

Broadcasters Fighting feds' plan for 'neighbouring rights'

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Should radio and TV broadcasters pay higher copyright fees for the music they play? Unsurprisingly, the music industry says "yes"; broadcasters say "no".

That's the issue at the heart of the debate now raging over the question of possible new "neighbouring rights" amendments to the Copyright Act and Rules.

Broadcasters pay copyright fees for performing rights to a licensing body representing composers and music publishers, SOCAN. The amount is set by the Copyright Board. At the present time, radio stations pay 3.2% of their net revenues, and TV broadcasters pay about 2.1%. This all adds up to around \$22 million a year, according to the Canadian Association of Broadcasters

But the federal government is talking about amending the Act so that broadcasters would have to compensate not only the owner of the copyright in a song (generally a music publisher, often connected to a record company), but would also pay direct compensation to record companies and performers. This is termed a "neighbouring right". Such a right exists in some European countries.

According to the Canadian Association of Broadcasters, the effect of such an amendment would be to about double the fees the industry pays. This, of course, would delight Canada's music industry, always struggling to survive in face of competition from the US.

The problem is that the broadcasters say they cannot afford it. The radio board of the Canadian Association of Broadcasters has been lobbying vigourously in Ottawa against the proposed amendment, saying that the radio industry as a whole is losing money, and that most radio stations are unprofitable. A neighbouring rights amendment might put many radio stations out of business, the CAB claims.

The Tory government supported such an amendment, but the present federal government is clearly uncertain what to do, and has commissioned an independent consultant to do an economic impact study of the effect of a possible neighbouring rights amendment.

If the neighbouring rights amendment goes ahead it may come into force next spring, as part of a bill which would include a number of other amendments to Canada's copyright laws.