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Mr. Robert A. Morin
Secretary General,
Canadian Radio-television and
Telecommunications Commission
Central Building Les Terrasses de la Chaudière 1
Promenade du Portage
Gatineau, Quebec K1A 0N2

Dear Robert A. Morin,

Re: BNC 2009-411, 2009-411-2, and 2009-411-3 Policy proceeding on a group-based approach to the licensing of television services and on certain issues relating to conventional television

Executive Summary

In this intervention, DOC evaluates and comments on the proposed conceptual model provided by the Commission in the appendix of BNC 2009-411. Following the evaluation, DOC recommends some modifications to the conceptual model and some additions to the model that ensures the high quality, diversity, continuation, and financial success of Canadian programming. Our proposed model is appendix item 8.

In particular, our intervention discusses:

- the current financial situation of the television industry
- our model for Canadian Programming Expenditure for corporate groups
- our support for the CRTC's proposed Canadian programming exhibition framework
- our model and guidelines for Programs of National Interest
- the appropriate level of independent production in a corporate group
- our model for the regulation of Pay TV/PPV/VOD services in a corporate group
- a proposal to support regional programming expenditures

In addition to these sections, DOC also highlights other issues that face the

members of the documentary industry such as:

- terms of trade and vertical integration
- repeated runs and older programming during priority programming hours
- the mis-categorization of documentaries
- the intangible benefits of documentaries and documentary financing
- the creation of a new program category for feature length documentaries
- equal benefits for all priority programming genres

On the subject of fair and negotiated compensation for conventional signals, DOC has included an addendum that repeats our position in our intervention for BPN 2009-113.

Introduction

1. The DOCUMENTARY ORGANIZATION OF CANADA | l'association des DOCUMENTARISTES DU CANADA (DOC) is the collective voice of independent documentary filmmakers across Canada. DOC is a national non-profit arts service association representing over 800 directors, producers and craftspeople in the documentary community, from all provinces and regions of our nation. DOC advocates on behalf of its members to foster an environment conducive to documentary production and strives to strengthen the sector within the broader film production industry.
2. DOC is keenly interested in these proceedings as the regulatory framework and the ensuing group licenses will greatly affect our members' livelihoods for the next 7 years.
3. DOC is pleased to offer its views and suggestions to the Commission regarding the scope of how the group-based licensing of television services should take place in April 2010. In particular, DOC is gratified that the Commission has decided that all broadcasting services of a corporate group should contribute financially towards Canadian programming. DOC looks forward to working with the stakeholders to ensure that higher quality, diverse and under-represented programming returns to priority programming. DOC's intervention comments primarily on the Commission's proposed models for Canadian Programming Expenditures (CPE), Canadian exhibition requirements, ensuring a healthy independent production sector, and Programming of National Interest. Following the evaluation DOC recommends some modifications to the conceptual model

and some additions to the model that ensure the high quality, diversity, continuation, and financial success of Canadian programming.

4. During our research for this submission, DOC remained unable to tabulate the actual expenditures on documentary programming (Category 2b) of all broadcasting services because the expenditure data on Canadian programming provided by the Commission continues to aggregate categories 2-5. Furthermore, when evaluating the Commission's conceptual model, we had to estimate the total programming budgets of the individual OTA broadcasters, as that data also continues to be aggregated. DOC, as part of a coalition of concerned stakeholder groups, has asked for disaggregated financial data in our joint response to CRTC PN 2009-235. Without the relevant data, not only is it difficult to evaluate the proposed conceptual model, but it would be virtually impossible to determine broadcaster compliance once the model is implemented
5. DOC maintains that the disaggregation of the programming categories (Category 2b specifically) and the disclosure of total programming expenses to the public would add to the transparency of the proceedings and improve the ability of stake-holders to contribute in a meaningful fashion in this public process.

DOC's Policy Position

6. DOC remains sympathetic to the fiscal difficulties faced by the television industry caused by the slow-down in advertising revenue and investment. Our members have felt the effects of the financial crisis as much as the rest of the industry. However, we maintain our position, as stated in our submission to 2009-113, that the current economic environment is only temporary. At the time, this position was dismissed as unfounded optimism - but now, several months later, it seems we are not alone in this optimism. Recently, the Bank of Canada (followed by the major Canadian banks and the Conference Board) has announced that they expect the economy to grow in this quarter and to continue its growth for the next several years. As the economy grows, the difficulties broadcasters are having in securing advertising will pass. The regulatory system itself was not broken; the broadcasters were experiencing one of the hiccups of the market, and for that reason the broadcasters should not expect any regulatory concessions in terms of reduction of Canadian Programming expenditures, reduction or elimination of Priority Programming (or Programs of National Interest), nor the reduction in requirements to work with independent producers
7. The broadcasters argued that their losses in advertising revenue were not the only financial reason that should prompt the easing of regulations, but that they were facing great pressures due to audience fragmentation brought on by new programming platforms and the new media

broadcasting. Along with many of the other independent producer organizations, DOC responded that the conventional broadcasters could not point their finger at Pay TV, specialty channels, VOD, and new media broadcasting holdings, because the largest conventional broadcasters, who often complained about their losses the most severely, owned the very programming platforms they considered threats..

8. Although some of the conventional broadcasters went into debt in the scramble for specialty channel holdings, such acquisitions have only resulted in greater revenues for the entire corporate group. Appendix 1 displays the gross revenues of the conventional broadcasters and specialty channels from 2004-2008. Over the last 5 years the gross revenues specialty services have risen 38% whereas the gross revenues of the conventional stations has grown 3.5%. The total growth of both is 19 %; however, it is the specialty services that have caused such growth. In 2008, specialty services outpaced the earnings of OTA services by almost \$200M (\$2,324M to \$2,138M)
9. Broadcasters have also consistently demanded that producers contribute the maximum amount of their provincial and federal tax credits towards the production of the commissioned programs. In certain cases this demand has equaled 100% of tax credits available to the production. When tax credits were introduced, their express purpose was to ensure that production companies were able to survive between projects and invest in future productions, but now the majority of those funds are devoted solely to production financing.
10. DOC appreciates that the Commission recognizes the impact of the vertical as well as horizontal integration of the Canadian broadcasting industry in its decision to evaluate group licenses in a technologically neutral fashion by licensing all the broadcasting holdings of a corporate owner at once. Moreover, DOC is pleased that there may be new Canadian Programming Expenditure requirements for the conventional services.
11. While the Commission has just begun to consider the broadcasters as corporate groups, comprising many services across different platforms, DOC wishes to point out that independent producers have been negotiating with the broadcasters as corporate groups for many years. There are some issues that DOC would like to place on the table which are absent from the 2009-411 notice of consultation and which greatly impact the independent production industry, most notably terms of trade.
12. Although the Commission has agreed that there should be terms of trade guidelines established between the independent producers and the broadcasters, it has also said that it will not act as arbitrator. Nevertheless,

there are ways in which the Commission can create conditions of license to ensure that independent producer receive a fair and equitable return for their rights. Such regulations will be discussed in the independent production section below.

Group Based Licensing: A Proposed Model

13. In BNC: CRTC 2009-411, the Commission asked the stakeholders to comment on its proposed model provided in the appendix to the notice. Overall, DOC considers the conceptual model of the Commission to be a good start for developing a new regulatory framework, for it is flexible, technology neutral, and re-establishes the need for CPE in OTA broadcasting. However, DOC does believe that currently the model is incomplete and in some places, the suggestions may lead to a decrease in funding of Canadian programming.
14. DOC would like to take this opportunity to present its own regulatory framework for the corporate groups, which is provided in the Appendix. Below is the rationale for the revised changed the conceptual model.

Group Based Canadian Programming Expenditure Equipment

15. The Commission suggested two ways of regulating CPE.
 - a. 50% of the programming budget of the service
 - b. a minimum percentage of the gross revenues

After evaluating each of the suggestions, DOC concluded that it would support the second option, and could not support the first option for several reasons.

16. First, programming budgets are not entirely transparent. In the case of Canadian programming budgets, broadcasters are prone to include the Broadcast Performance Envelopes provided by the Canadian Television Fund in their total expenses on Canadian programming. BPEs are not an expenditure of broadcaster revenues but an allocated amount of money provided by the CTF.
17. Second, OTA broadcasters do not disclose their financial figures to the public, citing business confidentiality reasons. As a result, the Canadian public is unable to evaluate or criticize the level of foreign programming expense included in the expenditures of each broadcaster.
18. Third, there has been a long-established practice in the specialty channel realm to determine CPE as a percentage of revenues. DOC feels this is a fair, equitable and sustainable approach and it allows for the increase of CPE as revenues increase. If the CPE was simply a percentage of total programming expenses, this could create an incentive for broadcasters to

keep overall programming expenses flat or even to decrease them even as their revenues grow - in order to increase profits.

19. Fourth, if the 50% programming across all services regime were introduced, there would be a drop of nearly \$280 million in investment for Canadian content. (appendix 3)
20. Finally, the impact on the independent production under such a regime would be particularly great as it would lead to a stark decrease of Canadian program spending on the specialty channels. These services provide \$300 million more to Canadian production than the conventional services. If the 50% regime were to be implemented, there is potential for a decrease of \$350 million in Canadian production expenditure by specialty channels. As these services contribute much more to production of documentaries than private OTA broadcasters, this decrease would be particularly felt by the independent documentary producers. (appendix 4) DOC cannot support any regime that decreases the current expenditures to Canadian content production.
21. Instead of supporting the 50% of the programming budget option, DOC supports making the CPE of a group relative to the gross revenues of the entire corporate group. We have witnessed marginal increases to Canadian programming budgets while revenues soar from their combined holdings of OTA, PPV/VOD, new media, and specialty services. Conventional stations have been able to exploit products on multiple windows of their services. It is time that they use all their revenues from all services to invest in Canadian programming across all of their services.
22. However, DOC wishes to refine this option by specifying how such a system would work. DOC understands the Commission's wish to streamline, and simplify the regulation of broadcasting, but it also does not want to throw the baby out with the bathwater. Certain regulatory frameworks can continue to operate or at least inspire the reforms.
23. In particular, DOC recommends that the stakeholders take heed of the success of the specialty services. Despite the heavy regulation, analog and Category 1 digital services continue to be successful and invest millions of dollars into Canadian content. They reveal that Canadian programming is indeed profitable. Some Category 2 digital services acquire Canadian programming rights when there are no "onerous conditions of licence" forcing them to. Because of the success of the conditions of licence and general regulatory policy of the specialty services, DOC wishes to maintain those regulations as much as possible.
24. DOC supports the CPE being based on the minimum average of the gross revenues of the entire corporate group, but we also support the notion of having a spending floor. We do not wish to see all CPE relegated to the

specialty channels while the conventional channels and certain Category 2 channels have none.

25. DOC proposes the following framework for CPE:
 - a. 40% of the gross revenues of all services wherein
 - i. no less than 45% of revenues of Analog and Category 1 Digital Services (combined) in a Corporate group should be devoted to CPE
 - ii. no less than 30% of revenues of OTA Services in a Corporate group should be devoted to CPE
 - iii. and no less than 20% of revenues of Category 2 Digital Services in a Corporate group should be devoted to CPE
 - iv. funds from the Canada Media Fund (or other funds such as the LPIF) are NOT counted towards CPE
26. By setting an average floor, and specific floors for CPE, DOC assures the Commission that the specialty channels will continue to thrive, conventional services will begin to invest in higher quality programming, and the category 2 channels, who often act as adjuncts to the entire system, will contribute to the production of Canadian programming.
27. In addition, the Commission asked the stakeholders to comment on whether there should be exclusions when considering minimum spending levels on programming such as news and sports when creating CPE regulations. On conventional channels, Canadian content is high in news and sports programming, but low in independent production. On average, conventional channels spend 52% of their Canadian programming budgets on news and sports.¹ When there are serious declines in the expenditures of programs of national interest despite incentives being created by the Commission, the broadcasters should not be able to quote their news and sports expenditures in order to fulfil their CPE requirements in the future.
28. DOC does not want the broadcasters to allocate all of their new CPE requirements on news and sports. Thus, DOC recommends that all news and sports programming not count as part of the CPE for conventional channels, nor would it be included in the expenditures of programming of national interest. Whereas the specialty channels that are devoted towards news and sports programming would continue to operate according to their conditions of licence.

¹ CRTC, Communications Monitoring Report 2009.

Canadian Program Expenditures for Programs of National Interest

29. Unlike specialty channels that cater to the specific interests of the audience and provide great support Canadian programming, the conventional services require there to be regulations that direct them on how to financially support underrepresented programming such as documentaries and drama. DOC maintains its position that there is a decline of documentaries on the conventional services and more investment by the broadcasters is crucial. We wholeheartedly believe that broadcasters should be regulated to support programs of national interest, for such support would result in more documentary programs and higher quality documentary programs.

30. Considering that 85,000 people in Toronto attended this year's Hot Docs documentary festival to view films, many of which under today's broadcast regulations would have difficulty receiving consideration for funding support, it is perhaps timely here to recognize that documentary provides "intangible" benefits; educational materials for our classrooms and universities, inspiration for social change, debate on crucial issues, and considerable international recognition. DOC would like the Commissioners to consider these benefits to the Canadian public when reviewing these regulatory issues.

31. DOC proposes the following method for determining the appropriate level of expenditure on programming of national interest.

In any given year the greater of the following would be devoted to the financing of programs of national interest:

a. 12.5 percent of the gross revenues of broadcaster corporate group

or

b. 35% of all the CPE budget of the broadcaster corporate group

With the following conditions:

- i. a minimum of 75% of the above funds would be devoted to independent production
- ii. funds from the Canada Media Fund (or other funds, such as the LPIF) are NOT counted towards expenditures on Programming of National Interest

32. While DOC supports and applauds the efforts by the Commission to identify documentary production as a Program of National Interest, we are

concerned that there has been some slippage in the way in which the Long Form Documentary category has been assigned to programs which may more appropriately be termed as reality TV. Our examination of the programming logs has revealed that programs such as Canadian Idol, The Week that Women Went and others have been categorized as 2b. This seems to be a deep-seated problem and our concern over the mis-categorization of documentaries is shared by the Canadian government, who have expressed their concerns over what they term as "slippage" in categorization of documentaries at the CTF.²

33. DOC encourages the Commission to examine the way Category 2b designations are assigned and we would be happy to work with the Commission to help establish clear and sensible guidelines that would prevent mis-categorization.

Group Based Exhibition Obligations

34. DOC supports the conceptual model's group-based exhibition obligations. We think that the current exhibition obligations have served the television system quite well. Setting a floor of 35% also inhibits the broadcasters from stacking the specialty services with their Canadian content requirements and ducking out of their exhibition requirements on conventional channels.

Exhibition Requirements for Programs of National Interest

35. However, the conventional broadcasters should not be let off too easily. Conventional services continue to have the largest share of viewers, and consequently, they are required to air programs of national interest during the times when most Canadian viewers are watching. DOC supports continuing the use of the priority programming framework, but we propose some alterations that would help programs of national interest be seen at the busiest times.
36. First, the priority programming tends to be placed at the edges of the programming schedule in a fairly predictable pattern - relegated to slots in the schedule with a lower overall audience. According to a recent survey on priority programming trends commissioned by DOC and other partners in the creative community, the English conventional stations schedule their priority programs either at the beginning of the schedule at 7 pm or in the low-audience evenings at the end of the week (Fridays, and Saturdays).³

² Sarah Dearing, A Survey of Priority Programming Trends 1999-2008 CBC, CTV, Global, City, CHCH (E!), 2009

³ Ibid

Furthermore, broadcasters usually schedule Canadian programming during the holidays, such as the summer months or around Christmas.⁴

37. By doing this, the broadcasters are able to fulfill their conditions of licence for priority programming and simulcast all the non-Canadian programs. As a result, Canadian programming is aired when people usually don't watch television: on the Friday and Saturday weekend nights, the summer months, or Christmas. Meanwhile, the broadcasters profit from their purchases of non-Canadian programming.
38. Second, broadcasters use reruns to fulfill their priority programming obligations. During the week of October 15-21st 2007, CTV, Global, City and E! aired more reruns than original Canadian programming during priority programming. Appendix 5 presents the statistics of Sarah Dearing's survey. The result of flooding the schedule with reruns of Canadian programming is a smaller audience share. Viewers often change the channel to new non-Canadian programming when they encounter reruns. Moreover, when broadcasters air reruns, they are not airing or investing in new, first-run, original Canadian programming.⁵
39. In order to ensure that Programs of National Interest are able to reach the widest possible Canadian audience DOC proposes the four following modifications to the exhibition rules:
 - i. that the 8 hours of national interest programming must be broadcast between Sunday and Thursday, which are the most popular viewing days,
 - ii. that the programs be shown between 8pm and 11pm
 - iii. that the programs be evenly spread throughout the year, and
 - iv. that at least 55 % programs be first-run original programming, and at most 45 % of programs be repeat runs, older programming, or programs over 2 years old
40. Second, by including documentaries as one of the genres of the programming of national interest, DOC understands that the Commission wants to support the continued production and exhibition of documentaries. Since their inclusion into the Priority Programming definition, documentaries have steadily decreased their presence on the private conventional channels. This has been further exacerbated by the advantage that was given to dramatic programming through the 1.5 time incentive. This has encouraged broadcasters to decrease their priority programming hours at the expense of documentary programming. DOC strongly believes that in order to level the playing field and increase the hours of Programming of National interest the Commission should have a single rule for all Programs of National Interest. This would mean either abolishing the drama incentive or granting the same incentive to

⁴ Ibid

⁵ Ibid

documentaries. DOC favours the first solution as it would increase the number of hours of PNI.

41. Third, DOC wishes to see the programming log system become more transparent and accessible to the public. Consequently, the broadcasters would be under greater public scrutiny for their application of categories and fulfilling their priority programming obligations. Furthermore, the system itself could be open to review and customizable for the research purposes of the different stakeholders. The current system of keeping the public out of these logs has resulted in intended or unintended inaccurate information about the programming of broadcasters.
42. Lastly, DOC would like to propose to the Commission that the PNI designation should be given to drama and documentary solely, to the exclusion of other programming categories.

Appropriate level of independent production

43. DOC is worried about the state of independent production now that the proposed CMF allows for affiliate and in-house producers to have access to its funding. With increased Canadian programming expenditures, broadcasters may take this opportunity to use the new regulations to their benefit by not commissioning as many independent productions. We are concerned that new and as-yet unformulated regulations for programs of national interest may be made in-house, and result in the loss of opportunities to the independent production sector.
44. In order to encourage the continued development of the independent production sector DOC believes that the Commission can take some simple steps:
 - a. ensure that terms of trade are in place before the licence renewals - with broadcasters demanding greater rights for longer licence periods the producers are finding it harder to raise financing for their productions.

DOC understands that the Commission is not interested in setting the terms or fixing prices, but we are encouraged by the support for terms of trade stated by the Commission - particularly in the area of licence periods
 - b. ensure that broadcasters are commissioning independently-produced programming by setting an expenditure requirement for independently-produced programming. DOC believes that the appropriate level of expenditure on independently produced programming would be as follows:

- i. on average no less than 15% of revenues across all OTA and Specialty services in a Corporate group should be devoted to independently produced programming
 - ii. on average no less than 22% of the revenues of all specialty services in a corporate group should be devoted to independently produced programming
 - iii. with each individual service should devote no less than 7.5% of its revenues to independent programming.
 - iv. funds from the Canada Media Fund (or other funds such as the LPIF) are NOT counted towards expenditures on independent production
45. DOC recommends maintaining the current level of independent production exhibition for priority programming for the new regime of programs of national interest. Currently, 75% of all priority programming must be acquired from independent producers.

Pay/PPV/VOD

46. The Commission also asked that the stakeholders comment on how to incorporate Pay/PPV/VOD services of a corporate group into the group-based licence renewals. DOC is pleased to offer its proposals about how this can be done.
47. In general, DOC's concern is the exhibition of documentary films and documentary programming on PPV and VOD services. Documentary producers are routinely required by broadcasters to give away or sign over VOD and PPV rights to the broadcasters often with no revenue share and no additional compensation. In addition, Canadian documentaries have had limited shelf space on these services.
48. We believe that in order to fully realize the potential of documentaries as a program of national interest, two items need to be addressed:
- i. appropriate compensation for different platforms - independent producers should be allowed to share in the PPV and VOD revenues.
 - ii. shelf space for documentaries - the current regulation encourages exhibition of Canadian dramatic feature films, where no such incentives or requirements exist for documentaries. Most PPV and VOD services are not permitted to show Category 2b as a condition of licence. These conditions unfairly disadvantage documentaries, particularly Canadian feature documentaries which have become increasingly popular in recent years as evidenced by the successes of *Up the Yangtze*, *Manufactured Landscapes* and *RIP!* to name a few.

49. DOC would like to repeat our request to the Commission to establish a new programming category for feature documentaries (2c) and to afford programs in such category similar benefits and shelf space dramatic feature films enjoy on Pay, PPV and VOD services.
50. In the absence of a feature documentary category, DOC would like to petition the Commission to consider other possible regulations that would allow for shelf space for Canadian documentaries on Pay, PPV and VOD services such as the following:
 - i. expanding the allowed programming on services that already exhibit any of Categories 2a, 7, 9 and 11 to also include Category 2b, and the new feature documentary category.
 - ii. expanding the allowed programming on services that already exhibit any of Categories 2a, 7, 9 and 11 to also include Category 2b, and the new feature documentary category.
51. With that in mind, DOC proposes the following conditions of licence for Pay TV services:
 - i. Canadian Content - no less than 30% of content must be Canadian.
 - ii. CPE - minimum of 35% of revenues must be devoted to Canadian programming.
 - iii. Programming of National Interest - the incentives afforded to dramatic Feature Films should be extended to documentary programming, but this should be done as an addition to the benefits already enjoyed by dramatic feature films rather than have documentaries and drama compete for the same funds.
 - iv. Independent Production - 75% of all Canadian programming should be produced by independent producers
52. DOC proposes the following conditions for PPV and VOD services:
 - i. Canadian Programming Expenditure:
 - a. minimum of 5% of revenues must be devoted to Canadian production funds
 - b. producers should have equitable revenue share with broadcaster
 - ii. Programming of National Interest - Min 10% of all feature films aired should be Canadian and 50% of those should be documentaries
 - iii. Independent Production - 75% of all Canadian programming available on the service should originate from independent producers

Local Programming Investment Fund and Regional Programming:

53. Since the consolidation of programming services in the hands of a small number of corporate groups, there has been a steady decline in regional programming across Canada. In certain areas, such as P.E.I., the decrease has been so dramatic that documentary production has virtually disappeared. Furthermore, there have been notable decreases in commissioning programming from Atlantic Canada. Appendices 6 and 7 display the total CTF budgets per region and CTF documentary budgets per province, respectively.
54. DOC believes that in addition to maintaining Local Programming, the Commission should strive to maintain and improve regional programming. Each corporate group should ensure that a set percentage of independently produced programming expenditures and PNI expenditures should be expensed on programming created in areas defined as 'regions' by CTF. Therefore DOC suggests the following:
- i. 45% of funds intended for independent production within each corporate group should be expensed on programs produced by independent producers whose place of business is outside of Toronto or Montreal.
 - ii. 45% of funds intended for PNI should be expensed on productions produced in a region outside of Toronto or Montreal.
- Should CTF decide to identify Vancouver as a separate region we would like to propose the following:
- i. 30% of funds intended for independent production within each corporate group should be expensed on programs produced by independent producers whose place of business is outside of Toronto, Montreal or Vancouver.
 - ii. 30% of funds intended for PNI should be expensed on productions produced in a region outside of Toronto, Montreal or Vancouver.

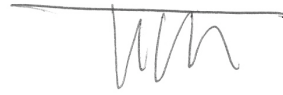
CONCLUSION

55. In conclusion, DOC hopes that the Commission strongly consider our proposed framework for television regulation. It provides a pragmatic system of maintaining the diversity of voices in the broadcasting sector, ensures the exhibition and financial support for underrepresented programs, allows for transparency for further licence renewals, increases the prosperity for the entire sector, and eases the regulatory burden for corporate group as a whole.
56. We thank the Commission for the opportunity to provide you with our input and respectfully request to appear before the commission to further explain our position. Please do not hesitate to contact us if you have any questions.

Thank you very much for the opportunity to submit our position on this matter.



Tina Hahn, Co-chair



John Christou, Co-chair

Appendices:

1. 2005-2008 Specialty Services vs Conventional OTA Services: total Gross Revs in (\$000)

	2004	2005	2006	2007	2008
Specialty	\$1,680,826	\$1,812,312	\$2,016,708	\$2,181,746	\$2,324,304
Conventional	\$2,066,207.7	\$2,146,243.0	\$2,142,729.8	\$2,170,844.8	\$2,138,346

2. 2005-2008 Specialty Services vs. Conventional OTA Services: Total CPE (\$000)

	2004	2005	2006	2007	2008
Specialty	\$694,218	\$674,711	\$832,871	\$674,711	\$832,871
Conventional	\$570,872	\$613,224	\$688,273	\$721,927	\$615,676

3. OTA+Specialty (all groups) Canadian Programming Expenditures under the Conceptual Model

Current CPE	Programming budget (estimated)	CPE at 50% of programming budget (as per conceptual model)	Difference in CPE (negative means decrease in CPE under the proposed CRTC model)
\$1,595,978,494.00	\$2,633,170,253.00	\$1,316,585,127	-\$279,393,368

4. Specialty Services (all groups) Canadian Programming Expenditures under the Conceptual model.

Current Specialty CPE	Programming budget	CPE at 50% of programming budget (as per conceptual model)	Difference in CPE (negative means decrease in CPE under the proposed CRTC model)
\$980,302,000.00	\$1,250,453,000.00	\$625,226,500	-\$355,075,500

5. Programming Week Oct 15th- Oct 21st, 2009*

Station	Hours of First Run	Hours of Reruns	Hours of Older programming and 2 year+ programming	Total Canadian Priority Programming hours (excluding incentive calculations)	% of first runs	% of reruns a week	% of older programming and 2 year+ programming	% of non-first runs
CTV	1.5	2.5	0	4	37.5%	62.5%	--	37.5%
Global	2.5	3.5	1	7	35.7%	50%	14.25%	50%
City	1	4.5	3	8.5	11.7%	52%	35.25%	48%
E!	3	3	0	6	50%	50%	--	50%
Total	8	13.5	4	25	31.3%	52.9%	15.6%	47.1%

*The CRTC logs make it difficult to determine the age of the programs. When in doubt, Sarah Dearing favoured the information of the broadcaster.

6. Regional Distributions of CTF Funding 2001-2009** (\$M):

Region	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	CAGR
Atlantic	0.13	0.12	0.10	0.09	0.08	0.07	0.05	0.04	-13.70%
BC	0.16	0.23	0.21	0.21	0.24	0.23	0.21	0.07	-9.82%
Ontario	0.45	0.41	0.46	0.47	0.42	0.48	0.52	0.65	4.7%
Prairies	0.14	0.15	0.11	0.10	0.11	0.13	0.14	0.15	0.87%
Quebec	0.12	0.10	0.11	0.13	0.15	0.10	0.08	0.09	-3.53%

7. CTF spending on English Docs from 2002-2008 by province** (\$M):

Region	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	CAGR
AB	1.19	0.99	1.69	2.5	2.81	2.7	14.63%
BC	2.99	2.19	3.6	3	5.22	5.3	10.01%
MB	1.26	0.25	1.98	0.7	1.8	1	-3.78%
NB	0.58	0.08	0.25	0	0	0	-100.00%
NL	0.08	0.24	0.3	0.7	0.1	0.2	16.50%
NT	0	0	0	0	0	0	0.00%
NS	0.89	0.97	1.09	0.3	0.8	0.6	-6.36%
NU	0	0	0	0	0	0	0.00%
ON	0.58	6.75	11.35	0.6	0.9	0.6	0.57%
PE	0.15	0.14	0.14	0	0	0	-100.00%
QC	0.15	1.16	0.5	0.5	0	0.2	4.91%
SK	1.26	0.75	1.2	0.9	1	1.1	-2.24%
YK	0	0	0	0	0.51	0	-100.00%

**Although the tables follow the CTF budgets for the regions and not the broadcaster's programming budgets, according to the Broadcast Performance Envelope system of the CTF, the broadcaster begins the process of funding a CTF project. Consequently, CTF budgets are an accurate way to trace the Canadian Programming spending habits of the broadcasters.

8. DOC's Proposed Model

	Canadian Content	Expenditure requirements (See Note 1)	Programming of national interest (PNI) (See Note 1)	Independent production (See Note 1)
<i>Corporate groups</i> Conventional television Discretionary services Analog Category 1 Category 2	minimum of 35% on every service 55% average across all services	CPE 40% overall of gross rev. OTA: 30% Analog and Category 1 (combined):45% min Cat 2: 20% min	OTA exhibition:8 hours between Sunday-Thursday between 8 - 11 pm of original programming of PNI evenly spread across the year, min 55 % of original run programming, max 45% reruns and older programming expenditure: The greater of 12.5% of gross revenue or 35% of CPE	Exhibition: 75% of PNI, Expenditure: 1. Minimum 15% of revenues across all services (combined average) 2. Minimum 22% of revenues on all specialty services (combined average), 3. Minimum 7.5 % of revenues on any individual service 75% of all Canadian programming should be produced by independent producers.
Pay TV	35%	30% of overall Pay TV revenues	Allow canadian feature documentaries same regulatory incentives as feature drama	Exhibition: 75% of all Canadian programming
Pay-per-view/ Video-on-demand		5% of revenues to Canadian funds Equitable revenue share with independent Canadian producers	Min 10% of all feature films should be Canadian, 50% of those should be documentaries	Exhibition: 75% of all Canadian programming Expenditure: Equitable Revenue Share with independent Canadian producers
<i>Independents</i> Analog Category 1 Category 2	55% 35%	45% No	As per specific conditions of licence.	As per specific conditions of licence.

NOTE 1: Funds from the Canada Media Fund or other funds such as the LPIF should not count towards expenditures on Canadian programming (CPE), Programs of National Interest (PNI) or programs sourced from independent producers.

Addendum:

DOC's comments on Fair and Negotiated Conventional Television Signals/Fee-For Carriage in its intervention to BPN 2009-113:

10) However, we find strong merit in the proposals for re-examination of a fee-for-carriage regime. We find that broadcasters should be fairly compensated by the BDU's for the carriage of distant signals. However, should such a regime be implemented, DOC strongly suggests that it should also be accompanied by specific conditions:

- i. Broadcasters should not be permitted to lower their Cancon obligations;
- ii. Any proposed fee-for-carriage regime MUST also include the national public broadcaster and the educational broadcasters;
- iii. A set percentage of fee-for carriage revenues would have to be spent on Canadian Content Priority Programming (DOC suggests 45-55%);
- iv. Of the fee-for-carriage revenues allotted for Canadian Programming, a minimum set percentage would have to be spent on independent production (DOC suggests 60%).

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