

**CANADA MEDIA FUND**

**Working Group of the National Focus Group**

**October 26, 2010**

**SUBJECT: English-language Regional Production**

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**ISSUE:**

How should the CMF amend its policies, if at all, to improve its support to English-language regional production?

**DISCUSSION:**

**What is the mandate?**

The CMF mandate statement regarding regional production contained within the Contribution Agreement between the CMF and the Department of Canadian Heritage reads as follows:

The Corporation must also:

...

ensure funding support to regional television *convergent* productions (our italics);

This mandate statement doesn't define "regional" production. It doesn't specify which regions the CMF should support, or even say that all regions (however defined) should be supported<sup>1</sup>. It doesn't require that every province/territory should receive funding. Nor does it provide any quantitative measure of what sufficient regional production volume would be—there are no stated regional funding targets/minimums (whether measured by number of productions, amount of CMF funding, size of CMF-funded budgets, or otherwise) and no basis upon which to set those targets/minimums (e.g. historical production volume, population size).

As such, it remains up to the CMF to make those determinations. Perhaps the only point that can be said about the mandate with much certainty is that whatever the CMF does with regard to regional support, it must be meaningful. Otherwise the mandate statement is stripped of any consequence at all.

It should be noted that the CMF does not have a mandate to ensure funding support to regional productions within the Experimental Stream.

**Are the current levels of regional production a cause for concern?**

The absence of clearly defined targets within the CMF's regional mandate makes it hard to determine whether the CMF is succeeding or failing in implementing it. Stakeholders' opinions on this question vary significantly. Clearly, there is meaningful production activity happening now throughout Canada. However, certain regions have experienced significant declines over the past few years. Evidence clearly demonstrates that the one constant in regional production is fluctuation. But since there currently is no specific, concrete benchmark for what regional production should be, we cannot say to what degree it is the CMF's duty to respond to either the overall decline in regional production or the declines experienced in particular regions or in fact to the fluctuation.

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<sup>1</sup> For example, 100% of CMF regional funding support could go to Atlantic Canada with no funding at all going to any other region, and the CMF could still be "ensuring funding support to regional productions".

It is not clear the extent to which there is a significant and long-term decline in regional production. Regional production (measured in terms of CMF funding commitments) appeared to be in decline between 2005-2006 and 2008-2009. Results for 2009-2010, while still below the average of the previous four years, indicate a potential for a rebound.

### English-language Regional Production

Regional	2005-06	% of Total	2006-07	% of Total	2007-08	% of Total	2008-09	% of Total	2009-10	% of Total
Funding Commitments (\$M)	74.3	45%	71.2	43%	60.9	39%	47.95	26%	72.23	36%
Hours of Content	357	36%	414	41%	374	38%	281	29%	389	40%
Project Budgets (\$M)	224.7	41%	249.6	42%	220.7	37%	172.15	26%	245.38	35%
Projects	119	47%	135	48%	97	41%	88	35%	101	42%

As results vary from year to year, there is no way to be certain where the trend is headed. As such, it is perhaps most useful to focus on what objectives the CMF wishes to achieve.

In the first round of the CMF's Experimental Stream, regional projects made a very strong showing. 58% of CMF English-language funding went to projects that would be considered regional if the current CMF definition for "Regional Producer" in the Performance Envelope Program were applied, while 42% went to projects from Toronto and Montreal.<sup>2</sup>

### What is the appropriate definition of "regional" production?

Currently the CMF has two key regional definitions: one for production and one for development.

The regional production definition, used primarily in calculating the regional production licences factor in the Performance Envelope Program, can be found at section 2.1.1 of that Program's guidelines as follows:

For the purposes of the Performance Envelope Program, "regions" are defined as any part of Canada more than 150 km by shortest reasonable roadway route from Montréal or Toronto. The CMF defines a Regional Production as follows:

- a) Principal photography for the Television Component occurs in the regions, with suitable exceptions for documentaries; and
- b) The Applicant (or, where there are separate Applicants for the Television Component and the Digital Media Component(s), the Applicant which owns the rights to the Television Component) is based in the regions (with its head office situated in the regions); and
  - i) Exercises full control of the creative, artistic, technical and financial aspects of the Television Component, or, in the case of a regional/non-regional co-production, the regional Applicant has such control in proportion to its copyright ownership;
  - ii) In the case of a regional/non-regional co-production, the regional Applicant owns at least 51% of the copyright of the Television Component;
  - iii) In the case of a regional/non-regional co-production, the regional Applicant shares equitably in fees payable to producers and corporate overhead;

<sup>2</sup> Two Montreal-based projects were bilingual. For the purposes of this analysis, the CMF split CMF funding 50/50 in order to isolate English results.

- iv) Initially owns and controls the distribution rights to the Television Component and retains an on-going financial interest in the Television Component or, in the case of a regional/non-regional co-production, the markets and potential revenues are shared equitably in proportion to the financial participation of each co-producer; and
- v) Has meaningfully participated in the Television Component's development.

Where the control and central decision makers in the Television Component are located outside of the regions, the project is not considered to be a Regional Production.

The regional development definition is used primarily to implement the CMF's regional development incentive, namely lower Development Fee Thresholds applicable to regional development projects. Section 2.A.1.1 of the Development Program Guidelines states:

For the purposes of the regional incentive, described at sections 2.A.2 and 2.A.3 below, a Regional Development Project is a project in which:

- a) The Applicant (or, where there are separate Applicants for the Television Component and the Digital Media Component(s), the Applicant which owns the rights to the Television Component) is based in a region with its head office situated in a region; and
- b) The regional Applicant (or, where there are separate Applicants for the Television Component and the Digital Media Component(s), the Applicant which owns the rights to the Television Component) initiates and continues to meaningfully participate in the project's development, and must retain at least 51% ownership of the copyright interest in the project.

In this section, "region" or "regional" is defined as any part of Canada more than 150 km by shortest reasonable roadway route from Montreal, Toronto or Vancouver. "Region" or "regional" also includes any part of Vancouver Island.

Note that a key distinction between the regional production and regional development definitions is the status of Vancouver. Vancouver-based projects are regional in production, but not regional in development. As such, one question for the CMF is whether the CMF should harmonize these definitions, either by making Vancouver regional in development or by making it non-regional in production.

A subset of the regional definition question goes to how the CMF treats regionality in the Performance Envelope calculation process. The distinction between "regional" and "non-regional" productions is arguably something of a blunt instrument which simplifies a situation that is, in fact, quite complicated. Among the rationales for regional support is the notion that certain "centres" of production (currently, Toronto and Montreal) have inherent advantages over "regions"—namely, accessibility to production infrastructure (e.g. a greater depth of skilled crew, talent pool, equipment rentals, studio space) and buyers of their product (i.e. broadcast programming decision-makers). The region/centre distinction implies that producers in the regions lack access to these resources while producers in the centres have full access.

The reality, however, is that there is a gradient in these factors which differs in different parts of the country. English-language producers in Montreal have abundant access to production infrastructure, but do not reside in the same city as most of their buyers, the English-language broadcasters (most major English-language broadcasters are based in Toronto). English Montreal producers are, however, a short flight or a reasonable train ride from Toronto. Vancouver-based producers have access to production infrastructure, but are a 5-hour flight and three time zones away from Toronto. Halifax producers lack both access to broadcasters and have less depth of production infrastructure than Vancouver or

Montreal. And producers in northern Canada have very limited access to both broadcasters and any appreciable production infrastructure in addition to having to import most elements of infrastructure for production.

Given these realities, there have been calls from stakeholders to reconsider the binary notion of “region” versus “centre” to better reflect the regional reality. The English Production Incentive Program (EPI) which approaches the problem from the perspective of five different “areas” rather than “region-vs.-centre”, was a past attempt at this. But given the EPI’s flaws, some have argued for further action on the issue of varying degrees of “regionality”. In particular, English-language producers in Montreal have said that their official-language minority status and distance from English-language broadcasters should qualify them for a distinct funding allocation similar to that provided to French-language producers outside of Quebec or, at the very least, regional status. Vancouver-based productions have been questioned as to whether they are truly from a “region” or not. And finally, certain stakeholders from the Toronto area have argued that the CMF should provide no incentives whatsoever for English language regional production.

Some of the proposals provided below seek to address the issue of varying degrees of regionality.

### **What can/should the CMF do?**

Whatever the “objective reality” of regional production in Canada, given the CMF’s regional mandate and the call from desire of many stakeholders to improve the state of regional production, the following policy options have been considered for implementation by CMF staff. Some of these proposals have been made by various stakeholders and some have been proposed by CMF staff. Not all proposals are recommended by the CMF, but all are provided for information.

It should be noted that the following assumes that CMF policy can and does have a direct impact on production activity in various regions/areas of Canada. There are, however, many other factors that influence regional production levels, including the absence/existence of provincial tax credits or provincial funding, the broadcasters’ conditions of licence determined by the CRTC, the operational restructuring of broadcasters and their presence in the regions, production capacity in terms of infrastructure, talent and crews in smaller regions and broader industry trends. In addition, the relatively small size of some regional production sectors means that a single decision to commission a large regional drama series, for example—or a decision to cancel one—can result in major shifts in production volume.

### **Proposals**

#### **1. Funding allocations by region/province**

Some stakeholders have advocated splitting CMF funding on a province-by-province basis. Others have suggested splitting CMF funding into a regional and non-regional pool— perhaps a 40/60 split. Both of these proposals consist of specific funding allocations to specific areas/regions.

Such proposals could be overly rigid and prescriptive. Predetermined allocations cannot adjust to market demand once they are set. Indeed, if 40% of CMF funding must go to production in the “regions”, this constrains where broadcasters can commission CMF-funded programming. However, the CMF has other objectives, including focusing on audience success and relying on market forces to the extent possible. Hard allocations to regional production limit those objectives in a way that the CMF feels is too severe.

As for the particular proposals of provincial allocations, this carries all of the issues noted above, with the addition that the CMF does not have a provincial mandate but a regional one. As such, it is difficult to find authority for the proposal that the CMF should ensure that province-by-province production levels are set at certain levels.

## 2. Lower licence fee thresholds for regional productions

Currently, the same Licence Fee Threshold amounts apply in production funding regardless of the project's status as "regional" or not<sup>3</sup>. The CMF could lower the thresholds for projects qualifying as a "regional production".

The CMF views this proposal as somewhat of a double-edged sword. On the one hand, a lower threshold may incent broadcasters to commission such projects, given the lower cost to the broadcaster. On the other hand, money not provided by the broadcaster would have to come from somewhere—from the CMF, the producer, or some other source. If such additional financing was not readily available, the broadcaster's commitment might be for naught, since the project could not be fully financed and therefore could not go into production.

## 3. A SME Bonus

Some stakeholders have suggested that the CMF could reintroduce a Small-and-Medium-Enterprises (SME) bonus to incent broadcasters to make deals with smaller production companies, the underlying argument being that most regional production companies are also SMEs.

The CMF has considered this option, but is concerned that many centre-based production companies may also be SMEs (however SME is defined), and as such this option might only obliquely assist with regional production, if at all.

## 4. Create a CMF "Slate" Program

Some stakeholders have suggested that the CMF could create a program similar to the now-discontinued Slate Program of BC Film.

The CMF has looked at this program. It would appear that the BC program, in setting aside development funding for a slate of productions at particular production companies, was more favourable to already established producers. This could impact the effectiveness of such a program as a regional initiative if there is a lack of such established companies in the regions, or could only benefit larger regional companies. In any event, the CMF is still considering this option and will look into it further.

## 5. The English Production Incentive

In 2008-2009, the CTF created the Production Incentive Pilot Program, now called the English Production Incentive (EPI). The EPI is a \$10 million incentive (\$5 million in its first year) that:

seeks to ensure that a minimum level of English-language television production occurs throughout Canada, in each of the following five areas:

- Atlantic Canada (includes: New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island);
- Quebec;
- Ontario and Nunavut;
- The Prairies (includes: Manitoba, Saskatchewan, and Alberta); and
- British Columbia, Yukon, and Northwest Territories.

The CMF will monitor television production activity in each of these areas. Where production activity falls more than 20% below a 5-year average in any area, the CMF may implement an English Production Incentive for that area or areas in the following fiscal year.

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<sup>3</sup> There are many different Licence Fee Threshold amounts depending on the language, genre, and budget of the project. See section 2.4 of the Performance Envelope Program guidelines for more.

In 2008-2009, Atlantic Canada and Quebec qualified for the EPI (with drops of 49% and 31% respectively). In 2009-2010 the EPI targeted Atlantic Canada and BC (drops of 45% and 68.5% respectively), and in 2010-2011 Quebec and BC were eligible (drops of 54% and 26% respectively). The amount of the overall EPI allocation targeted to each area was proportional to the amount of that area's drop in production activity.

Various concerns with the EPI have been raised by stakeholders since its inception three years ago. Perhaps the biggest concern goes to sustainability: the EPI is applied to a particular area in a given year. If the EPI is successful, production volumes will rebound, at which point that area is no longer eligible for the EPI and so EPI funding is removed. Without EPI funding, the area goes into decline again the following year. This effect can be observed by Quebec's fluctuating EPI eligibility over the past three years. If what is desired is stable production activity through the five "areas" on a long term basis, the EPI does not achieve this.

Another concern is that the EPI only targets dramatic drops, and does nothing about gradual declines. An area can consistently fall by 15% each year over several years, resulting in a significant long-term decline without triggering EPI support. Indeed, production levels in English Quebec dropped by roughly 17% in 2009-2010, but this was not enough to trigger EPI support that year.

Finally, the EPI groups certain provinces together within many of its five areas. As such, a drop in production in, for example, Manitoba can be offset by a boom in Alberta. The shifting fortunes of the two provinces would offset each other, no 20%+ decline in the overall area would occur, and Manitoba would be denied EPI support despite plummeting production levels. As a result, some stakeholders have argued that the CMF should determine EPI eligibility by province, rather than by area<sup>4</sup>.

In addition to the "technical" problems noted above, stakeholders—both producers and broadcasters—have stated that they don't believe that the EPI is a real incentive to commission production. Broadcasters in particular have restated that it is the quality of content that guides their decision-making process, and not factors such as the EPI.

## 6. The Regional Performance Envelope Factor Weight

In the Performance Envelope Program, the CMF currently gives envelope calculation credit for broadcast licence fees paid to regional productions. As stated at section C.3.2 of the Performance Envelope Manual:

The purpose of the regional production licences factor is to encourage broadcasters to contribute licences to regional productions (as defined in the Guidelines).

In the calculation of the regional production licences performance factor, a broadcaster's credit is determined by the total amount of eligible licences, in dollars, that they committed to CMF-funded projects defined as "regional" according to the Guidelines, for a given language-genre category. The regional production licences credit for each broadcaster is equal to the amount of eligible licence fees they contributed, regardless of the number of broadcasters involved.

The relative weight that each performance factor carries in determining how funds will be allocated among competing broadcasters is determined by the CMF Board of Directors. Presently, the factor weight for English-language is 20%. Some stakeholders have advocated raising this factor weight to 30% or higher. Others have argued for lowering it to 10% or eliminating it entirely.

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<sup>4</sup> Similar arguments have also been made with respect to different genres of production within a given area, but the CMF considers this to be a genre-related issue more than a regional issue.

Raising the regional envelope factor weight raises some concerns. For one thing, given that all performance factor weights must add up to 100%, increasing the regional factor weight necessarily requires decreasing the weight of the other factors. Currently<sup>5</sup>, the other factors for English envelopes are:

Audience Success	40%
Historic Access	30%
Above-Threshold Licences	10%

The CMF's mandate includes a strong emphasis on audience success, so the CMF considers that reducing this factor would be contrary to that mandate (if anything, audience success may be emphasized even further.) It is difficult to increase the regional factor without significantly impacting other factors.

In addition, the CMF has heard repeatedly from broadcasters that their first priority in commissioning content is the quality of the project, not where it comes from. Many stakeholders have stated that the regional factor does not influence—or does not meaningfully influence—broadcaster decision-making. As such, the CMF does not believe that a moderate increase in this factor would have a significant effect on increasing regional production activity, while a significant increase would be problematic for the reasons outlined in the previous paragraph. Others argue that if the incentive is high enough, broadcasters will follow the money.

#### 7. Distinguishing between different levels of “regionality” within the Regional Performance Envelope Factor Weight

As stated earlier in this document, the distinction between “regional” and “non-regional” productions is arguably something of a blunt instrument which simplifies a situation that is, in fact, quite complicated.

One way to respond to this would be to differently weight or calculate what might be called Small Market Regional (SMR) projects and Medium Market Regional (MMR) projects.<sup>6</sup> Regional projects currently compete head-to-head for a share of the Regional “pie”, based on licence size. The CMF could alter this in a variety of ways. Here are three options.

##### *Option 1: Head-to-head weighting*

Regional projects compete head-to-head for a share of the Regional funds in a given genre, as they do now; however, SMR projects are given 100% credit for their licences, while MMR projects are given 50% credit. This approach has the benefit of maintaining one pool of funds. Broadcasters also have the foreknowledge of the credit their licences will earn. The ratio would have to be pre-determined, however (e.g. 1.5:1 2:1, 3:1).

##### *Option 2: Splitting the pie based on pre-determined ratio*

The Regional pool of funds is split at the beginning of the year during the budget process such that, effectively, a SMR Factor is created as well as a MMR Factor. For example, the CMF may choose to have 40% of the Regional Drama amount devoted to SMR and 60% to MMR, based, perhaps, on historic splits. This allows the CMF to control the amount of incentive each group will be given, but it increases the odds that a few projects will reap the entire amount from one part or the other. For example, it is possible that one portion will be significantly overrepresented (20 projects competing for a 40% share) while the other is underrepresented (5 projects competing for a 60% share). There is no guarantee that the pre-determined splits will be representative of

<sup>5</sup> The CMF has indicated that it will add two new factors for 2011-2012: original first run and digital media investment. The actual weights of these new factors has not yet been determined, but their inclusion will necessitate reducing the weights of some or all of the current four factors.

<sup>6</sup> For the purposes of this discussion, English-language production in Montreal and Vancouver could be considered “MMR” production, with the rest of the country other than Toronto being “SMR”. However, the determination of which cities/areas are designated as “MMR” could be a separate discussion.

actual market demand. This approach also increases the odds that one portion of the pie will have no competitors at all (for example, if there are no SMR VAPA projects), which would result in funds not being allocated or require a recalculation of the factor values. This option does, however, ensure that one type (SMR or MMR) does not overwhelm the other in credit share calculations.

### *Option 3: Splitting the pie based on results*

The Regional pool of funds is split between SMR and MMR, during the envelope calculation process, based on the number of projects from each side. For example, if there are 10 Regional C&Y projects in a given year with 3 from the SMR and 7 from the MMR markets, the pie is split 3:7 (30% SMR, 70% MMR). The SMR projects then compete for the 30% share based on the size of their licences (as is the current practice) while the MMR projects compete for the 70% based on the size of theirs. The shares may vary from year to year (and genre to genre), depending on the number of projects; thus, it allows for changes in market behaviour. This method ensures that all Regional factor pool funds are allocated. It also allows SMR projects to compete only against each other (likewise for MMR). With this approach, however, there is arguably little incentive to produce a project in a SMR market rather than a MMR market. Thus, production from Atlantic Canada (for example) could be moved to Montreal with little or no impact on Performance Envelope credit.

Any one of these options could be considered by the CMF. Each has pros and cons. A “con” for all of them is the potential to add further complexity to the CMF’s Performance Envelope Program. In this context, it should be noted that a recent priority set by the CMF’s Board of Directors for future years is “simplification” of the CMF Program.

## 8. Supporting Regional Pre-Development and Development

A common challenge often cited by regional producers is the proverbial “\$1,000 cup of coffee”. In order to get a show produced and aired, it must first be pitched to and bought by a broadcaster. This requires a meeting with broadcasting decision-makers. With most English-language broadcasters concentrated in Toronto, a producer outside of Toronto must travel there to do their pitches.

In addition, producers have pointed to the increased level of sophistication required at the pitch stage (and consequently, the additional costs), with projects often requiring not only fully developed treatments, but the identification of key creative personnel including in certain cases a show runner as well as substantial audiovisual requirements. .

Given these considerations, some have been argued that to provide a better balance between regions and centres, pre-development funding for regional producers should be provided. Such “pre-development” could involve very early content development and include travel costs related to making the initial pitch(es).

A “pitch” or “pre-development” program would however pose certain challenges. The CMF would essentially be funding projects without a broadcaster yet attached.<sup>7</sup> Funding projects which may in certain instances not even make it to the development stage could raise questions as to whether CMF funds were being effectively spent. In addition, there could be a large number of producers seeking “pitch financing” from the CMF. With no broadcaster involvement to effectively “pre-screen” funding applications, the CMF could be inundated with applications, and the cost of assessing and administering

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<sup>7</sup> This fact alone would technically put the CMF offside with the Contribution Agreement between itself and DCH. The Contribution Agreement requires that all eligible applicants to the CMF Convergent Stream have a relationship with a broadcaster. The CMF would have to discuss the matter with the Department to determine whether such an approach is even permissible under DCH’s current expectations.

such a large number of files could be high, depending on the size of the funding allocation and the funding mechanism used<sup>8</sup>.

Another question that the CMF would have to answer in developing an English regional pre-development program would include whether to require a digital media component as a part of pre-development.<sup>9</sup>

Some stakeholders have also suggested that the CMF provide greater funding for regional production at the development stage. As mentioned previously, in the English Development Envelopes, the “Development Fee Threshold”—the minimum financing amount that a broadcaster must commit to trigger a CMF development contribution—is 25% of development costs for a regional projects, as compared to 50% for non-regional projects.

Although the CMF could consider lowering this percentage further, it is our view that this would likely not result in more regional projects being selected for development. Over the past 3 years, an average of 41% of English Development Envelopes was allocated to regional projects.<sup>10</sup>

Another option for regional development support is to set a fixed allocation of CMF English-language development funding that must be directed to English Regional Development Projects. This could be accomplished several ways, including as a separate selective funding program, or by subdividing each broadcast corporate group’s development envelope into regional and non-regional allocations.

#### 9. Bonus English Regional Returning Series

Certain stakeholders have recommended that the CMF provide a bonus for English-language regional returning series within the Performance Envelope Program. Such an incentive, they argue, would help encourage not just production in the regions, but the sustainable, long-term production that tends to come with established, returning series.

The countervailing argument would however be that, when determining which series to renew or cancel, broadcasters are far more likely to base their decisions on the ratings achieved by the latest cycle of a given series and the perceived quality of the creative materials for the proposed next cycle of said series. In this sense, such an incentive may only tip the balance in favour of a regional project when the considerations raised above are at par with those of a non regional project.

Such a bonus could be modeled on the Regional French Production and Northern Production Incentives. Draft language for the bonus is as follows:

English-language productions meeting the definition of a Regional Production (see section 2.1.1) and that are a returning series (i.e. a series that is in its second or subsequent cycle).are eligible for the English Regional Returning Series Production Incentive.

The incentive will take the form of a CMF licence fee top-up contribution of 10% of the Television Component’s Eligible Costs up to a per-project maximum of \$150,000. This incentive will be awarded to Eligible Projects on a first-come, first-served basis. It will be awarded directly by the CMF separately and in addition to what was awarded by the broadcaster through its Performance Envelope. The incentive must be applied to the Eligible Costs of the Television Component.

<sup>8</sup> That is, first-come-first-served (FCFS) or selective. Currently, the CMF’s French Regional Project Pre-development component uses a FCFS mechanism with the right reserved to select projects where there is oversubscription. FCFS is administratively less costly, but by its nature is less selective when it comes to ensuring only quality projects are funded.

<sup>9</sup> Also a Contribution Agreement requirement in the Convergent Stream.

<sup>10</sup> Due to CMF data issues, in this case, “regional projects” refers to development projects based outside of Toronto and Montreal, despite the fact that in the Development Program projects based in Vancouver are not considered “regional”.

**Question for Discussion: Consulting on a Province-by-Province Basis**

The question has been raised whether the CMF should pursue province-specific policies in consultation with individual provinces and territories. Each province/territory might have its own unique issues which might be addressed individually, rather than seeking a one-size-fits-all approach to regional production across the country. Such an approach, it has been argued, might provide more significant results as it could capitalize on the specific knowledge of the stakeholders and funding agencies in each jurisdiction and assist them in achieving the specific objectives they would have identified collectively.

There would, however, be challenges to this approach. With consultation efforts needed for each province and territory of Canada, there is the possibility that the CMF's efforts on the regional question would be multiplied by 13, as each region's issues would need to be separately researched, considered, and discussed, perhaps entailing greater complexity and increased administration costs.

**Question for Discussion: Is "Regional" just about TV or is it about DM too?**

In the past, CTF regional policies targeted television production in the regions. Now that the CMF is a convergent fund, the question must be asked whether regional policies should be expanded to include the Digital Media Components of convergent projects in the Convergent Stream, to projects in the Experimental Stream, or both.

Here is how CMF funding of rich and substantial Digital Media Components in the Convergent Stream so far this year breaks down by region:

**2010-2011 English-language Performance Envelope Digital Media Components by Region**

as of Oct. 29,  
2010

	Funded			Unfunded	Total	
	#	CMF \$K	% of \$	#	#	% of #
<b>BC</b>	4	123	10%	2	6	19%
<b>AB</b>	1	100	8%	0	1	3%
<b>SK</b>	1	4	0%	0	1	3%
<b>MB</b>	1	34	3%	1	2	6%
<b>YK</b>	0	0	0%	0	0	0%
<b>NT</b>	0	0	0%	0	0	0%
<b>NU</b>	0	0	0%	0	0	0%
<b>ON</b>	0	0	0%	0	0	0%
<b>TO</b>	8	1,003	79%	10	18	56%
<b>QC</b>	0	0	0%	0	0	0%
<b>MTL</b>	0	0	0%	1	1	3%
<b>NB</b>	0	0	0%	0	0	0%
<b>NS</b>	0	0	0%	3	3	9%
<b>PEI</b>	0	0	0%	0	0	0%
<b>NL</b>	0	0	0%	0	0	0%
<b>Total</b>	15	1,264	100%	0	0	100%

As noted previously, in the first round of the Experimental Stream this year, 58% of CMF English-language funding went to projects that would be considered regional in the Performance Envelope Program, while 42% went to projects from Toronto and Montreal.

**Question for Discussion: English language production in Montreal**

English-language producers in Montreal have made two requests to the CMF: 1) that there be an Anglophone Minority Program with a set allocation, similar to the currently existing Francophone Minority Program; and 2) that official-language minority productions be considered “regional productions”. The appropriateness of regional status for English production in Montreal<sup>11</sup> is raised for discussion.

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**COMMENTS:**

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<sup>11</sup> English-language production outside of Montreal is already considered “regional” under the CMF’s guidelines.