

Canadian
Association of
Broadcasters

L'Association
canadienne des
radiodiffuseurs

December 20th, 2004

Ms. Diane Rhéaume
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Via email

Dear Ms. Rhéaume:

RE : Small Market Local Programming Fund – Annual Report

1. The Canadian Association of Broadcasters (CAB) – the national voice of Canada's private broadcasters, representing the vast majority of Canadian programming services, including private television and radio stations, networks, and specialty, pay and pay-per-view services – is pleased to provide the Commission with a report on the operational activities of the Small Market Local Programming Fund for 2003-2004¹.
2. In Broadcasting Decisions CRTC 2003-257 and CRTC 2003-258 dated July 16th, 2003 related to Bell ExpressVu and Star Choice respectively, the Commission suspended conditions of licence relating to the program deletion obligations of the DTH licensees, provided they implement a set of measures specified by the Commission as an alternative to program deletion. 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

¹ The annual report covers the period from July 16th, 2003 to August 31st, 2004. Going forward, the CAB will report on the operational activities of the Small Market Local Programming Fund over the broadcast year from September 1st to August 31st.

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.

3. On December 9th, 2003, the Commission certified the Small Market Local Programming Fund 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

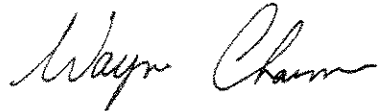
4. The Small Market Local Programming Fund received a total of \$5,984,413.38 in funds from Bell ExpressVu and Star Choice in relation to the thirteen and half month period covered by this report (July 16th, 2003 to August 31st, 2004).
5. Over this same period, the CAB disbursed \$5,892,384.00 in funds to the 17 small market, independently owned television stations. A breakdown of funds disbursed to each station is provided in the attached chart (Appendix A).

Disbursement Formula and Administrative Fee

6. The CAB confirms that the above funds were disbursed to the 17 small market, independently owned television stations in accordance with the approved disbursement formula. This formula involves one third of the total amount disbursed being divided equally among the 17 stations; one third of the monies distributed on the basis of a DTH impact analysis; and one third distributed proportional to each eligible stations' percentage of total local programming expenditures calculated over the last five years.

7. Further, the CAB confirms that it has not exceeded the ceiling of 2% of contributions for the administration of the fund.
8. The CAB would be pleased to provide the Commission with additional information on the operational activities of the Small Market Local Programming Fund upon request.

Sincerely,

A handwritten signature in cursive script that reads "Wayne Charman".

Wayne Charman
Senior Vice-President,
Television, Specialty & Pay and New Technologies

APPENDIX "A"

SMALL MARKET LOCAL PROGRAMMING FUND
Distribution of funds collected from July 16th, 2003 to August 31st, 2004

GROUP	STATION(S)	Total funds distributed
Jim Pattison Industries Ltd.	CHAT-TV, Medicine Hat	\$418,239.50
	CFJC-TV, Kamloops	\$550,708.45
	CKPG-TV, Prince George	\$441,593.88
	TOTAL JIM PATTISON INDUSTRIES	\$1,410,541.85
Midwest Television Ltd.	CKSA-TV & CITL-TV, Lloydminster	\$990,992.51
Norcom Telecommunications Limited	CJBN-TV, Kenora	\$178,599.33
Radio Nord Communications inc.	CKRN-TV, CFEM-TV, Rouyn-Noranda and CFVS-TV, Val d'Or	\$727,222.59
Télé Inter-Rives ltée	CIMT-TV, CFTF-TV, CKRT-TV, Rivière-du-Loup	\$795,350.77
	CHAU-TV, Carleton	\$289,580.07
	TOTAL TÉLÉ INTER-RIVES LTÉE	\$1,084,930.85
Standard Radio Inc.	CFTK, Terrace-Kitimat	\$269,191.55
	CJDC, Dawson Creek	\$311,977.76
	TOTAL STANDARD RADIO INC.	\$581,169.32
Thunder Bay Electronics Limited	CKPR-TV, CHFD-TV, Thunder Bay	\$918,927.55
		\$5,892,384.00