

28 August 2003

BY COURIER

Ms. Diane Rhéaume  
Secretary General  
CRTC  
Les Terrasses de la Chaudière  
Central Building  
1 Promenade du Portage  
Hull, Quebec  
K1A 0N2

CRTC 2003/42 28AUG03

Dear Ms. Rhéaume:

RE: Alberta Production Fund  
Licence Renewal Decision: CRTC 2002-04  
CRTC File No. 718019

- 304

We are writing to submit our report on licensing and development activity for the Alberta Production Fund for the period ending August 31, 2003. Please find enclosed the following:

- i) Schedule "A" listing Alberta Production Fund licence commitments made between August 31, 2002 and August 31, 2003;
- ii) Separate envelope for confidential filing of copies of fully-executed contracts for projects listed in Schedule "A".

You will recall that Broadcasting Decision CRTC 2002-304 included, as a Condition of Licence, the requirement that Craig Media Inc. submit, prior to August 31, 2003, signed agreements which fully commit the balance of expenditures required to meet the target expenditure of \$11,835,000 for licensing independent television production in Alberta.

(continued)

You will also be aware that our Annual Reconciliation for the Production Fund for the year end August 31, 2002 disclosed the following licence commitments:

Total Expenditures to Aug. 31/02:

Past Years:	\$2,678,500
Current Year:	<u>\$ 760,200</u>
Total:	\$3,438,700

Accordingly, our objective has been to make additional licence commitments for a minimum of \$8,396,300, bringing the total licence fee expenditure over the life of the fund to \$11,835,000.

We are pleased to report that we have exceeded our objective, and have made new commitments totalling \$8,500,610, bringing the total licence fee expenditure over the life of the fund to \$11,939,310.

For further detail on the commitments made since August 31, 2002, please see Schedule "A" listing the name of each production and the value of the licence. Copies of each of the contracts have also been enclosed for your review. We respectfully request confidentiality for the enclosed contracts as disclosure could jeopardize our relationships with independent producers, and have accordingly attached the contracts in a separate envelope for confidential filing.

With regard to our development expenditures, you will be aware that our Annual Reconciliation for the Production Fund for the year end August 31, 2002 disclosed the following development expenditure:

Total Expenditures to Aug. 31/02:

Past Years:	\$ 255,521
Current Year:	<u>\$ 120,098</u>
Total:	\$ 375,619

Accordingly, our objective has been to make additional development expenditures to a minimum of \$544,381, bringing the total licence fee expenditure over the life of the fund to \$920,000. We are pleased to report that our development expenditures have met this target.

Finally, with regard to Administrative Expenses, you will recall that our target expenditure over the life of the fund was \$1,315,000, and we are pleased to report that we have expended that amount.

Further information on all of these matters will be provided in our annual report, to be submitted following our year end.

(continued)

I trust you will find this information satisfactory, however if you have any questions please do not hesitate to contact me or Neil Campbell at (403) 508-5845.

Yours truly,

CRAIG MEDIA INC.

A handwritten signature in black ink, appearing to read "A. Pernal", with a long horizontal flourish extending to the right.

Andy Pernal  
Chief Financial Officer

AP/nac  
enclosures

## Schedule "A"

**CRAIG MEDIA INC.**  
 ALBERTA PRODUCTION FUND  
 LICENCE DOCUMENTATION STATUS REPORT  
 Revised: 28-Aug-03

\*\* Denotes portion of licence fee allocated to fiscal year ending August 31, 2003

PROJECT	LICENCE FEE	CONTRACT ENCLOSED?
"Jet Boy"	\$60,000	Yes
"Anthrax"	\$150,000	Yes
"Snowbound"	** \$147,500	Yes
"Don't Call Me Tonto"	\$140,000	Yes
"Sharing Circle" (11)	\$268,250	Yes
"Incredible Mrs. Ritchie"	\$200,000	Yes
"Recruit Class 100"	\$50,000	Yes
"Calgary EMS"	\$50,000	Yes
"The Clinic"	\$270,000	Yes
"Longest Road"	\$15,000	Yes
"AMPIA Awards"	\$127,940	Yes
"Around the World With Tippi"	\$150,000	Yes
"Breakout"	\$1,500,000	Yes
"Hooked Up"	\$1,000,000	Yes
"Rantdog Loves Smash"	\$125,000	Yes
"Altitude"	\$1,950,000	Yes
"To Serve & Protect"	\$597,000	Yes
"Sharing Circle" (12)	\$412,920	Yes
"Chicks with Sticks"	\$317,000	Yes
"Before I Do"	\$270,000	Yes
"Crude"	** \$700,000	Yes
<b>TOTAL:</b>	<b>\$8,500,610</b>	