



Via GC Key

January 13, 2015

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

Dear Mr. Traversy:

Re: Small Market Local Programming Fund – 2013-2014 Annual Report

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, networks, specialty, pay and pay-per-view services.
2. In *Broadcasting Decision CRTC 2003-257* and *Broadcasting Decision CRTC 2003-258*, the Commission suspended conditions of licence relating to the program deletion obligations of Bell ExpressVu and Star Choice, provided that they implement a set of measures specified by the Commission as an alternative to program deletion.
3. One of the measures was that each DTH licensee contributes, annually, not less than 0.4% of its gross revenues derived from broadcasting activities to a new independently administered fund (Small Local Programming Fund "SMLPF"). This fund was intended to assist the 17 small market independently owned television stations identified by the Commission in *Public Notice CRTC 2003-37 (Direct-to-home (DTH) broadcasting distribution undertakings – simultaneous and non-simultaneous program deletion and the carriage of local television signals in smaller markets)* in meeting their commitments to local programming. In *Public Notice CRTC 2008-100, (Regulatory frameworks for broadcasting distribution undertakings and discretionary programming services)*, the Commission identified two additional recipients to the SMLPF. Another recipient was identified in *Broadcast Decision CRTC 2012-285* (May 2012) and subsequently, another recipient was identified in *Broadcast Decision CRTC 2013-739* (December 2013), bringing the total number of eligible stations to 21 at the end of December 2013.

4. On December 9th, 2003 the Commission certified the SMLPF as an independent production fund eligible to receive and administer contributions from broadcasting distribution undertakings under subsection 44(1)(b) of the *Broadcasting Distribution Regulations*. In its letter of certification, the Commission requested that the CAB file an annual report demonstrating compliance with the approved disbursement formula and the approved fee of 2% of contributions for the administration of the fund. In addition, the Commission requested that the annual report set out the contributions received by the fund during the broadcast year, and the amount of disbursements made to the respective small market, independently owned television stations.
5. On February 4th, 2014, the Commission approved the application by CJON-TV Victoria (*Broadcasting Decision CRTC 2014-38*) to be recognized as a small-market independently owned television station eligible for support from the Small Market Local Production Fund. This station was added as a participant when the February 2014 funds were distributed on April 8, 2014. With the addition of CJON-TV, there currently is 22 stations participating in the fund.

Total funds received and total funds disbursed

6. The SMLPF received \$ 10,079,118.89 from Bell TV (formerly Bell ExpressVu) and Shaw Direct (formerly Star Choice) in relation to the twelve-month period ending August 31st, 2014.
7. For this same period, the SMLPF disbursed \$ 10,041,482.88 to the 22 small market independently owned television stations. A breakdown of the funds disbursed to each station is provided in Appendix A.

Disbursement formula and administrative fee

8. The CAB confirms that funds were disbursed to the 22 small market independently owned television stations in accordance with the approved disbursement formula with one exception. This formula requires that one third of the total amount disbursed be divided equally among the 22 stations; that one third be distributed in proportion to each eligible station's percentage of total local programming expenditures calculated over the last five years; and, that one third of the monies be distributed on the basis of a DTH impact analysis.
9. The exception to the disbursement formula outlined above is with CJIL-TV. As outlined in the Commission's decision dated February 13, 2013, until CJIL-TV becomes a member of BBM and provides the data required to participate in the DTH impact portion of the disbursement formula, it will only benefit from the first two portions of the disbursement formula.
10. Further, the CAB confirms that it has not exceeded the ceiling of 2% of contributions for the administration of the fund.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read "Kevin Goldstein". The signature is written in a cursive style with a horizontal line above the name.

Kevin Goldstein
CAB Chair

c.c. Sheehan Carter, CRTC

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APPENDIX A

SMALL MARKET PROGRAMMING FUND

Distribution of funds collected for period September 1, 2013 to August 31, 2014

GROUP	STATION(S)	TOTAL FUNDS DISTRIBUTED
Jim Pattison Industries Ltd.	CHAT-TV, Medicine Hat	\$ 1,062,034.25
	CFJC-TV, Kamloops	\$ 617,632.26
	CKPG-TV, Prince George	\$ 517,924.21
	TOTAL JIM PATTISON INDUSTRIES	\$ 2,197,590.72
NewCap Radio Inc.	CKSA-TV & CITL-TV, Lloydminster	\$ 905,783.23
Shaw Cablesystems	CJBN-TV, Kenora	\$ 280,025.59
RNC MEDIA Inc.	CKRN-TV, CFEM-TV, Rouyn-Noranda and CFVS-TV, Val d'Or	\$ 914,364.89
Télé Inter-Rives ltée	CIMT-TV, CFTF-TV, CKRT-TV, Rivière-du-Loup	\$ 934,971.63
	CHAU-TV, Carleton	\$ 367,206.24
	TOTAL TÉLÉ INTER-RIVES LTÉE	\$ 1,302,177.87
Bell Media Inc. (formerly Astral Media Inc.)	CFTK, Terrace-Kitimat	\$ 376,591.96
	CJDC, Dawson Creek	\$ 418,355.46
	TOTAL BELL MEDIA INC.	\$ 794,947.42
Corus Entertainment	CHEX - Peterborough	\$ 810,823.05
	CKWS - Kingston	\$ 696,398.78
	TOTAL CORUS ENTERTAINMENT	\$ 1,507,221.83
Thunder Bay Electronics Limited	CKPR-TV, CHFD-TV, Thunder Bay	\$ 980,227.54
Miracle Channel	CJIL-TV, Lethbridge	\$ 369,178.04
Newfoundland Broadcasting	CJON-TV, St-John's	\$ 323,629.09
CHEK Media	CHEK-TV, Victoria	\$ 466,336.66
		\$ 10,041,482.88