



NEWS RELEASE

Copyright Board Increases the Private Copying Levy for Blank CDs for 2008 and 2009

December 5, 2008

Ottawa. The Copyright Board of Canada issued today a decision on private copying levies for the years 2008 and 2009. The decision maintains the rate for audiocassettes at 24¢, and increases the rate for all CDs to 29¢. Since 2001, the certified rate for CDs had been 21¢.

The case was heard by a panel composed of the Honourable Mr. Justice William J. Vancise, Chairman, Mrs. Sylvie Charron and Mrs. Jacinthe Th  berge, Members.

“Two main factors led the Board to raise the CD levy rate to 29¢”, said Claude Majeau, Secretary General of the Board. “First, the mechanical royalties that record labels pay to record a song onto a prerecorded CD have increased. Second, because consumers now use compression technology when they record music, the average number of music tracks copied onto a CD went from 15 to more than 18.”

Manufacturers and importers of blank audio recording media are required to pay private copying levies to the Canadian Private Copying Collective (CPCC) when these media are sold in Canada. The amounts collected by CPCC are distributed to eligible authors, performers and producers of recorded musical works copied by individuals for personal use in Canada.

Even though the CD levy rate has increased, the Board expects that the total amount of royalties CPCC collects will remain relatively stable, at about \$30 million per year. This is because the sales of both blank audiocassettes and CDs are expected to decline, as individuals abandon these media for digital players, which cannot be levied as part of the private copying regime.

The Board is required by the *Copyright Act* to set rates retroactively to January 1, 2008. However, in a correspondence of November 14, 2007 and in a press release of December 18, 2007, CPCC indicated its intention not to collect any increase in the rates retroactively when the certified tariff for 2008-2009 is issued.

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Note : *The certified tariff, along with a fact sheet, can be found on the Board's website under "What's New":* www.cb-cda.gc.ca