CIMA

Canadian Independent Music Association

December 1, 2017

Mr. Chris Seidl, Secretary General
Canadian Radio-television and Telecommunications Commission
Ottawa, Ontario K1A 0N2

BY THE CRTC FORM

Re: Broadcasting Notice of Consultation CRTC 2017-359: Call for comments on the Governor in Council's request for a report on future programming distribution models

Dear Mr. Chris Seidl:

1. Regarding Broadcasting Notice of Consultation 2017-259, the Canadian Independent Music Association (CIMA) submits its comments on the *Broadcasting Notice of Consultation CRTC 2017-359: Call for comments on the Governor in Council's request for a report on future programming distribution models*.
2. CIMA is the not-for-profit national trade association representing the English-language, Canadian-owned sector of the music industry.
3. Our membership comprises more than 280 Canadian-owned companies and representatives of Canadian-owned companies involved in every aspect of the music, sound recording and music-related industries. They are exclusively small businesses which include: record producers, record labels, recording studios, managers, agents, licensors, music video producers and directors, creative content owners, artists and others professionally involved in the sound recording and music video industries.
4. The very important issues raised in this Notice of Consultations have a direct impact on the ability of these companies to ensure Canadian public access to Canadian music, and to provide Canadian broadcasters a constant supply of new Canadian music content, including broadcasters' need to fulfill their role responsibly.
5. From the outset, CIMA wishes to thank the CRTC for allowing the public to take part in this study.
6. *L'Association québécoise de l'industrie du disque*, du spectacle et de la vidéo (ADISQ), our sister organization representing the francophone music industry, has tabled an extensive report answering each question presented by the Council.
7. CIMA's submission provides complimentary viewpoints to l'ADISQ's submission as well as a focus on the English speaking Canadian independent music industry perspective. We will be pleased to take part in the second phase of this process to enhance our submission.

Q1. How is the growth in online audio and video consumption changing the business models of program creators and distributors? What are the new models?

8. Trends that emerged at the beginning of the decade as technology rapidly changed the structure of the music industry continue to impact the business in 2017.
9. Independent music companies in today's market face challenges and opportunities in the form of many new innovations and major technologies that add to the complexities of operating a business.
10. In a very short time, consumers have moved from music consumption based on possession of content to a new age of access. At first, this access was illegal as it allowed the consumer free access to any music without the rightful content owners receiving any compensation.
11. In Canada, since 2008 but more intensely since 2014, the music consumer was presented with a legal option – online music streaming – that is still mostly consumed in its free form.
12. It is because of streaming (e.g. Spotify, Apple Music, etc) that the global record music market enjoyed its second consecutive year of growth (5.9%) in 2016. [1]Prior to 2015 it had endured 15 years of decline.
13. Despite the legal option – that can often be consumed at no cost to the consumer – illegal downloading is still present. According to the International Federation of the Phonographic Industry (IFPI), 40% of consumers accessed music illegally in 2017. This can coexist with legal use as 96% of Internet users use at least one legal way to consume music[2].
14. With the increase in music streaming services comes the decline of album sales, predominately due to consumers streaming individual songs. This trend has driven the decline in physical album sales and downloads.
15. This trend highlights the importance of curating and other discovery mechanisms. Each streaming user now has the opportunity to self-curate their own playlist, or to access a pre-packaged assortment of songs in a playlist provided by the streaming platform, an anonymous curator or an artist etc.
16. Online music services, based on their catalogue, are all alike. What distinguishes them - or will eventually help to distinguish them - is found in their interfaces, perhaps in the price of the subscription, or the sound quality. But surely, a major distinguishing point will be their ability of making the best possible recommendations for each of their consumers which is achieved using algorithims and metadata.
17. Discoverability, visibility and promotion of Canadian content is a significant challenge for the music industry. This is especially true for the independent sector, as independent or emerging Canadian artists' music rarely gets played on terrestrial radio (but when it does, it has a significant, positive impact on the artist). With streaming, discoverability is even more challenging due to the sheer volume of music on streaming services.

[1] http://winformusic.org/wintel-2017-worldwide-independent-market-report/
[2] IFPI, Global Music Report 2017

18. Streaming platforms are in no way required to promote Canadian content. The industry relies on the hope that they see the value in the promotion of Canadian talent.
19. A study of current issues presented to the Privy Council in November 2016 revealed that Canadians believe that Canadian content must be protected, that government intervention is needed and that telecommunications and foreign companies should be required to contribute to funding Canadian content, as long as the incremental cost is not passed on to subscribers.[3]
20. Business models used to be largely based on the sale of sound recordings, but have transformed to a model demanding diversification and laborious work to collect absent or multiple micro-incomes.
21. As a result, revenues have declined by 50% in the last 15 years.
22. In markets dominated by major labels that rely on a disproportionate amount of non-Canadian artists for sales and streaming, there has been modest growth in the last year.

Revenue

23. It is known that the music sector was the first to be affected by dematerialization. But it is important to note that in 15 years, revenues earned by the music industry have cut in half.
24. Between 1999 and 2013, global music revenues decreased by approximately 70% in real terms. In Canada, between 1997 and 2015, music revenues fell to just one-fifth of what they would have been had they kept pace with inflation and real GDP growth.
25. Over the past two years, there has been a modest return to growth in large markets dominated by majors.
26. It's essential to understand from where this growth comes. As sales of physical and digital sound recordings are declining, revenue growth is primarily driven by increased consumption of streaming music.
27. According to the IFPI, 2015 was the first time that digital revenues outperformed those derived from the physical sector. The following year marked the first year that the share of streaming was greater than that of digital sales.
28. Between 2015 and 2016, global revenue growth was 5.9%.
29. In Canada, we observe the same trend – IFPI reports a 12.8% growth between 2015 and 2016 - an increase twice as high as that observed worldwide, and slightly higher than in the United States (11.4%). For comparison, in France, this growth was 5.4% and in the United Kingdom 4.6%.
30. Music Canada reports that in 2016 that digital accounts for 70% of the revenue of the music industry and 59% of these revenues come from streaming. This data demonstrates that after several difficult years, the model of streaming is finally moving towards profitability – largely for the major labels, and more modestly in the indedendent sector as a whole.

[3] Corporate Research Associates *Views on Current Issues: Final Report 2016, p.4*

31. In Canada, the Copyright Board has established certain rates for streaming services, except for interactive (or on-demand) streaming. For the latter, sums paid to rights holders are negotiated between the producer of the song and the platforms that broadcast.
32. These negotiations are confidential. Those music companies with large catalogues, such as major record labels, tend to have greater bargaining power in such negotiations.
33. As far as tariffs established by the Copyright Board, Tariff 8 is the only one that affects master-side streaming revenues. This tariff was fixed at 10.2 cents per thousand plays for communication to the public on non-interactive and semi-interactive services. This is 10 times lower than in the United States.
34. Generally speaking, a consumer having a paid subscription will generate better remuneration than that resulting from "free" usage of a streaming service. However, the revenues from broadcasting a song on an audio streaming service are minimal. To generate significant value, a very large volume of plays is necessary, which can be a challenge for the independent industry.
35. If the audio streaming services pay minimal sums to producers and creators of music, those paid by video streaming services are even weaker. It is difficult to determine the revenues that come from of streaming, since a large number of factors influence this amount.
36. The situation is widely documented by IFPI and Music Canada and well summarized in the ADISQ submission regarding CRTC 2017-359. We invite the Council to consult the documentation published by the three organizations.
37. The issue of revenues to the music industry cannot be tackled without addressing the various rights recognized in the Copyright Act. Since they have existed, they have always been a secondary source of income in an industry where the primary source of revenue was the sale of sound recordings.
38. Producers must invest time and energy in existing sectors, such as live performances, and others that are making a comeback, such as vinyl (targeting a very niche market), to reap essential income, but are far from enough to make up for losses.
39. Considerable energy must therefore be deployed to generate micro-incomes in several sectors.

Production

40. Despite the many technological advances, the manpower and level of investment in production remains the same.
41. We sometimes hear that the development of new equipment for musical production has made this activity accessible to any artist. Although more tools are at the disposal of Canadians, the results obtained are not comparable to professional recordings.
42. In addition to ensuring the production of professional quality cultural products, music producers have the task of constantly working to discover new talent. The survival of their businesses depends on finding a balance between established artists and the discovery and launch of new talent. It also ensures that citizens have access to a new and diverse content.

Distribution

43. In contrast to production, the distribution sector is completely disrupted by technological changes. While physical distribution needs to be maintained, digital distribution has emerged and brought a lot of new challenges.
44. Distribution can now be global in scope through one conduit. Where there was once a need for a web of record and distribution arrangements across different markets, music can now be easily distributed to all global markets in one day via a single distribution partner (e.g. Believe Digital or Tunecore).
45. Digital distribution adds to the burden of music producers. The inclusion of complete, high-quality metadata requires additional manpower with advanced knowledge and the ability to track rapid changes in the industry.
46. Metadata, in fact, must be recognizable and usable by algorithms and artificial intelligence tools. Without quality metadata, content will completely escape the algorithms' radar - and their power of curating.
47. It is usually the producer of a sound recording that is responsible for attaching to a work all the relevant metadata.
48. Moreover all this additional work to correctly identify songs with high-quality metadata does not guarantee increased revenues for producers and artists, since music services are not required to broadcast local content. It is also far from certain that these services use all the data transmitted to them to enrich their music suggestions to consumers.

Marketing and "discoverability"

49. For 15 years, it has undeniably been the marketing, closely related to discoverability, that has most dramatically changed the practices of entrepreneurs working in the music industry.
50. Discoverability is more crucial than ever, but it is also the industry's biggest marketing challenge. Many Canadian consumers are adopting new ways to discover and listen to music while continuing to rely on traditional media.
51. Traditional media still have the power to "make" an artist. In terms of discoverability, their power is undeniable. In the overwhelming majority of cases an artist who stands out on television or radio will do much better on the web than an artist who does not.
52. All of this is essential, but far from sufficient. Marketing strategies must now be deployed in both the traditional and the digital worlds. This implies that record companies hire more staff, invest more in promotional material (print and digital), purchase of advertising space and continue education.
53. Web marketing is evolving rapidly, becoming more complex, and requiring the mastery of constantly renewed skills. It is now considerably refined thanks to the ability of companies to process users' personal data, enabling them to reach a perfectly targeted audience whose detailed consumption habits are known. But again, this requires advanced know-how and additional financial investments.
54. In short, when it comes to marketing, the business model of independent Canadian producers and record companies has been turned upside down. The teams working in this area are continually expanding, and the skills they are looking for in this

workforce are changing rapidly. In addition, these still are demand in many industries that can offer much higher wages than in music, which depletes the workforce.

Q2. Content is generally monetized through advertising, subscription and/or transaction revenues. How are new business models shaping the evolution of these revenue sources?

55. First, it should be made clear that there are two major fundamental differences distinguishing the audio-visual sector and the music sector when it comes to production: the level of financial risk assumed by the producer, and secondly, the level of probability of the profitability of the production.
56. The sound recording producer benefits from a significantly lower portion (34%) of public funding in these activities than producers of television content (about 95%). This situation highlights a fundamental difference between the risk taken by a producer of audiovisual content and that of a sound recording.
57. Indeed, unlike the producer of television content, the sound recording producer has no assurance at the time of the launch of the sound recording that sales generated by it will allow him or her to make a return on the investment. Breaking even will depend on the level of sales and online consumption of the sound recording in question.
58. The investment in the development of Canadian music is therefore, in every respect, an investment in venture capital. The stakes are high and the returns uncertain. The relatively low level of commitment by government means that almost all of the risk is borne by the companies themselves, since overall public investment represents only 16% of the amounts committed each year by the music industry.
59. This is the reality that the Canadian independent music industry faces. It is a community of small businesses, almost half of which are sole proprietors and in which access to capital and sustainable cash flow are two of the top challenges to conducting business. As they are small businesses, risks are even greater.
60. It's important to note that mandated funding from private radio broadcasters support several programs for the commercial music industry. These programs are oversubscribed, and funding from radio broadcasters is forecast to significantly decrease over the next five years.
61. Additionally, recent CRTC decisions on television license renewals have also deprived the music industry of millions of dollars in annual support.
62. Without public support, a large number of Canadian companies would cease their operations, which would be a blow to the creation and dissemination of Canadian music and Canadian culture.

Q3. Many new business models are global. How will the growth of a global content rights market affect business models?

63. The global production of music is essentially in the hands of a few international companies and as technology advances, almost all new intermediaries that emerge are also foreign giants.
64. Thus, Apple dominates the online music sales sector. A handful of large or very large companies dominate music streaming: YouTube (a property of Google), Apple, Spotify, Google Play Music, Amazon, etc. In social media, which is used for promotion and marketing, Facebook, SnapChat, Instagram, Twitter, etc. are the dominant players.
65. These platforms have several points in common: they are exempt from all the rules and laws in force for funding visibility of content in Canada; they evolve in a very opaque manner, revealing only few statistics regarding their adoption and consumer behavior. The foreign-owned major music labels either have a disproportionate influence or market share versus the independent sector, and/or have equity stakes in these global tech companies.
66. The presence of Canadian content is only a matter of the goodwill of the service - and of its knowledge of the markets in which it operates. Meaning that Canadians, citizens and creators, have no control over these services.
67. The flexibility of independent Canadian music producers and artists in negotiations with these services is minimal. The independent music content owners in Canada and elsewhere need the streaming companies to survive and thrive, but the opposite is not necessarily true.
68. Moreover, profitability in the streaming universe is generated through volume. When a single music company has a huge catalogue that is highly sought after the world over (as is the case for the major labels) the volume of listening is high and revenues are guaranteed.
69. For Canada's independent music entrepreneurs, the reality is quite different. Our sector comprises many small companies that represent a small number of lesser-known artists. Conversely, those Canadian companies that produce and represent more well-known and successful artists have less capacity than the global players to invest in and promote those artists internationally.
70. The streaming business model, increasingly being embraced by the consumer, is gradually gaining ground. In the current state of regulation, this is to the detriment of independent entrepreneurs and local content owners.
71. It is true that streaming platforms, and technology in general, enables music to be instantly available all over the world. But if borders have fallen, many barriers still remain.
72. It is illusory to believe that exporting music alone is a solution to the loss of income experienced by our sector.
73. Although digital technology allows for better circulation of musical works around the world, it does not guarantee the success of Canadian artists abroad. Our major export markets (United States and parts of Europe) are already saturated by local content, in addition to being courted by artists of all origins. An artist must double down on originality to stand out in this very crowded digital field.

74. Building a career abroad requires a large financial investment. The artist must be supported by an infrastructure of promotion, representation and distribution. They must also spend a lot of time and put their local career on the back burner while they commercially exploit foreign markets.
75. The significance of commercially exploiting existing and new global markets cannot be overstated. Canada's music industry must continually engage in markets across the world to compete and maximize returns on investment.

Q5. Canadians currently enjoy audio and video content through a combination of traditional broadcast and Internet-based services. How will consumer behaviour evolve in the next five years? What factors will influence this evolution?

76. Attempting to predict the behaviour of consumers of cultural content over the next few years is a difficult exercise.
77. The vast majority of Canadians listen to music in multiple forms, changing from one consumer to another, but also for the same consumer in the same week or the same day.
78. What we know is that traditional media and physical media are alive and well; and that the models of listening to traditional and digital music are complementary.
79. Radio is a medium whose resilience and power have not waned over the years as technology advances, despite predictions radio will undergo major upheavals due to the emergence of competitive web services.
80. Recent data demonstrates once again the resilience of commercial radio in Canada in a context where competition from satellite, online and mobile services continues to evolve.
81. Canadian listeners are attached to radio, as it is a medium that reaches them in a more personal way. Radio informs listeners about important micro-local issues; entertains them by broadcasting music; helps listeners discover new music, which in turn helps launch and support the careers of artists from their country.
82. A foreign platform that offers raw content, without presentation or context, lacks this crucial local touch.
83. What radio has to offer Canadians is absolutely unique, and in our opinion, irreplaceable. Therefore, it seems reasonable to believe that the trends observed in recent years will continue and that at least in the near future – radio will continue to be a key part of the Canadian music industry.
84. However, it is important to note that radio's fortunes is directly tied to the automobile industry, as the vast majority of radio listening occurs in cars during morning and afternoon commute times.
85. The automobile companies are also the largest broadcast advertisers. Radio revenues are flat to slightly declining (around a 1% drop per year), while Satellite Radio revenues continue to grow dramatically.

86. This trend would lead us to believe that Canadians that have access to satellite radio may choose it over terrestrial radio and that this trend may continue to increase in the following years.
87. The significance of this is that the radio landscape is likely to dramatically change, as connected cars become the norm in the next few years.

Q6. From whom will Canadians access programming in the future? For instance, will Canadians look to traditional or online providers? Global or domestic providers? Content aggregators or multiple distributors?

88. In music, streaming services are not content producers. Nor do they hold exclusivity agreements. Thus, all competing services do so on the basis of their interface, their algorithms, the quality of the sound offered - but not on the catalogue that they own.
89. In audio-visual, the situation is very different. The consumer looking for certain content in particular incurs multiple expenses via subscriptions and à-la-carte services to access and the market, in this respect, is evolving. For example, Disney recently made the decision to remove its content from Netflix and announced plans to launch its own streaming service. It can be assumed that this move may have the effect of causing Canadian households with children, for example, to increase subscriptions, while continuing to pay for cable and other services like Netflix.
90. In short, the video streaming platform sector is fragmented into several services. In music, it's the opposite. To access the full repertoire of Canadian content, Apple Music, Spotify and YouTube are all as functional as each other.
91. The point here is it is very difficult for a potential new Canadian company to compete with these already well-established services around the world.
92. There have been Canadian companies in the past that have attempted to penetrate the streaming market, each of which have failed.
93. Therefore, it is unlikely that new Canadian streaming services would be able to compete with the large international players.
94. Independent music entrepreneurs are therefore confident that the content they produce will be traded in the future by foreign platforms and that the best case scenario now would be a harmonious integration of local musical content into current platforms.
95. When it comes to Internet-based services, we believe that access to music through streaming services will increase and that it would be prudent to set a precedent for OTT companies that wish to access the Canadian market to dedicate a small percentage of their revenues back into Canadian content, much like terrestrial radio is obligated to do.
96. This approach would ensure the continued support of Canadian production and content that could compete in the foreign market while supporting Canadian businesses and ensuring that the Intellectual Property (IP) they create remains in Canada.

97. However, without support in the form of funding content as well as regulating services to promote Canadian content, the domination of global music and digital companies will continue in the future. This poses a real risk that Canadians will be consuming less and less Canadian music, meaning the commercial benefits of creating and owning IP will be diminished in favour of these global entities.
98. The need for funding dedicated to Canadian content was enhanced when in a recent broadcasting decision, the CRTC removed the condition of licence requiring Much and Gusto (formerly M3), to contribute to MuchFACT[4] - leaving a gap in how Canadian music videos are funded.
99. Music videos are an essential tool in achieving any successful artist's career. Funding is still accessible through FACTOR, however these programs are exceptionally oversubscribed –leaving record labels and creators with the costly bill.
100. Requiring OTT companies to dedicate a portion of their revenues into Canadian content production such as Canadian music videos would fill an important void in the Canadian music ecosystem.
101. Action must be taken to ensure that Canadians are able to discover content that reflects their culture and speaks their language, both literally and figuratively. This speaks to Canada's incredible diversity. This ability to tell our stories, reflect our culture and diversity from coast to coast to coast is something in which indie labels and their artists specialize. Canada and Canadians cannot to afford to lose our voice.
102. We have seen that young people are less present in traditional media. Therefore, Canadians must be exposed to Canadian content within all forms of media.

Q7. What are the characteristics of a vibrant domestic content creation and distribution market?

103. A dynamic market for content creation is achievable when creators are equitably remunerated for the content they create. It is also necessary that sufficient financial support is made available in order to support the entrepreneurs and businesses that facilitate content production and deliver it to the Canadian public.
104. As mentioned previously, one of the keys to achieving successful distribution, relies on distributors providing consumers with diversified and attractive content that is also appropriately marketed. It is therefore in the interest of the distributer to invest financially into the creation of this content and its development.
105. This would attract the consumer and increase revenues linked to that content.
106. Before digital, the Canadian broadcasting system had managed to create this balance and had succeeded in ensuring that rich, high-quality, diversified Canadian content in both languages was available to Canadians on an ongoing basis.

[4] Broadcasting Decision CRTC 2017-149

107. For the music sector, two types of measures contribute to creating this balance: measures ensuring the visibility of content Canadian Content via specific quotas, and measures that ensured its financing, including financial contributions for the development of the audio sector; Canadian content paid by broadcasting undertakings to various funds such as FACTOR/MusicAction and the Radio Starmaker Fund/ RadioStar.
108. This type of financing combined with other sources of public funding is absolutely essential to ensure the profitability of independent businesses, and to enable them to produce and promote quality and diversified content.
109. If these measures were important in the traditional market, they are more than required in the current digital market.
110. New players have been in the music market for several years now, but are still outside the regulatory mechanisms in place to ensure the visibility and funding of Canadian content.
111. If digital companies remain regulated through exemption, it will continue to have a growing, negative impact on the quantity, quality and the possibility of new Canadian content available to Canadians.

Q8. Will new business models support a vibrant domestic content and distribution market? If so, which ones and why? If not, what content or distribution services would be missing?

112. If no measures are put in place by government and its agencies, the new business model of the music sector will not be able to support a dynamic content and distribution market.
113. The solution lies in adopting the tools that currently apply in the traditional model to Internet service providers (ISPs) and online music services.
114. It is increasingly difficult to stand out in this world where there is an abundance of content. As a result, the industry is forced to increase its investments to position Canadian content both in traditional market segments and in the many digital segments.
115. Streaming is here to stay and will likely become more prevalent. We must realize that the visibility and discoverability of Canadian content is crucial to the success of our industry and needs to be supported.
116. Although enforcing a required percentage of Canadian content to be played on streaming services is not feasible. Canadian content regulations could be adapted for this specific market.
117. As previously mentioned, Canadian content is already being identified through metadata. This metadata is accessed streaming services; processed through algorithms in order to, amongst other things, curate personalized playlists for the consumer.
118. Therein lies an opportunity for music streaming services to help bolster visibility and discoverability of Canadian content for their listeners. This would be a realistic

approach to increasing the visibility and discoverability of Canadian songs on these platforms – one that we would encourage the CRTC to explore further.

119. The consumption of music has changed profoundly, from possession to access. Payments and revenues coming from consumers have also changed.

120. Although they have taken different forms, there have always been intermediaries in the value chain. The shift now is that the consumer journey is far less transactional than it used to be. The consumer now has the option to pay a monthly fee for unlimited consumption, rather than gradually for each album or song they purchase. In both cases, the payments reward the creators of cultural content who are at the production end of the value chain, but the relationship between consumption and remuneration is a lot less obvious than it formally was.

121. The traditional model is an example of a market that provides remuneration for the sound recording environment. The players in this sector capture the income they earn from the consumer and reinvest it back into sound recording sector.

122. On the other hand, the sound recording sector now only receives a fraction of the value generated by this content in the streaming model.

123.The funding mechanisms put in place by the CRTC to ensure the production and promotion of Canadian content, notably through the FACTOR/MusicAction and Radio Starmaker /Radiostar funds, will no longer be sufficient to ensure the sustainability of Canadian content.

124. Public funding is essential to the profitability of businesses and the sector as a whole. However, a company's independently sourced revenues are in jeopardy. To increase these revenues, a company must ensure that its content reaches its audience, that it is then consumed and that the revenues resulting from this consumption are substantial. Finally, this content must yield enough revenue to be able to ensure the reinvestment into new, rich and diversified Canadian content. In the high risk and often medium to low reward world in which independent artists and companies live, this is an especially tall order.

125. In view of this new reality, new business models will only be able to develop a dynamic digital music content and distribution market if mechanisms are put in place to ensure visibility, discoverability and financing of national content.

Q9. What are the legislative, public policy or regulatory measures currently in place that will facilitate or hinder a vibrant domestic market? What needs to stay in place? What needs to change?

126. For Canadian music, the immediate challenge is to maintain a critical mass of professional-quality Canadian productions, and to make significant efforts to increase the funding for creation, discoverability and success of these productions.

127. Companies that develop new digital broadcasting platforms and telecommunications companies are at the heart of the economic remodeling of the music sector.

128. The telecommunication companies capture a portion of the economic value of the sector, while having no obligation of contribution. And the new digital broadcasting

platforms remain exempt from the regulatory and economic obligations that apply to traditional platforms, as well as tax obligations as most are foreign-owned companies.

129. Therefore, the modernization of the rules in place should result in the revision of all regulatory, financial and regulatory obligations of the new players that emerged in the digital revolution so that substantial revenues could be channeled back to the creation and production of Canadian content.
130. We believe that the establishment of a strong and modern regulatory and legal framework is essential. The various regulatory and legal bodies must ensure that each of the players who monetize musical production must contribute adequately to the creation and visibility of this content.
131. We invite the Council to consult the documentation shared by l'ADSIQ where they present a concrete action plan that would modernize the rules affecting the Canadian music industry in an efficient and fair manner, in areas including but not limited to:
    - The revision of the Copyright Act, including the restoration of the private copying regime and the removal of some anachronistic exceptions for radio;
    - Revising copyright tariffs for online music services by recognizing their massive impact on the cannibalization of music sales;
    - The end of the regulatory exemption for online music services;
    - Contributions to content development by Internet Service Providers and online music services;
    - Imposing obligations on online music services for the development of local products, including algorithms.

Conclusion

132. The creation of a fair business environment for the music community—one that is favourable to the creation of new content, and favourable to the creation of new jobs in the music business, -- will help maintain and grow a robust Canadian independent music industry.
133. We thank you for having given CIMA the opportunity to submit its comments and looks forward to participating in the second phase on consultation.

Yours sincerely,

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