



**Canadian  
Association of  
Broadcasters**

**L'Association  
canadienne des  
radiodiffuseurs**

December 20, 2007

Mr. Robert A. Morin  
Secretary General  
Canadian Radio-television and  
Telecommunications Commission  
Ottawa, Ontario  
K1A 0N2

*Via Epass*

Dear Mr. Morin:

**Re: Small Market Local Programming Fund – 2006-2007 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 ended August 31, 2007.
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.

5. On December 9, 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**

6. To date, the Small Market Local Programming Fund has received a total of \$6,792,143.23 from Bell ExpressVu and Star Choice in relation to the 2006-2007 broadcast year.
7. It should be noted that this amount does not represent the total funding in relation to the 2006-2007 broadcast year, inasmuch as the funds received to date from Star Choice cover only the ten month period from September 2006 to June 2007 inclusive. Despite repeated attempts by the CAB to follow-up on this matter, Star Choice has not yet remitted payments for the months of July 2007 and August 2007.
8. To date, the CAB has disbursed \$5,280,435.00 to the 17 small market independently owned television stations in relation to the 2006-2007 broadcast year. A breakdown of the funds disbursed to each station is provided in Appendix A.
9. The CAB disburses funds on a quarterly basis to these 17 stations. Because the Star Choice payments for July and August 2007 have not been received, the CAB has not yet disbursed payments in relation to the last quarter of the 2006-2007 broadcast year.

#### **Disbursement formula and administrative fee**

10. The CAB confirms that funds were disbursed to the 17 small market independently owned 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 17 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.

11. Further, the CAB confirms that it has not exceeded the ceiling of 2% of contributions for the administration of the fund.
12. 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.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Pierre-Louis Smith', with a large, sweeping flourish extending to the left.

Pierre-Louis Smith  
Vice-President, Policy &  
Chief Regulatory Officer

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**APPENDIX A**

**SMALL MARKET LOCAL PROGRAMMING FUND**

Distribution of funds collected from September 1, 2006 to May 31, 2007

<b>GROUP</b>	<b>STATION(S)</b>	<b>Total funds distributed</b>
<b>Jim Pattison Industries Ltd.</b>	CHAT-TV, Medicine Hat	\$376,997.57
	CFJC-TV, Kamloops	\$471,830.84
	CKPG-TV, Prince George	\$379,344.39
	<b>TOTAL JIM PATTISON INDUSTRIES</b>	<b>\$1,228,172.80</b>
<b>NewCap Radio Inc.</b>	CKSA-TV & CITL-TV, Lloydminster	<b>\$926,992.27</b>
<b>Norcom Telecommunications Limited</b>	CJBN-TV, Kenora	<b>\$223,953.81</b>
<b>Radio Nord Communications inc.</b>	CKRN-TV, CFEM-TV, Rouyn-Noranda and CFVS-TV, Val d'Or	<b>\$655,027.82</b>
<b>Télé Inter-Rives ltée</b>	CIMT-TV, CFIF-TV, CKRT-TV, Rivière-du-Loup	\$677,107.01
	CHAU-TV, Carleton	\$271,157.62
	<b>TOTAL TÉLÉ INTER-RIVES LTÉE</b>	<b>\$948,264.63</b>
<b>Standard Radio Inc.</b>	CFTK, Terrace-Kitimat	\$250,786.29
	CJDC, Dawson Creek	\$241,696.87
	<b>TOTAL STANDARD RADIO INC.</b>	<b>\$492,483.16</b>
<b>Thunder Bay Electronics Limited</b>	CKPR-TV, CHFD-TV, Thunder Bay	<b>\$805,540.51</b>
		<b>\$5,280,435.00</b>