

Public Hearing 2006-5

**Review of Certain Aspects of the Regulatory
Framework for Over-the-Air Television**

**Writers Guild of Canada (WGC) Oral
Presentation, December 4, 2006**

**Maureen Parker, Executive Director
Kelly Lynne Ashton, Director of Industrial & Policy Research,
Rebecca Schechter, President
Suzette Couture, Screenwriter
James Hurst, Screenwriter**

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MAUREEN: Good morning, members of the Commission and Commission staff.

My name is Maureen Parker and I'm the Executive Director of the Writers Guild of Canada. We represent more than 1800 professional screenwriters across Canada who create the Canadian entertainment we enjoy on our televisions, movie screens, radios and computers.

To my right is Rebecca Schechter, President of the Writers Guild and an award-winning, experienced screenwriter.

On my left is Suzette Couture – another award-winning screenwriter who has worked both in the U.S. and Canada. Suzette has won the prestigious Humanitas Award for her miniseries,

Haven, and her CTV movie, *The Man Who Lost Himself*, was last year's most watched Canadian television movie.

Beside Suzette is James Hurst, who is the executive producer and head writer of one of Canada's most enduring and popular television shows – *Degrassi: The Next Generation*.

Also joining us today is Kelly Lynne Ashton, our Director of Industrial Policy and Research.

I remember well appearing in front of this commission in '99 to comment on the regulatory provisions as they stood at that time. We were concerned about the effects of reality programming, the limitations of the export market, and the consequences of media consolidation and market fragmentation.

In response to those challenges, the CRTC revised its television policy and decided – among other things – to remove expenditure requirements for priority programming, including drama. While this was well-intentioned, the outcome has been disastrous.

Over the last week broadcasters have been saying the sky is falling and conventional television is dying. But the CRTC's own statistics show that the average Canadian is watching more TV. While it is true that conventional broadcasters' share of the ad revenue pie is declining – the actual dollar amount of revenue is increasing. If only the rest of the industry were so lucky.

Here's the story our stats tell us. In 1998 – 61% of our members' earnings came from writing adult drama series. By 2005, that figure dropped to 47%. That's because work shifted from high-quality one-hour dramas to lower budget animation and kid shows, and writers' overall earnings dropped.

In '99, CTV and Global produced three one-hour adult drama series each – totalling over 100 episodes. By 2005, they were producing only three one-hour series between them, for a total of 39 episodes. That's 60 episodes less of one-hour drama. Global, in particular, shifted to half-hour low-budget productions, such as *Train 48*, to meet its drama commitment.

After 1999, writers were increasingly forced to look for work south of the border – and today, 25% of our membership resides in the U.S. and works in both markets.

So, in a nutshell, here's how the '99 TV policy affected us: By 2005, less than half of Canadian writers' earnings came from series drama. The volume of one-hour adult drama dropped by over 60% – and was partially replaced by lower-quality half-hour fare. And now, over one-quarter of our members live and work in the U.S.

The CRTC is obligated to protect the public's interest, so why should you care about the writing community? Because writers are the canaries in the coal mine. Their earnings are a clear indicator of the level of domestic production.

When we look at CRTC stats we see that English-language conventional broadcasters spent \$54 million on Canadian drama in 2005 – down from \$73 million in 1998. In addition, the percentage of advertising revenues spent on Canadian drama dropped from 5% to 3.2% – the lowest level in eight years. And that even includes the CTV transfer benefits. That's atrocious.

REBECCA: Canada is in a unique position. We live next door to the largest exporter of English film and television programming in the world. I love television, and as a connoisseur of good TV I can say that Americans make some of the best entertainment programming in the world – and they should – because entertainment programming is their number one export.

Americans are very smart, they use their shows to sell their way of life to the rest of the world, including Canadians. We need to offer Canadians the ability to see their way of life on TV. We have our own sense of humour, our own values, our own history, and our own daily experiences. And the best way to showcase our differences is through television. Over 90% of Canadians have access to over-the-air television, making it the most popular and accessible form of entertainment we have.

Broadcasters are saying we should let the market rule – but if you go this route – due to our smaller size and proximity to the U.S. – we would have no Canadian content in TV, music or publishing. But given the opportunity, and if it's well done, Canadians will watch, read or listen to Canadian products.

They are also saying drama is too expensive to produce, yet their spending on foreign drama continues to grow. And why are they

buying foreign drama? Because drama, in particular one-hour drama, remains the most popular form of entertainment programming the world over.

When Canadians watch television, one-hour dramas are what they want to watch. It is not a coincidence that eight of the top 10 rated programs in Canada are one-hour U.S. dramas¹.

One-hour dramas give you a huge canvas – sometimes 100 hours to tell a story. In an hour form you can tackle weighty themes that you can't touch in a half-hour show. You can create the perfect blend of plot and character that makes satisfying, addictive drama that gets deep inside the viewer. That's why audiences love it.

Some are saying there is no demand for Canadian one-hour drama. But CTV's audience numbers show that Canadians are watching television movies and half-hour dramas like *Degrassi* and *Corner*

¹ BBM numbers for the week of November 13 to 19, 2006.

Gas. Surely Canadians would watch a one-hour drama if it was done well. And if this country can't produce a quality one-hour drama of its own, Canadians will watch someone else's.

SUZETTE: But if you want to see some great Canadian TV shows, you should tune into the American networks because that's where most of us are working now. Writers like David Shore, who wrote for *Due South* and *Traders*, is now the creator of the U.S. hit *House*. And Hart Hanson, who was showrunner on *Traders*, is the creator of *Bones* for Fox. And we are in danger of losing the next generation of writers – permanently.

I now work both in the U.S. and Canada. But I still prefer to work in Canada. I believe that your best work comes from writing about what you know.

Our industry is challenged by problems. First, there are very few opportunities, and if a Canadian writer is fortunate enough to get a

job, there is rarely enough money for development or production. And both are equally important. U.S. broadcast executives know development makes a huge difference in determining whether a script will work or not. In the U.S., ten scripts are developed for every one that is produced. And then only the very best are broadcast.

In Canada, development money is in short supply – only 3.2% of the Canadian Television Fund is attributed to English script development. This affects the quality of our productions. More development equals better television shows.

The lack of money also plagues the production phase. According to CTF statistics, broadcasters contribute, on average, a licence fee of at most, 25% of the total budget for a one-hour drama. These are among the lowest licence fees paid in the world for domestic drama. The fact is, drama is the most expensive type of program to make. On average, one hour of Canadian drama costs 1.2

million dollars, whereas a half-hour magazine show like eTalk costs around \$120,000 to make. Broadcasters have to up their licence fees if we want more shows like *Corner Gas*, *Degrassi* or *Slings & Arrows*.

If you do get your program made – the chances of getting a reliable slot in prime time during the months of October to May are pretty slim. That's because there are few prime time slots available for Canadian programs. Most of the schedule is filled with simulcasts of American programs.

Everyone at this table was astonished to hear Global say last week that they are committed to drama. Global even complained about not getting a fair share of the Canadian Television Fund – but the irony is that their envelope is calculated on how much Canadian programming they have produced in the past. Currently, there is only one Canadian drama series on air in Global's prime time schedule.

That's discouraging for professional writers. It is even more discouraging for emerging writers who want a career in this country – but ultimately, this means no Canadian television drama for Canadian audiences.

Beside me is one of the few screenwriters in Canada who has a show on the air in a regular time slot – the showrunner from one of Canada's most successful series, *Degrassi: The Next Generation* – James Hurst.

JAMES: Thanks Suzette. I started at *Degrassi* in 2001 as a story editor. Since that time I have worked on 100 episodes of our show – which allowed me to learn what works with an audience. Some broadcasters have made the pitch for quality over quantity. But granting time bonuses for Canadian content productions actually means airing fewer Canadian shows. As a professional writer, I can tell you that's the wrong way to go. You can't make quality

programs that Canadians want to watch by producing only one series a year. And you can't build an audience on limited runs and repeats.

Part of the reason why *Degrassi* has been such a hit both here and in the U.S. is because it has a regular spot on CTV's prime time line-up, and it has been promoted well. It also is different from other teen shows. We have developed a loyal following because we tackle topics like abortion, homosexuality, and drug use that the U.S. networks are hesitant to touch. But for the most part, our American broadcaster has accepted our stories because of the manner in which our experienced writers handle these topics. And our Canadian audience loves the show because they see real teenagers living in a recognizably Canadian setting.

As the guardian for the Canadian audio-visual industry, the CRTC can't underestimate how important this is. We are a vast country, filled with different languages and traditions – but television binds

us together and shows us the traits and values that make us Canadian, no matter where we live. We want to have our national identity reflected back to us in our television programs.

Throughout these proceedings you have heard that it is impossible to regulate content because of the Internet, and that no one is watching traditional television anymore. That's just not true. The CRTC's 2004-2005 monitoring report tells us that overall per capita television viewing numbers increased from 23.7 hours per week to 25.1 hours. This is further supported by a Stats Can study which found that there was no difference in TV consumption between heavy Internet users and non-users. And my experience tells me that the Internet will not detract from traditional broadcast either.

CTV is airing *Degrassi* and other Canadian and American shows online. CTV decided to do this because watching a show on your computer is quite different from watching it with your friends. We

think the Internet broadcast is going to drive traffic to the show and generate excitement about the upcoming season. The same goes for the webisodes I wrote for the show. They are intended to compliment the half-hour program and reward our faithful viewers.

I'm now in my sixth year at *Degrassi*, and if it wasn't for the chance to write for this show my colleagues and I wouldn't have been able to go on and create other shows – such as Global's new dramas – *The Best Years* and *Da Kink in My Hair*. The ability to work on a long running show, in a competitive, ratings-driven industry, provided all of us with the opportunity to learn our skills and apply them to new experiences.

But when I look at the marketplace I see that my options are pretty limited. Despite having worked on an award-winning show that's sold all over the world – when this gig is over – it's possible I won't have a show in production for several years.

But in the U.S. I wouldn't have to start from scratch again. I would probably be given a development deal to come up with another show. And that's the difference between staying here and moving to the U.S. for everyone in this industry.

MAUREEN: There's no denying that there is less Canadian drama on the air. There's less in development, and less in production.

According to the Commission, regulation is needed when the goals of the Broadcasting Act cannot be met by other means. We're here to tell you that regulation is needed now.

Two years ago you introduced incentives because you realized drama was in trouble. But despite those incentives, and required benefits spending, drama expenditure has continued to plummet.

We have waited seven years for the television policy to be reviewed. This is a watershed moment for the CRTC. We need a

revised policy with expenditure requirements that will apply equally to all over-the-air broadcasters.

We are asking that these broadcasters spend 7% of their ad revenues on Canadian drama. This is a totally fair and very reasonable requirement. When revenues are up, they will spend more – when revenues are down, they will spend less.

Please ensure that Canadians have the choice to see Canadian drama on TV.

Thank you.