

Briefing for Minister Beare on MPA-Canada Economic Recovery Proposal to The Federal Government

From: Noss, Wendy <wendy_noss@motionpictures.org>
To: daniela.gardea@gov.bc.ca, Hold - 200921 - Gardea, Daniela TAC:EX
Cc: Asha Bhat <Asha.Bhat@gov.bc.ca>, Brouwer, Shauna FIN:EX
<shauna.brouwer@gov.bc.ca>, Grieve, Sydney
<sydney_grieve@motionpictures.org>, Bhat, Asha TAC:EX, Brouwer, Shauna
TAC:EX
Sent: May 12, 2020 2:14:57 PM PDT
Attachments: MPAC May 2020 Policy PDF[1].pdf

Good afternoon Daniela,

As jurisdictions across the country start to navigate reopening and sector-specific recovery, we would like to work with Canadian Premiers in key production provinces to build support for proposals we have made to the federal government for measures to help restart employment opportunities for Canadian workers and businesses.

Our plan includes several proposed federal initiatives to help kick-start the sector, with global studios well positioned to support and accelerate rebuilding while creating economic opportunity for the thousands of British Columbians and B.C. businesses supported by the film and television production industry.

We would like to ensure Minister Beare has the opportunity to be briefed before reaching out to the Premier's office. Appreciating the demands on the Minister's schedule at this critical time, I was hoping we could find 30-45 minutes to review the outline of the proposals, as set out in the attached summary. In polling Canadians generally and British Columbians specifically to gauge support for our proposals, the results reveal a strong desire to see Canadian policy adapt to the COVID-19 reality and put in place measures that can trigger a faster recovery and at the same time build a stronger ecosystem for film and TV work in the future.

I have also taken the liberty of copying Shauna/Asha for their awareness.

Please do let me know a time the Minister is available to discuss.

Many thanks,

Wendy

Wendy Noss

Motion Picture Association-Canada

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A grayscale image of Sonic the Hedgehog running towards the right. He is in a dynamic pose with his arms and legs extended. The background is a dark, textured surface.

**APRIL 23-30, ONLINE NATIONWIDE
1500 ADULT CANADIANS**

**CUSTOM RESEARCH CONDUCTED FOR
MPA CANADA**

**CANADIAN OPINION
ATTRACTING FILM AND TV PRODUCTION
IN A POST COVID19 CONTEXT**

ABACUS DATA

MPA CANADA

Page 03 of 41 to/à Page 15 of 41

Withheld pursuant to/removed as

Copyright

REQUEST FOR BULLETS AND STAFF RE: Briefing for Minister Beare on MPA-Canada Economic Recovery Proposal to The Federal Government

From: Dunnett, Jennifer TAC:EX <Jennifer.Dunnett@gov.bc.ca>
To: Berkes, Andrea TAC:EX <Andrea.Berkes@gov.bc.ca>, Morton, Anna TAC:EX <Anna.Morton@gov.bc.ca>
Sent: May 19, 2020 11:39:35 AM PDT
Hello,

I was asked today to schedule a call with Wendy Noss from Motion Picture Association-Canada for this week. This is confirmed for Thursday, May 21st from 8:30am – 9am.

Could I please request bullets and staff? They will be briefing Minister on their Economic Recovery Proposal to the Federal Government. I believe Asha may have already seen the deck that they will be going over.

Please let me know if we can confirm Asha's attendance for this meeting.

Thank you!

Jennifer Dunnett | Administrative Coordinator
Minister's Office | Ministry of Tourism, Arts and Culture
Room 151, Parliament Buildings
Cell: 250.896.4349 | Ph: 250.704.3034
E: Jennifer.Dunnett@gov.bc.ca

On May 12, 2020, at 3:59 PM, Gardea, Daniela TAC:EX <Daniela.Gardea@gov.bc.ca> wrote:

Hi Minister,

Asha has no initial flags about this but will review the deck. Wanted to flag it for you in case you want to book it sooner rather than later. I assume Asha will have reviewed the deck by tomorrow.

From: Noss, Wendy <wendy_noss@motionpictures.org>
Sent: May 12, 2020 2:15 PM
To: Gardea, Daniela TAC:EX <Daniela.Gardea@gov.bc.ca>
Cc: Bhat, Asha TAC:EX <Asha.Bhat@gov.bc.ca>; Brouwer, Shauna TAC:EX <Shauna.Brouwer@gov.bc.ca>; Grieve, Sydney <sydney_grieve@motionpictures.org>
Subject: Briefing for Minister Beare on MPA-Canada Economic Recovery Proposal to The Federal Government

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We would like to ensure Minister Beare has the opportunity to be briefed before reaching out to the Premier's office . Appreciating the demands on the Minister's schedule at this critical time, I was hoping we could find 30-45 minutes to review the outline of the proposals, as set out in the attached summary. In polling Canadians generally and British Columbians specifically to gauge support for our proposals, the results reveal a strong desire to see Canadian policy adapt to the COVID-19 reality and put in place measures that can trigger a faster recovery and at the same time build a stronger ecosystem for film and TV work in the future.

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Motion Picture Association-Canada

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<MPAC May 2020 Policy PDF[1].pdf>

FW: Briefing for Minister Beare on MPA-Canada Economic Recovery Proposal to The Federal Government

From: Noss, Wendy <wendy_noss@motionpictures.org>
To: Asha Bhat <Asha.Bhat@gov.bc.ca>, Brouwer, Shauna FIN:EX <shauna.brouwer@gov.bc.ca>, Bhat, Asha TAC:EX, Brouwer, Shauna TAC:EX
Sent: May 19, 2020 1:58:37 PM PDT
Attachments: MPA-Canada Economic Recovery Proposal 04-30-2020.pdf

In addition to the material already provided in my original email, please see the attached letter to Minister Guilbeault and Bains, provided to Jennifer Dunnett.

Kind regards,
Wendy

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MOTION PICTURE ASSOCIATION CANADA
WENDY NOSS, PRESIDENT

April 30, 2020

The Honourable Steven Guilbeault, P.C., M.P.
Minister of Canadian Heritage

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Industry

House of Commons
Ottawa, Ontario
Canada
K1A 0A6

Via email: steven.guilbeault@canada.ca; navdeep.bains@canada.ca

Dear Ministers:

**ECONOMIC RECOVERY ACCELERATOR FOR CANADIANS AND CANADIAN
BUSINESSES THROUGH FILM AND TELEVISION PRODUCTION**

Thank you for your interest in the ways that global studios can help rebuild economic opportunity for the many thousands of Canadians and Canadian businesses supported by film and television production.

As challenging as this time has been, we are confident that global studio investors and long-time partners in Canada's production community can contribute significantly to the economic recovery that Canada will need. And to be clear, MPA studios are enthusiastic about playing our role.

The global studios we represent – including *Walt Disney Studios (Disney | ABC Television)*, *Paramount Pictures (CBS Studios/ViacomCBS)*, *Sony Pictures Entertainment*, *Netflix Studios*, *Universal City Studios (NBCUniversal | Universal Cable Productions)*, and *Warner Bros. Entertainment* – are major investors in the Canadian economy through the production of long-running television series, feature films, and cutting-edge post-production, visual effects, and digital animation projects.

Production supports the development of local talent and provides good middle-class jobs for Canadians. In 2018-19, global producers spent a record \$4.86 billion in Canada, generating \$6.67 billion in GDP for the national economy. Productions like *Riverdale*, *Dark Phoenix*, and *Star Trek: Discovery* created over 99,400 FTE jobs, with MPA member studios also supporting more than 13,000 local Canadian businesses annually through the purchase of production-related goods and services.

The COVID-19 pandemic shut down all live-action production in Canada, including more than 67 film and television projects from MPA member studios. In the immediate aftermath of the crisis, we are grateful for the swift action of your government in providing support to the hundreds of

WENDY NOSS, PRESIDENT

WEBSITE: WWW.MPA-CANADA.ORG ■ TEL: (416)355-7455 ■ EMAIL: WENDY_NOSS@MOTIONPICTURES.ORG

thousands of film and television workers through the economic response plan and the CERB. Industry estimates released this month suggest that 70% of film and television production jobs and economic activity lost in Canada from March – June arose directly from the shutdown of global studio projects (also referred to as foreign location and service productions-- FLS). The corresponding loss to Canada from shuttered global studio productions was projected at more than \$1.75 of the overall \$2.5 billion economic toll arising from the entire industry's shut down for the same short period. The timing of the shutdown is particularly hard for workers in our sector given that this is one of the busiest times of the year when production ramps up and the hiring of cast and crew reaches one of its peak periods. These projections further estimate the current production standstill puts the livelihood of 172,000 Canadian workers at risk¹.

While studios continue to face the unprecedented challenges of this health crisis, collaboration has begun with all industry partners to develop plans for the new standards and protocols that will be necessary to enable a safe return to work. There will undoubtedly be challenges in resuming employment and economic activity, but we are confident that our industry can work together to meet these challenges.

At the same time, as planning is beginning on how, where, and when to resume economies around the world, we have considered ways in which Canada could leverage its natural competitive advantages to accelerate a return to employment growth and become stronger than ever for inward investment in film and television production. We believe new targeted stimulus measures developed for this unique point in time would unlock opportunity and create a platform for accelerated long-term growth for creators, workers, businesses, and communities across the country.

Targeted incentive measures of three-year duration will kick-start economic activity immediately, providing highly skilled, well-paying jobs that Canadians are enthusiastic about, and generate billions in economic activity in a proven sector of the economy. As a starting point, the potential measures below will successfully build on the base federal tax credits that have remained unchanged for decades, and have diminished in efficacy with the modernization of provincial programs and the development of competitive incentive opportunities by governments around the world:

I. Growth for Canadian Producers

An incentive to global studios to engage Canadian companies providing producer and production services would result in more immediate opportunity for domestic companies to benefit from inward investment through service production. The proposal offers two broad elements of support: 1) fostering business arrangements with global producers will allow Canadian production companies to restore themselves to immediate health economically with the fresh infusion of funds; and 2) encouraging collaboration with global studios allows for Canadian production companies to continue to remain at the leading edge of technology and processes, and are best positioned for long-term success.

¹ Nordicity Study for the Canadian Media Producers Association (April 20, 2020) accessible [here](#) and [here](#).

2. Growth for Canadian creative workers and businesses

a) National investment accelerator for large (\$100 M) live action productions

The way in which existing Canadian tax credit programs work, and in particular the restriction of these programs to local labour in comparison with other global competitors, means Canada does not attract the level of local investment that comes with large scale live-action feature film and television productions². At the same time, the federal government collects a 23% withholding tax on the gross income earned by non-resident actors performing acting services in a film or video production on every production (regardless of the fact there is no tax credit provided against the earnings of nonresidents).

In order to encourage big budget productions to immediately invest in Canada, we respectfully suggest the government institute a rebate of a portion of the 23% withheld taxes to the production company. The non-resident withholding would continue to be in effect but through the partial remittance, a rebate would be claimed by the production company and taken against the deposit otherwise required.

For example, a rebate of 75% of the non-resident actor withholding tax to the producer would result in the federal government still receiving 5.75% of withheld tax, with the production company receiving the balance of 17.25%³. As in other jurisdictions who have successfully implemented similar withholding tax rebates, no remittance of any tax withheld would occur until the expenses are verified as part of the current CRA audit process.

b) National investment accelerator for local business

Providing a new federal measure to incentivize global studio spending on Canadian businesses will attract a larger share of productions incentivized to “spend local” across Canada. The old federal tax credit is limited to local labour, and the growth of “all-spend” jurisdictions around the world has demonstrated the significant impact these measures have in accelerating growth through production expenditures on local goods and services.

c) National investment accelerator for local VFX/Animation/Post-production/AR/VR Sector

A format that maximizes investment opportunities in Canada’s visual effects, animation, and emerging augmented and virtual reality houses will harness the investment potential of large budget, high reward projects with live action and large budget effects. We propose the same incentive format described above (*partial remittance of withholding tax*) for projects with budgets in excess of \$50MM that spend at least 25% of the project’s post-production or visual effects budget

² Governments that have captured the large budget production market have a common attribute; they underwrite the cost of non-resident actors as part of their incentive regime. Jurisdictions offering aggressive incentives covering non-resident actor salaries include the United Kingdom, Ireland, and Georgia (USA).

³ Of course, the partial withholding tax rebate is predicated upon Canada attracting the large scale, complex projects that meet the established program criteria.

in one or more Canadian provinces and at least 50% of the project's principal photography budget in one or more other Canadian provinces.

3. Accelerating short and long-term growth through infrastructure investment

An incentive for studio investment in the development of production hubs and sound-stage capacity across Canada will have both short and long-term beneficial impacts: Fundamentally, it will support immediate infrastructure development and construction jobs, including the repurposing of underused commercial space. Global studios are now able to convert existing industrial space incorporating leading sustainability measures to suit the production of high-end television series. Over time, each facility that can accommodate new productions will expand the long-term direct investment in the Canadian economy.

4. Jump-starting Canadian tourism

Canada is exceptionally well-placed to take advantage of the powerful, measurable impact that production has on tourism. Global studios and governments have used policy innovations to work in partnership to develop specific, tailored tourism promotion measures. These initiatives have resulted in sustained growth in visitors from around the globe seeking new experiences in the places where movies and television are made.

We hope you find the ideas mentioned above as mutually beneficial and especially well suited to the unique and challenging times we find ourselves in. We welcome the opportunity to have MPA studio investment executives explore with you and your staff how these opportunities can help the economy across the country return to better health. We are confident that these measures will encourage "shovel-ready" production investments across Canada with the broadest possible lens, provide immediate economic growth, and act as an expanded platform for long-term success across Canada.

Sincerely,



Wendy Noss
President

Cc: The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Intergovernmental Affairs
Chair, Cabinet Committee on Economy and the Environment

The Honourable Jonathan Wilkinson, P.C., M.P.
Minister of Environment and Climate Change
Vice-Chair, Cabinet Committee on Economy and the Environment

Ms. Marci Surkes
Executive Director, Policy and Cabinet Affairs
Prime Minister's Office

RE: Motion Picture Association - Canada Federal Government Submission

From: Bhat, Asha TAC:EX <Asha.Bhat@gov.bc.ca>
To: Hold - 200921 - Gardea, Daniela TAC:EX
Sent: May 22, 2020 2:26:01 PM PDT
Attachments: image002.png, 39676 MN_Wendy Noss MPA Canada Recovery proposal.docx, image004.png, MPA-Canada Economic Recovery Proposal 04-30-2020.pdf

Hi Daniela – no problem. I have attached the docs, but Andrea can also send formally to PO if you prefer. The BN has most of the analysis the PO is likely looking for. From the meeting, I would suggest reporting out as follows:

As context for the PO discussion:

s.13

Meeting with Minister Beare:

s.13; s.16

Asha Bhat (*she/her/hers*)

Assistant Deputy Minister
Creative, Multiculturalism & Sport
Ministry of Tourism, Arts & Culture

 | Asha.Bhat@gov.bc.ca
 | 778.698.1806/250.213.7833

From: Gardea, Daniela TAC:EX
Sent: May 22, 2020 1:51 PM
To: Bhat, Asha TAC:EX
Subject: FW: Motion Picture Association - Canada Federal Government Submission

Hi Asha,

Any chance you can help with this? I was in and out of the meeting on other calls and did not take thorough notes. I could offer the materials Wendy shared with us as well as give a heads up that she will make those specific asks on the call.

From: Wade, Debbie PREM:EX <Debbie.Wade@gov.bc.ca>
Sent: May 22, 2020 1:25 PM
To: Gardea, Daniela TAC:EX <Daniela.Gardea@gov.bc.ca>
Subject: FW: Motion Picture Association - Canada Federal Government Submission

Hi Daniela;

Would you be able to provide a brief update on the briefing that Minister Beare received from Motion Picture Assoc. They are asking for a meeting with Geoff, however he would like to get the update prior to meeting.

Thanks so much!

Debbie Wade

*Executive Coordinator to Geoff Meggs - Chief of Staff
and Amber Hockin - Deputy Chief of Staff*

Office of the Premier

778-974-6075

From: Meggs, Geoff PREM:EX <Geoff.Meggs@gov.bc.ca>

Sent: May 22, 2020 1:19 PM

To: Wade, Debbie PREM:EX <Debbie.Wade@gov.bc.ca>

Subject: RE: Motion Picture Association - Canada Federal Government Submission

Yes, perfect

GEOFF MEGGS

Chief of Staff, Premier's Office

West Annex, Parliament Buildings

Victoria, BC, V8V 1K7

250 387-1715

From: Wade, Debbie PREM:EX <Debbie.Wade@gov.bc.ca>

Sent: May 22, 2020 12:39 PM

To: Meggs, Geoff PREM:EX <Geoff.Meggs@gov.bc.ca>

Cc: Hockin, Amber PREM:EX <Amber.Hockin@gov.bc.ca>

Subject: FW: Motion Picture Association - Canada Federal Government Submission

Hi Geoff;

Further to the email below. Please advise if you would like me to request a brief update from Daniela Gardea in TAC, on their briefing from Wendy Noss.

Thanks!

Debbie Wade

*Executive Coordinator to Geoff Meggs - Chief of Staff
and Amber Hockin - Deputy Chief of Staff*

Office of the Premier

778-974-6075

From: Noss, Wendy <wendy_noss@motionpictures.org>

Sent: May 22, 2020 12:19 PM

To: Meggs, Geoff PREM:EX <Geoff.Meggs@gov.bc.ca>; Hockin, Amber PREM:EX <Amber.Hockin@gov.bc.ca>; Wade, Debbie PREM:EX <Debbie.Wade@gov.bc.ca>

Cc: Grieve, Sydney <sydney_grieve@motionpictures.org>

Subject: Motion Picture Association - Canada Federal Government Submission

Geoff,

Hope this note finds you well in the circumstances.

I certainly appreciate how busy you are, but wanted to reach out as we seek support from Canadian Premiers in key production provinces for proposals we have made to the federal government for measures to help restart employment opportunities for Canadian workers and businesses.

The plan includes several proposed federal initiatives to help kick-start the sector, with global studios well positioned to support and accelerate rebuilding while creating economic opportunity for the thousands of British Columbians and B.C. businesses supported by the film and television production industry.

Minister Beare and ADM Asha Bhat have been briefed, and Creative BC is also aware of how these carefully designed measures can bring growth and economic opportunity to B.C.

I am requesting 30 minutes of your time to review the outline of the proposals, as set out in the attached summary, and the accompanying polling. The polling of Canadians generally and British Columbians specifically reveals a strong desire to see Canadian policy adapt to the COVID-19 reality and put in place measures that can trigger a faster recovery and at the same time build a stronger ecosystem for film and TV work in the future.

I look forward to our conversation, and thank you for your consideration of the request.

Kind regards,

Wendy Noss
President| Motion Picture Association-Canada
Cc, Amber Hockin, Deputy Chief of Staff

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Meeting Backgrounder

Prepared For: Honourable Lisa Beare, Minister of Tourism, Arts and Culture

Meeting Date: May 21, 8:30am – 9:00am

CLIFF #: 39676

MEETING:

Meeting with Wendy Noss, President of the Motion Picture Association Canada (MPA Canada)

ISSUE:

MPA Canada proposal for federal policy measures to help the motion picture sector recover from the impacts of COVID-19.

KEY FACTS REGARDING THE ISSUE:

- MPA Canada is the Canadian arm of a global advocacy association of film, television, and streaming industry around the world. The organization represents major US studios including Walt Disney, Netflix, Sony Pictures, Warner Bros. etc.
- On May 12th, MPA Canada submitted a presentation (Appendix 2) to Minister Beare that proposes several federal policy measures to attract more foreign productions to Canada in the post COVID-19 context.
 - Ms. Noss is offering a briefing with Minister Beare regarding the proposal prior to reaching out to Premiers of key production provinces for their support.
 - On May 19th, Ms. Noss also provided a copy of an April 30th letter sent to federal Ministers of Canadian Heritage (Steven Guilbeault) and Innovation, Science and Industry (Navdeep Bains) detailing MPA Canada's proposed measures (Appendix 3).
- MPA Canada's proposed federal measures:
 1. Federal incentives for global studios to hire Canadian production companies.
 2. Adjustments to the federal tax policy to attract large live action productions through a rebate program that releases a portion of the federal withholding tax for non-resident actors who work on large productions (defined as over \$100M).
 - A second part of this proposal includes providing a partial rebate to productions over \$50M.
 3. Creation of a new federal tax measure to incentivize global studios to buy Canadian products and services.
 4. Federal incentives to encourage global studios to develop production hubs and sound-stage capacity across Canada.
- The presentation provides results from a nationwide survey conducted by MPA Canada in late April seeking the opinion of 1,500 Canadians on the proposed measures.
 - According to their survey, approximately 87% are supportive of the measures.
- MPA Canada proposes that the federal measures be in place for three years to help create opportunities for Canadian producers, workers/businesses, attract new projects to Canada, accelerate growth through infrastructure investment and increase tourism.

Potential Impact to B.C.:

-

s.13; s.17

- See Appendix 4 for further details from FIN.

ADVICE:

s.13

ATTACHMENTS:

Attachment One: Biographies

Attachment Two: MPA Canada Presentation

Attachment Three: MPA Canada's letter to Minister Guilbeault and Bains

Attachment Four: Summary of FIN's review

PROGRAM AREA

Asha Bhat, Assistant Deputy Minister,
Creative Multiculturalism and Sport

778-698-1806

CONTACT:

¹ Analysis provided by Ministry of Finance Tax Policy

APPENDIX ONE: Biography

Wendy Noss, President, Motion Picture Association of Canada (MPA-Canada)

Copyright

APPENDIX TWO: MPA Canada Proposal Presentation



MPAC May 2020
Policy PDF[1].pdf

APPENDIX THREE: MPA Canada letter to Minister Guilbeault and Bains

April 30, 2020

The Honourable Steven Guilbeault, P.C., M.P. Minister
of Canadian Heritage

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Industry

House of Commons
Ottawa, Ontario
Canada
K1A 0A6

Via email: steven.guilbeault@canada.ca; navdeep.bains@canada.ca

Dear Ministers:

ECONOMIC RECOVERY ACCELERATOR FOR CANADIANS AND CANADIAN BUSINESSES THROUGH FILM AND TELEVISION PRODUCTION

Thank you for your interest in the ways that global studios can help rebuild economic opportunity for the many thousands of Canadians and Canadian businesses supported by film and television production.

As challenging as this time has been, we are confident that global studio investors and long-time partners in Canada's production community can contribute significantly to the economic recovery that Canada will need. And to be clear, MPA studios are enthusiastic about playing our role.

The global studios we represent – including *Walt Disney Studios (Disney | ABC Television)*, *Paramount Pictures (CBS Studios/VIACOMCBS)*, *Sony Pictures Entertainment*, *Netflix Studios*, *Universal City Studios (NBCUniversal | Universal Cable Productions)*, and *Warner Bros. Entertainment* – are major investors in the Canadian economy through the production of long-running television series, feature films, and cutting-edge post-production, visual effects, and digital animation projects.

Production supports the development of local talent and provides good middle-class jobs for Canadians. In 2018-19, global producers spent a record \$4.86 billion in Canada, generating \$6.67 billion in GDP for the national economy. Productions like *Riverdale*, *Dark Phoenix*, and *Star Trek: Discovery* created over 99,400 FTE jobs, with MPA member studios also supporting more than 13,000 local Canadian businesses annually through the purchase of production-related goods and services.

The COVID-19 pandemic shut down all live-action production in Canada, including more than 67 film and television projects from MPA member studios. In the immediate aftermath of the crisis, we are grateful for the swift action of your government in providing support to the hundreds of thousands of film and television workers through the economic response plan and the CERB. Industry estimates released this month suggest that 70% of film and television production jobs and economic activity lost in Canada from March – June arose directly from the shutdown of global studio projects (also referred to as foreign location and service productions-- FLS). The corresponding loss to Canada from shuttered global studio productions was projected at more than \$1.75 of the overall \$2.5 billion economic toll

arising from the entire industry's shut down for the same short period. The timing of the shutdown is particularly hard for workers in our sector given that this is one of the busiest times of the year when production ramps up and the hiring of cast and crew reaches one of its peak periods. These projections further estimate the current production standstill puts the livelihood of 172,000 Canadian workers at risk².

While studios continue to face the unprecedented challenges of this health crisis, collaboration has begun with all industry partners to develop plans for the new standards and protocols that will be necessary to enable a safe return to work. There will undoubtedly be challenges in resuming employment and economic activity, but we are confident that our industry can work together to meet these challenges.

At the same time, as planning is beginning on how, where, and when to resume economies around the world, we have considered ways in which Canada could leverage its natural competitive advantages to accelerate a return to employment growth and become stronger than ever for inward investment in film and television production. We believe new targeted stimulus measures developed for this unique point in time would unlock opportunity and create a platform for accelerated long-term growth for creators, workers, businesses, and communities across the country.

Targeted incentive measures of three-year duration will kick-start economic activity immediately, providing highly skilled, well-paying jobs that Canadians are enthusiastic about, and generate billions in economic activity in a proven sector of the economy. As a starting point, the potential measures below will successfully build on the base federal tax credits that have remained unchanged for decades, and have diminished in efficacy with the modernization of provincial programs and the development of competitive incentive opportunities by governments around the world:

1. Growth for Canadian Producers

An incentive to global studios to engage Canadian companies providing producer and production services would result in more immediate opportunity for domestic companies to benefit from inward investment through service production. The proposal offers two broad elements of support: 1) fostering business arrangements with global producers will allow Canadian production companies to restore themselves to immediate health economically with the fresh infusion of funds; and 2) encouraging collaboration with global studios allows for Canadian production companies to continue to remain at the leading edge of technology and processes, and are best positioned for long-term success.

2. Growth for Canadian creative workers and businesses

a) National investment accelerator for large (\$100 M) live action productions

The way in which existing Canadian tax credit programs work, and in particular the restriction of these programs to local labour in comparison with other global competitors, means Canada does not attract the level of local investment that comes with large scale live-action feature film and television productions³. At the same time, the federal government collects a 23% withholding tax on the gross income earned by non-resident actors performing acting services in a film or video production on every production (regardless of the fact there

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In order to encourage big budget productions to immediately invest in Canada, we respectfully suggest the government institute a rebate of a portion of the 23% withheld taxes to the production company. The non-resident withholding would continue to be in effect but through the partial remittance, a rebate would be claimed by the production company and taken against the deposit otherwise required.

For example, a rebate of 75% of the non-resident actor withholding tax to the producer would result in the federal government still receiving 5.75% of withheld tax, with the production company receiving the balance of 17.25%⁴. As in other jurisdictions who have successfully implemented similar withholding tax rebates, no remittance of any tax withheld would occur until the expenses are verified as part of the current CRA audit process.

b) National investment accelerator for local business

Providing a new federal measure to incentivize global studio spending on Canadian businesses will attract a larger share of productions incentivized to “spend local” across Canada. The old federal tax credit is limited to local labour, and the growth of “all-spend” jurisdictions around the world has demonstrated the significant impact these measures have in accelerating growth through production expenditures on local goods and services.

c) National investment accelerator for local VFX/Animation/Postproduction/AR/VR Sector

A format that maximizes investment opportunities in Canada’s visual effects, animation, and emerging augmented and virtual reality houses will harness the investment potential of large budget, high reward projects with live action and large budget effects. We propose the same incentive format described above (*partial remittance of withholding tax*) for projects with budgets in excess of \$50MM that spend at least 25% of the project’s post-production or visual effects budget in one or more Canadian provinces and at least 50% of the project’s principal photography budget in one or more other Canadian provinces.

3. Accelerating short and long-term growth through infrastructure investment

An incentive for studio investment in the development of production hubs and soundstage capacity across Canada will have both short and long-term beneficial impacts: Fundamentally, it will support immediate infrastructure development and construction jobs, including the repurposing of underused commercial space. Global studios are now able to convert existing industrial space incorporating leading sustainability measures to suit the production of high-end television series. Over time, each facility that can accommodate new productions will expand the long-term direct investment in the Canadian economy.

4. Jump-starting Canadian tourism

Canada is exceptionally well-placed to take advantage of the powerful, measurable impact that production has on tourism. Global studios and governments have used policy innovations to work in partnership to develop specific, tailored tourism promotion measures. These initiatives have resulted in sustained growth in visitors from around the globe seeking new experiences in the places where movies and television are made.

We hope you find the ideas mentioned above as mutually beneficial and especially well suited to the unique and challenging times we find ourselves in. We welcome the opportunity to have MPA studio investment executives explore with you and your staff how these opportunities can help the economy

⁴ Of course, the partial withholding tax rebate is predicated upon Canada attracting the large scale, complex projects that meet the established program criteria.

across the country return to better health. We are confident that these measures will encourage “shovel-ready” production investments across Canada with the broadest possible lens, provide immediate economic growth, and act as an expanded platform for long-term success across Canada.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wendy Noss', with a stylized, cursive script.

Wendy Noss President

Cc: The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Intergovernmental
Affairs Chair, Cabinet Committee on Economy and the
Environment

The Honourable Jonathan Wilkinson, P.C., M.P.
Minister of Environment and Climate Change
Vice-Chair, Cabinet Committee on Economy and the
Environment

Ms. Marci Surkes
Executive Director, Policy and Cabinet Affairs
Prime Minister's Office

APPENDIX FOUR: Summary of FIN's Review of the MPA Canada Proposal

s.13; s.17

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Withheld pursuant to/removed as

s.14

RE: Bill 19 – 2020: COVID-19 Related Measures Act

From: Prem Gill <pgill@creativebc.com>
To: Bhat, Asha TAC:EX <Asha.Bhat@gov.bc.ca>
Sent: June 24, 2020 10:12:20 AM PDT

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I have asked CMPA to provide info on how it helps and what is still outstanding for the sector.

-----Original Message-----

From: Bhat, Asha TAC:EX <Asha.Bhat@gov.bc.ca>
Sent: June 24, 2020 10:11 AM
To: Prem Gill <pgill@creativebc.com>
Subject: RE: Bill 19 – 2020: COVID-19 Related Measures Act

You bet this went forward Monday as expected. Have attached the NR that went out if helpful ...
a.

-----Original Message-----

From: Prem Gill <pgill@creativebc.com>
Sent: June 24, 2020 9:27 AM
To: Bhat, Asha TAC:EX <Asha.Bhat@gov.bc.ca>
Subject: Bill 19 – 2020: COVID-19 Related Measures Act

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Insurance liability tabled.

<https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/41st-parliament/5th-session/bills/first-reading/gov19-1>

Re: Protection Against Liability

From: Tracey Friesen <tracey.friesen@cmpa.ca>
To: Schneider, Amy TAC:EX <Amy.Schneider@gov.bc.ca>
Cc: Prem Gill <pgill@creativebc.com>, Bhat, Asha TAC:EX <Asha.Bhat@gov.bc.ca>, Beck, Adrienne TAC:EX <Adrienne.Beck@gov.bc.ca>, Ahn, Minah TAC:EX <Minah.Ahn@gov.bc.ca>, Marsha Newbery <marsha.newbery@cmpa.ca>
Sent: July 29, 2020 7:11:32 AM PDT
Attachments: image001.png, image004.jpg, imagebcf4ca.PNG, image593231.JPG, image003.jpg

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Hi Amy - As an FYI, I'm sharing here a recent development on the insurance front. The UK has just announced its fund as part of the Film and TV Production Restart Scheme.
Look forward to speaking tomorrow.
Warmly, Tracey



Tracey Friesen | Managing Vice-President, BC Producers Branch
Canadian Media Producers Association | cmpa.ca

778-654-5951 | tracey.friesen@cmpa.ca

From: Schneider, Amy TAC:EX
Sent: July 27, 2020 4:06 PM
To: Tracey Friesen
Cc: Prem Gill; Bhat, Asha TAC:EX; Beck, Adrienne TAC:EX; Ahn, Minah TAC:EX
Subject: RE: Protection Against Liability

Hi Tracey – thanks for reaching out. We anticipate additional information on liability protection to be available in the first week of August.

I would be happy to hear your update – either later this week^{s.22} or the week of August 10th. Please let me know which you would prefer and Minah can assist with scheduling.
Thank you, Amy

From: Tracey Friesen
Sent: July 27, 2020 8:24 AM
To: Schneider, Amy TAC:EX
Cc: Prem Gill ; Bhat, Asha TAC:EX
Subject: Re: Protection Against Liability

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Amy - I'm writing to followup on the off-chance there has been movement on this liability protection matter. Any news?
Also, the larger Federal backstop insurance issue has not yet been solved. It continues to be a dynamic and challenging situation, and absolute priority of ours. The film and television sector is depending on it. Perhaps we could offer you an update later this week? I'd be pleased to invite the CMPA's insurance expert, who is BC based, to a meeting to share an overview of the current status.
Warmly,
Tracey



Tracey Friesen | Managing Vice-President, BC Producers Branch
Canadian Media Producers Association | cmpa.ca

778-654-5951 | tracey.friesen@cmpa.ca

From: Schneider, Amy TAC:EX <Amy.Schneider@gov.bc.ca>

Sent: July 14, 2020 11:37 AM

To: Tracey Friesen

Cc: Prem Gill; Bhat, Asha TAC:EX

Subject: RE: Protection Against Liability

Hi Tracey – details of the liability protection offered under the *COVID-19 Related Measures Act* will be determined by regulation. Regulatory work is still underway, but we should have some helpful updates to provide in the next week or so related to coverage for for-profit companies. We will share new information as it comes available.

Thank you, Amy

From: Tracey Friesen <tracey.friesen@cmpa.ca>

Sent: July 10, 2020 4:29 PM

To: Bhat, Asha TAC:EX <Asha.Bhat@gov.bc.ca>

Cc: Schneider, Amy TAC:EX <Amy.Schneider@gov.bc.ca>

Subject: Protection Against Liability

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Asha,

We learned that Bill 19 “COVID-19 Related Measures Act” passed 3rd reading and received Royal Assent on Wednesday afternoon. Great news.

The “Protection Against Liability (COVID-19) Order No. 2 per Ministerial Order #M120 is of particular interest.

https://www.bclaws.ca/civix/document/id/mo/mo/2020_m120

That Order contains an extensive list of industries and sectors that are protected from liability during the State of Emergency for “damages relating, directly or indirectly, to COVID-19, if those persons operate or provide those services, or reasonably believe that they are operating or providing those services, in accordance with all applicable emergency and public health guidance”.

As you know, the Premier has made a point of singling out the film and television sector on a number of occasions as an industry that can help lead BC’s economic recovery. However, the liability risk that BC producers must assume in order to rise to this challenge is a deterrent. Extending the same protection to this industry would remove one of the obstacle towards getting more productions up and running and people working as quickly as possible.

We continue to work hard with the Federal government and others on the addition insurance challenges. I hope to be able to share more on that file next week.

In the meantime though, I wanted to ask what next steps might look like related to Bill 19. Shall we set up a time to connect?

Many thanks,

Tracey



Tracey Friesen | Managing Vice-President, BC Producers Branch
Canadian Media Producers Association | cmpa.ca

Office 778-654-5951 | **Mobile** 778-772-3401

Email tracey.friesen@cmpa.ca

600 - 736 Granville Street, Vancouver, BC, Canada V6Z 1G3

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CMPA BC - insurance update

From: Beck, Adrienne TAC:EX <Adrienne.Beck@gov.bc.ca>
To: Bhat, Asha TAC:EX <Asha.Bhat@gov.bc.ca>
Sent: August 4, 2020 9:28:55 AM PDT

Hi Asha,

Amy mentioned you were looking for notes on our conversation with Tracey and Marsha last Thursday re insurance. See below:

- Spoke with CMTA BC (Tracey Friesen and Marsha Newbery) on July 30 for an update on CMTA's discussions with the federal government to create some sort of backstop to address insurance issues affecting the motion picture industry.
- Since the pandemic was declared, insurance companies are exempting business interruption coverage related to C-19 on new insurance policies.
- Film and tv production policy insurance is unique in that it has three elements to business interruption coverage:
 - Civil Authority – coverage for delays or stoppage
 - Cast Coverage – covers costs if productions are paused related to a key cast member getting sick or injured
 - Liability – covers claims related to injury or damages on the production
- Without this insurance, it impacts productions ability to secure funding as financiers look for this security before providing funds.
- With productions now resuming, there are three scenarios:
 1. Productions that were underway and paused when the pandemic was declared are fully covered as their existing policy is in effect (for that production or set period of time).
 2. Larger US productions are self-insuring.
 3. Smaller/local producers don't have coverage and will likely not be able to go into production as it's too big of a financial risk if activity is halted again.
- Several other jurisdictions have recently announced insurance measures for the motion picture industry - Quebec (\$15M of the \$51M film/tv recovery package), [France](#) (\$100M euros), [UK](#) (\$500M euros), [Australia](#) (\$50M), [Austria](#) (\$28M). The US is actively looking at the issue. Ontario and Alberta are also.

Update on discussions with feds:

s.13; s.16

Let me know if you need anything else.
Adrienne