



February 2, 2012

Mr. Dean Del Mastro, M.P.
House of Commons
Ottawa, ON K1A 0A6

Dear Mr. Del Mastro,

With your support we can inject millions of net new dollars into the Canadian economy right away and help save small business jobs now. But we have to act.

Together, CCMIA, CIMA, CFM and Re:Sound represent more than 20,000 musicians and indie labels. We support a very simple amendment to Canada's copyright laws that would send millions of dollars a year to small businesses at **no cost to taxpayers or consumers** by eliminating an archaic and backwards subsidy to large corporations that no longer need it. We have attached an ad from Monday's Hill Times outlining this counterproductive subsidy.

The Copyright Act exempts every radio station's first \$1.25 million of revenue from royalties to Canadian musicians and labels. The government of the day granted the radio industry this subsidy in 1997 when they were losing money. Since then, ownership rules have changed and the industry is now highly consolidated and earning record profits of close to \$300 million in each of the past number of years. Still, the subsidy continues.

This subsidy has absolutely no positive impact on consumers, denies fair market compensation to Canadian music creators and discourages investment and job creation in Canada's creative sector.

The Government is pursuing copyright modernization as an economic and job creation initiative and an amendment that sends millions of dollars a year to small business at no cost to taxpayers or consumers deserves consideration. Eliminating this subsidy is a cost-neutral solution that would provide an additional \$8 million a year to more than 12,000 Canadian musicians and independent labels.

Canadian musicians and labels support the government's goal of a sustainable industry that creates jobs for artists to realize economic success. Fulfilling this goal requires a fair system that fully compensates creators when their products are used by broadcasters. This simple amendment would ensure musicians earn market value for their products and has no further impact on the Copyright Act.

This is not a technical amendment but it will improve the legislation and the economic prospects of musicians and small businesses. Please discuss this with your Caucus colleagues and consider supporting this simple but important amendment to Bill C-11.

Sincerely,

JP Ellson
Chair
Canadian Council of
Music Industry Associations

Stuart Johnston
President
Canadian Independent
Music Association

Bill Skolnik
CEO
Canadian Federation
of Musicians

Ian MacKay
President
Re:Sound Music
Licensing Company