for our viewers. The ILNF makes it possible for the Canadian broadcasting system to diversify the content of local information, and that is highly appreciated by the vast majority of Canadians, especially those living in small regions like those served by the Télé Inter-Rives local television stations. (Télé Inter-Rives).*