



Canadian Association of Broadcasters  
Association canadienne des radiodiffuseurs

December 13, 2011

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

*Via Access Key*

Dear Mr. Morin:

**Re: Small Market Local Programming Fund – 2010-2011 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. The goal of the CAB is to represent and advance the interests of Canada's private broadcasters in the social, cultural and economic fabric of the country.
2. The CAB is pleased to provide the Commission with a report on the operational activities of the Small Market Local Programming Fund for the broadcast year ending August 31, 2011.
3. In Broadcasting Decisions CRTC 2003-257 and 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.
4. One of the measures was that each DTH licensee contributes annually, no less than 0.4% of its gross revenues derived from broadcasting activities to a new independently administered fund. This fund is intended to assist the 17 independently owned small market 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, as well as the two stations identified in Public Notice CRTC 2008-100, *Regulatory frameworks for broadcasting distribution undertakings and discretionary programming services*.
5. On December 9, 2003 the Commission certified the Small Market Local Programming Fund (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 independently owned small market television stations.

#### **Total funds received and total funds disbursed**

6. The SMLPF received \$10,329,016.51 from Bell TV (formerly Bell ExpressVu) and Shaw Direct (formerly Star Choice) in relation to the 12 month period ending August 31, 2011.
7. For this same period, the SMLPF disbursed \$10,306,331.98 to the 19 independently owned small market 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 19 independently owned small market television stations in accordance with the approved disbursement formula. This formula requires that one third of the total amount disbursed be divided equally among the 19 stations; that one third of the monies be distributed on the basis of a DTH impact analysis; and that one third be distributed in proportion to each eligible station's percentage of total local programming expenditures calculated over the last five years.
9. Further, the CAB confirms that it has not exceeded the ceiling of 2% of contributions for the administration of the fund.
10. The CAB would be pleased to provide the Commission with additional information on the operational activities of the SMLPF upon request.

Yours sincerely,



Sylvie Courtemanche  
CAB Chair

Attach.

Cc: Sheehan Carter, CRTC

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**APPENDIX A**

**SMALL MARKET LOCAL PROGRAMMING FUND**

Distribution of funds collected for period September 1, 2010 to August 31, 2011

<b>GROUP</b>	<b>STATION(S)</b>	<b>TOTAL FUNDS DISTRIBUTED</b>
<b>Jim Pattison Industries Ltd.</b>	CHAT-TV, Medicine Hat	\$1,409,452.90
	CFJC-TV, Kamloops	\$814,564.80
	CKPG-TV, Prince George	\$629,722.60
	<b>TOTAL JIM PATTISON INDUSTRIES</b>	<b>\$2,853,740.30</b>
<b>NewCap Radio Inc.</b>	CKSA-TV & CITL-TV, Lloydminster	<b>\$832,179.03</b>
<b>Shaw Cablesystems</b>	CJBN-TV, Kenora	<b>\$362,692.99</b>
<b>RNC Média inc.</b>	CKRN-TV, CFEM-TV, Rouyn-Noranda and CFVS-TV, Val d'Or	<b>\$1,032,267.47</b>
<b>Télé Inter-Rives ltée</b>	CIMT-TV, CFTF-TV, CKRT-TV, Rivière-du-Loup	\$1,070,166.61
	CHAU-TV, Carleton	\$455,001.57
	<b>TOTAL TÉLÉ INTER-RIVES LTÉE</b>	<b>\$1,525,168.18</b>
<b>Astral Media Inc.</b>	CFTK, Terrace-Kitimat	\$356,271.27
	CJDC, Dawson Creek	\$377,784.74
	<b>TOTAL ASTRAL MEDIA INC.</b>	<b>\$734,056.01</b>
<b>Corus Entertainment</b>	CHEX - Peterborough	\$866,377.72
	CKWS - Kingston	\$930,275.22
	<b>TOTAL CORUS ENTERTAINMENT</b>	<b>\$1,796,652.94</b>
<b>Thunder Bay Electronics Limited</b>	CKPR-TV, CHFD-TV, Thunder Bay	<b>\$1,169,575.06</b>
		<b>\$10,306,331.98</b>