

**NOTE:**

The Neighbouring Rights Collective of Canada was renamed Re:Sound effective March 1, 2010

## **NRCC Proposes New Music Royalty Rates for Users and Suppliers of Background Music**

*Fair compensation sought for music creators based on value of their music*

**Toronto, 27 June, 2009** – NRCC announced today that it recently proposed changes to music royalties paid by users of background music such as restaurants and retail stores, in line with its mandate to obtain fair compensation for artists and record companies.

The changes would increase the royalty rate for background music by 3.54 times over the current rate. This would more accurately reflect the value of background music today to users and suppliers. The amendments would also bring royalty rates for background music suppliers in line with rates for users, while making payments simpler for both to administer.

The proposal, submitted on March 31 to the Copyright Board of Canada for NRCC Tariff 3, applies to the year 2010. It is now under consideration by the Board.

“The proposed rates more accurately reflect the value of music to background music users and suppliers, thereby ensuring reasonable compensation to the creators of the music,” said Ian MacKay, President, NRCC. “By simplifying the rates and calculations required, we’re also making it easier for background music users and suppliers to fulfill their payment obligations.”

The amendments are consistent with arguments for a rate increase presented last year by SOCAN to the Copyright Board. SOCAN based its proposal on direction provided by the Board during its last hearing on NRCC’s background music tariff, in 2005.

NRCC has also proposed minimum royalty fees to reflect the baseline value of background music to users and suppliers, and NRCC’s costs to administer royalty payments.

### **Changes to Royalty Rates for Background Music Suppliers**

For suppliers of background music, it is proposed that they pay the same royalty rate as end users for the public performance of music. This change is consistent with previous statements by the Copyright Board. Currently, end users pay a higher rate than suppliers.

### **About NRCC**

NRCC is the Canadian not-for-profit music licensing company dedicated to obtaining fair compensation for artists and record companies for their performance rights. On behalf of its members, representing thousands of artists and record companies, NRCC licenses recorded music for public performance, broadcast and new media. Created in 1997, our member organizations are AFM, APRS, ArtistI, AVLA and SOPROQ. Please visit us for more information at [www.nrcc.ca](http://www.nrcc.ca).

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