



Canadian Association of Broadcasters
Association canadienne des radiodiffuseurs

April 5, 2013

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

Via Epass

Dear Mr. Traversy:

Re: Small Market Local Programming Fund – 2011-2012 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. The CAB is pleased to provide the Commission with a report on the operational activities of the Small Market Local Programming Fund (SMLPF) for the broadcast year ended August 31, 2012. Although the CAB normally reports by calendar year end regarding the disbursements made relating to the SMLPF, the CAB's report was unavoidably delayed as the introduction of a new recipient in 2012 required the Commission to adjudicate on how this new recipient could benefit from the impact portion of the disbursement formula.
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, not 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 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, as well as the two stations identified in Public Notice CRTC 2008-100,

Regulatory frameworks for broadcasting distribution undertakings and discretionary programming services and an additional station identified in Broadcast Decision CRTC 2012-285 in May 2012.

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 small market, independently owned television stations.

Total funds received and total funds disbursed

6. The SMLPF received \$ 10,795,218.65 from Bell TV (formerly Bell ExpressVu) and Shaw Direct (formerly Star Choice) in relation to the twelve month period ending August 31, 2012.
7. For this same period, the SMLPF disbursed \$ 10,728,519.33 to the 20 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 20 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 20 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. The exception to the disbursement formula outlined above is with CJIL-TV, which was recently added to the list of stations eligible to receive support from the SMLPF. 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. The payment made to CJIL-TV covers the period starting May 2012 and ending August 2012 in accordance with Broadcasting Decision CRTC 2012-285 and the Commission's letter decision dated February 13, 2013.
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 blue ink that reads "R. W. Arnish". The signature is written in a cursive style with a large initial "R".

Rick Arnish
CAB Chair

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APPENDIX A

SMALL MARKET LOCAL PROGRAMMING FUND

Distribution of funds collected for period September 1, 2011 to August 31, 2012

GROUP	STATION(S)	TOTAL FUNDS DISTRIBUTED
Jim Pattison Industries Ltd.	CHAT-TV, Medicine Hat	\$1,188,734.16
	CFJC-TV, Kamloops	\$791,520.60
	CKPG-TV, Prince George	\$662,058.06
	TOTAL JIM PATTISON INDUSTRIES	\$2,642,312.82
NewCap Radio Inc.	CKSA-TV & CITL-TV, Lloydminster	\$1,040,367.05
Shaw Cablesystems	CJBN-TV, Kenora	\$382,924.72
RNC Média inc.	CKRN-TV, CFEM-TV, Rouyn-Noranda and CFVS-TV, Val d'Or	\$1,097,681.00
Télé Inter-Rives ltée	CIMT-TV, CFTF-TV, CKRT-TV, Rivière-du-Loup	\$1,085,767.45
	CHAU-TV, Carleton	\$464,280.99
	TOTAL TÉLÉ INTER-RIVES LTÉE	\$1,550,048.44
Astral Media Inc.	CFTK, Terrace-Kitimat	\$349,990.89
	CJDC, Dawson Creek	\$380,795.54
	TOTAL ASTRAL MEDIA INC.	\$730,786.43
Corus Entertainment	CHEX - Peterborough	\$1,019,928.85
	CKWS - Kingston	\$912,331.12
	TOTAL CORUS ENTERTAINMENT	\$1,932,260.07
Thunder Bay Electronics Limited	CKPR-TV, CHFD-TV, Thunder Bay	\$1,196,711.20
Miracle Channel	CJIL-TV	\$155,427.60*
		\$10,728,519.33

* The payment made to CJIL-TV covers the period starting May 2012 and ending August 2012 in accordance with Broadcasting Decision CRTC 2012-285 and the Commission's letter decision dated February 13, 2013.