

Writers Guild of Canada Authorizes Strike Action Over Outstanding Issues

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As we earlier reported [here](#), both the Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA) and the Writers Guild of America (WGA) ended their recent Hollywood strikes by successfully negotiating new collective agreements. However, the Writers Guild of Canada (WGC) continues in parallel Canadian negotiations on a new Independent Production Agreement (IPA) with the Canadian Media Producers Association (CMPA). After the WGC presented an updated proposal to the CMPA on February 26, 2024, negotiations reached an impasse. On April 25, 2024, the WGC membership officially voted in favour of a strike authorization after a record voter turnout of 70.2% of eligible voters with 96.5% of voters in favour of authorizing a strike.¹

As the WGC prepares for the first work stoppage in its 33-year history, below is a summary of the negotiation process thus far and the main outstanding issues between the parties.

Negotiation History

The WGC and CMPA have been in negotiations for a new IPA as the current IPA was set to expire on December 31, 2023, after an 18-month mutual extension.

However, an impasse was reached in the negotiations, and mediation took place in December 2023. To continue normal course industry operations during continued negotiations, the CMPA offered a further four-month extension of the current IPA with an interim 4.5% increase in minimum script fees. That further extension proposal was rejected by the WGC. With the assistance of a mediator, negotiations reconvened on January 25-26, 2024, after which the WGC stated that some progress was made and that the parties were continuing negotiations.²

On February 20, 2024, the WGC provided a revised proposal to the mediator that included items discussed during the January conciliation dates, and on February 26, 2024, the mediator presented the WGC's proposal to the CMPA.

As reported, the CMPA advised the WGC that it was working on a revised offer to be presented to the WGC in April 2024.³ As noted above, the WGC has now authorized a strike ahead of its next meeting with the CMPA.

Main Outstanding Issues

While the details of each party's position on specific issues are not public, the WGC's press release announcing the results of the strike authorization vote provides insight into the main outstanding issues: AI protection and compensation/minimum participation.⁴

Artificial Intelligence

In its bargaining update to members on April 12, 2024, the CMPA noted that it offered "substantively the same protections regarding AI that were achieved by the WGA." What are the AI provisions in the Writers Guild of America (WGA)'s newly ratified Basic Agreement?⁵

The WGA's Basic Agreement allows writers to use AI as an optional writing tool with the consent of the studio, but the studio cannot require or mandate that a writer use AI technology. Any AI-generated material is also not considered as source material under the WGA Basic Agreement, thus protecting writers' credit and separated rights.

In its bargaining update to members on April 18, 2024, the CMPA further stated that "the IPA only defines a writer as human, and that AI-generated materials would not be considered as script material or a first draft."⁶ The CMPA also stated that "the WGC is demanding a blanket prohibition on training AI that goes further than the AI protections that WGA writers achieved after a lengthy strike," although this has not been confirmed by the WGC.⁷

Regardless of the outcome of these negotiations regarding the AI issue, it will likely only be the first step in an evolving and ongoing AI discussion. In the Hollywood strikes, both the WGA and SAG-AFTRA (the latter representing performers in the United States) reserved the right to address certain future AI-related issues. Specifically, the WGA reserved the right to assert that the exploitation of writers' material to train AI models is prohibited by the WGA Basic Agreement or other laws, such as copyright, while SAG-AFTRA stipulated in its new Basic/TV Agreement that regular meetings would be established between SAG-AFTRA and the studios to discuss the rights and associated remuneration in order to use existing works to train AI models for synthetic generation of performances.

Following the ratification of the new Basic/TV Agreement, SAG-AFTRA reached a tentative five-year agreement with major record labels on the use of AI to create voice imitations of a SAG-AFTRA artist. The agreement requires clear and conspicuous consent, minimum compensation, and specific details of intended use prior to the release of a sound recording that employs a digital replication of an artist's voice.⁸

Compensation and Minimum Participation

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In July 2023, the WGC reported in its submissions to the Canadian Radio-television and Telecommunications Commission (CRTC) that “the aggregate earnings of its Canadian citizen members have declined by nearly 22% in inflation-adjusted terms.”⁹ This trend has led to compensation becoming a key issue in the WGC negotiations.

In its notice to members during the week of April 8, 2024,¹⁰ and reiterated in its press release announcing the results of the strike authorization vote,¹¹ the WGC stated that some of the core issues in play include increased compensation for animation writers and a minimum level of participation towards writers in production. The latter, in particular, was highlighted as a serious concern during the WGA negotiations, as television writers have been impacted by the trend of smaller writers’ rooms and fewer episode orders per series season.

Although each party’s proposal regarding compensation has remained confidential, the WGA’s Basic Agreement following the Hollywood strikes may offer some insight as to the levels of protection that the WGC may be seeking. In addition to increased minimums of 3.5% to 5% each year, the WGA also negotiated improved employment terms centered around job security and compensation, including:

- a guaranteed second step for certain writers hired for a first draft screenplay;
- an accelerated payment structure for certain screenwriters;
- a new streaming residual based on viewership and revised foreign streaming residuals for any series or film made for high-budget subscription video on demand (HBSVOD) platforms;
- increases to the minimum initial compensation and residual base for full-length projects made for streaming;
- a new writer-producer tier and minimum guarantees for pre-greenlight rooms for writers with series employment; and
- certain staffing and duration guarantees for writers of episodic series.

What's Next

A strike authorization does not automatically mean that a writer’s strike will follow, as both parties have stated that they remain committed to negotiating a new collective agreement.¹² The CMPA is set to present its counter-proposal to the WGC after notifying the WGC of its intention to meet, with the dates to be confirmed by the WGC. However, if the parties are unable to make substantial progress, the WGC may exercise its authorization to strike.

The Cassels [Entertainment & Sports Law](#) group will continue to monitor developments related to the WGC IPA negotiations. If you have any questions about these matters and how it may impact your business or your engagement, please reach out to the authors of this article or any member of our team.

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¹ Writers Guild of Canada, "Writers vote overwhelmingly in favour of strike authorization" (PDF) (April 25, 2024), online: https://www.wgc.ca/sites/default/files/resource/2024-04/2024_04_25%20WGC%20Overwhelmingly%20Approves%20Strike%20Authorization.pdf

² Writers Guild of Canada, "Bargaining Update – January 27, 2024", online: <https://www.wgc.ca/whats-new/news/bargaining-update-january-27-2024>

³ Kelly Townsend, "CMPA addresses AI claims in notice to members on WGC talks" (April 19, 2024), online: <https://playbackonline.ca/2024/04/19/cmpa-addresses-ai-claims-in-notice-to-members-on-wgc-talks/>

⁴ WGC, *supra* note 1.

⁵ Kelly Townsend, "CMPA clarifies AI stance in ongoing negotiations with WGC" (April 12, 2024), online: <https://playbackonline.ca/2024/04/12/cmpa-clarifies-ai-stance-in-ongoing-negotiations-with-wgc/>

⁶ Townsend, *supra* note 3.

⁷ *Ibid.*

⁸ SAG-AFTRA, "SAG-AFTRA, Record Labels Reach Tentative Sound Recordings Agreement" (April 12, 2024), online: <https://www.sagaftra.org/sag-aftra-record-labels-reach-tentative-sound-recordings-agreement>

⁹ Writers Guild of Canada, "Writers Guild of Canada Reports 22% Decline in Canadian Screenwriter Earnings Over Last Five Years" (PDF) (July 11, 2023), online: https://www.wgc.ca/sites/default/files/resource/2023-07/Press%20release_%20Screenwriter%20earnings%20decline_WGC.pdf

¹⁰ Townsend, *supra* note 5.

¹¹ WGC, *supra* note 1.

¹² Kelly Townsend, "WGC members overwhelmingly vote to authorize strike" (April 25, 2024), online: <https://playbackonline.ca/2024/04/25/wgc-members-vote-overwhelmingly-to-authorize-strike/>

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