



Introduction

Entertainment One (eOne) is fiercely committed to maintaining a vibrant and dynamic film, television, music and digital media content ecosystem in Canada. We are encouraged by the Department of Canadian Heritage's (PCH) ongoing efforts to re-evaluate and refine our current cultural policy toolkit, and we are pleased to contribute to the important discussion about Canadian content in an increasingly digital world. That said, we also recognize that the strength and success of our media industries to date has been largely driven by Canada's unique regulatory framework, and changes to our cultural policies should not be taken lightly. We believe one of the best ways to set up Canada's cultural sector for growth is to recognize that in order for high-value, long-form Canadian content to compete globally and resonate with international audiences, we need a policy framework that supports Canadian companies of scale and expertise with the ability to take creative and financial risks on the research and development, production, and export of high-value Canadian content. Ultimately, this will help to ensure revenues earned on Canadian cultural products and the value of Canadian content IP remains in the hands of Canadians.

About Entertainment One

With offices in Toronto, Vancouver and Montreal, eOne is Canada's largest independent studio and leading producer and exporter of English- and French-language film, television, music and digital content. Although we are an international independent studio with offices all over the world, our roots are in Canada and we are proud to be headquartered in Ontario. Currently, within Canada eOne employs over 800 full time employees.

Last year, eOne delivered 500 hours of television programming, distributed over 200 theatrical releases on a global basis, and budgeted over \$630M towards television content development and production. Over the past six months alone, we had over 15 series in production in Canada, including: *Private Eyes*; *Mary Kills People*; *Cardinal*; *Ransom*; *ICE*; *You Me Her*; *Rogue*; *Saving Hope*; *Chopped Canada*; *This Is High School*; *First Dates Canada*; *Chuck and Danny's Road Trip*; as well as *Designated Survivor* and *Conviction*, both produced by eOne's The Mark Gordon Company. We have a vibrant history of supporting English- and French-language Canadian feature films made in Canada, including Jay Baruchel's upcoming release *Goon: Last of the Enforcers*, Xavier Dolan's upcoming English-language debut, *The Death and Life of John F. Donovan*, Michael Dowse's *The F Word* and David Cronenberg's *Maps to the Stars*. We also represent some of Canada's most talented music artists, including Arkells, BadBadNotGood, and Chromeo alongside other popular artists like The Lumineers and The Game. Through our ownership of digital studio Secret Location, we are also committed to investing research and development dollars in the future of storytelling and next gen distribution with our work in virtual reality and emerging digital platforms. A large part of our success is due to our country's supportive environment that allows our homegrown talent and content to thrive.

Canada is a global leader in arts and culture. As mentioned in PCH's September 2016 consultation paper, *Focusing the Conversation* (page 5):



*“Canada produces excellent content and the Government, alongside the private sector and Canadians themselves, has a long history of investing in the creators, institutions and businesses that produce this content. Now is the time for **bold action** – to build on these strengths and invest in Canada’s culture dividend.”*

We agree that any policy changes should *build on* the strength of our existing cultural system and not risk dismantling the success we’ve achieved to date. Were it not for many of the policy levers currently in place in our film and television ecosystem, the industry would not be as healthy as it is today. Among other resources, our feature film units have had great success leveraging the Telefilm Marketing Fund to help promote Canadian feature films and in TV, tax credits have been a key driver of production in Canada.

Creativity & Economic Growth: A Focus on Distribution and Export

As you and your team re-examine our national cultural policy toolkit, we ask that you focus on the export value of Canadian film and television content, and examine content and intellectual property (IP) in tandem.

We believe that in order to build a more sustainable industry and ensure that revenues derived from the sale of Canadian content continue to be reinvested back into the Canadian content ecosystem, at a time when we are seeing more and more foreign players working within our borders, greater support of Canadian sales and distribution companies is required.

It is our observation that the distribution and export space is an overlooked area of the Canadian content value chain. In our view, Canadian-based content distributors and exporters play a vital role in our industry as critical investors in Canadian cultural products. It is crucial that we build a policy framework that addresses the value chain of IP holistically – from development to production and ultimately to export – to ensure we retain revenues of Canadian cultural products here at home.

Our cultural policy system should better support risk-takers - Canadian sales and distribution companies who invest in Canadian content and export Canadian culture globally. An important question to explore is whether foreign distributors should have the same access to Canadian cultural products as Canadian distributors for export in the international marketplace. We would recommend an incentive-based policy for Canadian producers and creators who choose to work with Canadian distributors to export their product outside of Canada’s borders. This is particularly important in light of the CRTC’s decision to loosen the points system for Certified Independent Production Funds: a direction that we support provided safeguards are put in place against potential foreign content ownership. We should ensure that established foreign players aren’t able to exploit loopholes to unfairly benefit from toolkit incentives intended to support Canadian-owned creators and producers.

Further, we encourage the government to explore new ways of supporting talent development. The export value of our film, television and music content rests entirely on the level of creative



talent behind the scenes and our ability to take that story out to worldwide audiences. Canada's creative talent pool is first-class; however, we need a policy framework that retains our best talent and further strengthens the Canadian cultural brand. In an increasingly competitive global landscape, when faced with unlimited choice, Canadians and global audiences will only tune into content that is *excellent*. To this end, exporters must be incentivized to support creative and financial projects that require a high degree of risk-taking.

Our Recommendations

Overall, we want to establish a policy framework that continues to strengthen the Canadian content value chain so our cultural products can better compete within the global marketplace. Looking ahead, to begin working towards accomplishing the above-stated goals, we suggest the following:

1. **Codify a Canadian feature film distribution policy that prioritizes independent, Canadian-owned and controlled companies over foreign players.** In order to sustain a vibrant Canadian film distribution sector that supports Cancon and reinvests in our economy, it is imperative that a formal policy framework be drafted to address the current legislative vacuum in the film distribution space;
2. **Uphold broadcaster commission and exhibition requirements for Canadian feature films and television programs,** to recognize the continued value and vitality of long-form, linear content. Requiring broadcasters to not only invest in Canadian content, but to give that content meaningful space on our airwaves will ensure that our stories are discoverable and accessible to all Canadians. To that end, we would also suggest that the government:
 - a. **Establish the CBC as the home of Canadian feature film,** by mandating that a portion of the government's CBC funding be directed towards licensing fees for Canadian feature films, with the goal of airing one new Canadian theatrical feature film release each month; and
 - b. **Maintain a minimum primetime airing requirement for Canadian content on our CRTC-licensed Canadian broadcasters.** We believe broadcasters should lean into their Cancon obligations and further bolster their investment by ensuring Canadian content airs when viewers are most likely to tune in. The primetime timeslot enhances a project's export value and helps to catapult a series to success both domestically and internationally.
3. **Implement market-triggered support mechanisms for research and development and/or marketing expenses** (including international marketing initiatives). This would not only support the creation of high-value Canadian content, but also ensure that audiences around the world know about Canada's great cultural products. Programs where Canadian-owned distribution companies are able to apply for marketing funds for their slate of programming (including assistance for promotion of product at international film and television markets and festivals) will give our productions increased recognition on the world stage;
4. Ease administrative burdens by **streamlining funding applications processes across all levels of government.** Currently, there are numerous application processes for certification of



Canadian content that often result in costly, duplicated, protracted efforts on the part of Canadian production and distribution companies. An examination of how to streamline application processes so as to enable efficient, responsive, and collaborative service would positively impact both government resources and user-experience;

5. **Maintain and support the programs that are already working to produce great Canadian content.** Continued support of programs including, but not limited to, equity funding through Telefilm and the CMF, tax credits, the Film Distribution Policy, and Telefilm domestic feature film marketing support will ensure that the successes we've experienced to date will not be eroded and our cultural industries will continue to be well positioned to thrive on the global stage. We encourage PCH to approach changes to Canada's cultural policy framework guided by a philosophy of "do no harm," with a look to the future.

Conclusion

Entertainment One looks forward to continued discussions with PCH to ensure an environment that respects citizen choice, supports creators, ensures diversity, and drives social and economic innovation. We welcome the opportunity to engage with PCH and our peers in the industry to move these issues forward and ensure the continued strength of the industry and of Canadian content.