

November, 2016

Dear Affiliate,

Creators and Publishers often tell us how much they count on their royalties from Access Copyright and, as a result, we understand that timely information about expected changes to your payments can help you prepare and budget accordingly.

For that reason, I am writing today to advise you to expect a significant decline in your Access Copyright royalties beginning in June 2017. By the end of 2016 Access Copyright will have distributed approximately \$11-million on the year. In 2017, we are projecting that total will drop by 55 per cent, to around \$5-million.

Royalty payments are triggered by a number of reporting mechanisms and sampling models across different sectors, so the impact will vary slightly by affiliate. Nevertheless, all creator and publisher affiliates should prepare for substantially lower payments in 2017.

Your diminished royalties are a direct result of decreased licensing revenue from the education sector, which is attempting to codify a broad extrapolation of fair dealing in systematic content usage policies that purport to permit much of what is offered through Access Copyright's licences.

We have opposed these policies on the grounds that they are harmful not just to your licensing royalties but to the overall health of the content, teaching and learning ecosystem in Canada.

We remain optimistic, however, that opportunities to mend relations with the education sector will emerge as we continue to emphasize service innovation and the considerable common ground between those who create and publish and those who teach and learn.

My staff and I share your disappointment with our current situation and are committed to finding ways to end the impasse and restore partnerships with our former customers in education.

Sincerely,



Roanie Levy
Executive Director