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Mr. Stéphane Cardin
Canada Media Fund
VP, Industry and Public Affairs
50 Wellington Street E, 4th Floor
Toronto ON, M5E 1C8

Dear Stéphane,

Further to discussions held during the CMF industry working groups, we would like to respond to some of the proposals brought forward by the CMF and, for good measure, add a few of our own.

POV PROGRAM

DOC is pleased to see that 16 of the first 20 projects greenlit in the first year were able to finalize their funding. We hope that the final 4 are able to find broadcasters by the Dec 5th deadline.

As for the 2011-12 projects, we hope that the 13 projects that did not have broadcaster participation at the time of the POV deadline will be able to secure a broadcaster by this deadline. We believe that with some modifications, the POV Program will be even more successful next year.

DM Component

The POV program was created to support a genre that Canadians value and that attracts viewers on multiple platforms. POV documentaries should not further be disadvantaged by foisting more requirements upon them that make them less attractive to broadcasters, such as the digital media component. As we have mentioned in the past, we don't believe that a rich and substantial component is applicable to every project. The CMF should acknowledge the producer's experience in knowing what digital strategy is most applicable to a given project.

DM Weighting

In 2011-12, the POV program's evaluation grid was altered to favour DM components without notification to the producers. The end results skewed favourably for those projects with DM components, even if they didn't have broadcaster participation. Given the structure of the fund whereby all convergent projects require a TV component, and considering how difficult it is for producers to find broadcasters to licence POV projects, we recommend that the CMF consider altering the evaluation grid.

DOC recommends the following:

- 1) That the production company and project feasibility criteria overlap;
- 2) That the production company criteria be replaced by a DM Component section, which would receive the same weighting of 10 points;
- 3) Subsequently, we propose that the innovation criterion from the creative section be removed.

Harmonizing POV tax credits caps with Terms of Trade

After the establishment of the terms of trade agreement between the CMPA and the English private broadcasting corporate groups, the requirement that producers should invest 90% of their tax credits is no longer applicable. The agreement states that producers can only invest 75% of their tax credits. DOC recommends that the CMF align its programs with this guideline.

Essential Requirements/Requirement to be shot in Canada

The success of many strong and powerful POV documentaries is the fact that they bring a Canadian perspective on international issues. *Up the Yangtze*, *the Market*, and *Raw Opium* are such examples. DOC questions why the CMF would limit the subject matter and scope of the productions funded by the POV Program by requiring them to be shot in Canada and that they be 4ER documentaries. DOC recommends that the CMF consider removing these requirements from the POV Program guidelines.

2011 POV projects that have yet to secure a broadcaster commitment

In the first year of the POV Program, the majority of the projects did not have a 15% broadcaster licence commitment. Now, 80% of the projects are fully financed. In the second year of the POV Program, the same trend emerges: the majority of the projects submitted to the program did not yet have the 15% broadcaster licence commitment at the time of submission.

It appears that POV projects take longer to secure broadcaster commitments than 8 months. As the Dec 5th deadline approaches, DOC would like the remaining 13 POV projects to be given the best opportunities to secure broadcaster licences. We recommend that POV projects that do not have a broadcaster commitment by Dec 5th of the funding year be grandfathered into the next year, thereby extending a final deadline to October of the next funding year.

The CMF's board has emphasized that it wishes to see more money flowing to programming. We agree that this money should be delivered to its intended

audience. We propose that whatever sum of money remains unallocated when projects fail to secure broadcaster interest be reinvested into the POV Program.

Similar to the English Production Incentive, following the October deadline, the money would be available to all eligible projects on a first come, first serve basis until depletion. Eligible projects are any POV project that have met the evaluation criteria, and also have the 15% broadcaster trigger. Projects that had their CMF funding revoked could reapply if they have secured the 15% broadcaster trigger.

REGIONAL

During the Regional working group, the CMPA and Film Ontario presented a number of proposals regarding regional production. DOC supports their proposals with the following caveat: that the replacement for the English production incentive program should be distributed by province and not by region as proposed by CMPA et al.

CONVERGENT PROJECTS

After the Convergent projects working group, DOC would like to articulate its support for the following proposals described in the working group:

- 1) The CMF should increase its funding contribution to DM components.
- 2) The CDMI funding contributions should be made in addition to the envelope funding.
- 3) And only 50% of all projects funded by the development envelopes should be required to have DM components.

These measures will provide funding for the right projects and help develop digital media capacity for stakeholders. Finally, by relaxing the development fund's eligibility requirements, the subscription rate to this program will increase.

PERFORMANCE ENVELOPES

Kickstarter Envelope for New Entrants

DOC supports the CMF's efforts to try and bring new entrants into the CMF system; we're especially supportive of the kickstarter amount. It would provide smaller broadcasters and new entrants the support needed to begin producing Canadian content.

Original First Run Factor Weight

DOC acknowledges that the CMF will be introducing the original first run factor to the documentary envelope. We request that the CMF be mindful of the reach of

different broadcasters that support documentaries when applying this factor to the documentary envelope. Moreover, given that 2012-13 would be the second year of the OFR factor weight, we consider it to be premature to switch the factor weights from 40% THT and 15% OFR to 15% THT and 40% OFR.

Simplification Options

DOC fully endorses the CMPA's November 4th 2011 letter regarding its recommendations about the simplification options.

Conclusion

DOC appreciates the ongoing consultation process between the CMF and its stakeholders. We hope that you take our proposals under consideration. If the CMF does implement guidelines for a two year period, we must form the best guidelines for the needs of the various constituents of the CMF.

Please feel free to contact us if you have any questions regarding our proposal.

Best regards,



Lisa Fitzgibbons

cc Nathalie Clermont