

On April 21, 2016, the Copyright Board of Canada certified a tariff setting out the royalties to be collected from commercial radio stations by, among others, CMRRA-SODRAC Inc. ("CSI"). In May 2016, CSI and Connect/SOPROQ, on one hand, and the Canadian Association of Broadcasters ("CAB"), on the other, commenced applications to the Federal Court of Appeal for judicial review of the Decision. The parties subsequently entered into a settlement agreement under which they have resolved their disputes for the period from November 7, 2012 through December 31, 2018.

The settlement agreement between the parties sets aside the tariff certified by the Copyright Board and institutes new royalty payment structures for each of the years covered under settlement. In addition to CAB itself, a large number of commercial radio stations have expressly agreed to be bound by its terms.

Pursuant to the settlement, the royalties payable to CSI are as follows:

For a low-use station, on its gross income for the reference month:

	For the period from November 7, 2012 to December 31, 2016	For the period from January 1, 2017 to December 31, 2017
On the first : \$625 000.00 gross income in a year	0.105%	0.090%
On the next: \$625 000.00 gross income in a year	0.202%	0.173%
On the rest \$1 250 000.00	0.339%	0.289%

For other stations, on its gross income for the reference month:

	For the period from November 7, 2012 to December 31, 2016	For the period from January 1, 2017 to December 31, 2017
On the first : \$625 000.00 gross income in a year	0.237%	0.203%
On the next: \$625 000.00 gross income in a year	0.466%	0.398%
On the rest \$1 250 000.00	0.966%	0.826%

Additionally, under the settlement any station that believes it has previously paid more for past periods than the amounts required under the new rates may withhold the amount of the overpayment from its next regular royalty payments to CSI, provided that any payment from which any such amount is withheld is accompanied by a statement detailing the amount of the overpayment and the manner in which it was calculated.

Please contact the Canadian Association of Broadcasters for more information.