



Broadcasting Decision CRTC 2006-52

Ottawa, 28 February 2006

Country Music Television Ltd. Across Canada

*Application 2005-0877-3
Broadcasting Public Notice CRTC 2005-111
25 November 2005*

Country Music Television – Licence amendment

*The Commission **approves** an application to amend the broadcasting licence for the national, English-language specialty service known as Country Music Television, in order to reduce the minimum amount of programming that must be devoted to programming drawn from category 8(b) Music video clips, from 70% to 50%.*

The application

1. The Commission received an application by Country Music Television Ltd. to amend the broadcasting licence for the national, English-language specialty programming undertaking known as Country Music Television (CMT).
2. Currently, CMT's licence is subject to the following condition:
 - 1.(b) Not less than 70% of all programming broadcast by the licensee shall be drawn from category 8(b) Music video clips.
3. The licensee proposed to replace that condition of licence with the following condition of licence:
 - 1.(b) Not less than 50% of all programming broadcast by the licensee shall be drawn from category 8(b) Music video clips.

Background

4. The Commission originally licensed the operation of CMT (formerly known as The Country Network) in "*The Country Network*" – *A country music video service – Approved*, Decision CRTC 94-284, 6 June 1994. As indicated in that decision, the service was to provide a country music video service targeted to viewers aged 18 and over. The licensee was required, by condition of licence, to devote a minimum of 90% of all programming to programming drawn from category 8(b) Music video clips.

5. In *Licence renewal for Country Music Television (CMT)*, Decision CRTC 2001-154, 28 February 2001, the Commission approved a request by the licensee to amend that condition of licence in order to reduce the minimum level of programming that must consist of music video clips from 90% to 70%. At the same time, the Commission amended CMT's condition of licence defining its nature of service in order to more clearly specify that it must "provide a service with programming focused on country and country-oriented music."

Licensee's rationale for the present application

6. In support of its present application for another reduction in the minimum amount of CMT's programming that must be drawn from category 8(b), the licensee cited data from the National Media Archive indicating that audience interest in video flow programming has declined, particularly among its target audience of those aged 18 years and older. According to the licensee, its target audience is more interested in non-video music programming such as concerts, artist profiles and other music programs. The licensee argued that approval of the application would enable CMT to better reflect its target audience's preferences and to better compete by attracting larger audiences and improving revenues in a highly competitive broadcasting environment that now includes digital services.
7. The licensee pointed out that it is not seeking amendments to any other condition of licence, including the condition of licence stipulating its required annual investment in Canadian video and program production. It added that it intends to replace some of its music video clip programs with music-related programs from the following program categories, which CMT is already authorized to broadcast: 2(b) Long form documentary; 8(c) Music video programs; 9 Variety; 10 Game shows; 11 General entertainment and human interest; and 12 Interstitials¹. In this regard, the licensee noted that the category 8(b) programming broadcast by CMT is subject to a Canadian content requirement of 40% measured over the broadcast year, while the programming drawn from categories 2(b), 8(c), 9, 10, 11 and 12, is subject to Canadian content requirements of 60% of the broadcast year with 50% in the evening broadcast period. Accordingly, the licensee submitted that approval of its application would result in an increase in the overall Canadian programming offered by CMT.
8. The licensee also noted that, in *MuchMoreMusic – Licence renewal*, Broadcasting Decision CRTC 2004-15, 21 January 2004, the Commission approved a similar request by CHUM Limited to reduce the proportion of MuchMoreMusic's schedule that is devoted to music video clip programming from 65% to 50%.

¹ The program categories are set out in Schedule I to the *Specialty Services Regulations, 1990*, as amended from time to time.

Interventions

9. Country music artists Jason McCoy and Aaron Lines confirmed the importance of long form programming to the development of country music and country music artists. They also credited CMT as being vital to their success.
10. Various individuals expressed concern about the loss of country music videos on CMT. Some of these interveners indicated that they wished to see less drama on CMT.
11. One intervener submitted that, if CMT wanted to add programming other than music videos, that programming should be distributed evenly throughout the broadcast day and not just during peak viewing hours. Another intervener questioned whether CMT had adequate resources to increase the amount of long form programs that it airs and expressed concern that viewers would be subjected to continuous re-runs of such programs.

Licensee's replies

12. In response, the licensee emphasized that CMT is a country music service, not just a music video clip service. The licensee stated that, if CMT were allowed to broadcast a lower minimum level of music video clips, it would fill the time slots that were formerly allocated to music video clips with variety programs such as *Live and Up Front*, a signature performance series showcasing Canada's finest country music artists; *Central Live*, a program that features lesser known country music artists; and *Canada Day Jam*, a live concert celebrating Canadian country music artists.
13. With respect to the comment that CMT does not have sufficient resources to increase its long form programming, the licensee maintained that its condition of licence requirements to invest in Canadian video and program production would ensure that the money was used to invest in and acquire long form programming.

Commission's analysis and determination

14. The Commission considers that the main issue to be determined in its evaluation of this application is whether a further reduction in the minimum amount of category 8(b) programming that must be broadcast by CMT is consistent with its nature of service and mandate to "provide a service with programming focused on country and country-oriented music." In the Commission's view, in order for the proposed amendment to be consistent with CMT's nature of service, it must allow CMT to meet its target audience's demands while still ensuring that the service provides a prominent place for country music artists and programs that focus on country music.
15. Based on its examination of the record of this proceeding, the Commission is satisfied that the licensee provided evidence demonstrating a decrease of interest among its target audience in music video clips. The Commission notes that no intervener challenged the veracity of that evidence. While some interveners expressed the view that CMT broadcasts too much drama programming, the Commission notes that the licensee is

required, by condition of licence to ensure that no more than 14 hours of programming broadcast during any broadcast week is drawn from category 7 Drama and comedy. The licensee did not request an increase in the amount of programming that it may broadcast from category 7.

16. The Commission is also satisfied with the commitments made by the licensee in its application and in its responses to the interventions that CMT will remain a country music service and that it will continue to support established and up-and-coming country music artists. In this regard, the Commission also notes that interventions from country music artists supported CMT's application and indicated the importance of long form programming for country music artists.
17. The Commission considers that approval of the proposed amendment will allow CMT to evolve to better serve its viewers while still remaining a country music service that features country music artists and related programs. Furthermore, given that the Canadian content requirement for CMT's category 8(b) programming is lower than the Canadian content requirements for its other programming, the Commission is persuaded that approval of this application could result in the broadcast of more Canadian programming overall and during peak viewing hours by CMT.
18. In light of all of the above, the Commission **approves** the application by Country Music Television Ltd. to amend the broadcasting licence for the national, English-language specialty programming undertaking known as Country Music Television. The Commission replaces the current condition of licence 1.(b) with the following:
 - 1.(b) Not less than 50% of all programming broadcast by the licensee shall be drawn from category 8 (b) Music video clips.
19. The Commission reminds the licensee that CMT is licensed as a country music service. CMT's nature of service condition of licence requires that it be devoted to "country and country-oriented music." Accordingly, CMT's programming must reflect country music or country-oriented music in its various forms and formats.

Secretary General

This decision is to be appended to the licence. It is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>