

September 29, 2017

The Honourable Navdeep Bains, P.C., M.P. Minister of Innovation, Science and Economic Development House of Commons Ottawa, Ontario K1A 0A6

The Honourable Mélanie Joly Minister of Canadian Heritage House of Commons Ottawa, Ontario K1A 0A6

Copyright Board of Canada 56 Sparks St., Suite 800 Ottawa, Ontario K1A 0C9

Re: A Consultation on Options for Reform to the Copyright Board of Canada

Attention: CBconsultations@canada.ca

This submission is being made by Canadian musicians, independent label owners and creative entrepreneurs – at all stages of their careers – in response to the government's request for submissions on its options for reform to the Copyright Board of Canada. As creators of the works that are the subject of the tariffs set by the Board, we are paying close attention to the government's initiative to modernize and improve Canada's tariff-setting system. While only part of our income comes from royalties collected by collective societies, the rates set by the Board directly impact the value of our music, and our ability to earn a living from it. For this reason, we support the government's initiative to reform the Board's rate-setting process.

This consultation is giving artists and those in the creative industries a rare opportunity to voice our concerns over the Board's flawed tariff system. Discussions around Board reform are often focused on how the process impacts collective societies and users, with less focus on the creators behind the works at issue. Make no mistake: a slow, inefficient and unpredictable Copyright Board system has detrimental trickle-down effects for creators, which result in a number of market-related challenges for artists and music entrepreneurs. For instance, massive delays in certifying tariffs – nearly all having retroactive effect – often force collective societies to delay payments to music creators. In addition, the unpredictable nature of the Board's decisionmaking process means that tariffs set by the Board often undercut the value of our works, value that has been built through years of hard work perfecting our craft, as well as thorough negotiations with industry partners. In some cases, technologies or services have seen their lifespan come and go before a tariff has been finally resolved – such as the ringtone tariff. Creators simply want access to a system that sets rates that reflect the true value of our work, as quickly as possible.

Artists and creative entrepreneurs have been forced to adapt to the modern, digital environment that now dominates the global music industry. Many have had to balance creating music with becoming experts in social media, marketing, promotion and in partnering with new technologies to allow our fans to enjoy our music. Yet despite being the canaries in the coal mine – as active participants in the shift to a digital consumption model – we still depend on the work of the Board to set royalty rates that support the creation of our work. Accordingly, we support a number of the options for reform outlined in the consultation's Discussion Paper. We strongly encourage the government to:

- 1. **Support a more timely, efficient Copyright Board:** consider regulatory changes that streamline the rate-setting process (i.e. time limits), and make it easier and faster for rates to be set;
- 2. **Encourage agreements between the parties:** support any changes that would allow for direct deals without the involvement of the Board; and
- 3. **Render clear, predictable decisions:** support the adoption of processes and decision-making guidelines that would result in clear, predictable and market-based rates that support creators.

With this in mind, we ask that the consultation be mindful and suspicious of any recommendations put forth by organizations that seek to maintain the Copyright Board's *status quo*. The Copyright Board's role has evolved into a complex tribunal requiring more and more resources, but at the end of the day, the Board is valuing <u>our</u> work, and setting rates that affect <u>our</u> livelihoods. We hope that the consultation will be suspicious of any submission that ignores the historical challenges that have plagued the Board's rate-setting process, in favour of minor or incremental fixes. This consultation should ultimately endeavour to listen to and adopt the views of those who are looking to modernize and streamline the process, and have it truly reflect the needs of creators and our business partners who help commercialize our works.

Thank you for the opportunity to participate in this meaningful review and reform of the Board. A Board designed for the future will make a significant difference in the lives of Canada's creative sector.

Sincere regards,

Miranda Mulholland

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