



Broadcasting Decision CRTC 2006-697

Ottawa, 21 December 2006

MZ Media Inc.
Across Canada

Application 2006-0582-6
Public Hearing at Regina, Saskatchewan
30 October 2006

Classical Digital – Category 2 specialty service

*In this decision, the Commission **approves** an application for a broadcasting licence to operate a new Category 2 specialty programming undertaking. The Commission **denies** the applicant's request to lower the minimum levels of Canadian content to be broadcast after the first year of operation.*

The application

1. The Commission received an application by MZ Media Inc. (MZ Media) for a broadcasting licence to operate a national, English-language Category 2¹ specialty programming undertaking to be known as Classical Digital.
2. The applicant proposed to offer a service that would be devoted to classical music videos and related fine arts programming.
3. All of the programming would be drawn from the following categories as set out in item 6 of Schedule I to the *Specialty Services Regulations, 1990*: 2(a) Analysis and interpretation; 2(b) Long-form documentary; 3 Reporting and actualities; 5(b) Informal education/Recreation and leisure; 7(c) Specials, mini-series or made-for-TV feature films; 7(d) Theatrical feature films aired on TV; 7(e) Animated television programs and films; 7(g) Other drama; 8(a) Music and dance other than music video programs or clips; 8(b) Music video clips; 8(c) Music video programs; 9 Variety; 10 Game shows; 12 Interstitials; 13 Public service announcements; and 14 Infomercials, promotional and corporate videos.
4. MZ Media proposed that not less than 70% of all programming broadcast during each broadcast week would be from sub-categories 8(a), 8(b) and 8(c), and that no less than 70% of all musical selections broadcast during the broadcast week would be from content subcategory 31 (Concert), as set out in *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000, as amended from time to time.

¹ The Category 2 services are defined in *Introductory statement – Licensing of new digital pay and specialty services*, Public Notice CRTC 2000-171, 14 December 2000.

5. The applicant noted a lack of an existing inventory of Canadian classical music long form programming and therefore proposed to broadcast the following minimum levels of Canadian content: 15% in the first year of operation, 20% in the second year and 25% in the third year and each year thereafter.
6. In addition to the proposed minimum levels of Canadian content set out above, MZ Media proposed to devote not less than 10% of its music videos in each broadcast week to Canadian music videos during the first year of the licence term, increasing by 2% per year, reaching 20% per week by the sixth year of the proposed licence term.
7. The Commission did not receive any interventions in connection with this application.

Commission's analysis and determinations

8. In *Introductory statement – Licensing of new digital pay and specialty services – Corrected Appendix 2*, Public Notice CRTC 2000-171-1, 6 March 2001 (Public Notice 2000-171-1), the Commission imposed the following condition of licence on Category 2 specialty services, regarding the minimum levels to be devoted to the broadcast of Canadian programming:
 - in the first year of operation, the licensee shall devote not less than 15% of the broadcast year and of the evening broadcast period to the broadcast of Canadian programs;
 - in the second year of operation, the licensee shall devote not less than 25% of the broadcast year and of the evening broadcast period to the broadcast of Canadian programs; and
 - in the third year of operation, and in each year thereafter, the licensee shall devote not less than 35% of the broadcast year and of the evening broadcast period to the broadcast of Canadian programs.
9. With respect to MZ Media's request that its requirements regarding the broadcast of Canadian programming be lower than the standard levels imposed on Category 2 specialty services, the Commission is not satisfied that an exception to the standard approach is warranted, as the applicant has not provided specific or concrete evidence to support its request. Further, given the array of program categories proposed by MZ Media, the Commission is of the view that the applicant should be able to find enough Canadian programming to fulfil its Canadian content obligations.
10. The Commission is otherwise satisfied that the application is in conformity with all applicable terms and conditions announced Public Notice 2000-171-1. Accordingly, the Commission **approves** the application by MZ Media Inc. for a broadcasting licence to operate the national, English-language Category 2 specialty programming undertaking, Classical Digital. The Commission **denies** the applicant's request to lower the minimum levels of Canadian content to be broadcast after the first year of operation.

11. The licence will expire 31 August 2013, and will be subject to the **conditions** set out in Public Notice 2000-171-1, as well as to the **conditions** set out in the appendix to this decision.

Issuance of the licence

12. A licence will be issued once the applicant has satisfied the Commission, with supporting documentation, that the following requirements have been met:
- an eligible Canadian corporation has been incorporated in accordance with the application in all material respects;
 - the applicant has entered into a distribution agreement with at least one licensed distributor; and
 - the applicant has informed the Commission in writing that it is prepared to commence operations. The undertaking must be operational at the earliest possible date and in any event no later than 36 months from the date of this decision, unless a request for an extension of time is approved by the Commission before 21 December 2009. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before that date.

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>

Appendix to Broadcasting Decision CRTC 2006-697

Conditions of licence

1. The licence will be subject to the conditions set out in *Introductory statement – Licensing of new digital pay and specialty services – Corrected Appendix 2*, Public Notice CRTC 2000-171-1, 6 March 2001.
2. The licensee shall provide a national, English-language Category 2 specialty programming service devoted to classical music videos and related fine arts programming.
3. The programming shall be drawn exclusively from the following categories, as set out in item 6 of Schedule I to the *Specialty Services Regulations, 1990*, as amended from time to time:
 - 2 (a) Analysis and interpretation
 - (b) Long-form documentary
 - 3 Reporting and actualities
 - 5 (b) Informal education/Recreation and leisure
 - 7 (c) Specials, mini-series or made-for-TV feature films
 - (d) Theatrical feature films aired on TV
 - (e) Animated television programs and films
 - (g) Other drama
 - 8 (a) Music and dance other than music video programs or clips
 - (b) Music video clips
 - (c) Music video programs
 - 9 Variety
 - 10 Game shows
 - 12 Interstitials
 - 13 Public service announcements
 - 14 Infomercials, promotional and corporate videos
4. Not less than 70% of all programming broadcast during each broadcast week shall be from sub-categories 8(a), 8(b) and 8(c).
5. Not less than 70% of all musical selections broadcast during the broadcast week shall be from content subcategory 31 as set out in *Revised content categories and subcategories for radio*, Public Notice CRTC 2000-14, 28 January 2000, as amended from time to time.

6. The licensee shall devote to the distribution of Canadian music videos not less than the following percentages of the total number of music videos broadcast during each broadcast week:

Year 1 – 10%

Year 2 – 12%

Year 3 – 14%

Year 4 – 16%

Year 5 – 18%

Year 6 – 20%

Year 7 – 20%

For the purposes of the conditions of this licence, including condition of licence no.1, *broadcast day* means the period of up to 18 consecutive hours, beginning each day not earlier than six o'clock in the morning and ending not later than one o'clock in the morning of the following day, as selected by the licensee, or any other period approved by the Commission.