

Written Direct Testimony of Tom Cox

2014-2017 Cable Royalty Distribution Proceeding

Docket No. 16-CRB-0009-CD (2014-17)

1. Introduction and Bio

My name is Tom Cox. I live in Calgary, Alberta, Canada. I have worked in the film and television industry for over 35 years and have been producing since 1990.

My career highlights include producing *Heartland* (numerous provincial and national awards), *Wynonna Earp* (numerous awards including two People's Choice Awards), *Burn Up* (Gemini award - Best dramatic movie or mini-series), *Borealis* (Gemini award – Best movie or mini-series), *Mayerthorpe* (Gemini award – Best movie or mini-series), *North of 60* (numerous provincial and national awards), and co-productions including the Oscar winning and nominated feature films *Brokeback Mountain* and *The Assassination of Jesse James by the Coward Robert Ford*. I am a recipient of the Queen Elizabeth II Diamond Jubilee Medal in recognition of my contribution to the arts.

I co-founded SEVEN24 Films 15 years ago. I am the company's President and Managing Partner. Prior to co-founding SEVEN24 Films, I co-founded Alberta Filmworks, which produced The Cable ACE award-winning *Ray Bradbury Theatre* television series, the groundbreaking series *North of 60* and numerous other dramatic series and television movies. I also co-founded Alberta Film Entertainment, which co-produced numerous U.S. television movies including *The Ron Clark Story* and the feature films *Resurrecting the Champ*, *Brokeback Mountain*, and *The Assassination of Jesse James by the Coward Robert Ford*.

I am past chair of the Canadian Media Producers Association, the Alberta Media Production Industries Association, and the National Screen Institute. I have served on the Alberta Premier's Council on Culture and the Minister of Culture's Film Advisory Council. I currently sit on numerous national and provincial committees dealing with content creation, government relations, industrial relations, and regulatory matters.

2. About SEVEN24 Films

SEVEN24 Films is headquartered in Calgary, Alberta, Canada and has six full time contractors and employees. SEVEN24 Films also engages hundreds of cast and crew members on each of its productions, and in any given year can have multiple projects in production. In 2017, SEVEN24's production and development budget for all projects was \$54 million CAD (\$42 million USD).^{1, 2}

Along with Managing Partner Jordy Randall, I am responsible for overseeing all aspects of SEVEN24 Films' project development, production and distribution along with its corporate development and stakeholder relations. My responsibilities include managing SEVEN24's corporate staff, overseeing the management of the casts and crews of our various productions and overseeing broadcaster, distributor, co-producer, government, and industry stakeholder relationships.

SEVEN24 Films' core business is developing and producing scripted drama and comedy

¹ "2017 Indie List: The year in review," Playback Magazine, June 12, 2017, <https://playbackonline.ca/2017/06/12/2017-indie-list-the-year-in-review/>.

² One U.S. dollar equated to 1.2984 Canadian dollars in 2017. See Board of Governors of the Federal Reserve System (U.S.), Canada / U.S. Foreign Exchange Rate [AEXCAUS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/AEXCAUS>, October 19, 2021.

series for Canadian and global audiences. We have worked with the Canadian Broadcasting Corporation (CBC), Bell, Corus, and Rogers in Canada, along with Netflix, Hulu, YouTube Premium, Syfy, UPTV, UPTV Faith & Family, Nickelodeon, Lifetime, NBCUniversal, and IDW Entertainment in the U.S. My Co-Managing Partner Jordy Randall and I have augmented SEVEN24 Films' core business of creating, developing, and producing scripted dramas for Canadian and global audiences through co-productions between Alberta Film Entertainment and U.S. studios such as Sony, Warner Bros, Focus Films, Granada USA, ABC Family, Revolution Studios, and Mandalay Television. These co-productions have periodically provided an additional source of revenue and have been instrumental in building a global reputation that allows SEVEN24 Films to continue creating its own intellectual properties with greater potential for long term value through international broadcast and distribution rights. For clarity, between 2014 and 2017, SEVEN24 Films revenues were derived exclusively through our self-generated productions and related distribution revenues.

3. **A Selection of SEVEN24 Films' Programming Available on Distantly Retransmitted Canadian Stations**

Between 2014 and 2017, the following SEVEN24 Films series aired on Canadian over-the-air stations that were distantly retransmitted in the United States:

- ***Heartland***, which has completed 15 seasons, 234 episodes and a Holiday movie as of June 2022. Between 2014 and 2017, ***Heartland*** was broadcast on CBC and its affiliates in Canada, whose signals were distantly retransmitted in the United States. During this period, ***Heartland*** was also broadcast in the U.S. in syndication and on the UPTV cable channel, and was available to stream on UPTV's Faith & Family and on Netflix. The

series stars Amber Marshall, Shaun Johnston, Michelle Morgan, and Chris Potter. This multi-generational family drama has won the hearts of viewers of all ages through its uplifting portrayal of family life on a western Canadian ranch. Heartland is the longest running hour-long drama in the history of Canadian television.³ . Between 2014 and 2017, *Heartland* was sold internationally to broadcasters in over 100 countries. It was also available in multiple territories via Netflix.

- *Young Drunk Punk* produced one season and 13 episodes. *Young Drunk Punk* aired on distantly retransmitted CBC stations in 2015 and 2017, and on a distantly retransmitted Citytv station in 2017. The series was also available in the U.S. on NBCUniversal's Seeso in 2016 and is sold internationally by Boatrockers Media. The series was created by and stars Bruce McCullough of *Kids In The Hall* fame. This fictional coming of age comedy chronicles Bruce's misspent youth in the working-class suburbs of 1980's Calgary, Alberta. *Young Drunk Punk* won the Alberta Film Award for Best Comedy and was nominated for Best Comedy at the Canadian Screen Awards.
- *Wynonna Earp* produced four seasons and 48 episodes between 2016 and 2021. Season one of *Wynonna Earp* aired in Canada on CHCH in 2016 and 2017, which was distantly retransmitted in the U.S. by American cable systems. The series was also available in the U.S. on NBCUniversal's Syfy cable channel and on Netflix. *Wynonna Earp* aired in Europe, the UK, Latin America and Australia. The series stars Canadian Audience

³ "CBC's Heartland to become Canada's longest running 1-hour TV drama," CBC News, <https://www.cbc.ca/news/canada/calgary/cbc-s-heartland-to-become-canada-s-longest-running-1-hour-tv-drama-1.2804188>, October 17, 2014.

Choice Award-winner Melanie Scrofano as a reluctant hero and unstoppable demon hunter; the cursed great granddaughter of Wyatt Earp. Set and filmed in southern Alberta, Canada, *Wynonna Earp* was acquired by NBCUniversal's Syfy channel during the program's development phase. Over its four seasons on Syfy the series became that network's poster child for brand building. Wynonna's fans, dubbed Earpers, are among the most passionate, loyal and vocal viewers in the history of genre television. When financing for season four was in question, Earpers filled social media with their pleas for more episodes and collectively bought billboard space in Times Square week after week to demonstrate undying support for "their" series, known for its inventive stories, quirky humor, and positive LGBTQ character portrayals.⁴ *Wynonna Earp* fans were responsible for 1.6 billion social media impressions in a single year, reaching over 100 million people in 61 countries across all continents.⁵ Self-generated Earper conventions are held in London, Paris, Barcelona, Frankfurt, Milan, Rio de Janeiro, Toronto, and New Orleans.

4. **Success of SEVEN24 Films' Programming**

The success of SEVEN24 Films programming is based on several factors. Strong creative premises with relatable characters provide a springboard for audience engagement. Great writers bring these premises to life and maintain a cohesive creative vision throughout the life of a show. Great actors bring fictional characters to life and create viewer and buyer loyalty. Strong

⁴ "Wynonna Earp fans take over times square to celebrate show's survival," SYFY Wire, <https://www.syfy.com/syfywire/wynonna-earp-fans-take-over-times-square-to-celebrate-shows-survival>, July 9, 2019; "Wynona Earp fans buy billboards to help troubled show survive," The Globe and Mail, <https://www.theglobeandmail.com/arts/television/article-wynonna-earp-fans-buy-billboards-to-help-troubled-show-survive/>, March 8, 2019.

⁵ See Appendix A, Wynonna Earp Social Media Report.

directors and crew contribute their individual creative visions. Successful series also require broadcasters and distributors who fully support and promote them. And, perhaps most importantly, successful shows require the engagement and loyalty of viewers.

SEVEN24 Films prides itself on creating award-winning programs with strong audience appeal. Between 2014 and 2017, SEVEN24 Films series garnered the following awards:

- In 2014, *Heartland* won the Directors Guild of Canada Award for Best Family Television Series. SEVEN24 Films television movie *Borealis* won the Canadian Screen Award for Best Dramatic Mini-Series or TV Movie, Best Writing in a Dramatic Program or Mini-Series, and Best Original Score for a Television Program.
- In 2015, *Heartland* won the Alberta Film Award for Best Cinematographer. *Young Drunk Punk* won the Alberta Film Award for Best Overall Sound.
- In 2016, *Young Drunk Punk* won the Alberta Film Award for Best Comedy Production or Series. *Heartland* won the Alberta Film Award for Best Overall Sound (Drama Over 30 Minutes) and the Directors Guild of Canada award for Outstanding Directorial Achievement in a Family Series.
- In 2017, *Wynonna Earp* won the Alberta Film Award for Best Dramatic Series, and *Heartland* won the Directors Guild of Canada award for Outstanding Directorial Achievement in a Family Series.

SEVEN24 Films recognizes the value of each participant in a project's development, production, broadcast, and distribution. We work throughout the lifespan of a show to create and nurture enduring relationships among all participants in this uniquely collaborative process. If

there are defining factors within SEVEN24 Films' productions, they may be found in our appreciation of every participant's value in the production process and our determination to create healthy, satisfying and sustainable work environments. They may also be found in our collaborative approach to working with broadcasters and distributors, whose engagement is crucial to our success, and in our appreciation for and positive engagement with viewers, without whom nothing we do matters.

SEVEN24 Films strives to create unique stories with universal appeal through relatable characters, specificity of place and the highest possible production values. Our goal is to create a sense of inclusion, hope and compassion for the human condition. In our experience, Canadian, American, and global audiences respond positively to relatable, aspirational programming regardless of genre or demographics.

Given the limited production financing available in Canada for scripted series production, SEVEN24 Films will typically have to secure a significant presale or distribution advance in addition to maximizing available Canadian financing in order to have a project greenlit for production. It is therefore essential to consider U.S. and international markets at the earliest stages of project development. SEVEN24 Films devotes considerable resources to access ongoing and accurate international market intelligence. We share our initial creative concepts with distributors to help determine potential value in foreign markets. Throughout the development process we maintain a dialogue with foreign broadcasters and distributors who might invest in production financing through pre-sales or distribution advances.

Even with the addition of international pre-sales and advances, production financing available for 100% Canadian content is a fraction of U.S. studio and streamer production

financing. SEVEN24 Films must therefore tailor its productions to deliver the highest possible production values with limited financing. We do not have budgets for productions that depend heavily on stunts, action sequences, visual effects, or set construction. But we work hard to turn our limitations into strengths, and we can and do compete successfully at the foundational level of unique premises, great stories, strong characterizations, and inspiring or exotic locales.

In 2017, accounting firm MNP LLP was commissioned by the Canadian Media Producers Association to produce an Economic Impact Case Study on *Heartland*.⁶ The report found that *Heartland*'s series production expenditures for season nine totaled \$28.7 million (\$22 million USD). The cumulative series expenditures for Heartland to the end of 2017 were \$278.5 million (\$214 million USD).⁷

SEVEN24 Films' Canadian productions utilize a range of financing sources including Canadian broadcast licenses, federal and provincial tax credits and production grants, private equity funds, the Canada Media Fund, foreign broadcast pre-sales, international distribution advances, and SEVEN24 investments/deferrals. SEVEN24 Films productions typically require some level of producer investment to complete financing. Royalty revenues help offset those investments and help us continue to develop new projects for Canadian and world markets. SEVEN24 Films relies on third parties such as the Canadian Claimants Group, the Canadian Retransmission Collective, and the Society of Composers, Authors and Music Publishers of Canada to collect royalties on our behalf.

⁶ See Appendix B, MNP 2017 Economic Impacts of Heartland Infographic and Report.

⁷ One U.S. dollar equated to 1.2984 Canadian dollars in 2017. See Board of Governors of the Federal Reserve System (U.S.), Canada / U.S. Foreign Exchange Rate [AEXCAUS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/AEXCAUS>, October 19, 2021.

5. **Conclusion**

The success of a SEVEN24 Films production in the U.S. increases that project's value in Canada and drives sales around the world. Given the need for U.S. and foreign participation to close production financing and generate downstream revenues, U.S. audience demand directly impacts the financial feasibility and sustainability of all our projects. SEVEN24's business model is demonstrably strengthened by its loyal U.S. viewers. Revenues derived from cross-border spillover belong to the production copyright holder. On that basis alone we feel compelled to pursue the spillover broadcast royalties that are rightfully ours. But beyond this fundamental principle, we need every dollar earned throughout the world to help replace deferred fees on current productions and assist in developing new content.

**BEFORE
THE COPYRIGHT ROYALTY JUDGES
LIBRARY OF CONGRESS
WASHINGTON, DC**

In re

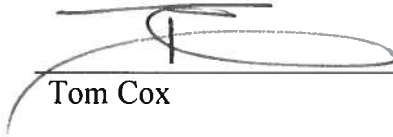
Distribution of 2014-2017
Cable Royalty Funds

Docket No. 16-CRB-0009-CD (2014-17)

DECLARATION OF TOM COX

I, Tom Cox, declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Calgary, Alberta, Canada, on June 20, 2022.



Tom Cox

Appendix A

Wynonna Earp Social Media Report

WYNONNA EARP

HEROES ALWAYS WIN.

Distributed by

 **cineflix**
Rights

IDW
ENTERTAINMENT

SEVEN 24
FILMS

 **cineflix**
Studios

EVERYONE'S GOT DEMONS. HERS FIGHT BACK.

Demon outlaws? Magic guns? Spiked coffee? Just another day on the range for motorcycle riding, whisky-slinging, fast-talking heroine Wynonna Earp. After a troubled adolescence spent in and out of juvie, she's returned to her hometown of Purgatory, hellbent on ending the family curse, which resurrects every one of the villains her legendary ancestor dispatched. Only Wynonna can send Wyatt Earp's kills back to hell before they escape from their earthly prison and wreak havoc on the entire world -- though she'll have some unexpected help from her sweet and sexy little sister, a deadly and secretive U.S. Marshall, and the fastest gunslinger that ever lived.



SEASON TWO • 12 EPISODES

HELL, YEAH.

The gun wielding, whiskey drinking, quip slinging heroine and her dysfunctional posse of ass whoopers, including Doc Holliday, return to raise a little hell -- and rid her home of the supernatural evils that plague it. But this time, Wynonna Earp's not just facing resurrected demon outlaws; there are monsters roaming her hometown the likes of which she's never imagined, including a pair of face-stealing psychopathic brides with motives as dark as their rotting Victorian gowns. Still, none of it compares to the shocking, immensely personal challenge Wynonna is going to have to survive this year: a pregnancy!



SEASON THREE • 12 EPISODES

HELL BENT.

Reckless, reluctant, and recently heartbroken gunslinger Wynonna Earp and her team of outmatched outsiders return to face monsters, revenants and their biggest fears as they fight to take down their biggest villain yet -- Bulshar, the demon who cursed the Earp family, and is now intent on destroying the Ghost River Triangle -- and the world. The stakes have never been higher -- or more exhilarating -- as Wynonna reunites with the woman who abandoned her (and little sister, Waverly) when they were just children: Mama Earp -- and the squad loses one of their own.



SEASON FOUR • 12 EPISODES

HEROES ALWAYS WIN.

The infamous Earp Curse is broken, and witty and wild demon hunter Wynonna Earp would love to be celebrating with cold whisky and hot donuts. Too bad the entire town of Purgatory is missing -- including her beloved sister, Waverly, feisty ginger Sherriff Nicole Haught, and Wynonna's sometimes lover, Doc Holliday. Yes, that Doc Holliday. Alone but for town curmudgeon Randy Nedley, Wynonna has to rescue everyone she loves, save the Ghost River Triangle territory, and take on her most diabolical, Earp-hating enemy yet -- those who faced down her legendary ancestor Wyatt at the Ok Corral -- all without her trustworthy gun, Peacemaker. And that's just Monday...



SEASON 4 PRESS COVERAGE

"It was a truly heartwarming ending"

Entertainment

"If 'Old Souls' is really the end of our favorite demon hunter...well, it goes out with a bang and we couldn't be happier."

TV Insider

"In the end, Wynonna Earp was just as endearingly imperfect as its titular heroine, and just as captivating."

ars TECHNICA

"After four groundbreaking seasons, Wynonna Earp came to an epic, laugh-out-loud, tear-inducing end last night, and it was everything we could've wanted from a finale"

Out

"Dominique Provost-Chalkley and Katherine Barrell's work as Waverly and Nicole on Wynonna Earp has been nothing short of career-defining as they've brought to life an LGBTQ love story that arrived just when TV needed it the most"

BuzzFeed

"Groundbreaking queer series"

ADVOCATE

"Wynonna Earp' came at a dark time for queer women on TV. Then it changed the game"

"Wynonna Earp... cement[ed] its place in LGBTQ TV history."

Los Angeles Times

"By every measure, this was a pretty perfect finale"

COLLIDER

"...Wynonna Earp's final legacy [is] a fitting one for a show that moved the needle on queer representation on TV and always had an immense degree of empathy for its characters"

"I will remember Wynonna Earp for the way it loves its characters and wants good things for them... I will remember it for how it unapologetically believes that (queer) women deserve pleasure, deserve fun, deserve messy heroes, deserve love. It's hard to believe this show has only had four seasons. Its legacy feels so much bigger than that."

DEN OF GEEK!

How well is this TV series doing in the United States?

20.3x

Difference from market average

OUTSTANDING

Parrot Analytics has found that the **audience demand** for *Wynonna Earp* is 20.3 times the demand of the average TV series in the United States in the last 30 days. 2.7% of all shows in this market have this level of demand.

Title position in demand distribution



How fast is demand for *Wynonna Earp* growing?

+12.4%

Change in demand

On a rolling 30-day average basis, we compare TV demand in the United States for *Wynonna Earp* to the preceding 30 days: Demand has increased by 12.4%.

Action and Adventure performance

97.2%

Percentile rank

Wynonna Earp ranks at the 97.2th percentile in the Action and Adventure genre. This means *Wynonna Earp* has higher demand than 97.2% of all Action and Adventure titles in the United States.

Title position in Action and Adventure

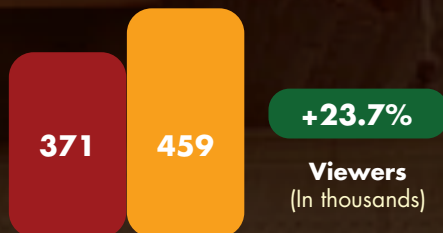


STRONG, CONSISTENT PERFORMANCE

Broadcast Premiere Viewership

Season 3 vs. Season 4

Note: Among 18-49 y/o, Season 4 premiered +44.4% versus Season 3. The show also managed to increase overall viewership each season on Space network in Canada.



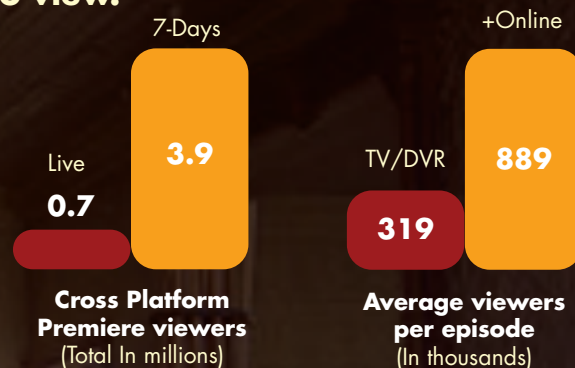
● Season 3 Premiere
● Season 4 Premiere

*Source: Nielsen Cross-platform ratings for Wynonna Earp Season 4, Episodes 1-6 | August 2020

DEDICATED VIEWERSHIP

The Wynonna Earp Season 4 premiere brought in **656k** viewers across platforms and **1.2M** views meaning that on average viewers watched the premiere **~2X**.

Online viewership is how fans prefer to view.



Season 4 Viewership*

INTERNET JUGGERNAUT

TALKWALKER **TOP 10 BEST OF SOCIAL TV 2020** FOR SCRIPTED SERIES AND AD SUPPORTED CABLE SERIES.

Demand Rank*

WYNONNA EARP **#46**

LUCIFER **#47**
SUPERGIRL **#59**

LEGACIES **#84**
THE WITCHER **#86**

IN HIGH DEMAND*

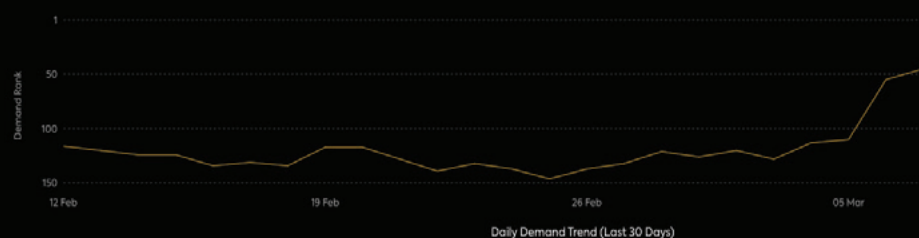
Wynonna Earp is in the **TOP 3%** of most demanded shows in the US. Audience demand for Wynonna Earp is **17.9x** the demand for the average TV series in the US.



GAINING MOMENTUM*

74 ▲
CHANGE IN RANK

#45
PEAK DEMAND RANK
Last 30 Days | United States



*SOURCE: Past 30 Day Performance - Parrot Analytics March 14, 2021

SOCIAL MEDIA & FANDOM JUGGERNAUT

1,600,000,000+ IMPRESSIONS IN THE PAST YEAR
REACHING OVER **100 MILLION** PEOPLE
ON EVERY CONTINENT IN **61 COUNTRIES**

PERENNIAL COMIC-CON DARLING WITH EARPER CONVENTIONS ALL OVER THE WORLD:
LONDON, GLASGOW, PARIS, BARCELONA, FRANKFURT AND MILAN.



OVER **1 MILLION+**
FAN SOCIAL MEDIA POSTS

445K
Interactions
Ep. 407

225K
Interactions
Ep. 410

239K
Interactions
Ep. 408

325K
Interactions
Ep. 411

172K
Interactions
Ep. 409

617K
Interactions
Ep. 412

#1 Drama Series
of the Day

Source: Nielsen Social Content Series

532K
Photo posts on Twitter



637K
Pins on Pinterest



462K
#Wayhaught Mentions



SOURCES: Google Social Searcher March 25, 2021 | Spark Toro March 28, 2021

THE TRAIN AIN'T STOPPIN'

WYNONNA EARP IS LOVED BY FANS AND CRITICS ALIKE

"Newcomers can still enjoy the show's punchy dialogue and overall campy sensibility..."

The New York Times

TWITTER TOP 10 TRENDING



Show Hashtag Rankings

Ep. 407 - **#2**

Ep. 408 - **#5**

Ep. 409 - **#6**

Ep. 410 - **#3**

Ep. 411 - **#4**

Ep. 412 - **#4**

SOURCE: Twitter

"Wynonna Earp will forever be a gamechanger for queer women on TV."

Out

Over **6K+**
Melanie Scrofano
news articles & interviews

Lid. mentally @ Earp-A-Palooza. #G T. @sangred... · Mar 26
OH MY FUCKING SHIT!!!! I NEED A FUCKING SEASON 5 and 6 and so on and so forth!!!!
THE WRITERS, THE CREW, OUR FAVES LITERALLY GIVING US THERE ALL IN THESE EPISODES! THIS SEASON I JUST AM WITHOUT WORDS!!!!
#FightForWynonna #WynonnaEarp

'TV's Top 5': Inside the Fight to Save 'Wynonna Earp'



Nora Dominick @noradominick · 5h
Honestly, any day catching up with @MelanieScrofano is a good day. We talked about #WynonnaEarp, 4x10, the Earp sisters, and looked back on her entire journey with Wynonna. You can give it a read here 🌟

27 THINGS
WE LEARNED ON ZOOM

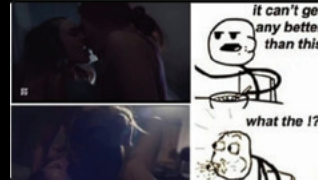
with
Melanie Scrofano



BuzzFeed

Melanie Scrofano Reflects On "Wynonna Earp" And How Much Pers...
"This show has really taught me how to connect with a character in a way that I've never been able to do before."
buzzfeed.com

Angeli's @DravoBarrell @WayhaughtBySmA · Mar 22
here is the tweet that represents all weeper 🥺🥺🥺 #Earpers, #FightforWynonna, #Wayhaught, #FrenchEarpers #WayhaughtWednesday #BringWynonnaHome



Rainbow Wayhaught @RWWayhaught · Mar 27
"My wings may be black, but I protect what I love"



Kendra 🍷🍷🍷 @kal_steen · Mar 27
Replying to @ViewerAlert
I need all the hugs... and booze. Jeez, that was a friggin fantastic and intense episode 🥰
#WynonnaEarp #BringWynonnaHome

E! PEOPLE'S CHOICE AWARDS BEST SCI-FI/FANTASY SERIES
CANADIAN SCREEN AUDIENCE AWARD, BEST CROSS PLATFORM AWARD

TV GUIDE TOP 50 SHOWS

INDIEWIRE BEST TV SHOWS ON EACH NETWORK

TV SCOOP AWARDS BEST DRAMA RUNNER UP, BEST CAST ON SOCIAL MEDIA

E! - TV'S TOP 4 LEADING LADY 2020

"The show, an under-the-radar supernatural Western set in a small town that is aptly named Purgatory, has been favorably compared by critics to such iconic series as Buffy the Vampire Slayer. That alone is a ringing endorsement of both the quality and depth of its storytelling, but what makes the Syfy series truly stand out in a crowded television landscape is the accessibility of the female-led show and its rather unconventional heroine."



"One of the most enjoyable genre escapes of the year."

"Anyone looking for a 'Buffy'-esque story about a complicated, flawed woman with special abilities and an entertaining array of friends, enemies and lovers should check out this show."

"Scrofano is funny, flirty and full of attitude..."

**Holly^{THE}wood
REPORTER**

VARIETY

"If you want a female hero: Wynonna Earp"



"WYNONNA EARP is on its way to becoming a classic."

!HUFFPOST!

"Syfy's new supernatural series Wynonna Earp isn't just a guilty pleasure—it goes above and beyond..."

VANITY FAIR

"Wouldn't it be tremendous to have a 'Wonder Woman' series on TV right now? Sadly, we don't. But we do have 'Wynonna Earp'."

salon

"Wynonna Earp has swagger and confidence to spare. Plenty of wit, heart, and action, anchored by a compelling ensemble cast."

TV FANATIC

Appendix B

MNP 2017 Economic Impacts of Heartland Infographic and Report

ECONOMIC IMPACT OF HEARTLAND



The longest-running one-hour drama in the history of Canadian television, *Heartland* is a multi-generational saga, focusing on two sisters and their grandfather, who are struggling to overcome the challenges of running a family ranch.

SEASONS 1-10

\$278.5M
PRODUCTION
EXPENDITURE


\$351M
IN GDP


4,545
FULL TIME JOBS*

\$469.1M
TOTAL ECONOMIC
OUTPUT

TAX REVENUES

\$46.7M **\$27.8M**
FEDERAL PROVINCIAL/
MUNICIPAL



Produced and developed by independent production companies SEVEN24 Films and Dynamo Films, most episodes of *Heartland* are filmed in and around High River, Alberta. *Heartland* is in its 11th season which premiered on CBC in September 2017.



ECONOMIC IMPACTS - SEASON 9

\$28.7M TOTAL PRODUCTION
EXPENDITURE

ALBERTA

PRODUCTION SPENDING


\$11.4M
EMPLOYMENT


\$8.3M
GOODS AND
SERVICES

PRODUCTION IMPACTS

\$31.8M ECONOMIC
OUTPUT

\$24.1M GDP

264 FULL TIME
JOBS

REST OF CANADA

PRODUCTION SPENDING


\$6.9M
EMPLOYMENT


\$2.1M
GOODS AND
SERVICES

PRODUCTION IMPACTS

\$16.5M ECONOMIC
OUTPUT

\$12M GDP

204 FULL TIME
JOBS

*Employment impacts are based on full time equivalents (FTE) from direct and indirect economic impacts.

ECONOMIC IMPACTS - SEASON 9

VENDORS

Significant economic impacts were created for businesses in Alberta and other regions in Canada from Season 9 production spending.



1,741
BUSINESSES BENEFITED

121 IN HIGH RIVER
470 IN REST OF ALBERTA

820 IN CALGARY
330 IN REST OF CANADA

IMPACT PER DOLLAR: FEDERAL TAX CREDIT

For each dollar of Canadian Film or Video Production Tax Credit (CPTC) received, *Heartland* season 9 generated



\$15.70
IN ECONOMIC
OUTPUT



\$11.70
IN GDP

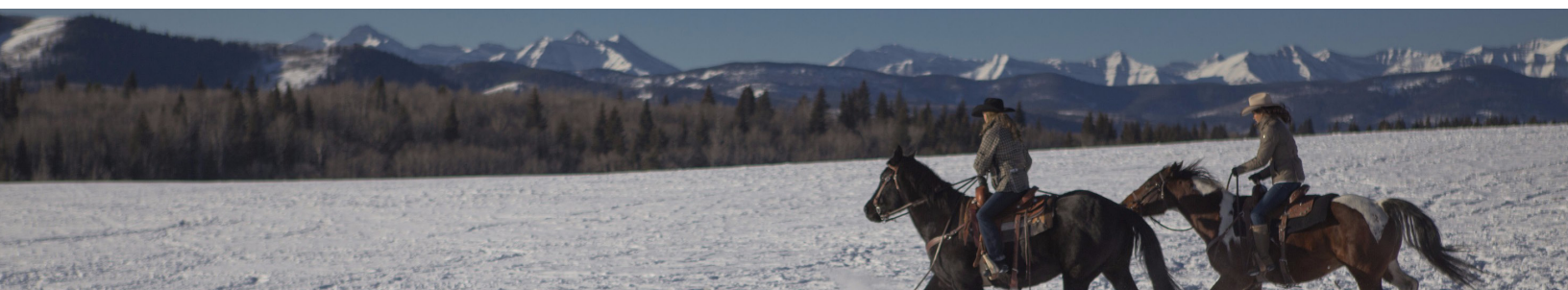


\$1.60
IN FEDERAL TAX
REVENUES



15
FULL-TIME JOBS PER
\$100,000 OF INCENTIVES

LOCAL COMMUNITY IMPACT: TOURISM BENEFITS



MUSEUM OF THE HIGHWOOD

Each year the museum sees nearly 2,000 visitors specifically because of the series. The non-profit institution has also benefited considerably from the retail sales of *Heartland* merchandise.

*"Has Heartland increased tourism?
Absolutely. There's no doubt about that."*

— Irene Kerr, Director and Curator

ANCHOR D GUIDING & OUTFITTING

To give fans of the series a unique experience, Anchor D Guiding & Outfitting partnered with local hotels and other members of the community to create "Hills of Heartland". Fans are able to enjoy *Heartland*-themed experiences such as trail rides that overlook filming locations, and other wilderness activities.

*"It's had a really positive effect on the horse industry.
People are coming from as far as Australia. We are so busy!
It's great for the town."* — Dewey Mathews, Owner



Case Study – Economic Impacts of *Heartland*

Prepared for the Canadian Media Producers Association

October 2017

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1. INTRODUCTION

The long-running Canadian television series *Heartland* tells a multi-generational saga, focusing on the lives of two sisters and their grandfather, who are struggling to overcome the challenges of running a family ranch and balancing their lives. Based on Lauren Brooke's best-selling novels, the series takes place in the Alberta Rocky Mountains and is the longest-running one-hour drama in the history of Canadian television.

Produced and developed by Canadian independent production companies SEVEN24 Films and Dynamo Films, the series premiered on October 14, 2007 on the CBC network for 10 seasons from 2007 to 2016. *Heartland* was renewed for Season 11 with the new season premiering in fall, 2017.¹

Table 1 summarizes the premiere dates and number of episodes for each of its ten seasons aired to date.

Table 1: *Heartland* Production Pattern²

	Season 1	Season 2	Season 3	Season 4	Season 5
Premiere Date	October 14, 2007	October 5, 2008	October 4, 2009	September 26, 2010	September 18, 2011
Number of Episodes	13	18	18	18	18
	Season 6	Season 7	Season 8	Season 9	Season 10
Premiere Date	September 16, 2012	October 6, 2013	September 28, 2014	October 4, 2015	October 2, 2016
Number of Episodes	18	18	18	18	18

Source: IMDB

Most episodes of the series were filmed in and around High River, Alberta, with support activities in other regions in Canada.³ Through the production spending of the series, significant economic impacts were created for the residents and businesses of Alberta and other regions in Canada, and substantial tax revenues accrued to federal, provincial, and local governments.

ABOUT SEVEN24 Films

SEVEN24 Films is an award-winning Canadian production company based in Calgary, Alberta. Its current development and production activity focuses on unique dramatic stories with universal appeal, and includes dramatic series, television movies, mini-series and feature films. Current projects include *Wynonna Earp* for SyFy, *Young Drunk Punk* with CBC & Rogers, and *Heartland* for CBC. SEVEN24 Films has working relationships with broadcasters and co-producers including CBC, Bell Media, Shaw, CBS, Lifetime, TNT, ABC Family, BBC, Disney Channel, Warner Brothers, Focus Features, and Mandalay Television.

¹ CBC.ca, Retrieved from <http://www.cbc.ca/heartland/>.

² IMDB, Retrieved from <http://www.imdb.com/title/tt1094229/>.

³ Visit Calgary, Retrieved from <http://www.visitcalgary.com/things-to-do/beyond-calgary/regional-alberta/town-high-river>.

2. STUDY PURPOSE

MNP LLP (“MNP”) was engaged by the Canadian Media Producers Association (“CMPA”) to develop a case study of the economic impacts of the production of the television series *Heartland*. For the study, MNP used data provided by SEVEN24 Films on Season 9 of the series to estimate the economic impacts that occurred during the 18 episodes of that season of production. As the series completed 175 episodes by the end of Season 10, the impacts through Season 10 could be expected to total roughly 9.7 times that from Season 9.

3. SEASON 9 PRODUCTION SPENDING AND GOVERNMENT INCENTIVES

Season 9 production spending engaged over 1,400 vendors from 47 communities across Alberta.⁴ As shown in Table 2, this included 121 vendors from High River, 820 from Calgary, 470 from the rest of Alberta, and 330 from other regions in Canada. The series engaged a wide variety of vendors including, vehicle and equipment rental agencies, production and post-production facilities, catering companies, professional services firms and various types of retailers.

Table 2: Season 9 Vendor Data

Region	Number of Vendors
High River	121
Calgary	820
Rest of Alberta	470
Other Regions in Canada	330
Total Canada	1,741

Source: SEVEN24 Films

As shown in Table 3, Season 9 of *Heartland* was associated with total production-related spending in Alberta of approximately \$19.7 million.⁵ About \$11.4 million in total was spent in Alberta on wages, salaries and per diems for individuals involved in the production and post-production of Season 9, and another \$8.3 million was spent on production-related goods and services. In addition, total production spending for the rest of Canada was approximately \$9.0 million, with \$6.9 million spending on labour and \$2.1 million spending on goods and services.

Table 3: Season 9 Production Spending

	Alberta Spending	Rest of Canada Spending	Total Canadian Spending
Spending on labour related to production and post-production, including per-diems	\$11.4 million	\$6.9 million	\$18.3 million
Spending on goods and services	\$8.3 million	\$2.1 million	\$10.4 million
Total Spending	\$19.7 million	\$9.0 million	\$28.7 million

Source: SEVEN24 Films

⁴ Estimated based on vendor data provided by SEVEN24 Films.

⁵ Estimated based on information and expenditure data provided by SEVEN24 Films.

As shown in Table 4, the production of Season 9 benefited from federal and provincial government incentives, including approximately \$3.1 million in federal government incentives, and approximately \$5.9 million in provincial government incentives.

Table 4: Federal and Provincial Government Incentives Estimated from Season 9 Financing

	Tax Incentives
Federal Government Incentives ⁶	\$3.1 million
Provincial Government Incentives ⁷	\$5.9 million
Total	\$9 million

Source: SEVEN24 Films

4. ECONOMIC IMPACTS OF PRODUCTION SPENDING

MNP estimated the economic impact of the production of *Heartland* using the 2010 Statistics Canada provincial input-output multipliers. Statistics Canada's input-output model is the most widely used system for measuring economic impacts in Canada, and provides a measure of the interdependence between an industry and the rest of the economy. The provincial economic multipliers show the direct, indirect, and induced effects on economic metrics, and can be used to measure the quantitative impact of a change in the production or expenditure of a particular industry.

In general, economic impacts are viewed as being restricted to quantitative, well-established measures of economic activity. The most commonly used of these measures are output, GDP, employment, and government tax revenue:

- **Output** – the total gross value of all business revenue. This is the broadest measure of economic activity.
- **Gross Domestic Product (GDP)** – the “value added” to the economy (the unduplicated total value of goods and services).
- **Employment** – the number of jobs created or supported (in full-time equivalents or FTEs).
- **Government Tax Revenue** – the total amount of tax revenues generated for different levels of government.

Economic impacts may be estimated at the direct, indirect, and induced levels:

- **Direct impacts** are due to changes to front-end businesses that receive expenses or operating revenue as a direct consequence of the activities of an industry or project.
- **Indirect impacts** are due to changes in the activity of suppliers of the front-end businesses.
- **Induced impacts** are due to shifts in spending on goods and services as a consequence of changes to the payroll of the directly and indirectly affected businesses.

In this analysis, MNP estimated the impacts of a set of direct expenditures related to the filming of Season 9 of *Heartland*. The television series, like other productions, has an amount of direct expenditure, which in turn stimulates so-called indirect impacts across the industry supply chain. These expenditures also create or support jobs, as firms add or retain labour to meet rising demand. This, in turn, raises incomes and stimulates what are known as induced impacts, as higher incomes flow through to consumption. The total

⁶ Federal government incentives include the Canadian Film or Video Production Tax Credit (CPTC).

⁷ Provincial government incentives include those from the Alberta Media Fund and from the Ontario Film & Television Tax Credit.

economic impact of the production spending is the sum of each of these direct, indirect, and induced impacts.

Using Statistics Canada's input-output multipliers and Season 9 production expenditure data provided by SEVEN24 Films, MNP estimated the total economic impacts (i.e. direct, indirect, and induced) arising from the \$19.7 million in production spending for Season 9 in Alberta and from \$9.0 million in other areas of Canada. The results of this analysis are presented in Table 5. (For an overview of the methodology used to estimate the economic impacts and for more detailed results, please see Appendices A and B of this report.)

Table 5: Estimated Economic Impacts of Season 9 Production Spending

	Alberta Production Impacts	Rest of Canada Production Impacts	Total Canadian Impacts
Direct Production Expenditure	\$19.7 million	\$9.0 Million	\$28.7 million
Total Output	\$31.8 million	\$16.5 million	\$48.3 million
Total GDP	\$24.1 million	\$12.0 million	\$36.1 million
Total Employment (FTEs⁸)	264 FTEs	204 FTEs	468 FTEs
Federal Tax Revenues	\$3.4 million	\$1.4 million	\$4.8 million
Provincial Tax Revenues	\$1.5 million	\$0.7 million	\$2.2 million
Municipal Tax Revenues	\$0.4 million	\$0.3 million	\$0.7 million

Table 6 shows the economic impacts per dollar of federal government incentives received by the production.

Table 6: Estimated Economic Impacts per Dollar of Federal Government Incentives

	Production Impacts
Output per dollar of federal government incentives	\$15.70
GDP per dollar of federal government incentives	\$11.70
Employment per \$100,000 of federal government incentives	15 FTEs
Federal tax revenues per dollar of federal government incentives	\$1.60

⁸ One FTE is equivalent to one person-year of employment.

Table 7 shows the economic impacts per dollar of provincial government incentives received by the production.

Table 7: Estimated Economic Impacts per Dollar of Provincial Government Incentives

	Production Impacts
Output per dollar of provincial government incentives	\$8.10
GDP per dollar of provincial government incentives	\$6.10
Employment per \$100,000 of provincial government incentives	8 FTEs
Provincial and municipal tax revenues per dollar of provincial government incentives	\$0.50

Assuming that the level and pattern of production spending over the 18 episodes in Season 9 was similar across all 175 episodes in the series, the estimated economic impacts generated over the life of the series through Season 10 could be expected to total roughly 9.7 times that from Season 9. These impacts are presented in Table 8.

Table 8: Estimated Economic Impacts of Seasons 1 through 10 Production Spending

	Alberta Production Impacts	Rest of Canada Production Impacts	Total Canadian Impacts
Direct Production Expenditure	\$190.7 million	\$87.8 million	\$278.5 million
Total Output	\$309.0 million	\$160.1 million	\$469.1 million
Total GDP	\$234.0 million	\$117.0 million	\$351.0 million
Total Employment (FTEs)	2,566 FTEs	1,979 FTEs	4,545 FTEs
Federal Tax Revenues	\$32.7 million	\$14.0 million	\$46.7 million
Provincial Tax Revenues	\$14.5 million	\$6.9 million	\$21.4 million
Municipal Tax Revenues	\$3.5 million	\$2.9 million	\$6.4 million

5. COMPARISON WITH OTHER INDUSTRIES

To provide perspective on the size of the economic impacts generated by the production of *Heartland* in Alberta, it is useful to compare the impacts with those created by other industries. Three examples of other industries are new home construction, tourism/major events, and outfitted hunting.

- **New Home Construction** – The total estimated employment supported by production spending on Season 9 of *Heartland* is equivalent to the direct and indirect employment supported by the construction of about 113 new homes in Alberta.⁹ The employment supported over Seasons 1 through 10 of production is equivalent to that supported by the construction of approximately 1,100 new homes in Alberta. In all of Canada, the employment supported by Season 9 of production is equivalent to that supported by the construction of about 200 new homes, while the employment supported by Seasons 1 through 10 is equivalent to that supported by the construction of approximately 1,950 new homes.
- **Tourism / Visitors** – The employment supported by production spending on Season 9 of *Heartland* in Alberta (\$31.8 million) is equivalent to the employment supported by the spending of about 18,000 US visitors to Alberta. Season 1 through 10 production spending in Alberta supported the same employment as the spending of about 180,000 US visitors to Alberta.¹⁰
- **Tourism / Major Events** – The estimated economic output generated by the Season 9 production of *Heartland* in Alberta (\$31.8 million) is approximately half of the industry output generated from the hosting of the 2015 FIFA Women's World Cup in Alberta (\$78.3 million).¹¹ The economic output generated over Seasons 1 and 10 of production (\$309 million) is roughly equivalent to hosting the FIFA Women's World Cup four times in Alberta.
- **Outfitted Hunting** – The total GDP generated in Alberta (\$24.1 million) from the Season 9 production of *Heartland* is roughly one-half of that generated in Alberta in a year by the outfitted hunting industry (\$46.5 million in 2013).¹²

6. ADDITIONAL IMPACTS

In addition to economic impacts that arise through production spending, television series such as *Heartland* produce impacts that can result from infrastructure spending, film induced tourism, and personal spending by non-resident labour.

- **Infrastructure Impacts** – Infrastructure spending includes expenditures associated with production facilities and equipment. While the economic impacts of infrastructure spending have not been assessed in this report, it is important to note that the impacts can be significant.
- **Film Induced Tourism Impacts**– Film induced tourism (FIT) is the phenomenon of films and television programs encouraging viewers to visit the country or region where filming occurred. FIT and its related tourism concepts, which include the effects of TV, films, movies, and media culture, has increasingly been viewed as an important component of tourism marketing. Television series are especially likely to reach much larger audiences than specifically targeted tourism promotion.¹³
- **Personal Spending by Non-resident Labour while in Alberta** – This may include spending by non-resident labour on vacations or other personal purchases while on location in Alberta.

⁹ Will Dunning Inc., *Economic Impacts of New Home Construction – Alberta 2016*. Retrieved from http://www.chba.ca/CHBA/Housing_in_Canada/Information_and_Statistics/impacts/1%20Alberta%20Economic%20Impacts%20of%20New%20Home%20Construction%202016.pdf.

¹⁰ Alberta Tourism, Tourism Research and Innovation Branch, "The Economic Impact of Tourism in Alberta 2012", 2012.

¹¹ Retrieved from http://resources.fifa.com/mm/document/footballdevelopment/women/02/73/04/15/factsheet_en_final2_neutral.pdf.

¹² Alberta Innovates Technology Futures, "The Economic Impact of Outfitted Hunting in Alberta", 2014.

¹³ Croy, Glen W, *The Lord of the Rings, New Zealand, and Tourism: Image Building with Film*, 2004.

It is worth noting that television series can also generate additional economic, community, and social benefits. These may include the creation of opportunities for trainees or interns, the development of business partnerships, the creation of spin-off companies, and contributions to community and culture.

Community and Tourism Benefits

To illustrate the community and tourism benefits of *Heartland*, MNP interviewed representatives from three organizations that have been impacted by the series.

“Has Heartland Increased Tourism? Absolutely. There’s no doubt about that.”

- Irene Kerr, Director and Curator, Museum of Highwood

Museum of the Highwood

Since 2007, High River has been the filming location for *Heartland*. According to Irene Kerr, Director and Curator of the Museum of the Highwood, tourism has increased greatly to the point at which in 2016, the museum received 12,000 visitors, with nearly 2,000 visiting specifically because of the series. In 2016, the museum opened an “On Location: Film in the Foothills” exhibit dedicated to productions filmed in the area, and includes a section dedicated to *Heartland*. In addition, the Museum of the Highwood obtained licensing rights with the production and CBC to sell *Heartland* merchandise. Kerr noted that retail sales have increased because of the ability to sell *Heartland* merchandise and overall has helped the non-profit institution considerably.



Anchor D Guiding & Outfitting

Dewey Mathews, lead guide and owner of Anchor D Guiding & Outfitting located near High River, Alberta, has seen an increase in visitors since *Heartland* began filming in 2007. According to Mathews, *Heartland* has generated international visitors and a younger demographic to his business. In an effort to leverage the television series to attract more visitors, Anchor D Guiding & Outfitting partnered with local hotels and other members of the community to create “Hills of Heartland”, which offers fans a *Heartland*-themed experiences such as trail rides that overlook filming locations, hunting, and other wilderness activities.

“It’s had a really positive effect on the horse industry. People are coming from as far as Australia. We are so busy! It’s great for the town.”

- Dewey Mathews, Owner, Anchor D Guiding & Outfitting



“Heartland has definitely impacted our tourism. The show is hugely popular and helps local businesses. Our only wish is that we had more merchandise to offer fans!”

– Tammy Rombough, Owner, Walkers Country N’ Western Wear

Walkers Country N’ Western Wear

Walkers Country N’ Western Wear is High River’s sole western clothing retailer, and according to Tammy Rombough, owner of the store, they have seen substantial benefits because of *Heartland*. Fans of the series can purchase merchandise and souvenirs from the store, including hoodies and shirts bearing the *Heartland* namesake. Rombough stated that the business has received a noticeable bump in sales and that the series has attracted a high volume of interest from international customers looking to have a *Heartland* experience and purchase souvenirs.



Fandom and Local Tourism

According to the series producers, *Heartland*’s presence on social media has received tens of thousands of views, clicks, likes, comments, and shares on social media from fans around the world and includes followers on Facebook (367,000 followers), Instagram (121,000 followers), Twitter (105,000 followers), and YouTube (22,500 followers, with no episodes being streamed on YouTube).¹⁴ For example, the total digital views for Season 10 on all digital media streams received 10.8 million views, which makes *Heartland* the largest social media reach of any one-hour scripted drama with a Canadian Primary Broadcaster.¹⁵

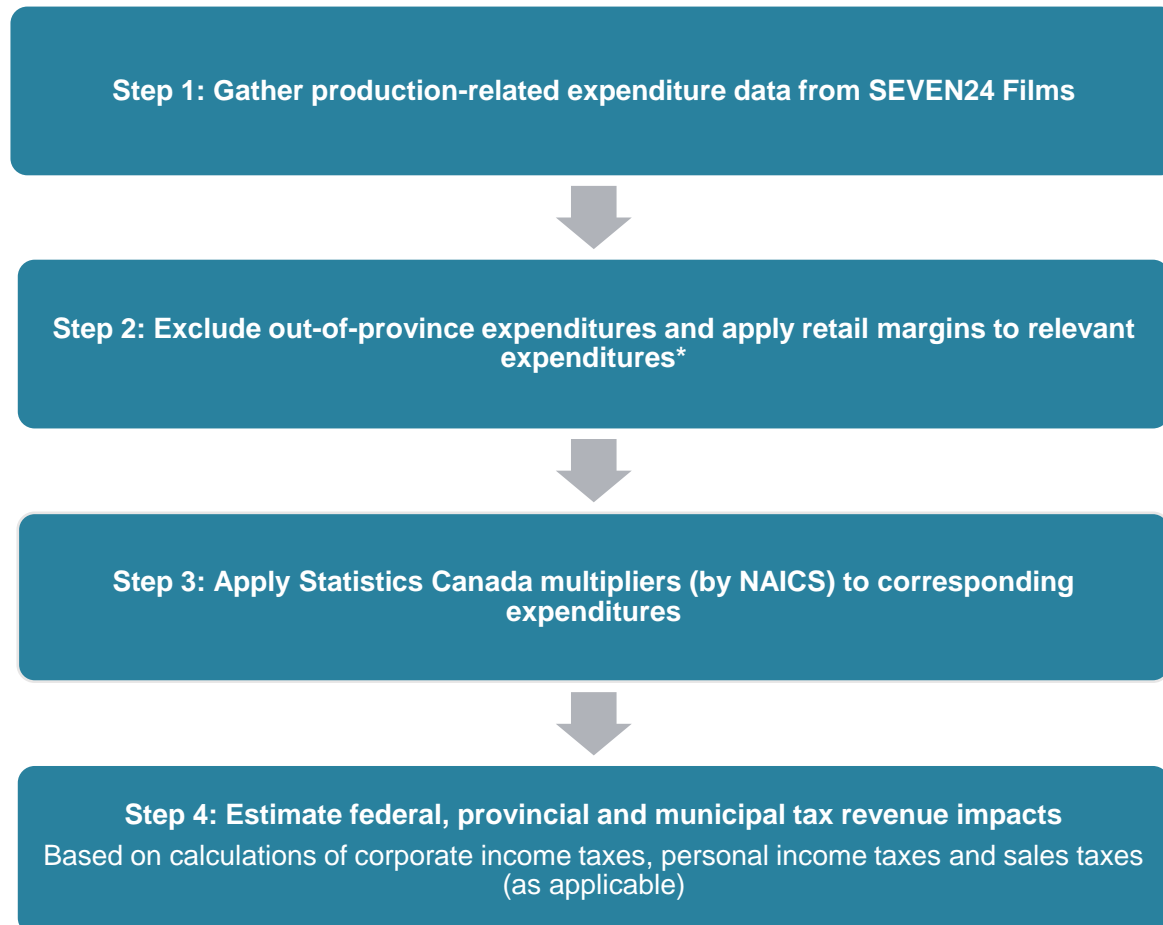
Heartland fans were invited to participate as extras for scenes filmed in Millarville, Alberta in September 2016. The invitation instigated a prompt response with over 2,000 fans trying to register within 24 hours. The production selected 850 fans who represented a crowd watching a rodeo event in Season 10. The event generated a high volume of interest both domestically and internationally, attracting fans from the Maritimes, Ontario, and western Canadian provinces, as well as from the United States, UK, Ireland, France, and Germany.

¹⁴ Data on social media followers has been provided as of July 18, 2017.

¹⁵ From communications with Gordon Imlach, the series publicist for *Heartland*, July 18, 2017.

APPENDIX A – ECONOMIC IMPACT METHODOLOGY

A step-by-step overview of our approach to estimating the economic impacts of *Heartland* is provided below.



* Retail margins were applied to expenditures on machinery, equipment and supplies (26.4% for Ontario), building material and supplies (23.8% for Alberta and 25.2% for Ontario margins) furniture and home furnishing (44.0% for Alberta and 44.3% for Ontario), clothing and clothing accessories (51.1% for Alberta and 50.6% for Ontario). (Statistics Canada, CANSIM Tables 080-0030 and 081-0017)

APPENDIX B – DETAILED RESULTS

Table B-1: Estimated Economic Impacts of Season 9 Production Spending in Alberta

	Output	GDP	Employment (FTEs)	Federal Tax	Provincial Tax	Municipal Tax
Direct	\$18,827,581	\$16,156,724	161	\$2,402,574	\$1,001,870	\$68,457
Indirect and Induced	\$12,953,704	\$7,914,414	103	\$962,308	\$491,616	\$293,900
Total	\$31,781,285	\$24,071,138	264	\$3,364,882	\$1,493,487	\$362,357

Table B-2: Estimated Economic Impacts of Seasons 1 through 10 Production Spending in Alberta

	Output ¹⁶	GDP	Employment (FTEs)	Federal Tax	Provincial Tax	Municipal Tax
Direct	\$183,045,931	\$157,079,258	1,561	\$23,358,357	\$9,740,405	\$665,559
Indirect and Induced	\$125,938,785	\$76,945,690	1,005	\$9,355,774	\$4,779,603	\$2,857,356
Total	\$308,984,716	\$234,024,948	2,566	\$32,714,131	\$14,520,008	\$3,522,915

Table B-3: Estimated Economic Impacts of Season 9 Production Spending in the Rest of Canada

	Output ¹⁷	GDP	Employment (FTEs)	Federal Tax	Provincial Tax	Municipal Tax
Direct	\$9,034,402	\$7,753,693	155	\$1,015,500	\$389,411	\$9,640
Indirect and Induced	\$7,437,102	\$4,284,047	48	\$428,146	\$324,402	\$285,759
Total	\$16,471,505	\$12,037,740	204	\$1,443,645	\$713,813	\$295,399

Table B-4: Estimated Economic Impacts of Seasons 1 through 10 Production Spending in the Rest of Canada

	Output ¹⁸	GDP	Employment (FTEs)	Federal Tax	Provincial Tax	Municipal Tax
Direct	\$87,834,468	\$75,383,126	1,509	\$9,872,916	\$3,785,938	\$93,726
Indirect and Induced	\$72,305,161	\$41,650,458	470	\$4,162,526	\$3,153,910	\$2,778,212
Total	\$160,139,630	\$117,033,584	1,979	\$14,035,442	\$6,939,849	\$2,871,938

¹⁶ Ibid.¹⁷ Ibid.¹⁸ Ibid.