



Broadcasting Decision CRTC 2008-198

Ottawa, 22 August 2008

Movie Central Ltd.

British Columbia, Alberta, Saskatchewan, Manitoba, Nunavut, the Yukon Territory and the Northwest Territories

Application 2007-1896-8, received 20 December 2007

Broadcasting Public Notice CRTC 2008-13

12 February 2008

Movie Central – Licence amendment

*The Commission **approves** the application by Corus Entertainment Inc., on behalf of its subsidiary Movie Central Ltd., to amend the broadcasting licence for the regional English-language pay television service known as Movie Central in order to allow it to claim the 150% time credit for qualifying dramatic programs set out in Certification for Canadian Programs – A revised approach, Public Notice CRTC 2000-42, 17 March 2000.*

Introduction

1. The Commission received an application by Corus Entertainment Inc. (Corus), on behalf of its subsidiary Movie Central Ltd., to amend the broadcasting licence for the regional English-language pay television service known as Movie Central (formerly known as SuperChannel).
2. The licensee proposed to amend the definition relating to new Canadian production set out in its conditions of licence as follows (change in bold):

"new Canadian production" means:

(a) a Canadian dramatic program

(i) which exceeds 75 minutes in duration and in relation to which all financial expenditures made by the licensee were made prior to the commencement of principal photography or taping and in which principal photography or taping was completed after 1 January 1985; and

(ii) which is intended for children and exceeds 22:30 minutes in duration and in relation to which all financial expenditures by the licensee were made prior to the completion of principal photography or taping; **or**

(iii) which is recognized as 150% Canadian content by the Commission as set out under *Certification for Canadian Programs – A revised approach*, Public Notice CRTC 2000-42, 17 March 2000;

(b) and which is a program that has never been broadcast in English in the licensed territory.

3. Currently, under the existing definition of new Canadian production, Movie Central is able to claim a 150% time credit for the exhibition of Canadian feature films between the hours prescribed in its relevant condition of licence. The proposed amendment would allow Movie Central to also claim the 150% time credit for qualifying dramatic programs described in *Certification for Canadian Programs – A revised approach*, Public Notice CRTC 2000-42, 17 March 2000, for those dramatic series that Movie Central supports and broadcasts.
4. The licensee stated that this amendment would be consistent with Movie Central's nature of the service and with its condition of licence 1(d), which states that it shall devote at least 50% of its programming schedule during each semester to dramatic programs. The licensee added that the amendment would ensure the broadest exposure on all broadcast windows, during peak time hours, of English-language Canadian dramatic programming. Finally, Corus indicated that all Canadian feature film titles that are suitable for Movie Central would continue to be licensed.
5. The Commission received and considered interventions in support of and in opposition to this application. The interventions and the applicant's reply can be found on the Commission's website at www.crtc.gc.ca under "Public Proceedings."
6. In light of the concerns raised by interveners, the Commission finds that the relevant issue to be determined relates to the impact of this amendment on the support for Canadian feature films.

Commission's analysis and determinations

7. Both the Canadian Film and Television Production Association (CFTPA) and the Canadian Association of Film Distributors and Exporters (CAFDE) expressed concerns that approval of this application would have a negative impact on the support for Canadian feature films. The interveners contextualized their concerns by asserting that the Canadian broadcasting system is not adequately supporting Canadian feature films.
8. In its response, Corus noted that Movie Central licenses all Canadian feature film titles made available that are suitable for its service and will continue to do so. Furthermore, Corus affirmed that this amendment would not change Movie Central's commitment to Canadian feature films and that Movie Central's support of Canadian feature films would continue not only through licence fees but also through development and equity support.

9. Though the Commission appreciates the concerns raised by the CFTPA and CAFDE, it is not convinced by the evidence put forward by the interveners that approval of this application would result in the negative impact they have described. The Commission is satisfied with the licensee's commitment that its support for Canadian feature films will not be diminished by approval of this application. However, the Commission will expect Corus at licence renewal to demonstrate in detail how it supported Canadian feature films over the current licence term and how it intends to continue to support Canadian feature films during the next licence term.

Other matters

10. The Commission notes that the CFTPA in its intervention questioned the efficacy of time credits and called for the elimination of the use of time credits by all broadcasters. The Commission acknowledges the CFTPA's concern that the use of time credits reduces the amount of Canadian programming on a service. However, the Commission is of the view that time credits are still an effective incentive for the exhibition and support of 10-point Canadian dramatic programming. Furthermore, the Commission is of the view that many of the issues the CFTPA has raised are policy issues and that as such it would be inappropriate to examine these in the context of a specific application.
11. The Commission also notes that the CFTPA raised a concern regarding Movie Central's apparent non-compliance with its condition of licence requiring it to spend not less than \$1 million on script and concept development in each broadcast year, excluding overhead costs. The Commission is satisfied with the licensee's explanation as to why the figures reported in the *Statistical and Financial Summaries* published by the Commission annually do not reflect what Movie Central spends on script and concept development. However, the Commission reminds Corus that at licence renewal it will be required to demonstrate in detail how it met this condition of licence.

Conclusion

12. In light of all of the above, the Commission **approves** the application by Corus Entertainment Inc, on behalf of its subsidiary Movie Central Ltd., to amend the broadcasting licence of the regional English-language pay television service known as Movie Central in order to allow it to claim the 150% time credit for qualifying dramatic programs. The revised definition of "new Canadian production" applicable to the undertaking's conditions of licence is set out in the appendix to this decision.

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 2008-198

Definition of “new Canadian production” for the regional English-language pay television service known as Movie Central

"new Canadian production" means:

(a) a Canadian dramatic program

(i) which exceeds 75 minutes in duration and in relation to which all financial expenditures made by the licensee were made prior to the commencement of principal photography or taping and in which principal photography or taping was completed after 1 January 1985; or

(ii) which is intended for children and exceeds 22.5 minutes in duration and in relation to which all financial expenditures by the licensee were made prior to the completion of principal photography or taping; or

(iii) which qualifies for the 150% time credit for dramatic programs as set out in *Certification for Canadian Programs – A revised approach*, Public Notice CRTC 2000-42, 17 March 2000; and

(b) which is a program that has never been broadcast in English in the licensed area.