



Writers Guild of Canada

**WGC presentation to Standing Committee on Canadian
Heritage
re: Emerging and Digital Media: Opportunities and
Challenges
May 4, 2010**

[Maureen Parker]

Good morning members of the Heritage Committee. My name is Maureen Parker and I am the Executive Director of the Writers Guild of Canada. Also with me today is Kelly Lynne Ashton, WGC Director of Policy. The WGC welcomes this opportunity to appear before the Standing Committee on Canadian Heritage.

The Writers Guild is the national association representing more than 2000 professional screenwriters working in English-language film, television, radio, and digital production in Canada. Our members are on the forefront of the creation of cross-platform, convergent and transmedia content. Screenwriters are today's storytellers and as such they welcome these new opportunities to entertain. But they are

also worried about the challenges and how they, and we as Canadians, are going to meet those challenges. We are appearing before you today to urge you to support a comprehensive National Digital Strategy to help screenwriters meet these opportunities and challenges. That National Digital Strategy must:

1. ensure that, there is sufficient funding to create professionally produced digital entertainment content;
2. ensure that, Canadian owned and controlled enterprises exist to support Canadian content and have appropriate incentives or requirements to do so; and
3. Amend the Copyright Act and support Terms of Trade to ensure that fair revenue streams flow back to content creators

Opportunities

First let's talk a little bit about what our members are actually doing in digital media. They are taking advantage of a variety of new creative opportunities. They write webisodes like the ones for "Little Mosque on the Prairie", where characters from the television series extend the experience through additional stories. They also write original web series such as the award-winning "My Pal Satan" which is about what life would

be like if your roommate was Satan. “My Pal Satan” is an example of how the digital platforms allow screenwriters more creative freedom. Our members not only write for linear formats but also on interactive games like “Auto-topsy”, which is an extension of the television series “Crash and Burn”. Screenwriters are experimenting with the convergence between story and game. And some members are breaking new ground with innovative new forms of storytelling such as the twitter soap opera “Crushing It”. By the way, we know that you do not have time now but we would be happy after the meeting to stay behind and show you a few of these examples on our laptop.

Canadian screenwriters are interested in developing new methods for reaching audiences directly, without having to go through broadcasters. The online world offers very quick feedback from the audience. This allows writers to respond immediately as they can incorporate ideas as they continue to create. Also, the lower cost of digital production means that screenwriters can become digital content producers, overseeing all aspects of production in a way that just cannot be done in traditional broadcast television. Screenwriters can

now have control over their stories all the way through production to delivery to the audience.

Digital platforms also offer more opportunities for the distribution of traditional television programming as Canadians migrate their viewing to online platforms. Canadian television can now be viewed on broadcasters' websites, cable companies' online portals or download to own through iTunes. Unleashed from the broadcast schedule more Canadians will get a chance to view Canadian programming.

Challenges

The primary challenges for everyone working in this digital world come down to money. There must be more money to fund new digital productions and fair compensation for the exploitation of both new digital content and traditional television content.

Let's start from the basic principle that screenwriters need to be paid for their work and earn revenues from the exploitation of their work. We look first to our collective agreements and individual contracts to set minimum fees and identify revenue

streams. We need to be flexible in collective bargaining and contract negotiation to take this new digital world into consideration. Online business models are in flux so it is difficult to identify where and how those revenues will flow. This is our challenge as a guild. What we cannot address alone are lost revenues from common consumer uses like illegal filesharing and saving to hard drives which are currently not allowed under the Copyright Act and not compensated for. We don't want to stop these uses but rather make them allowed uses for consumers and put in place collective licensing to compensate creators for those uses. There has to be a balance between consumers and creators.

It has been suggested by some that fair dealing be expanded to include these consumer uses. While this solution decriminalizes this common behaviour it also eliminates revenue streams to creators. We therefore oppose the expansion of fair dealing or other exceptions to copyright infringement except in those specific cases, such as allowing for parody and satire, where it makes sense. Of course we agree that the definition of fair dealing and other exceptions to copyright infringement should be technology neutral and not

so specific as to require amendment again when technology evolves, but they should also not be so vague as to allow every use imaginable under the name of fair dealing.

Another challenge is that the lack of revenue flowing to screenwriters from online distribution is not just limited by things like illegal filesharing. Broadcasters are demanding more rights from producers for the same licence fee. For example, if a broadcaster exploits a TV show by iTunes downloads, in most cases the broadcaster keeps that revenue and it is not shared with the production community. We support Terms of Trade between the broadcasters and the producers because without it no one but the broadcasters earns revenue from these new uses. We will be working with independent producers to ensure that compensation flows equitably to the creative community.

[Kelly Lynne Ashton]

Without adequate production financing Canadians will not have the choice of sufficient professionally produced Canadian digital entertainment media. Yes, the costs of content creation have dropped so low that anyone can be a content creator. But it is the production costs that are

dropping – camera and editing equipment and software. The content is still amateur if unskilled amateurs are writing and performing in it. My 13 year old daughter has a YouTube channel as do many of her friends. Jacob Glick from Google has appeared before you and told you that there is plenty of Canadian content on YouTube. He is counting my daughter's videos and while I think that she's very talented, I'll be the first to say that she is not a professional and her audience is somewhat limited.

YouTube can be an inexpensive way to distribute content directly to consumers without the broadcaster as a gatekeeper, and our members are increasingly interested in this opportunity. But amateur content is not a substitute for professionally produced Canadian content. Canadians deserve better. Without government support Canadians will have no choice but to enjoy the vast amount of U.S. professionally produced content that is online.

We welcome the changes to the Canada Media Fund which require content on more than one platform. However, as a result, the CMF now requires broadcasters, producers and content creators to do more by creating content for more than

one platform. Under the new CMF every TV show it finances must be accompanied by content on a digital platform, such as streaming the tv show, building a simple brochure site or, for at least 50% of a broadcasters' CMF programs, building value-added digital content. While the first two can be easily financed by the broadcasters themselves, value-added content requires third party financing in addition to what is being provided by CMF and broadcasters. There just isn't enough money in the system to cover the shortfall. The answer is not to reallocate more money from broadcast to digital content. We cannot compromise the quality of our television content. We must remember that the bulk of viewing is still to TV. According to a recent Nielsen study in the U.S. 99% of screen viewing is still TV and according to the CRTC's annual Communications Monitoring Report an increasing proportion of viewing of video online is of traditional TV.

Private sector investment is not a viable alternative as there is not yet any secure business models available to guarantee a return. Yes, there have been a few successes such as Club Penguin and Justin Bieber but they are the exception to the rule. What do we need to ensure a Canadian presence in the

digital world? We need the government to extend the current Canadian Film or Video Production Tax Credit to linear original web series so that online distribution on a Canadian-owned site also acts as trigger for the tax credit. We also recommend that the government create an interactive digital media tax credit modeled after several successful provincial digital media tax credits. However, to ensure that such federal funds support Canadian talent as well as producers and crews, there must be a Canadian Content certification system for digital media similar to CAVCO. The WGC has been recommending that the top 5 highest paid creative talent must be Canadian in addition to current funding rules which require 75% of costs to be spent in Canada and Canadian ownership and control of the project. This will not be hard to do.

We also need the ISPs like Rogers and Shaw to make an appropriate contribution to Canadian content. They are not just dumb pipes. For one thing, due to graduated fees, ISPs earn more revenue when consumers download more rich media content. With our colleagues in the independent production community we recommended to the CRTC at their New Media hearing last year that ISPs make an appropriate

contribution to the creation of content that they carry through a levy. Even though the CRTC chose to extend the New Media Exemption Order and not impose a levy we still see the need for ISPs to make a contribution to the creation of the Canadian content that they benefit from.

We look forward to the government's public consultation on the National Digital Economy. We will look to ensure that any National Digital Strategy includes the following:

- An updated Copyright Act.
- Terms of trade.
- Expand the Canadian Film or Video Production Tax Credit and create an interactive digital media tax credit.
- Maintain Canadian ownership and control requirements on telecommunications and broadcasting

We thank you for your time and look forward to answering any questions that you may have.