

July 11, 2023

Filed Electronically

Mr. Claude Doucet
Secretary General
Canadian Radio-television and Telecommunication Commission (CRTC)
Ottawa, Ontario
K1A 0N2

RE: Broadcasting Notice of Consultation CRTC 2023-138 –The Path Forward – Working towards a modernized regulatory framework regarding contributions to support Canadian and Indigenous content

1. SOCAN (Society of Composers, Authors and Music Publishers of Canada) is pleased to participate in the Commission’s consultation establishing a modernized regulatory framework regarding contributions to support Canadian and Indigenous content. SOCAN requests to appear at the public hearing at the main location in Gatineau to elaborate on its intervention in this proceeding, to further the Commission’s understanding of the Canadian music industry, and to speak to online undertakings’ use of Canadian music and the impact of that usage on the achievement of Canada’s broadcasting policy objectives as set out in section 3 of the *Broadcasting Act*. For example, SOCAN published a number of articles reporting on why broadcasting reform is imperative prior to the passage of the *Online Streaming Act*.¹
2. SOCAN is Canada’s largest rights management organization. SOCAN has over 185,000 songwriter, composer and music publisher members and clients, and licenses tens of thousands of organizations across Canada. SOCAN issues licences for the performing rights and reproduction rights of musical works. SOCAN’s job is to collect and distribute royalties to its members and clients, as well as the international rights management organizations with whom it has reciprocal agreements.
3. As part of SOCAN’s business, we negotiate with online undertakings that use music within our repertoire to ensure that songwriters, composers and music publishers are paid when their music is performed, communicated or reproduced online.


¹ See: “Royalties for Digital Play in Canada are 69% Less for Canadian Songwriters, Composers” (February 4, 2022), link: <https://www.socanmagazine.ca/features/royalties-for-digital-play-in-canada-are-69-less-for-canadian-songwriters-composers/>;
“Digital Broadcasters are Seizing Market Share” (February 17, 2022), link: <https://www.socanmagazine.ca/news/digital-broadcasters-are-seizing-market-share/>;
“Lack of Reform Costs Canadian Songwriters and Composers \$28-Million-Plus” (March 10, 2022), link: <https://www.socanmagazine.ca/news/lack-of-reform-costs-canadian-songwriters-and-composers-28-million-plus/>;
“Supporting the Future of Canadian Expression” (March 17, 2022) link: <https://www.socanmagazine.ca/news/supporting-the-future-of-canadian-expression/>.

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4. SOCAN supports ACCORD's submissions with respect to this consultation.
5. In particular, SOCAN would like to emphasize that exempting online undertakings having less than \$10 million in annual Canadian gross revenues from contribution requirements is inappropriate. Based on SOCAN's experience with licensing online undertakings and the revenue data that those online undertakings report to SOCAN, this revenue threshold would exempt the vast majority of online undertakings operating in Canada. The Commission should consider and weigh additional non-revenue criteria in setting both its registration and contribution thresholds. The Commission should seek evidence and data from online undertakings to have a clear picture of the online music and audiovisual market in Canada, online undertakings' operations and the impact of proposed obligations on those undertakings on the achievement of Canada's broadcasting policy.
6. Further, an equitable approach must be taken in setting contribution obligations for online undertakings, taking into account existing obligations for traditional undertakings. Initial contributions from online undertakings should generate a minimum level of investment per year for the Canadian music industry, and the framework should allow for growth in contributions to mirror the growth in online undertakings' revenues.
7. Lastly, the initial base contributions from online undertakings should be directed to existing funds, such as FACTOR/Musicaction. These funds have a proven track record of success, and, if need be, can be adapted to achieve new objectives. Online undertakings' contributions should be directed to sustainable long-term programs administered by these existing funds to support the creation of new Canadian-created and Canadian-owned music.
8. SOCAN thanks the Commission for the opportunity to participate in this consultation.

Sincerely,

Society of Composers, Authors and Music Publishers of Canada


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Andrea E. Kokonis
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and General Counsel