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B.C.'s animators challenge back-lot filming economy

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VANCOUVER -- One large problem stands out in British Columbia's motion picture industry. Despite the billions of dollars that have been spent on producing top-quality feature films and television programs, and the thousands of highly skilled and experienced technicians on hand, the industry remains focused on servicing U.S. production. At the end of the day, other people own the intellectual property, and after the stars and Los Angeles film houses get paid, only a small proportion of the revenue dollars stays in the province. But just as new technologies can enhance old movies, local digital animation companies are offering B.C.'s film business another chance to become a larger part of the economic picture -- not just scenery for rent.

Traditional and digital animation companies have long had a small footprint in the province. Vancouver-based Mainframe Entertainment Inc. launched the first computer-generated or 3-D animation series, *Reboot*, in 1991, while a number of other companies are working on well-known animation properties, such as Rainmaker LP, which is currently producing *Garfield II*.

But two things are changing. First, the sector is hot: Two of the biggest-budget movies produced last year -- *Chronicles of Narnia* and *King Kong* - featured animated lead characters. Second, unlike the live-action film industry, several factors are pushing digital animation companies to create, develop and maintain their own properties instead of relying on Hollywood for new content.

The first factor, though it might seem counterintuitive, is the shortage of star power on the local animation scene. The closest a Vancouver studio has come to a new (not a sequel) 3-D big-budget blockbuster is *Mainframe*, but it's at least three degrees of separation from the action. *Mainframe's* parent company, IDT Entertainment Inc. of New Jersey is affiliated with L.A.-based Vanguard Animation, which is producing the comedy *Space Chimps* in B.C.

Vanguard is run by John Williams, who produced *Shrek*, the most successful animated film by revenue. It may seem like the feature film industry all over again, with B.C. acting only as a service provider on *Space Chimps*. But it is an important step because it demonstrates the local industry is recognized for its talented animators.

"People give a lot of lip service that the elements are here, but in order to get to that place, you have to prove you have capability to produce work at that quality level," says Warren Franklin, president of Rainmaker's animation and effects division. The trick now is to ride the service production to gain expertise and additional revenue for growth, without relying on it so much that local creation of animated content gets pushed out.

Live action production has been drawn to B.C. because of talented crews, good locations, tax credits and, until recently, the cheap Canadian dollar. The trouble is pay scales have started to creep up to Hollywood-level brackets. This has caused salary retrenchment as the Canadian dollar has risen against the U.S. dollar and the industry has tried to stay competitive with other jurisdictions fighting for dollars.

In the digital animation business, employees and animators aren't as well paid, and the falling cost of technology has kept production costs down. In addition, local companies haven't really had to compete with U.S. film heavyweights for service talent on popular animated creations. This, in part, helps firms afford to create and produce their own content in B.C. For example, Vancouver-based Nerd Corps Entertainment Inc. is producing a new 52-episode series for YTV called *Storm Hawks*.

Another prop that keeps budgets realistic -- or not, depending on which side of the "yes it is, no it's not a subsidy" fence you sit on -- includes provincial labour tax credits for the film industry. Here, forces within the animation business are such that instead of the film-credit roulette played by competing regions or countries, the main competition for labour comes from Asia.

Again, Vancouver has an edge. Outsourcing, a problem for traditional cel animation, where films are often sent to Asia to complete the in-between drawing, is less of an issue in digital animation because it requires greater expertise.

Mainframe CEO Rick Mischel describes Vancouver as embodying all the elements of a "perfect storm" for a strong, indigenous animation sector because it combines a skilled talent pool and academic and studio infrastructure in both gaming and animation.

One of the most important factors of digital animation within the film business is its ability to create fantasy worlds beyond national boundaries. Creators can bypass the Canada-U.S. cultural content divide, which has worked against the feature film industry in B.C. Intellectual property in the world of digital animation has a global market, and here, "created in B.C.," is almost as glamorous as "made in Hollywood." The test will be whether B.C.'s real world economic culture is cut out for stardom.

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