



Big win for our rightsholders. >

Managing for speed and complexity.

In a world that's moving fast and growing more complex by the day, the Canadian Retransmission Collective goes beyond collecting and distributing retransmission royalties. We fight for our rights-holders: a significant tariff win means 23.5 percent more royalties for our affiliates.

What are retransmission rights?

In 1990, the Canada-U.S. Free Trade Agreement led to the creation of a new right under Canadian copyright law, known as a retransmission right.

**The
big
idea.**

Retransmission occurs when off-air broadcast signals are picked up by a retransmitter and sold as part of a package to subscribers outside that broadcaster's reach. Retransmitters include cable companies (like Rogers and Vidéotron), and direct-to-home (DTH) satellite systems (like Bell TV and Shaw Direct). Low-power television stations (LPTV) systems, master antenna systems, and multi-point distribution systems (MDS) are also included.

More specifically, broadcasters air signals containing programs for which they have paid producers a licence fee, for a specific territory. Retransmitters pick up these over-the-air transmissions of local television stations originating from within Canada or elsewhere.

With the boost of a satellite or microwave, a station's signal can be extended beyond its normal reception area for delivery to subscribers in distant places.

This qualifies as retransmission, and the retransmitter, who has benefited financially from selling these distant signals in packages to subscribers, must pay for the use of the programs and signals from those distant places. Copyright owners receive royalties for this use, and these royalties are collected and distributed by collective societies such as the Canadian Retransmission Collective.

Retransmitters do not have to pay retransmission royalties for programming on specialty and pay television services (such as TMN, Food Network, MusiquePlus, HGTV Canada, TELETOON, and BBC Canada), because these services don't originate over the air and are copyright-cleared.

**The world is
moving ever
faster.**

Two significant wins for rightsholders.

The Copyright Board of Canada – a federal regulatory body – sets the tariff, establishing royalty rates retransmitters must pay, and the formula by which royalties are allocated among the various collectives. This formula is based on TV audience ratings in a test period for the programs shown on distant signals, and the number of Canadian subscribers who received these programs on a distant signal. A new tariff is set normally every five years, after the board hears from both retransmitters and rightsholders.

During the most recent tariff proceedings, hearings were cancelled in favour of a negotiated settlement (please see the CRC's Triennial Report 2010/11/12 for more details). After extensive research and intensive negotiation, and working where possible with other collectives having like interests,

the CRC achieved two significant wins for our rightsholders. First, a settlement between retransmitters and collectives, which yielded an increase in the rate per subscriber per month (from 85 cents in 2009 to 98 cents in 2013). Second, a 23.5 percent increase in the CRC's share of the total Canadian retransmission royalties (from 12.03 to 14.85 percent). That's close to \$3 million more annually, retroactive to 2009. The CRC's new share (14.85 percent) applies to the 2009 – 2013 tariff period and will remain in place until at least December 31, 2015. The next tariff will span 2014 – 2018 and work began in 2013 to develop the CRC's case on behalf of our rightsholders.

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**Our recent
tariff
victory.**

04 >
**The
future has
arrived.**

Aligned with the best.

CRC affiliates include independent Canadian program producers, producers of programs shown on Public Broadcasting Service (PBS) and Réseau France Outre-mer (RFO), educational TV producers in Canada (except Tele-Québec), all foreign producers and broadcasters outside North America, and producers of music videos used in Canadian programs. The CRC represents U.S. programs only when they are retransmitted on a PBS station or RFO.

Nine collective societies represent the interests of various rightsholders. Each collects royalties from the retransmitters and distributes them to its affiliates. The Canadian Retransmission Collective (CRC) is one such collective. A non-profit corporation founded by the Canadian Media Production Association, the CRC represents and is governed by program owners and producers.

The eight other Collectives and the Rightsholder Affiliates they represent:

- Copyright Collective of Canada (CCC) [independent U.S. producers]
- Canadian Retransmission Right Association (CRRA) [Canadian public networks CBC, SRC, Télé-Québec, and U.S. private networks ABC, NBC, CBS]
- Canadian Broadcasters Rights Agency (CBRA) [private Canadian television networks and independent stations]
- Border Broadcasters Inc. (BBC) [select U.S. commercial television stations along the Canada-U.S. border]
- FWS Joint Sports Claimants (FWS) [sports leagues NHL, NBA, CFL, NFL]
- Major League Baseball (MLB)
- Society of Composers, Authors, and Music Publishers of Canada (SOCAN) [composers and lyricists whose music is used in programming]
- Direct Response Television Collective (DRTVC) [infomercial producers]

Strength
in
numbers.

**You're
in good
company.**

Who's eligible to collect royalties?

As a CRC affiliate, you're eligible to receive retransmission royalties if all of the following apply:

- You own the copyright in a program, or the owner has granted you the right to collect,
- Your rights apply to Canada, and your program has been broadcast on a retransmitted signal,
- And you haven't given away your right to collect retransmission royalties (such as through a broadcast licence agreement).

07 > **It pays
to
belong.**

From CRC's inception to end of 2013

Royalties Gross	\$216.4 million
Royalties Net for Distribution*	\$214.5 million
Royalties Available for Distribution**	\$184 million
Royalties Distributed**	\$178 million

* After operating costs deducted and investment income added

** Available and distributed according to the CRC's Royalty Distribution Policy

08 > **You're
in the
money.**

The company we keep.

The CRC is reimbursed for operating expenses only, with all other revenues distributed to the affiliates we represent. The organization has always been lean: year after year, annual operating costs have averaged between seven and nine percent of revenues. A small team runs the CRC's daily affairs – they are results-focused, dedicated, and effective. Experience and expertise are at work, for certain, but also the institutional memory that can only come from a long-serving team.

**A
non-profit
organization.**

The Board and management have worked together to develop policies and practices that are fair, transparent, and accountable. The CRC's operations and financial affairs are conducted in strict compliance with these; our responsibility to our affiliates comes first and foremost.

Good governance is a fundamental principle.

As founding member, Canadian Media Production Association selects the CRC's Board of Directors. Our Board is drawn from the production industry, and is a knowledgeable and committed group with representatives from:

- Canadian independent production sector
- Public Broadcasting Service (PBS)
- Association de gestion internationale collective des oeuvres audiovisuelles (AGICOA)
- The Ontario Educational Communications Authority (TVO)
- National Film Board of Canada (NFB)
- Association Québécoise de la Production Médiatique (AQPM)

You're
in good
hands.

Policies and practices.

A prime example is our royalty distribution formula, which takes into account the actual hours of programming and the number of subscribers to whom programming has been transmitted. Royalties are distributed one year in arrears, and all reserves are released within three years of the year of retransmission.

When we are unable to determine who owns a program, or find the rightsholder, we publish a list of orphans. Royalties for programs unclaimed within a specified time are released back into the general pool for that particular year, and distributed among affiliates who did substantiate their claim.

If more than one party claims royalties for a program, they are asked to resolve it between themselves within a specified time, and report the resolution to the CRC in writing.

Five percent of funds are held in reserve each year to cover errors and omissions (such as when a program was retransmitted, but not captured in the broadcast data we acquire).

CRC by the numbers for 2013

- **\$16,000,000** collected in retransmission royalties attracted by the 12 million or 86%* of Canadians households subscribing to cable or satellite television service
- **1,700,000** hours of programming tracked on 200 distant signals
- **7,000** rightsholders represented from 32 countries
- **100** retransmitters information and payment verified, representing 2,000 licensed service areas

* *Percentage of subscribers by distribution platform in 2012 in Canada: Cable 68%, DTH/MDS 24%, IPTV 8%*

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Every detail counts.

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You can count on it.

Affiliation is simple.

If you think you qualify for affiliate status, please contact us either online or by phone. We'll ask you to sign a one-page authorization form, and register programs that are eligible for retransmission royalties in Canada. Once you're in our database, we can match your programs with the broadcast data we track and ensure you receive your share each year.

It's that easy.

If you're considering using a third party – such as another collective society, an agent, or distributor – rather than dealing directly with us, consider the following: the fee you'll be charged by the third party, when you'll receive royalties from them, and what the withholding tax implications and foreign exchange costs might be if they're not resident in the same country as you or the CRC. We're happy to discuss your particular circumstances with you, and whether this is an option you might consider. We'll also ask you to ensure that everyone you involve understands who is responsible for collection and administration of these royalties. As a first step, why not contact us so that we can explain just how simple it is to affiliate with the CRC and receive your money directly?

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This brochure is a simplification of a complex subject. Please refer to the retransmission royalty tariff published by the Copyright Board of Canada for more detail.

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**It's a
straightforward
process.**