



SCREEN COMPOSERS
GUILD OF CANADA

SCGC

GUILDE DES COMPOSITEURS
CANADIENS DE MUSIQUE À L'IMAGE

COPYRIGHT IN THE 21ST CENTURY FOR THE CANADIAN SCREEN-COMPOSER

Remuneration Models for Artists and Creative Industries

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Presented to:

The Standing Committee on Canadian Heritage

**THE SCREEN COMPOSERS GUILD OF
CANADA**

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Introduction

The Screen-Composers Guild of Canada exists to represent the rights and interests of our members with producers, broadcasters, government agencies and other relevant persons and entities. This brief advocates for the four recommendations presented in Music Canada’s document, *The Value Gap*,¹ and the Canadian Music Policy Coalition (CMPC) *guiding principles — ten recommendations*. Screen-composers have some unique stories to share and that is why we are here to meet with you in person. Our representatives are veteran Canadian screen composers Ari Posner and Paul Novotny.

Our Story

Unlike songwriters or performing artists, you probably don’t know our members by name, but chances are good that you’ve heard our work in your living rooms or on your devices while you’ve enjoyed some of the many films and TV shows we’ve scored. Ari Posner co-wrote the music for five seasons of the Canadian made series *Flashpoint*, which originally aired on CTV here in Canada and on CBS in the United States. Currently he is scoring *Anne with an E*, which is a modern adaptation of the world renowned *Anne of Green Gables* stories, by Lucie Maude Montgomery. Paul Novotny composed the music for CBC’s *The Hour* with George Stroumboulopoulos, *CBC News Now* and *CBC The National*. His music underscored CBC’s coverage of the horrific 9/11 attacks seventeen years ago.

The front line

Anne with an E places Ari at the front-line of the “screen-media/copyright” discussion, because his work is distributed terrestrially on the CBC, but also digitally to international audiences by Netflix. In 2017, *Anne with an E* was released instantly to 190 countries around the world. Out of the Netflix original content that year, it was the fourth most binge-watched (customer-selected and self-served) show on the network. And yet, Ari is experiencing a staggering 95% drop in public performing royalties by comparison to traditional distribution. Paul recently composed music for the Canadian short film *Mishka*, by the young Canadian writer/director Cleo Tellier. *Mishka* has now surpassed 20 million YouTube views since April 22, 2018, but because it is on YouTube, there is no indication available that a proportionate music copyright remuneration can be distributed. As we see here, self-serve is how media is consumed in the 21st century, but for screen-composers, the Canadian copyright system is still operating in the 20th century.

¹ <https://musiccanada.com/wp-content/uploads/2017/10/The-Value-Gap-Its-Origins-Impacts-and-a-Made-in-Canada-Approach.pdf>

Screen media music and copyright remuneration, how does it work?

Like screenwriters and directors, screen-composers are recognized as *key creative* people in the interdisciplinary craft of screen-media. Screen-composers are the first-owners of their copyrights. From nothing, screen-composers invent a music score and then produce a fixed *sound recording*, resulting in music copyrights that live alongside a bundle of motion picture copyrights. Our work is then consumed domestically and exported internationally via the distribution networks afforded by technology. These shows sell around the world, presenting Canadian stories and talent. They generate revenue for the rights-holders and bring internationally derived revenue back to Canada through licensing fees from sales governed by copyrights.

Follow the money

When a TV show airs terrestrially, (including cable & satellite) a portion of the advertising revenue earned by the broadcaster makes its way back to a composer and their music publishing company in the form of a “public performing rights royalty”, and a “physical/digital reproduction rights royalty.” Through the work of SOCAN, our world-leading performing rights organisation, revenue based on tariffs approved by the copyright board is collected and distributed to screen-composers as the show is sold and broadcast around the world. Our remuneration is tied directly to the success of the show. If it sells and plays more, as *key creatives*, we receive our portion of money for that success.

Specifically regarding *Anne with an E*, the Netflix remuneration continues to be negligible as the show prepares for its third season. With regard to YouTube, which is owned by the advertising company Alphabet-Google, minuscule revenue distribution is being reported by our members. Royalties from the large streaming services, like Amazon and Netflix, are 50 to 95% lower when compared to those from terrestrial broadcasters. Statistics like this indicate that our veteran members will soon have to seek employment elsewhere and young screen-composers will have little hope of sustaining a livelihood. Copyright remuneration is a screen-composers lifeblood and provides income between contracts.

Developments since September 17th, 2018

Since our previous meeting with the Standing Committee on Canadian Heritage, there have been developments. At that time we suggested a copyright levy to stem the alarming erosion of public performance and reproduction copyright remuneration.

As previously stated, that levy is an idea in principle, it has not had econometric analysis, therefore it is not yet an affirmed SCGC policy, but early introduction of the idea has served a valuable purpose, it has engaged Canadians from coast to coast on the topic of copyright reform.

We acknowledge both the negative and positive reception of this idea, and urge everyone to accept that copyright for the 21st century is a very complex topic. While Canada brainstorms on copyright, absolutist rejection of ideas must be measured fairly with absolutist acceptance. Levies are controversial because they are often conflated with the negative stigma of a tax. However, with the understanding that; levy's apply to subscriptions in order to re-balance economic conditions that are not naturally correctable, levy's remain a widely used economic tool around the world.

Recent suggestion of the SCGC-CM levy has brought forward significant social media reception, indicating that not only do screen-composers need brisk improvement of copyright policy, so do all Canadians, and the proof is manifested by the *hot sentiment* we have endured over the last four weeks. The SCGC has effectively engaged the entire country in this discussion.

Look ahead

Another significant day-to-day challenge for our SCGC members is located in undergraduate education. Some screen-composers teach at the Canadian college or university level. Our students will be the next generation of screen-composers, and with an understanding of their student debt levels, the hypocrisy of presenting an optimistic vision of our industry while possessing knowledge of the alarming decline in copyright remuneration is very difficult. Canadian 21st century copyright must consider this disconnect and respond quickly as there are hundreds of yearly Canadian music graduates.

The Value Gap

Minuscule copyright remuneration from plentiful media consumption over streamed digital distribution networks is disproportionate, resulting in a woeful business climate for our membership. This *Value Gap* is real and we have evidence of it from our SCGC members who are here with you today. It is essential to observe that under the copyright system, unlike most any system of fair trade market interchange, screen-composers rely on Government policy to set a price for the ongoing consumption of their product. Current Canadian copyright policy seems to be disadvantaging our membership by not providing a sustainable revenue stream for consumption of a digital media stream, so we are asking the committee to consider and respond with their support for our requests and recommendations.

SCGC requests and recommendations

- Firstly, we ask to be at the governments side as it crafts fair-trade, technomoral copyright policy for the 21st century. We want to contribute. What's more, we endorse transparency and disclosure as primary principles of 21st century copyright, so as to respect every constituent in the value-chain of screen-media, including the consumer.
- We believe that 21st century copyright remuneration must be technologically agnostic, meaning that regardless of the method of digital distribution, screen-composer copyright remuneration sustains. A stable and proportional stream of royalties would offer hope of a future livelihood for young screen-composers.
- Our philosophical vision for Canadian copyright policy is to align with other countries and economic unions who embrace copyright protection for music creators. The recent approval of Article's 11 and 13 in the EU identify our colleagues. Canada must adopt a long-term commitment, championing copyright remuneration as an economic tool that helps to sustain the livelihood of its community of music creators.
- You can help us by endorsing all of the recommendations found in Music Canada's *Value Gap* report and the 2017 CMPC document titled, *Sounding Like a Broken Record*.

Summary

The digital-subscription self-serve model for content streaming has firmly taken hold in the 21st century. Responsive copyright shepherds the creative economy and its ecosystem. Like mother nature, copyright policy must quickly intervene to restore balance when there is exaggerated disruption that may result in extinction. Screen-composers are your constituents, they have a community and contribute great social value across Canada and internationally — just imagine watching *Anne with an E* without music to understand the value of screen-music for yourself. Screen-composers need Canadian copyright policy to have their back and look ahead to the 21st century. Thank you for considering our recommendations and we hope that our testimony will help your committee to implement policies that enable fair-trade copyright remuneration for screen-composers in the 21st century.