

NOTE:

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

Information Sheet

Tariff No. 7

NRCC Motion Picture Theatre Tariff, 2009-2011

Q: What is Tariff No. 7?

A: This is a tariff proposed by the Neighbouring Rights Collective of Canada ("NRCC") pending certification by the Copyright Board of Canada. The proposed tariff sets out the royalties requested by the NRCC for payment to performers (i.e. recording artists and musicians) and makers (i.e. record labels) for the public performance of their sound recordings in movies played by movie theatres, drive-ins or similar establishments.

Q: Who will be required to pay royalties under Tariff No. 7?

A: When certified, motion picture theatres, drive-ins or establishments exhibiting motion pictures will have an obligation to pay the tariff.

Q: For which years will Tariff No. 7 apply?

A: This tariff is proposed to cover the years 2009 to 2011.

Q: Does Tariff No. 7 apply to background music played in a motion picture theatre or similar establishment?

A: No. This tariff does not apply to a use that is subject to another NRCC tariff, including NRCC Tariff 3 which covers royalties related to Background Music. The use of music in movies is distinct and separate.

Q: What are the proposed royalty rates?

A: The NRCC is proposing an annual fee of \$246 per screen for the performance of any or all of the works in NRCC's repertoire. With an average seating capacity of 200 seats per screen, the cost works out to approximately .3 cents per seat per day - significantly less than a penny per seat per day.

Q: What about theatres that operate on a part-time basis?

A: The NRCC is proposing that theatres operating three days or less per week pay only one half of the above rate. For theatres operating less than 12 months a year, the proposed rate is reduced by one twelfth for each month in which no operations occur.

Q: How will the final rates be determined?

A: The Copyright Board of Canada provides an opportunity for the filing of objections to the proposed tariff. If an objection is filed, it is likely that the proposed tariff would proceed to a hearing before the Board which will consider the objection in making a final determination of the amount of royalties. If the tariff is certified, it will be published in the Canada Gazette.

Q: What if some of the movies shown do not have "Canadian" music in them?

A: NRCC collects and distributes royalties for "non-Canadian" performers and record labels as well. The royalty rates proposed will be discounted for sound recordings in movies that are not within NRCC's repertoire and not subject to the payment of royalties under the Copyright Act. The extent of the discount will be determined in the course of a Copyright Board hearing.

Q: Who is the NRCC?

A: The Neighbouring Rights Collective of Canada (NRCC) is a non-profit collective created in 1997 to administer the rights of performers and makers of sound recordings to be paid fairly for the public performance or communication to the public by telecommunication of their sound recordings in Canada. Enacted in 1997, Section 19 of the *Copyright Act* creates this right. NRCC represents the performers and makers of published sound recordings through its five member collectives who represent a large majority of the Canadian record industry and thousands of Canadian and foreign performers.

Q: What is the difference between SOCAN and NRCC?

A: SOCAN (Society of Composers, Authors and Music Publishers of Canada) collects royalties on behalf of the composers, authors and music publishers of the musical work while NRCC collects royalties on behalf of the performers and record labels for the sound recording.

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Tariff No. 8

NRCC Simulcasting and Non-Interactive Webcasting, 2009-2012

Q: What is Tariff No. 8?

A: This is a tariff proposed by the Neighbouring Rights Collective of Canada (“NRCC”) pending certification by the Copyright Board of Canada. The proposed tariff sets out the royalties requested by the NRCC for payment to performers (i.e. recording artists and musicians) and makers (i.e. record labels) for the communication of their sound recordings over the internet by simulcasting and non-interactive webcasting services.

Q: What is a “simulcast”?

A: A simulcast as defined in the tariff involves the transmission of traditional radio station signals via the internet.

Q: Who will be subject to royalty payments under Tariff No. 8?

A: Anyone operating websites or services accessible via the internet that are playing sound recordings through simulcasting and non-interactive webcasting services will be required to pay the tariff.

Q: For which years will Tariff No. 8 apply?

A: The tariff is proposed to cover the years 2009 to 2012.

Q: What if I am already paying another NRCC tariff?

A: The tariff does not apply to communications that are subject to another NRCC tariff, including NRCC Tariffs: 1A (Commercial Radio), 1B (Non-Commercial Radio), 1C (CBC), 3 (Background Music), 4 (Multi-Channel Subscription Radio Services) and 9 (Television). The playing of music over the internet is separate and distinct.

Q: What are the royalties proposed under Tariff No. 8?

A: The rates proposed are as follows:

- i.) Commercial Websites offering non-interactive webcasts - 12 percent of the gross revenues earned by the owner and operator of the site or service, with a minimum annual fee of \$500 per channel up to a maximum of \$50,000 annually.*
- ii.) Sites offering simulcasts and/or podcasts of radio station signals - 12 percent of the gross revenues earned by the owner and operator of the site or service, with a minimum annual fee of \$500 per channel up to a maximum of \$50,000 annually.*

Q: What about smaller webcasters?

A: The rates proposed are as follows:

- i.) Not-for-profit sites or services offering non-interactive webcasts - \$60 per month.*
- ii.) Not-for-profit sites or services offering simulcasts and/or podcasts of radio station signals - \$60 per month.*

Q: How will the final rates be determined?

A: The Copyright Board of Canada provides an opportunity for the filing of objections to the proposed tariff. If an objection is filed, it is likely that the proposed tariff would proceed to a hearing before the Board which will consider the objection in making a final determination of the amount of royalties. If the tariff is certified, it will be published in the Canada Gazette.

Q: What about the music played that is not “Canadian”?

A: NRCC collects and distributes royalties for “non-Canadian” performers and record labels as well. The certified royalty rates will be discounted for sound recordings in simulcasts or webcasts that are not within NRCC’s repertoire and not subject to the payment of royalties under the Copyright Act. The extent of the discount will be determined in the course of a Copyright Board hearing.

Q: Who is the NRCC?

A: The Neighbouring Rights Collective of Canada (NRCC) is a non-profit collective created in 1997 to administer the rights of performers and makers of sound recordings to be paid fairly for the public performance or communication to the public by telecommunication of their sound recordings in Canada. Enacted in 1997, Section 19 of the *Copyright Act* creates this right. NRCC represents the performers and makers of published sound recordings through its five member collectives who represent a large majority of the Canadian record industry and thousands of Canadian and foreign performers.

Q: What is the difference between SOCAN and NRCC?

A: SOCAN (Society of Composers, Authors and Music Publishers of Canada) collects royalties on behalf of the composers, authors and music publishers of the musical work while NRCC collects royalties on behalf of the performers and record labels for the sound recording.

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Tariff No. 9

NRCC Commercial Television Tariff, 2009-2013

Q. What is Tariff No. 9?

A. This is a tariff proposed by NRCC pending certification by the Copyright Board of Canada. The proposed tariff sets out the royalties requested by NRCC for payment to performers (i.e. recording artists and musicians) and makers (i.e. record labels) for the use of sound recordings in programming provided by commercial television stations, as well as cable and satellite companies.

Q. Who will be required to pay royalties under Tariff No. 9?

A. When certified, commercial television stations, cable and satellite undertakings or the undertakings whose programs are transmitted, will be obliged to pay the tariff.

Q. For which years will Tariff No. 9 apply?

A. The tariff is proposed to cover the years 2009 to 2011.

Q. Does Tariff No. 9 apply to the broadcast or transmission of a television signal to a restaurant, bar or other place of entertainment?

A. This tariff only applies to the broadcast or transmission of a television signal for private or domestic use.

Q. What royalty rates are proposed by Tariff No. 9?

A. For commercial television stations this tariff proposes royalties of 1.9 percent of the station's gross income. There is the option of a lower tariff rate if the station broadcasts television programs which only contain sound recordings which have either been cleared for broadcast or do not fall within NRCC's repertoire. For cable and satellite undertakings and programming undertakings the tariff proposes a graduated scale of royalties which depend on the size of the undertaking and the power used by the undertaking with a favourable tariff rate for community channels. For example, for a community channel the royalties proposed are only .14 cents per premises served by the cable or satellite undertaking.

Q. How will the final rate be determined?

A. The Copyright Board of Canada provides an opportunity for the filing of objections to the proposed tariff. If an objection is filed, it is likely that the proposed tariff would proceed to a hearing before the Board which will consider the objection in making a final determination of the amount of royalties. If the tariff is certified, it will be published in the Canada Gazette.

Q. What if some of the programs broadcast or transmitted do not have "Canadian" music in them?

A. NRCC collects and distributes royalties for "non-Canadian" performers and record labels as well. The royalty rates proposed will be discounted for sound recordings in television programs that are not within NRCC's repertoire and not subject to the payment of royalties under the Copyright Act. The extent of the discount will be determined in the course of a Copyright Board hearing.

Q. Who is the NRCC?

A. The Neighbouring Rights Collective of Canada (NRCC) is a non-profit collective created in 1997 to administer the rights of performers and makers of sound recordings to be paid fairly for the public performance or communication to the public by telecommunication of their sound recordings in Canada. Enacted in 1997, Section 19 of the *Copyright Act* creates this right. NRCC represents the performers and makers of published sound recordings through its five member collectives who represent a large majority of the Canadian record industry and thousands of Canadian and foreign performers.

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