

Shaw Television Broadcast Fund
Fonds de télédiffusion Shaw

Suite 900
630-3rd Avenue SW
www.stbf.ca

Telephone: (403) 750-4517
Facsimile: (403) 750-4635

June 21, 2004

Secretary General
Canadian Radio-television and Telecommunications Commission
Central Office, Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage
Hull, Quebec J8X 4B1

via email: procedure@crtc.gc.ca
Mail: Ottawa, Ontario K1A 0N2

Dear Sir/Madame:

RE: BROADCASTING PUBLIC NOTICE CRTC 2004-32

**PROPOSED INCENTIVES FOR ENGLISH-LANGUAGE CANADIAN TELEVISION
DRAMA - CALL FOR COMMENTS**

1. We thank the Commission for proposing to include original children's dramatic programming in all of the incentives proposed for Canadian drama as described in Public Notice 2004-32. We also wish to thank the Commission for acknowledging that building a loyal Canadian audience starts with our kids.
2. These new incentives have the potential to increase the amount of original dramatic programming for Canadian children. The CAVCO Profile Report 2003 shows a 35% decrease in children's production in Canada since 1999. We hope that these incentives will reintroduce our conventional broadcasters to Canadian kids dramatic TV and give them incentive to support this much needed programming.
3. STBF understands the Commission's position regarding the 150% and 125% time credits for priority programming and that these credits are only in effect during prime time. This regulatory incentive, unfortunately, does not encourage the creation of original children's drama for conventional broadcasters as these broadcasters will not air children's programs during prime time. Kids programming continues to be at a disadvantage if this time credit is not acknowledged during appropriate viewing times for children, such times being prime time for its target audience. We respectfully ask the Commission to consider a priority program credit for children's programs that air on conventional broadcast networks.
4. In respect to the Commission's question 2 regarding the definition of appropriate viewing time for children, STBF defers to the broadcasters in this regard as they are most familiar with the audience's viewing trends.
5. We are pleased that the Incentives for Original Hours in Sections 72-74 include children's programs. Of the programs that STBF invests in for children aged 2 – 12, 98% are ½ hour or less and the proposed incentives refer to one hour dramatic programs. Virtually all children's programs would only qualify for the lesser broadcaster incentive. We respectfully request that any incentives offered for adult one hour original drama be in effect for a ½ hour of original kids dramatic programs. Conventional broadcasters will not invest in Canadian children's programs if the incentive is not equivalent to that of adult programming, as proven by the 35% decrease in kids programming since the 1999 Policy was introduced.



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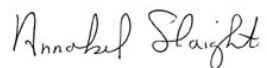
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6. The definition of “big budget” for children’s programs also warrants review. STBF statistics show that of the programs it invests in for children aged 2 -12, only 23% of these programs reach \$400,000 per ½ hour (the equivalent to \$800,000 per hour). Children’s dramatic programming faces the same financing challenges as adult drama in respect to the decline in the international market and the lack of financing available. We ask the Commission to establish a more appropriate budget level when defining big budget children’s dramatic programming to ensure that kids programs will be able to attract the big budget incentive.
7. STBF recognizes the need for additional funding of specialty service programs and that expenditures from broadcasters support Canadian original programming. Safeguards are required to ensure that the proposed At Risk Equity incentive in section 113 would not displace the historical license fees that the broadcasters provide for each genre and that this incentive truly adds financing to original programs.
8. The Canadian Programming Expenditure (CPE) benefit attached to this type of private investment makes such investment less at risk, and having this At Risk Equity count as CPE may result in less programs being produced. Furthermore, this incentive would have STBF and other investors share its recoupment position more so with specialty services. STBF reinvests all of its recoupment in original Canadian content. As the intent of this Call for Comments is to increase the amount of original Canadian dramatic programming, we respectfully suggest that a portion of the specialty channel recoupment be reinvested in Canadian original programming. This would allow the broadcaster to have a potential monetary benefit from this investment, and at the same time contribute to more original programming.
9. We thank the Commission for this opportunity to provide our comments in support of Canadian children’s programming. We are available to you to share additional information regarding STBF and its knowledge of the children’s sector.

Sincerely



Annabel Slaight
Chairperson

cc: Jim Shaw, Shaw Communications
Peter Bissonnette, Shaw Communications
Lee Bragg, Eastlink Cablesystems
John Thomas, Delta Cable Communications

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