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Chair of the Standing Committee on
Industry, Science and Technology
House of Commons
Ottawa, Ontario K1A 0A6

Ms. Julie Dabrusin, M.P.
Chair of the Standing Committee
on Canadian Heritage
House of Commons
Ottawa, Ontario K1A 0A6

Dear Colleagues:

As ministers responsible for copyright policy in Canada, we would like to thank you for your work and diligence in reviewing the *Copyright Act* over the past year. We are proud to report that with today's tabling of the *Budget Implementation Act II*, the government has delivered its proposed modernization of the Copyright Board of Canada. The reforms respond to the work of two parliamentary committees and were shaped by public consultations conducted last fall.

While the Board has played an instrumental role in shaping Canada's digital economy over the last two decades, there is broad consensus that it is currently in need of revitalization. Delays in tariff-setting have increased the costs of proceedings for creators and users alike while creating a situation in which decisions are systematically retroactive. This means that the royalty rates for the use of copyrighted content are regularly being set years after the creative content has been used.

The reforms announced today will enable a more efficient decision-making process and timely decisions from the Board. They will introduce a mandate and criteria to guide the Board and participants in its proceedings. They will institute more functional timelines by requiring tariffs to be filed earlier and be effective for longer; better empower the Board to case manage proceedings to accelerate the process leading to a hearing; and allow the government to fix deadlines, including for the Board to render its decisions. The reforms will also focus the Board's resources where they are most needed by allowing more collectives and users to enter into agreements directly.

A modernized Copyright Board will foster a more efficient and effective Canadian creative market by reducing costs for participants and ensuring timely remuneration for creators. It will support a predictable and adaptive copyright marketplace that attracts

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investments from businesses and provides consumers with the digital content they seek. With more efficient practices and procedures and the additional resources provided to the Board through Budget 2018, we believe that this reform will go a long way toward ensuring that the Board is well-positioned to fulfil its vital role.

During our consultations, certain stakeholders recommended that the government clarify when Board-set rates must be paid and provide collective management organizations stronger tools for their enforcement. Uncertainty around enforceability of Board-set rates has been raised as a particular issue in the case of educational copying. We believe that these concerns should be brought to the attention of the committees.

We have heard diverse and sometimes conflicting accounts of the state of Canada's educational copyright market. Authors, publishers, and their collectives have told us that the current legislative framework prevents them from being fairly remunerated for educational uses of their work. Meanwhile, the education community maintains that the current framework is working well and providing librarians, professors, teachers, and students the flexibility they need to thrive in a digital context.

At the heart of our concern is the government's vision to have a creative middle class where authors and publishers get paid fairly and educational institutions and students continue to have easy access to quality Canadian works.

These discussions highlighted that the range of issues at play in educational copying is broader than the scope of the reforms the government initially contemplated and consulted on. They touch on the foundations of copyright policy, such as the proper balance of rights and exceptions, the enforcement tools available, and the impact any changes may have on other rights holders or users. Therefore, the government believes it would be more appropriate to consider this matter as part of your review of the *Copyright Act*. In fact, we understand that your committees have already received feedback from stakeholders on some of these issues.

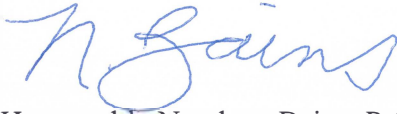
In closing, you may have noted that the agreement recently reached amongst U.S.-Mexico and Canada (USMCA) contains some commitments specifically related to our copyright regime, which the Government intends to implement in a fair and balanced manner. We look forward to your insights on these new obligations and their relationship to other emerging areas the committees are considering.

We are eager to receive the results of your work. We would appreciate any recommendations the committees are able to offer on fairness and predictability in educational markets, including recommendations on the applicability and enforcement of Board-set rates.

Once again, thank you for your important work in reviewing the *Copyright Act*.

Please accept our best wishes.

Sincerely,



The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science
and Economic Development



The Honourable Pablo Rodriguez, P.C., M.P.
Minister of Canadian Heritage
and Multiculturalism

c.c.: Mr. David Lametti, M.P.
Parliamentary Secretary to the Minister of Innovation, Science
and Economic Development
Mr. Andy Fillmore, M.P.
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