

# spottingnotes

GUILD OF CANADIAN FILM COMPOSERS

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## TRANSFORMING SOCAN: TEN YEARS WITH ANDRÉ LEBEL

BY GREG FISHER AND DEREK TREFFRY



photo: Derek Treffry

*Spotting Notes* sat down with outgoing SOCAN CEO André LeBel to talk about his time with the organization over the past 10 years, and what he sees in the future.

### What drew you to the position of SOCAN CEO?

When the telecom bubble burst in 1999, I decided that was it for me, and that I would semi-retire, stay on a few boards and enjoy the “good life.” One day I got a call from the executive recruitment firm SOCAN had retained saying, “I’m looking for a CEO for SOCAN.” I said, “So, what?!” I knew absolutely nothing about the organization. But I always had an affinity for music, so that was one hook. The other hook was that the company was looking for someone who had been in a technology environment, and throughout my telecom career I had always, of course, been close to technology. So, it all seemed to make sense.

### When you first took over the position of CEO, what did you think was going to be your biggest challenge?

One, which I had been warned about, was a corporate culture problem. I was prepared for that because I had managed companies going through cultural transitions. People were going about the SOCAN business much like government bureaucrats. There’s nothing necessarily fundamentally wrong with that, it’s just that an attitude change had to occur. I believe we’ve come a long, long way. We listen to our members, and they are telling us how SOCAN has changed for the better.

The GCFC is a very important constituency of SOCAN. Many of you guys keep the lights on around here. When I came in, the Guild had quite a few beefs against SOCAN and most

of them were well founded. We started to work with the Executive of the Guild, developed a “laundry-list” of all the issues and started knocking them down one by one. In the past few years things have been smooth. Not perfect, but smooth. They’ve seen that we’ve done what we said we were going to do and that’s one indicator of, I think, the fair amount of progress we’ve made. Even just for one particular constituency.

**It’s been said that under your stewardship, SOCAN has become a “meritocracy”: an open**

**environment where new ideas are welcomed and encouraged.**

That’s a combination of things. First of all, we’ve certainly instilled a culture of innovation. We have employees submitting anywhere from 100 to 150 ideas per month. There’s a whole system to evaluate these ideas, but we do it in a very transparent way. It’s not, “I like that idea”

versus “I don’t like it,” it is, “what has a chance to succeed?”

It’s implementing a compensation package that recognizes individual performance and excellence, not only through the basic pay system, but also with incentive pay: bonuses that recognize superior performance.

Also, starting within the first year and a half

 **We’ve certainly instilled a culture of innovation.** 



**GCFC**

GUILD OF CANADIAN  
FILM COMPOSERS

Spotting Notes is the official newsletter of the Guild of Canadian Film Composers, a national association of professional music composers and producers for film, television, and new media.

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photo: Darren Fung

# VIEW FROM THE PODIUM

BY MARVIN DOLGAY, PRESIDENT

2010. A blink of an eye and a lifetime away from Y2K. Remember that?

Planes would fall from the sky, the entire power grid was going down and your bank balances would be erased. Ah, good times.

I don't know about you but my world has surely changed in the last decade: a new relationship with an old friend, my son away at university, a new music business and studio, and now, writing my second "View From The Podium" as president of the GCFC, representing colleagues that I've respected for years and who share my musical DNA.

I have quickly realized that there are many broad views and many perspectives beyond my own. As President, I must represent them all, and so I have learned a lot from listening. I will always welcome this opportunity in order to open and broaden my perspective further.

However, as we look to the decade ahead, I feel that this is the time for more than just discussions. We need to take action on some important issues that face us: suggested fees, copyright reform and tariffs, monetizing our music on the Internet and mobile devices top the list.

These issues are not unique to us here in the Great White North. I've been in touch with our counterparts in Australia and in the U.K., as well as with senior composers and advocates in the United States. We have almost identical problems and working environments and they are as keen to find out about our solutions as we are about theirs. Rates and copyright are top of mind in these regions too. I'm sure most of you are aware of the traction the Teamsters' proposal is getting to unionize media composers in the U.S.

I believe we need to couple prudent long-term global planning with practical steps that can be

taken now. The GCFC has been preparing for these steps for many years and I'm confident that although we can't predict the future exactly, we'll be at the head of the pack when it comes to understanding and exploiting the new and increasing revenue streams as they replace the old declining ones.

The vision to certify the GCFC under the Status of the Artist Act, a blink and a decade ago, is now starting to prove its worth. As we grapple with thorny issues, please ask yourself (if I may paraphrase), what can you do for your Guild and colleagues in addition to what can your Guild do for you? If we keep a grassroots approach and work together, we will succeed together.

Right now, as entrepreneurs, let's make sure that we negotiate terms and conditions that fairly compensate us for our work and costs. Let's take more responsibility for our careers. Let's support copyright. Let's create working environments based on mutual respect and shared interest in nurturing media industries that can compete in global markets. We CAN win contracts because we are the best for the job.

The GCFC will continue to provide the resources and tools necessary to ensure that our passion for music and our talents are recognized with respect and professionalism. With our model contract, our spreadsheet for pricing music soundtracks, our orchestral readings, composer-director match up program, our seminars, workshops, and apprentice mentor programs, the GCFC will continue to work to improve the lot of film, television, and digital media composers.

We trust that you will continue to be engaged and engage others to share information and advice. As founding member and Past President Glenn Morley notes, "A rising tide lifts all ships." ■



## 6-PACK OF QUESTIONS

# MARIA TOPALOVICH

WITH CHRIS PAULEY

Maria Topalovich is the new Executive Director of the Guild of Canadian Film Composers. Previously she occupied positions as the Director of Marketing and Communications, and then later as the President and CEO of the Academy of Canadian Cinema and Television, where she undertook the Executive Producer's role for the Genies and the Gemini Awards. She also serves as Vice-President of the Actors' Fund of Canada, Vice-Chair of the Board of Trustees of Casa Loma, President of the Faculty of the Music Alumni Association of the University of Toronto, and was recently appointed to the Board of the Ontario Heritage Trust. She holds a Bachelor of Music degree in History and literature and a Master of Music degree in Musicology from the University of Toronto. She was recently inducted into the Canadian Film and Television Hall of Fame as an Industry Builder, someone who crosses the boundaries and has contributed to the development of the industry at large.

### **1** What is it about the role of Executive Director that most appeals to you?

That's easy – the people and community I am embracing again. My early training and professional background is entirely in music, and although I never regretted shifting into film and television, I always missed my musical world. So when Paul and Marvin approached me, what appealed to me most was the opportunity to work with musicians and composers again and to focus my energy and experience on the discipline that has always been closest to me.

### **2** Throughout your career, you have forged wide-ranging relationships in the Canadian music and film industries. What are some of the key things you've learned?

Interesting that you use the word "relationships." At the risk of sounding like I'm stuck in the '70's, if I've learned anything, it's that relationships are the building blocks to success. I've also learned that successful relationships are based on mutual self-interest. You are not an island unto yourself; it's what we achieve in a committed collective that resonates and bears fruit. You need a team of like-minded partners to achieve your goals. If you nurture and embrace this philosophy, everything is possible and more rewarding for everyone.

### **3** What do you feel are the critical challenges facing Canadian film and media composers in 2010 and beyond?

Dramatic shifts in the media landscape have been epic and confusing for everyone, and no one really knows where everything will land. Pundits continue to analyze and predict, but it's a guessing game at best. The upside is that while traditional business models collapse, rapidly evolving technologies, innovation and entrepreneurship offer exciting opportunities while redefining and shaping the 21st century media landscape for creators and end users.

In the midst of all of this, Canadian film and media composers have been experiencing their own challenges. The Guild's membership and executive have been working hard to identify and address some of the key issues facing our community. The broad challenge for the GCFC is to keep our membership connected and informed and to make sure we have a voice and a seat at the table.

### **4** How do you feel the Guild can help equip composers to address those challenges?

The GCFC's mission is to educate, develop, promote and provide a voice for its members, and I think it has been doing an incredible job in doing so through these challenging times. There are few associations our size that offer as many workshops, professional development seminars and outreach programs across the country as we do. Our website is a promotional tool and a business and educational resource. Our Model Agreement remains one of our most useful tools. Our active, on-line Discussion Forum is unique in offering its members opportunities to learn, discuss and exchange information and opinions. The development and expansion of this virtual community is one of the Guild's top priorities.

### **5** Given your gift for communication and desire to promote and celebrate Canadian talent, how do you feel the GCFC can raise its profile within the industry?

There are many opportunities we are exploring to ensure our voice and issues are heard. We are currently developing a communications strategy to industry, government and media and are focusing on strategic industry outreach and increased collaboration with industry partners.

### **6** With a new President on board and yourself as the new Executive Director, this is a fertile landscape for affecting change. Is there anything new you wish to see evolve during your tenure?

Frankly, I don't see the need for major change so much as a continuation of all the progress that has been achieved. I believe in organic growth, and to my mind the GCFC has been built on a solid, viable foundation that allows such evolution. I'm also a big believer in teamwork, and we have an exceptionally committed and talented team leading the GCFC. Needs and circumstances change, but a clear vision and sound objectives don't. We should all be grateful that the GCFC's founders got it right. ■



# COMPOSING YOUR CAREER: GOING CORPORATE

BY TRISTAN CAPACCHIONE

Welcome to the first installment of a new series in *Spotting Notes*. “Composing Your Career” will cover a variety of issues pertaining to the emerging film composer. This article will examine the different types of business structures that exist for the entrepreneur in Canada. Specifically, it will look at sole-proprietorship, partnerships, corporations as well as registering a business.

The most basic form of business structure is sole-proprietorship. A freelance musician and/or composer is the sole-proprietor of a business. This person makes the decisions, does the work, and is entitled to all of the profit. In addition, they are completely liable for their affairs. With regards to taxes, they file under self-employment income of the T1 General Return form. Business expenses may be claimed, which can include computer hardware, software and accessories; business lunches; etc. Not everything is 100% deductible, so it is advisable to speak with a tax specialist, ideally one who is familiar with income tax for artists, as certain conditions apply solely to musicians. For example, musicians are allowed to claim black clothing as a business expense.

Another structure is the partnership. In a partnership, two or more people contribute money, time, labour, and/or skills towards the business. Through this collaboration, the team members agree to share the profits of the business in some manner. This structure can be useful as some global costs, such as website hosting and design, can be shared. An important element to understand is that a partnership can exist without a written agreement, so one should consider carefully all of the responsibilities and liabilities that come with entering a partnership. There exist different types of partnerships, such as “Limited Partnerships” and “Limited Liability Partnerships.” Information about these types is

available on the Industry Canada website as well as through professional services. As for taxes, the company itself does not have a taxable income, rather the money each partner makes from the company is calculated into their own personal income tax returns.

The last basic type of structure is a corporation. A corporation is different from the other structures in that it is a “legal person.” More simply, a corporation is a separate entity from its owners. This means that a company has the ability to own assets and enter into contracts under its own name. It also means that the owner’s personal assets are safe should the company becomes liable for its losses. There are many advantages to incorporating but with it comes greater responsibility. In addition to files that must be sent to Industry Canada annually, the company must file its own income tax report. Corporations are typically taxed lower than individuals and this is seen by some to be an ideal time to make the move to incorporate. For example, the owner can pay themselves a base salary while the remaining profit stays in the company, thereby keeping both parties in

a lower tax bracket. Incorporating a business is a multi-faceted decision and having the right information is crucial. Seeking professional advice is advised.

One more thing to consider is registering a business. As a sole-proprietor or partnership, one should investigate registering their business with the provincial business registry. In some cases it may even be required to do so. For example, the *Registraire des entreprises du Québec*, requires that a business register if it is active under a name not that of the owner (i.e. Cool Film Music Studios). Additionally, if the company plans to work in other provinces, it should verify that it does not need some form of clear-ance to be active there.

Finally, never forget that composers and musicians are business people who own and operate a business and it is crucial to understand all that it entails. Reading a book on running a small

 **Reading a book on running a small business is a good idea; it could very well be what makes or breaks one’s career as a musician.** 

business is a good idea; it could very well be what makes or breaks one’s career as a musician. Learn about the different government or non-profit organizations

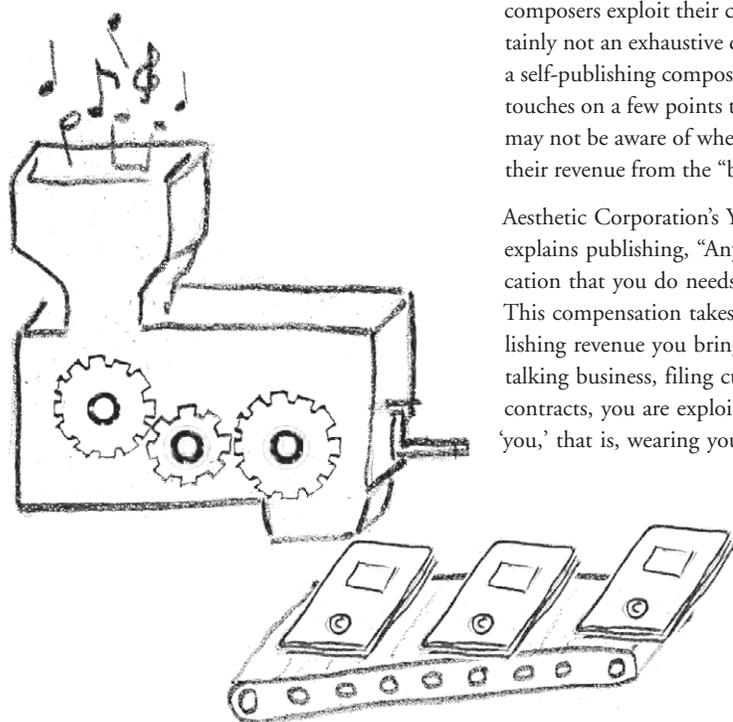
that exist in each province and city. Often they offer work-shops and conferences for small-business owners and/or young artists. With the proper tools in hand, a business will experience a higher degree of success. As Elvis Presley has said, “I don’t know anything about music. In my line, you don’t have to.”

Please note that this information is a merely a guide and that one should always seek professional consultation before embarking on a major career move. ■

# PUBLISHING 101

## TIPS FOR THE SELF-PUBLISHING COMPOSER

BY DARREN FUNG



In our last edition of *Spotting Notes*, we examined the role of music publishers in the audiovisual composer food chain. In this continuation, we talk to a few GCFC members who have had success as self-publishers, as well as representatives from various collectives aimed at helping composers exploit their copyrights. This is certainly not an exhaustive document of everything a self-publishing composer should do. Rather, it touches on a few points that composers may or may not be aware of when looking to maximize their revenue from the “back-end.”

Aesthetic Corporation’s Yuri Gorbachow explains publishing, “Any administrative application that you do needs to be compensated for. This compensation takes the form of any publishing revenue you bring in. The time you take talking business, filing cue sheets, negotiating contracts, you are exploiting and promoting the ‘you,’ that is, wearing your creative hat.”

### FIGHTING FOR THE PUBLISHING SHARE

The first challenge for any self-publishing composer is to, of course, fight for a portion of the publisher’s share of the revenue. However, many people on both sides of the coin are unaware that publishing is not just a revenue stream. There is a significant amount of responsibility that comes with the role.

“We are continually astounded by the lack of understanding some producers have about the importance of publishing or how it fits in the

process,” observes fish-fry music and sound’s Greg Fisher. “The challenge is to explain its value to producers: I can afford to do this music for you at this price because I am getting this money on the back end. It is a huge part of my livelihood.”

The publishing responsibility and revenue is something that in Canada, starts off under the composer’s control, and is something that needs to be signed off on, if it is to be assigned. It is not automatic. To that end, it is something that has value.

“It’s a separate line item that is negotiable.

Publishing does have a value and you have to bring that to their attention. It’s like another (fee) ‘bump-up.’ Beyond that, there’s also the accountability to track it, and all of the ‘head-aches’ that go along with it. Producers have a lot to deal with, and since composers already do it for other productions where we have the publishing, we can make life a lot easier.” Fisher continues, “It’s an opportunity where you can come through as a hero to them.”

At least part of the solution lies in educating producers and providing viable alternatives. Often producers are afraid of not being able to fully exploit their productions. Creative alternatives include finding a way to have composers participate in the revenue generating from publishing, while providing the flexibility producers desire.

“We have deal memos that say to the producers, ‘yes, you will have all the publishing rights, it’ll be exclusive to you, but we’re going to collect 100% of the publisher’s share of public performance royalties.’ And the producers are fine with that because they know they aren’t paying us that much on this project, but they would like the exclusivity,” says Fisher.

His business partner, Derek Treffry, agrees, “It’s not always the producers coming with a nefari-

ous kind of ‘we’re going to get as much as we want for nothing.’ They’ve been told to ask for something because they should ask for something by their lawyer and they don’t realize what it actually is. It comes back to explaining to people what they’re asking for and what the ramifications and responsibilities are as a result.”

## CUE SHEETS

So, you’ve managed to retain some of the publishing from your last contract. After giving yourself a hearty “high-five,” the question is: now what? What exactly is it that you need to do as a self-published composer?

Cue sheets are the most important link between your music and your pocketbook. It is the documentation that provides Performing Rights Organizations (PROs) such as SOCAN the information required in order to effect payment on their members. That being said, it’s obvious that many errors in payment stem back from improperly filled out cue sheets.

According to Gorbachow, being organized from the get-go makes the process of creating cue sheets easy. “I’ve written custom scripts that manage my database program: spotting notes become timed notes, which evolve into cue summaries. By the time I get to cue sheets, they’re 90% complete,” he says. “It is a huge time saver, and from an organizational standpoint it just reinforces the fact that this vital documentation begins at the spotting session.”

Fisher agrees and believes that if you have the option of doing the cue sheets yourself, you should jump on the opportunity. “There is a lack of understanding that some producers have in that the whole cue sheet concept seems mythical and they don’t seem to grasp the importance of it or how it fits into the process,” says Fisher. “Even if they have a stake in the publisher’s share, they don’t necessarily have enough of a valued focus or a full understanding of the picture to put the proper effort into it.”

Marcando Music’s Janal Bechthold adds an important caveat, “Your publishing is worthless unless your cue sheets are filed.”

## INTERNATIONAL ROYALTIES

Bechthold says that many problems with collecting international royalties stem from paperwork. “Maybe the cue sheets aren’t filed, or aren’t filed properly in those other societies. One of the biggest factors is when shows are translated into other languages and the titles change. Often, they aren’t direct translations, and if the PROs have performances in their system they’re not able to match that to a cue sheet title,” says Bechthold. “The more information you can provide, the lower the risk of things going wrong.”

Bechthold recommends that every composer learn their IPI (Interested Parties Information) number, which is available on your online SOCAN member’s profile.

“Every name for a composer has a number that is used internationally. It tells all the societies in the world who is collecting for that individual person,” she says. For example, if you’re not careful, you could have a listing

with your name with a middle name and one without, resulting in two IPI numbers. Composers should choose one.

“It’s a smart thing for composers to include that IPI number on their cue sheets. It’s the one individual identifier that is unique to you.” Bechthold continues, “It could mean thousands, or even tens of thousands of dollars to you.”

## MECHANICAL RIGHTS

Outside of performance rights royalties, there are a few places that are often overlooked for back-end revenue. These include mechanical rights, which are also known as reproduction rights.

Martin Lavallée, Director of Licensing and Legal Affairs for the Société du droit de reproduction des auteurs, compositeurs et éditeurs au Canada (SODRAC) explains, “A ‘mechanical’ reflects the reproduction rights of music.

Not just in a physical format, like a CD, but in a digital format like iTunes or on a server.”

He continues, “A mechanical right exists as soon as a musical work is reproduced. It doesn’t need to have anything done or registered with a copyright board. What usually happens in Canada is that we have collectives that actively handle

mechanicals because there are so many transactions going on with so many people. It’s easier and the bargaining power is stronger.”

Mechanicals are certainly not as straightforward as performance royalties. Composers need to be aware that they are not automatically split 50-50 composer-publisher, like SOCAN’s royalties. Bechthold explains that “according to SODRAC, they’ve seen contracts that have been split 75-25 in either direction, or 100% going fully to a publisher or sub-publisher.”

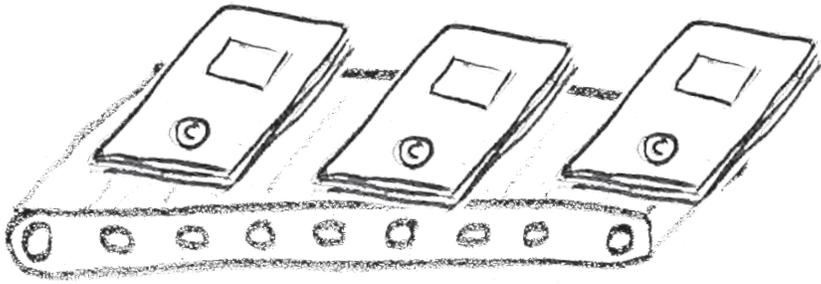
SODRAC is one of two Canadian organizations that help music stakeholders monetize their mechanical rights, the other being the Canadian Music Reproductions Rights Agency Ltd. (CMRRA).

GCFC and SOCAN Board member Glenn Morley notes there are a few important differences between CMRRA and SODRAC. “The CMRRA is an agency that is owned by the Canadian Music Publisher’s Association (CMPA), and is set up to allow à la carte representation of mechanical rights,” he explains, “Because it is owned by the CMPA, its members are strictly music publishers. SODRAC follows a more European model and allows both authors and publishers to be members.”

This à la carte model allows CMRRA members the flexibility to negotiate to collect on a specific project if you so desire, while SODRAC members are required to give it exclusivity in representing mechanical rights. However, CMRRA does not collect royalties in foreign territories, which means that its members have to rely on sub-publishers to collect abroad. SODRAC, on the other hand, has reciprocal representation in over 100 territories.

The question of which society to have represent your mechanical rights is a complicated one, to say the least. CMRRA offers the flexibility for composers to use sub-publishers in foreign territories, to pick and choose the projects they wish to have representation on, and ultimately a lower commission rate (8%). On the other side of the coin, SODRAC offers one-stop shopping,

 **Many problems with collecting international royalties stem from paperwork.** 



providing both domestic and foreign representation, although at the cost of exclusivity and a higher commission rate (10%).

One of the fronts that SODRAC and CMRRA have made significant inroads into is that of online sales. SODRAC and CMRRA have a joint venture, of course named CMRRA-SODRAC Inc., or CSI for short. According to Lavallée, CSI represents the interests of over 91% of all music used in Canada, which affords it, and by extension its members, a considerable amount of clout when dealing with giants such as iTunes.

Another type of “mechanical” is the broadcast mechanical royalty. This is paid out when a broadcaster, in-house, reproduces music for the sake of broadcast. This could be a radio broadcaster ripping CDs onto their in-house servers, it could be a television station creating broadcast tapes of a particular television show. Bechthold notes that broadcast mechanicals can be fairly lucrative, and while they are not tariffable in every country, the proceeds could equate up to 25% of your SOCAN royalties.

The big challenge is that the landscape is large and complicated at best, and is constantly evolving. Morley adds that especially with audiovisual rights, “it’s an extremely volatile area and it’s evident that more direct participation from stakeholders, like the AV copyright holders, is needed.”

There is much more to be said about the complexities of mechanicals, but couldn’t possibly fit in the constraints of this article. All that being said, before making a decision with regards to your mechanical rights, make sure you are well informed of the implications of your decision.

## NEIGHBORING RIGHTS

“Neighbouring rights are essentially royalties for performers who perform on sound recordings that are broadcast to the public,” says

the American Federation of Musicians’ (AFM) Andrew Karis. “I like to call them the Jan Brady of the royalty industry in Canada, because SOCAN is obviously Marcia, and no one pays attention to Jan.”

In fact, part of the confusion exists with the term “neighbouring” rights, which has very little to do with being a neighbour. “The name itself actually came about because when legislation was passed to recognize performers as contributors to a sound recording, it was called a neighbouring right because it was so similar to the right for composers to get paid for their composition.”

The AFM is one of three collectives in Canada that are mandated to distribute neighbouring rights in Canada, the other two being the Alliance of Canadian Cinema, Television and Radio Artists’ (ACTRA) and Union des artistes (UDA). The three organizations work closely together, but performers can sign with only one organization to receive royalties.

AFM also has reciprocal agreements with other countries around the world that pay neighbouring rights, in countries such as the United Kingdom and Ireland. A notable exception is the United States, where the concept of neighbouring rights really doesn’t exist.

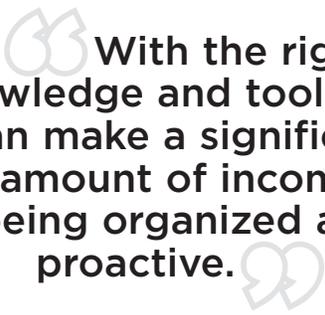
One of the common misconceptions about collecting neighbouring rights is that you need to be a member of the particular union in order to receive royalties. “Anyone who is a performer can collect. You don’t necessarily have to be an AFM member or a member of any other union. We also pay feature artists and background performers separately,” says Karis.

“The process is simple. You have to sign a form

that authorizes, in this case the AFM, to collect on your behalf. You have to submit a list of recordings that you’ve performed on, and we have a form for that. Sometimes people submit CDs or liner notes, or Excel spreadsheets instead of our form. From there, we take that information, run it against our radio log or album logs to determine if there’s any money available.”

He continues. “Three years ago, when I first started doing this, neighbouring rights royalties were very untapped. I think the word has starting to get around, and more and more people are

collecting. A lot of composers who have also performed put them aside as something that they can’t collect. It’s true if you only compose, but I notice a lot of composers also perform. So it’s a good thing to keep in mind.”

 **With the right knowledge and tools, you can make a significant amount of income being organized and proactive.**

## PARTING NOTES

Publishing is a big and complicated world, but the reality is that with the right knowledge and tools, you can make a significant amount of income being organized and proactive.

Bechthold suggests that all composers know the role of organizations such as SOCAN, SODRAC and the AFM. Be prepared to do the legwork to provide (what they need) to them. Maintain your relationship with your production company. If you have a good relationship, you can call them up and ask where they have sold. They can tell you distributors, where it’s been broadcast and what station.”

Morley agrees, “Copyright is a bundle of rights, and that each one of those rights have different values, and different choices with regards to how you realize those values.” It’s up to you, as a self-publishing composer, to maximize that value. ■

that I was here, I recruited four or five new executives, and we created a few new positions. That's always a tricky thing. We've been lucky because it worked here. People got along well and it came together as a cohesive team. That's really important because obviously I can't and don't hope to be everywhere all the time, so I have to have a team that shares the same vision.

**We've talked a little about your technology background. Did technology factor in as a challenge that you saw coming externally in the way music was being used, sold, distributed and performed?**

We had the benefit (because it takes so long with the Copyright Board to get certain tariffs approved) to see the train coming in terms of licensing the internet and new media in general. So, we could develop an infrastructure that allows us to grow with the transactional volume that we have to deal with.

We were dealing with around 4-5 million performance transactions back in 2005 or 2006. Then we introduced audio-fingerprinting for radio performances on commercial radio. Now we have ring-tones that are being licensed and we've started licensing the internet, but we can't distribute yet because some of the tariffs are being appealed. But, we're going to be looking at 60, maybe 100 million transactions. So you have to grow your infrastructure. Not so much the number of people (for new media all we had to do was add three staff members) but we had to add servers to store all the information.

**Beyond your position at SOCAN, you're also on the Boards of CISAC and FastTrack. Was this part of a plan to strengthen SOCAN's position on the world stage, and how important has it been?**

We needed to put SOCAN on the international map. And that's particularly important for you guys, because as you know, your A/V works are used considerably outside of Canada. When the going gets rough, and it does many times with queries and cue sheets they claim they can't get, it's important to have pull and the only way to

have pull is if you're considered a player on the international scene. So, I personally spent a fair deal of my time establishing SOCAN's presence under the international umbrella of CISAC and getting SOCAN involved in the FastTrack technology partnership, so we could be seen as a player. Now we are seen as a player and have been for a number of years. It makes a difference in the way we deal with our international partners. They've had to change the way they perceive us because we've been in their face and it's paid a lot of dividends.

I've always believed when you get involved with something, you either get involved all the way or you get out of the way. This whole community of societies is in desperate need of technology leadership, and partly because of my background and also because of my colleagues here, we were able to influence the direction in which technology got developed for the common good of all the societies. I'm not at all entirely satisfied with what we've been able to accomplish, but given the politics of it all, where every society

holder (except the rights-holder's information) is potentially a threat [to SOCAN]. And I think the Board and my successor will have to dedicate a fair amount of time to make sure we're on top of what's happening in that environment, and perhaps decide at some point to do deals with some of those distributors of music. Given the possibility, the likes of Google would rather not get directly involved in our business since there's not enough money in it. I think they'd much rather do partnerships and say, "You guys have the rights information, we have the performance information, our objective is the same: we want our rights-holders to be paid as quickly as possible. Now, how can we partner together to make that happen?" That's a big challenge.

Another challenge is one that doesn't only involve SOCAN: file-sharing. Somehow we have to come up with a commercial model to monetize that. Good luck getting a levy, tax or new right – there's nothing in those options for any government since you can only lose votes. What we need is a commercial model. So, let's

find a commercial solution that involves all the major players, and brings it to a dollar figure that the consumer will be prepared to pay to continue file-sharing in a legal way. To bring all the people together, agree on a model and work to implement it

is a huge challenge. But at some point, money talks.

**You've probably been interviewed many times over your career. What question have you never been asked that you wish you had been asked?**

*(Laughs)* Hmmm ...What song will I sing when I cross that door?"

**What song will you sing at the end of your last day at SOCAN, as you're heading out the door?**

"My Way," by Paul Anka

**Any last thoughts?**

You got a couple of hours? When I get talking... *(laughs)* I'm passionate about anything I do, passionate about life. ■

**Another challenge is...file sharing. Somehow we have to come up with a commercial model to monetize that.**

wants to preserve its independence and is guarding its whole infrastructure, I think we've done some good work.

Now, while we're on the topic: the next step for me is audio-fingerprinting of A/V productions. There are systems out there that are being used on a beta-test basis right now. I think that technology is right around the corner. It might take a few years, but that's where we have to go because this incredibly complicated system where you have to have cue sheets is crazy!

**Speaking of looking forward into the future, what do you see as the greatest challenge facing your successor?**

I think other people are potentially positioning themselves to "eat our lunch." Whether they're called iTunes, Google or Amazon, any entity that distributes music and has access to basically all the information they need to pay the rights-

# COUNTERPOINT

## CONVERSATION

WITH MIKE FREEDMAN



## gaming tax credit...

Currently in Canada, video game companies receive a tax break from the government. For better or worse, these same companies are under no obligation to hire Canadian composers, and in many instances do the exact opposite. This edition of “Counterpoint” argues whether these video game companies should be required to hire Canadian composers, considering that they are receiving Canadian government financial incentive to create their video games.

◆ On principle, I believe companies that profit from that program should also create the music for their games here. Why would the government protect and generate incentives for every other industry and not do anything for composers? Taxpayer money, supporting tax credits or subsidies should come with more strings attached to maximize the benefits for all Canadians.

● Tax money that is given to the video game companies in Canada is to create and retain Canadian jobs, and as a taxpayer, I think the government is receiving pretty good value for their buck. There are plenty of strings being attached to those dollars, and those conditions are being met. These companies provide hundreds of high-value jobs and bring lots back to our economy.

◆ I am not a big fan of the government heavily subsidizing industries or intervening to establish rules, but it does seem to be a necessary evil at times. I feel our tax credit rules should be similar to the CAVCO (Canadian Content) film and television deal where on the list of qualifications, the hired composer would have to be Canadian. Having Canadian composers doing the music for all games developed in Canada would definitely create more jobs. Aside from more gigs for composers, it would employ more musicians, engineers, recording studios, etc...

● CAVCO credits are different because their primary goal is not to create jobs, but to promote Canadian culture. That is why for CAVCO credits there is a point system that mandates the number of points you get and are required for your key creatives (director, writer, composer, actors). American producers have very little interest in creating “Canadian” content, so they don’t qualify for the CAVCO money.

What does it say about Canadian composers if we insist being hired on big-ticket games? We lose our credibility as an industry if we start

saying you *must* hire us. From an optics perspective, it looks like we are not good enough to be hired on our own merit, and that creates both a culture of entitlement and a culture of resentment, which would be dangerous in such a brand new industry.

◆ There is no doubt in my mind that Canadian composers are up to the job. I think the answer lies not in telling producers whom they can hire, but giving incentives (more attractive tax credits) for producers to hire Canadian composers. I believe that when it comes to music or acting, the reason they go to LA has less to do with money and more to do with the perception that we can’t do it as well here. The biggest games may have a music budget of about US\$300K (for a big orchestral score), which is not that much money in the large scheme of things. Offering tax credits would probably not change the perception that “it can’t be done in Canada,” but it would force them to create the music here. Eventually they would realize that the perception is false.

● I really don’t think that video game companies hire composers based on their locale, they hire people based on their “street cred.” I guess LA composers have a lot of that in the minds of video game producers. The composers who work the big-ticket games are A-list composers, but Canadians have certainly not been excluded. I think the challenge for us as a community is to find ways to befriend the video game production community, to not only help the Canadian composer community gain the skills needed to be competitive in this market, but to also showcase the fact that we do have a talented and thriving community right here.

*The opinions in this article are strictly those of the authors, and do not reflect those of the Guild of Canadian Film Composers.*