

CANADA MEDIA FUND

Working Group

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Item: Performance Envelopes

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Review/Status of the Issue:

With the transition from the CTF to the CMF, changes were made to the Performance Envelope (PE) system. These changes were instituted to align with the CMF's mandate. As it does every year, the CMF is reviewing the PE system to gauge if any adjustments are required.

I. Policy Direction and Guiding Principles

Each fiscal year, the CMF recalculates the performance envelopes to account for changes in broadcaster performance within the specific performance factors. This also gives the CMF an opportunity to modify the nature of the performance factors used in PE calculations (as well as their relative weight, if necessary) to ensure the system remains aligned with the CMF's mandate and objectives.

The reform that resulted in the creation of the CMF was based on four key principles:

- get governance and accountability right;
- reward success and require innovation;
- focus the investment on what Canadians want; and
- level the playing field.

Further refinement of the policy direction included the following:

- the convergent stream will require projects to be made available across a minimum of two platforms including television;
- within the broadcaster performance envelope system used for the convergent stream, all broadcasters including CBC/Radio-Canada will compete on the same basis;
- emphasis will be placed on the support of original, first-run television programming in prime time and prime time for each genre will be defined;
- support production from all regions across Canada;
- a commitment to marketing and promotion will be required;
- programming that is produced in high definition will be favoured;
- the eligibility for funding for broadcaster-affiliated projects will be expanded, and broadcaster in-house projects will be allowed (this change will be phased in gradually and over time);
- support will be provided for programming in third languages where demand and funding support are present.

Guiding principles comprised in the Contribution Agreement between the CMF and the Department of Canadian Heritage (the Department) were:

- sustainability – not create new dependencies and foster, to the extent possible, lessened reliance on subsidies over time,
- CMF as a catalyst – rely on market forces to the extent possible,
- innovation – adopt new approaches and only carry forward practices of the CTF when required to meet the objectives of the CMF,
- Ongoing recalibration – evaluate impacts and implement consequential changes to ensure a dynamic marketplace framework, without creating undue disruption to the production system as a whole,
- adaptable – adjust to changing market conditions over time,
- CMF is one piece of the puzzle – system-wide issues are dealt with by the regulatory system and CMF cannot fix everything, and
- Smart change management – not overly cautious and not protecting the status quo.

II. CMF Strategic Objectives for 2011-2012

The key strategic objectives for the CMF in the current fiscal year are:

- Setting priorities, with focus on the CMF's primary role of supporting innovation and content creation
- Simplification of the funding process
- Rewarding success

Using these strategic objectives as a basis for the review of CMF programs, the following sections deal with the impacts this review will have on the implementation of the next round of PEs to be released in early 2012.

III. Review of the Performance Envelope System

A. Original objectives

Prior to the Broadcaster Performance Envelope (BPE) system, the CTF operated a selective funding system. One deadline was established each year and the CTF would evaluate all projects submitted via a ranking system. The rankings would then determine which projects received funding and which did not, based on funding targets (by language, region, etc). Broadcasters had a choice with respect to which projects in which genre that they would support. The system was administratively burdensome, due to the deluge of a large volume of applications as a result of the single deadline each year, and, because the LFP and EIP programs were evaluated separately, projects that were successful with one application might not necessarily be successful in the other, leading to incomplete financing. Oversubscription was prevalent under this system.

The PE system (first instituted in 2004-2005) was introduced to provide a higher level of funding predictability to both the broadcaster and production sectors by allocating funds to broadcasters at the beginning of each fiscal year based on specific performance criteria. Broadcasters could then choose which of their licensed projects would be submitted for funding approval. By bringing the decision-making closer to market forces, the goal was to streamline the project application process for producers while encouraging a more realistic ratio of applications to greenlit projects.

The original objectives of the PE system, as reflected in the factors used in the past to calculate envelopes, are as follows:

Historic Access/Historic Performance (HP): One of the primary goals of PEs was to achieve a higher degree of predictability within the system so that projects requiring a commitment over more than one year could be undertaken. Broadcasters who used their entire envelope and licensed appropriately could theoretically expect to see 40-45% of that envelope the following year, given that HP is based on the amount of production funding historically accessed or triggered as a result of a broadcaster's licensing of CMF-funded projects.

Audience Success (THT): Rewarding the success of funded programming was a key objective from the beginning. While various permutations involving "hits" and bonuses were considered, in the end it was determined that credit should be based on the total hours tuned (THT) to funded programming. THT is an attempt to balance the differences in reach and business model between the various types of broadcasters. That is, offset the wider reach of a conventional broadcaster with that of a specialty broadcaster with less reach and a more frequent repeat cycle.

Audience success credit for "CTF-ables" was a part of the system for determining the initial envelopes. This practice was intended to include projects that would have met CTF's eligibility criteria, although the projects either did not apply for CTF funding, or failed to make the CTF funding list during the selective process due to oversubscription or funding target issues.

Regional Production Licensing: The purpose of the regional factor was to encourage broadcasters to contribute licences to regional productions. In the calculation of the factor, a broadcaster's credit is determined by the total dollar amount of eligible licences committed to CTF-funded regional projects, for a given language-genre category. This factor responds in part to the policy direction in the Contribution Agreement to support production from all regions across Canada.

Above-Threshold (AT) Licensing: The purpose of the AT factor was to encourage broadcasters to contribute higher amounts of financing to projects in the form of licence fees. In the calculation of this factor, a broadcaster's credit in each language-genre category is determined by the dollar value of the portion of eligible licences it has committed to CTF-supported projects which exceeded the published threshold for the appropriate project type. The rationale was higher amounts of licence fees would expedite the completion of a project's financing structure, and secondly, would require lesser CTF funding for the specific project, thereby freeing up CTF funds towards a greater number of projects.

Leverage: Leverage was conceived to reward broadcasters who used less-than-average CTF funding to produce their licensed projects. A broadcaster's credit was determined by the dollar value difference between the committed CTF funding and the published average of CTF funding for the appropriate project type. This factor was eliminated for the 2007-2008 funding year.

For a historic summary of factors, see Appendix A.

Performance Against Original Objectives

All factors are part of a dynamic system and as such, changes made to any given factor are bound to have an effect on other performance factors, and how broadcasters choose to access them through their licensing and programming decisions.

Moreover, each factor is accessed at different levels by different types of broadcasters: for example, some factors may currently be more favourable to major broadcaster groups, while others may benefit independent broadcasters or ednets to a greater extent, etc. As changes are proposed, CMF considers that it is important to ensure that not all changes disproportionately benefit, or adversely impact, any given category of broadcaster, as this would not appear to be in the best interest of the overall viability of the sector.

Are the original objectives still relevant to the current policy direction and guiding principles in the CMF Contribution Agreement?

Given that some of these factors have their roots in a previous Fund with distinct objectives, it is necessary to assess if those same factors should be applied to the CMF and its new mandate and strategic objectives. A brief summary of those considerations follows:

Historic Performance is a reflection of Fund usage triggered by threshold contributing licence fees to projects, rather than envelope allocation, capturing each broadcaster's envelope performance in the previous 3 years (calculated through credits earned in all factors). When first created, HP was intended to act primarily as a stabilizer to prevent wild fluctuations in allocations, by having a measure that was based on 3 consecutive years of credit, rather than the potential volatility of year-to-year swings that can occur in the other factors. In this regard, HP could be deemed to meet the policy direction of not unduly disrupting the system, while its reduction to a smaller factor weight would address the policy direction for "smart change management" and "ongoing re-calibration".

Audience Success, as the measure of audiences and their time spent watching CMF financed projects, rewards broadcasters who schedule programs that achieve high levels of viewership. As such, this directly meets the current objective of rewarding success.

Regional Production Licencing credits broadcasters who provide licences to projects originating from the regions, and thus contributes to meet the requirement in the CMF Contribution Agreement to support production from all regions across Canada.

Above-Threshold Licencing essentially rewards broadcasters who are willing to take an "additional risk" on a project by providing additional licence fees above threshold. However, AT licencing is not inherently a measure of "success". Other than potentially "fostering less reliance on subsidies", this factor does not appear to specifically meet any of the CMF's objectives or guiding principles.

Issues for discussion

In reviewing the PE System, the following issues are to be discussed, within the context of alignment against the current objectives and guiding principles of the CMF:

- Setting priorities – what issues are of higher priority relative to each other. A ranked list of priorities would dictate adjustments in performance factors and weighting.
- Simplification
 - Possibility of developing multi-year guidelines, and multi-year envelope allocations.
 - Note that feedback from the previous Working Group in June 2011 elicited a generally negative response for multi-year envelopes.
 - Developing other measures of stability, while not falling back to simply the "status quo"
 - Examining the PE calculation methodology to see if there are other ways of simplifying the process
 - Potential simplification of the licence threshold grids (note: this issue will be discussed at the September 7 Working Group)
- Rewarding Success
 - Examine methods to further link "rewarding success" with PE calculations

B. Changes made to the PE system in 2011-2012

To reflect the CMF's mandate, two factors were created for 2011-2012 PE allocations:

Audience Success (OFR): this factor was instituted within audience success calculations to address the policy directive to place an emphasis on the support of original, first-run television programming in prime time. In 2011-12, this factor was applied only to the drama and variety & performing arts genres.

"Original first-run" is defined as follows:

- a. For conventional stations: the first airing of a project (or series of episodes that make up that project) by an eligible broadcaster.
- b. For independent stations, specialty and pay stations: three airings of a project (or a series of episodes that make up that project) by an eligible broadcaster, within a period of 7 days beginning from the first date of the first original telecast; only one airing can be outside of prime time.

A broadcaster must participate in the original financing structure in order to earn credit for a given project in this factor. This, in essence, allows participation in this factor by second and third window broadcasters who license the project, but excludes acquisitions. Credit is based on the THT numbers to OFR airings.

Digital Media Investment: this factor is intended to provide an incentive for broadcasters to support "rich and substantial" (as defined in the Guidelines) digital media components to augment their television properties, thereby meeting the policy directive of furthering the production of convergent media projects. Credit in this factor is based on the combination of a broadcaster's eligible cash and envelope contributions to PE-funded rich and substantial digital media components. A broadcaster will earn credit for each dollar it contributes in eligible cash (not services or other ineligible contributions) and/or from its CMF envelope. Note that a broadcaster may earn credit for its eligible cash contributions even if it did not contribute funds from its performance envelope so long as the digital media component received PE funds from another broadcaster.

Other changes made to the PE system for 2011-2012 include:

- Changes to Audience Success
 - A reduction in the eligibility window of CMF-financed projects from 7 years to 5 years in THT calculations.¹
 - A reduction in the number of eligible CTF-able titles from 10 to 3, with the proposed elimination of CTF-ables in its entirety next year.
- A decrease in the weight given to Historic Performance
- A decrease in the weight given to Above-Threshold Licencing
- The separation of French-language documentary into two sub-genres, namely, one-offs versus series in the calculation process.

Note re: Regional Licensing: A Working Group focusing on English regional projects is scheduled for October 19, 2011.

For a summary of the outcome of 2011-2012 PE calculations, please see Appendix B.

¹ CMF has considered further tightening the window for Audience Success THT to programs funded in the previous 3 years only (from the current 5), but considers that a 5-year window of eligibility remains appropriate given the desire to balance rewarding recent successes while allowing 2nd and 3rd window financing partners to also claim credit for funded projects.

C. Summary of “intentions” – potential courses of action for 2012-2013

Informed by the policy direction and guiding principles stated previously, and subject to further input from industry stakeholders, the CMF would intend to pursue the following courses of action for the 2012-2013 PE allocation:

- Eliminate CTF-ables as a method of obtaining credit in Audience Success;
- Apply the OFR factor across all genres, including Children’s & Youth and Documentary;
 - See Appendix C for a simulation using data from 2011-2012
- Maintain the Digital Media Investment Factor for one more year and increase its weight, by adjusting the weights of other factors in the PE system (values subject to the “priority setting” exercise detailed earlier)
 - See Appendix D for further data on the impact of the Digital Media Investment and Above Threshold factors in 2011-2012 PE calculations
- Examine user measurement systems for Digital Media (DM) platforms, with the goal of replacing the Digital Media Investment Factor with a tentative “Digital Media Usage / Success Factor” to be introduced for the 2013-2014 PE allocation process. The CMF has organized a DM Performance Measurement Advisory Committee comprising a group of DM specialists, representing a broad spectrum of CMF stakeholders, including broadcasters and content producers, who have met twice in June and July 2011, to examine and discuss the metrics, KPIs, testing of 50-60 already completed DM projects, monitoring of additional DM projects during the balance of 2011-2012 and 2012-2013, prior to the implementation of the DM audience success factor for the 2013-2014 PE allocations.

D. Proposals from industry stakeholders

Since the 2011-2012 PE allocations were announced, a number of issues have been raised and proposals made by the industry. These are summarized below, in no order of priority:

Additional flexibility for small / independent / educational broadcasters

A proposal was made that the Broadcaster Affiliated / In-House cap be adjusted to reflect the realities of smaller broadcasters for whom 7.5%-15% of PE represents an unusable amount. The cap would instead be based on a percentage or dollar amount, to be determined.

New entrants / Kick-start amount

The current PE calculation system provides for no guaranteed amounts nor shares. Broadcasters, regardless of their conditions of licence, coverage or business model, compete against each other in up to six performance factors. Results have shown that, under this system, some smaller broadcasters garner insignificant PE allocations or face a difficult challenge in accumulating credit and building a PE. In 2011-2012, 21 broadcasters (25%) were allocated PEs of less than \$100K; 16 of these broadcasters (19%) received an allocation of less than \$50K.

A proposal to give each broadcaster a minimum envelope or “kick-start amount” may merit consideration. Theoretically, the dollar value could be based on:

- a certain basic amount per broadcaster (e.g. \$50,000 each, regardless of their number); using 2011-2012 data and the list of 60 English-language broadcasters and 23 French-language broadcasters that received 2011-2012 PE allocations, this would amount to \$3 million or 1.6% of the English-language PE budget of \$189 million, and \$1.15 million or 1.3% of the French-language PE budget of \$90 million or,
- a fixed annual sum (or percentage of the program budget) divided by the number of broadcasters requesting a PE (e.g. \$4 million divided amongst 83 broadcasters = \$48,193 each, or 1.4% of the combined 2011-2012 English and French PE budget).

Broadcasters would then compete, as usual, for the remaining bulk of funds.

The objectives from the CMF's point of view in assisting new entrants/smaller broadcasters into the PE system are aligned with the policy direction to ensure a dynamic market place framework: broaden the pool of broadcasters in the system, increase competition amongst broadcasters, and expand the content choices for consumers. As well, this may provide additional opportunities for independent producers. In order to ensure that no new "dependencies" are created, support would be limited in term, after which these broadcasters would compete on the same basis with all other broadcasters.

Proposal for dedicated envelopes for independent/educational broadcasters

The Canadian Association of Public Educational Media (CAPEM) provided a submission to the CMF which raises their concern over declines in envelope allocations for educational broadcasters. CAPEM requested a fixed envelope allocation for ednets, based on the percentage share of CMF envelope funding for ednets from the most recent 3-year average.

Within the context of recent CRTC hearings on vertical integration, other stakeholders proposed that, in order to maintain a balance in the ecosystem, CMF should reserve a set amount of funds or a pre-determined percent of each year's PE budget, for broadcasters in both linguistic markets, that are not part of a vertically integrated or corporate group.

Effective 2010-2011, policy direction from the Department to the effect that the CMF should level the playing field for all broadcasters resulted in the elimination of a fixed percentage allocation of CMF funding to CBC and Radio-Canada. A fixed envelope allocation for a specific broadcaster or group of broadcasters would appear to run counter to this policy direction.

Expand the "broadcaster in financial difficulty policy" to include assisting the broadcasters themselves

Currently, the "broadcaster in financial difficulty policy" is meant to protect an applicant with a previously greenlit project from being adversely affected in the event of financial difficulties from a licencing broadcaster.

It has been suggested that this policy be extended to include assisting broadcasters themselves, in the form of freezing an envelope allocation from a previous year and carrying this amount through to a subsequent year. Note that under normal circumstances, unspent funds at the end of each program year are returned to the CMF reserves (for allocation to the CMF program budget in the subsequent year). Broadcasters who are unable to (due to either financial difficulty or other factors) spend these allocated amounts would miss out on the opportunity to earn credits in the PE factors for the upcoming year's PE allocations.

Introducing any formalized mechanism to assist broadcasters themselves in financial difficulty would appear to run counter to current policy direction on at least two levels:

1) that the CMF be concerned primarily with content creation. Protecting a “project” when a licensee falls into financial difficulty falls within this guideline. Protecting the broadcaster who entered into difficulty would appear to fall outside this guideline, and may be more appropriately placed under the purview of the CRTC.

2) within the PE system, all broadcasters should compete on the same level. Carrying over credits earned from a previous year (via freezing an envelope) because of inactivity, even due to financial distress, would also appear to run counter to the policy direction of all broadcasters competing on a level playing field.

Different factor weights by genre and language

Some stakeholders have suggested that different factor weights should be assigned to each genre and language category. For example, the factor of Audience Success might be less important due to “patterns of viewing” that are different across the genres, so the weights should differ accordingly. However, as PEs are calculated by language and genre, with each category being assigned its own budget, like-and-like compete within each specific category’s factors and weights, proposals would need to more clearly define the rationale to support variance in weights for the 6 current factors, in each genre and language category.

Further, distinct factor weights across genre and language categories would appear to run counter to the strategic objective of simplifying the CMF programs.

Reach / leveling the playing field

The issue of Reach, especially with respect to Audience Success, is a topic that resurfaces periodically. The primary concern comes from smaller broadcasters with limited “reach” of audiences, who nevertheless must compete against larger stations (conventionals) for a share of AS credit. Given this perceived inequity in potential audience (i.e. Reach), it has been proposed that the CMF find some manner in which to offer a “handicap” to smaller broadcasters so that they may compete for credit at a more equal level.

The CMF in the past has attempted to model potential “handicaps” for broadcasters, and each time the results of the modeling have proven to be both inconclusive in terms of providing fair balance between broadcaster audience / footprint, as well as being extremely complex to administer. In addition, given the current strategic objective of rewarding success, it would be difficult to justify giving program “A” with a small audience (despite the reach issues) the same credit as program “B” that might have an audience that is much larger.

100% flex

Some broadcasters have proposed the option of 100% flex, where PEs would still be calculated by genre, based on credit earned from the behaviour of each broadcaster in each of the genres. However, once the PEs have been allocated, broadcasters would be free to spend the allocation in any of the 4 genres without restriction.

A 100% flex system could be supported given the policy direction of a more market-driven philosophy. However, this must be balanced against ensuring that undue disruption is not created through unforeseen volatility in CMF commitments across the 4 genres.

The 2010-2011 PE allocation marked the first year when flex was increased to 50% (from 15%) for all broadcasters, with the CMF indicating that it will closely monitor funding results by genre. As shown in the chart below, 2010-2011 funding results suggested that percentage share by genre and language was fairly similar to original allocations, the only marked variance being a 3.2 share point gain in French-language VAPA and a 2.9 share point decrease in French-language drama.

2010-2011 Performance Envelopes

	Budget \$	Commitments \$	% share of Budget	% Share of Commitments	Variance
English					
Children's & Youth	38,216,000	36,512,950	20.4	20.1	-0.3
Documentary	30,910,000	28,393,698	16.5	15.6	-0.9
Drama	114,460,667	113,068,501	61.1	62.3	1.2
Variety and Performing Arts	3,746,667	3,628,190	2.0	2.0	0.0
Total English	187,333,334	181,603,339	100.0	100.0	
French					
Children's & Youth	15,270,250	16,511,015	17.0	18.4	1.4
Documentary	19,761,500	18,227,460	22.0	20.3	-1.7
Drama	49,403,750	46,744,196	55.0	52.1	-2.9
Variety and Performing Arts	5,389,500	8,285,552	6.0	9.2	3.2
Total French	89,825,000	89,768,223	100.0	100.0	

CMF seeks further stakeholder feedback on whether it should:

- continue with 50% flex for the 2012-2013 PE calculations, monitoring funding results by genre for one more year;
- increase flex to 100% for smaller/independent broadcasters as per their request, enabling them to fully utilize their modest PE allocations;
- increase flex to 100% for all broadcasters.

Stability

Some stakeholders have raised the concern that the shift in factor weights from Historic Performance to Audience Success was causing instability in the system, with some broadcasters experiencing large declines in their envelope allocation in 2011-2012, relative to the previous allocation cycle.

These stakeholders have proposed that CMF institute a percentage cap on the level of decline in year over year PE allocations.² Such a proposal however raises the question of whether a percentage cap on the level of increase to a PE would also be required and what percentages would be appropriate in either case. This proposal again requires CMF to balance market forces against undue disruption in the system

² From 2010-11 to 2011-12, the level of decline among English-language broadcasters ranged from 0.6% to 85.9%, while among French-language broadcasters, the decline ranged between 1.6% and 48.4%. Where the broadcaster is part of a corporate group, the percentage declines reflected corporate business strategies or transfers to other broadcasters within that group.

APPENDIX A

Historic Summary of the factors

This chart illustrates the different factors and their respective weights used since the implementation of the PE (BPE) system in 2004-2005.

FRENCH	Historic Access/ Performance %	Above Average/ Threshold Licenses %	Leverage %	Regional Production Licences %	Audience Success (THT)%	Audience Success (OFR)	DM Investment	Total %
All Genres								
2004-05	75	-	-	-	25	-	-	100
2005-06	45	15	5	5	30	-	-	100
2006-07	45	15	5	5	30	-	-	100
2007-08	45	15	-	10	30	-	-	100
2008-09	45	15	-	10	30	-	-	100
2009-10	45	15	-	10	30	-	-	100
2010-11	45	15	-	10	30	-	-	100
2011-12 VDr	25	10	-	10	35	15	5	100
2011-12 CDo	25	10	-	10	50	-	5	100

ENGLISH	Historic Access/ Performance %	Above Average/ Threshold Licenses %	Leverage %	Regional Production Licences %	Audience Success (THT)%	Audience Success (OFR)	DM Investment	Total %
Children & Youth, Documentary, Variety & Performing Arts								
2004-05	100	-	-	-	-	-	-	100
2005-06	40	15	5	10	30	-	-	100
2006-07	40	15	5	10	30	-	-	100
Drama								
2006-07	100*	-	-	-	-	-	-	100
All Genres								
2007-08	30	10	-	20	40	-	-	100
2008-09	30	10	-	20	40	-	-	100
2009-10	30	10	-	20	40	-	-	100
2010-11	30	10	-	20	40	-	-	100
2011-12 VDr	15	5	-	20	40	15	5	100
2011-12 CDo	15	5	-	20	55	-	5	100

VDr = VAPA and Drama. CDo = C&Y and Documentary

APPENDIX B

Performance Envelope Allocation by Corporate Group

Actual 2011-2012 Allocation compared with simulation using 2010-2011 Factor Weights

French-language Broadcasters	Actual 2011-2012 PE		2011-12 simulation with 2010-2011 factor weights			
	Current Corporate Group	\$	% share	\$	% share	\$ Difference vs Actual 11-12 PE
Astral	17,318,480	19.23	16,132,100	17.92	-1,186,380	-6.85
Bell Media (RDS)	126,064	0.14	42,854	0.05	-83,210	-66.01
Radio-Canada	34,046,654	37.81	34,088,994	37.86	42,340	0.12
TVA	20,838,590	23.14	20,608,919	22.89	-229,671	-1.10
Télétoon French	1,979,295	2.20	1,960,757	2.18	-18,538	-0.94
Total Corporate Groups	74,309,083	82.53	72,833,623	80.89	-1,475,460	-1.99
Ednets	11,277,196	12.52	12,166,532	13.51	889,336	7.89
Independent	\$4,455,389	4.95	\$5,041,512	5.60	586,123	13.16
TOTAL	90,041,668	100.00	90,041,668	100.00	0	0.00

Note: RDS' difference was attributable to its THT % share in one-off Docs, which carries 50% weight

English-language Broadcasters	Actual 2011-2012 PE		2011-12 simulation with 2010-2011 factor weights			
	Current Corporate Group	\$	% share	\$	% share	\$ Difference vs Actual 11-12 PE
Astral	7,941,144	4.20	9,418,740	4.98	1,477,596	18.61
CBC	63,022,638	33.35	63,027,835	33.35	5,197	0.01
Corus	25,799,866	13.65	26,927,247	14.25	1,127,381	4.37
Bell Media	37,492,982	19.84	36,485,456	19.30	-1,007,525	-2.69
Rogers	4,770,278	2.52	4,006,476	2.12	-763,802	-16.01
Shaw Media	31,309,544	16.57	31,466,376	16.65	156,832	0.50
Teletoon English	5,315,605	2.81	5,858,213	3.10	542,608	10.21
Total Corporate Groups	175,652,057	92.94	177,190,344	93.75	1,538,287	0.88
Ednets	2,258,218	1.19	2,035,637	1.08	-222,581	-9.86
Independent	\$11,089,733	5.87	\$9,774,027	5.17	-1,315,706	-11.86
TOTAL	189,000,008	100.00	189,000,008	100.00	0	0.00

In the English-language tables, ACCESS is included within Bell Media

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2011-2012 English-language Performance Envelope - OFR Simulation in all 4 Genres

English-language Performance Envelope allocations (\$K)						Simulation - OFR in all 4 Genres		
Current Corporate Group	Ownership	2011-2012 \$ (K)*	2010-2011 \$ (K)	11-12 vs 10-11 Change \$ (K)	% Change	2011-2012 \$ (K)	11-12 Simulation vs Actual 11-12 \$ (K) Change	% Change
CBC	corporate	63,023	65,582	-2,559	-3.9	63,218	196	0.3
CTV	corporate	37,432	37,924	-492	-1.3	36,871	-562	-1.5
Shaw	corporate	31,310	29,188	2,121	7.3	31,390	81	0.3
Corus	corporate	25,800	21,526	4,274	19.9	24,631	-1,169	-4.5
Astral	corporate	7,941	11,770	-3,829	-32.5	9,406	1,465	18.4
Rogers	corporate	4,770	3,716	1,055	28.4	4,828	58	1.2
Teletoon - English	corporate	5,316	6,203	-888	-14.3	4,967	-349	-6.6
Corporate Group Subtotal		175,592	175,909	-317	-0.2	175,312	-280	-0.2
APTN - English	independent	8,070	5,968	2,102	35.2	8,055	-15	-0.2
Stornoway	independent	1,379	627	752	119.8	1,378	0	0.0
Zoomer	independent	998	855	143	16.8	994	-4	-0.4
High Fidelity HD	independent	332	7	325	4470.5	294	-39	-11.6
SCN	independent	167	939	-773	-82.2	160	-7	-4.1
Glassbox	independent	147	178	-31	-17.5	140	-7	-4.8
Super Channel	independent	51	101	-49	-49.0	51	0	0.0
CTS	independent	7	0	7	100.0	7	0	0.0
Sun TV	independent	0	64	-64	-100.0	0	0	0.0
OUTv	independent	0	2	-2	-100.0	0	0	0.0
Independent Subtotal		11,150	8,741	2,409	27.6	11,079	-72	-0.6
TVO	ednet	1,409	1,830	-420	-23.0	1,790	381	27.0
Knowledge	ednet	849	854	-5	-0.6	820	-29	-3.4
Ednet Subtotal		2,258	2,683	-425	-15.8	2,610	351	15.6
Total Allocations		189,000	187,333	1,667	0.9	189,000	0	0.0

English-language Performance Envelope % Share				
Current Corporate Group		% 2011-2012	% 2010-2011	Change
CBC	corporate	33.3	35.0	-1.7
CTV	corporate	19.8	20.2	-0.4
Shaw	corporate	16.6	15.6	1.0
Corus	corporate	13.7	11.5	2.2
Astral	corporate	4.2	6.3	-2.1
Rogers	corporate	2.5	2.0	0.5
Teletoon - English	corporate	2.8	3.3	-0.5
Corporate Group Subtotal		92.9	93.9	-1.0
Stornoway	independent	0.7	0.3	0.4
Zoomer	independent	0.5	0.5	0.1
High Fidelity HD	independent	0.2	0.0	0.2
Glassbox	independent	0.1	0.0	0.1
APTN - English	independent	4.3	3.2	1.1
SCN	independent	0.1	0.5	-0.4
Super Channel	independent	0.0	0.1	0.0
CTS	independent	0.0	0.0	0.0
Sun TV	independent	0.0	0.0	0.0
OUTv	independent	0.0	0.0	0.0
Independent Subtotal		5.9	4.6	1.3
TVO	ednet	0.7	1.0	-0.2
Knowledge	ednet	0.4	0.5	0.0
Ednet Subtotal		1.2	1.4	-0.2
Total Allocations		100.0	100.0	0.0

OFR Simulation - % Share change	
% Share 2011-2012	Simulation vs Actual 11-12
33.4	0.1
19.5	-0.3
16.6	0.0
13.0	-0.6
5.0	0.8
2.6	0.0
2.6	-0.2
92.8	-0.1
0.7	0.0
0.5	0.0
0.2	0.0
0.1	0.0
4.3	0.0
0.1	0.0
0.0	0.0
0.0	0.0
0.0	0.0
0.0	0.0
5.9	0.0
0.9	0.2
0.4	0.0
1.4	0.2
100.0	0.0

Note: CBC change combines CBC Conventional, bold and CBC News Network for comparison to 2009-2010 combined envelope. Amounts are rounded.

APPENDIX C - page 2 of 2

2011-2012 French-language Performance Envelope - OFR Simulation in all 4 Genres

French-language Performance Envelope allocations (\$K)						Simulation - OFR in all 4 Genres		
Current Corporate Group	Ownership	2011-2012 \$ (K)*	2010-2011 \$ (K)	11-12 vs 10-11 Change \$ (K)	% Change	2011-2012 \$ (K)	11-12 Simulation vs Actual 11-12 \$ (K) Change	% Change
Radio-Canada	corporate	34,047	33,309	737	2.2	34,152	106	0.3
TVA	corporate	20,839	18,571	2,267	12.2	20,916	77	0.4
Astral	corporate	17,318	15,657	1,662	10.6	16,918	-400	-2.3
Télétoon - French	corporate	1,979	2,480	-501	-20.2	1,695	-284	-14.4
Corporate Group Subtotal		74,183	70,017	4,166	5.9	73,681	-502	-0.7
V	independent	1,997	3,869	-1,872	-48.4	2,002	5	0.3
APTN - French	independent	1,282	1,422	-140	-9.8	1,279	-4	-0.3
TV5	independent	1,176	993	184	18.5	1,198	22	1.8
RDS	independent	126	0	126	100.0	90	-36	-28.7
Évasion	independent	0	30	-30	-100.0	0	0	0.0
Independent Subtotal		4,581	6,314	-1,733	-27.4	4,569	-13	-0.3
Télé-Québec	ednet	8,102	9,627	-1,524	-15.8	8,647	545	6.7
TFO	ednet	3,175	3,867	-692	-17.9	3,145	-30	-1.0
Ednet Subtotal		11,277	13,494	-2,217	-16.4	11,792	515	4.6
Total Allocations		90,042	89,825	217	0.2	90,042	0	0.0

French-language Performance Envelope % Share				
Current Corporate Group		% 2011-2012	% 2010-2011	% Change
Radio-Canada	corporate	37.8	37.1	0.7
TVA	corporate	23.1	20.7	2.5
Astral	corporate	19.2	17.4	1.8
Télétoon - French	corporate	2.2	2.8	-0.6
Corporate Group Subtotal		82.4	77.9	4.4
V	independent	2.2	4.3	-2.1
APTN - French	independent	1.4	1.6	-0.2
TV5	independent	1.3	1.1	0.2
RDS	independent	0.1	0.0	0.1
Évasion	independent	0.0	0.0	0.0
Independent Subtotal		5.1	7.1	-2.0
Télé-Québec	ednet	9.0	10.7	-1.7
TFO	ednet	3.5	4.3	-0.8
Ednet Subtotal		12.5	15.0	-2.5
Total Allocations		100.0	100.0	0.0

OFR Simulation - % Share change	
% Share 2011-2012	Simulation vs Actual 11-12
37.9	0.1
23.2	0.1
18.8	-0.4
1.9	-0.3
81.8	-0.6
2.2	0.0
1.4	0.0
1.3	0.0
0.1	0.0
0.0	0.0
5.1	0.0
9.6	0.6
3.5	0.0
13.1	0.6
100.0	0.0

Notes: Radio-Canada change includes RDI for comparison to 2009-2010 combined envelope. Amounts are rounded.

APPENDIX D

Broadcasters earning Digital Media Investment factor credit in 2011-2012 PE Allocation

Genre	English	French
Children's and youth	8	5
Documentary	5	11
Drama	8	5
Variety & Performing Arts	0	5
Total # Broadcasters earning DMI credit*	18	17
# Broadcasters in 2011-2012 PE allocation	60	23
% of 2011-2012 PE Broadcasters	30	74

* some broadcasters earned DMI credit in more than 1 genre

Allocations from the Digital Media Investment factor

English

	Total \$K allocated from the DM factor	Broadcaster's % of DM allocation	Broadcaster's % of total PEs	DM allocation % of broadcaster's PE
Major Corporate Groups	6,487	68%	93%	4%
Ednets	260	3%	1%	8%
Small groups & Independents	2,703	29%	6%	25%
Total	9,450	100%	100%	

Major corporate groups: Astral, Bell, CBC, Corus, Rogers, Shaw, Teletoon

Small groups and independents: APTN, CTS, GlassBox, High Fidelity, Stormoway, Super Channel, ZoomerMedia

French

	Total \$K allocated from the DM factor	Broadcaster's % of DM allocation	Broadcaster's % of total PEs	DM allocation % of broadcaster's PE
Major Corporate Groups	3,524	78%	82%	5%
Ednets	619	14%	13%	5%
Independents	359	8%	5%	8%
Total	4,502	100%	100%	

Major Coporate Groups: Astral, Radio-Canada, TVA, Teletoon; Independents: APTN, RDS (Bell is not a French corporate group), TV5, V

Broadcasters earning Above-Threshold factor credit in 2011-2012 PE Allocation

Genre	English	French
Children's and youth	9	6
Documentary	26	
Documentary one-offs	-	11
Documentary series	-	13
Drama	7	7
Variety & Performing Arts	7	8
Total # Broadcasters earning Above-Threshold credit*	35	20
# Broadcasters in 2011-2012 PE allocation	60	23
% of 2011-2012 PE Broadcasters	58	87

* some broadcasters earned Above-Threshold credit in more than 1 genre