

Copyright Board  
Canada



Commission du droit d'auteur  
Canada

**Date** 2025-05-30

**Citation** *SOCAN Tariff 1.A – Commercial Radio Tariff (2014-2018)*, 2025 CB 2

**Member** Drew Olsen

**Proposed  
Tariff  
Considered** SOCAN Tariff 1.A – Commercial Radio (2014, 2015, 2016, 2017, 2018)  
SOCAN Tariff 22.3 – Webcasts of Radio Stations Signals (2007, 2008)  
[commercial radio simulcasting portion only]  
SOCAN Tariff 22.C – Webcasts of Radio Signals (2009, 2010, 2011,  
2012, 2013) [commercial radio simulcasting portion only]

**Approval of Proposed Tariff  
as  
SOCAN Tariff 1.A – Commercial Radio (2014-2018)**

**Reasons for Decision**

**I. Overview**

[1] The Society of Composers, Authors and Music Publishers of Canada (SOCAN) filed several proposed tariffs that cover the conventional over-the-air (“OTA”) broadcasts of musical works in the repertoire of SOCAN for the years 2014 to 2018, as well as webcasts of radio stations signals for the years 2007 to 2013.

[2] In 2018, SOCAN and the Canadian Association of Broadcasters (CAB) (collectively, the “Parties”) agreed on the royalties to be paid for OTA and Internet broadcasts of radio stations signals. In 2024, the Parties asked the Board to approve a tariff in the form of a jointly-submitted text (“JST”).

[3] For OTA broadcasts, the approved rates are 1.5% of gross income for low use stations and, for other stations, 3.2% on the first \$1.25 million in gross income and 4.4% on the rest.

[4] With respect to webcasts of radio stations signals, proposed tariffs 22.3 and proposed tariffs 22.C are not approved, at the Parties’ request, as those uses are already covered by another approved tariff.

## **II. Background**

### **A. The Last Approved Tariff**

[5] The Board approved the *Commercial Radio Tariff (SOCAN: 2011-2013; Re:Sound: 2012-2014; CSI: 2012-2013; Connect/SOPROQ: 2012-2017; Artisti: 2012-2014)* on April 23, 2016.<sup>1</sup> Regarding SOCAN, the tariff sets out royalties to be paid by commercial radio stations in respect of OTA broadcast signals. The rates fixed by the Board are 1.5% of gross income for low use stations and, for other stations, 3.2% on the first \$1.25 million in gross income and 4.4% on the rest.

### **B. The Proposed Tariffs**

[6] SOCAN filed proposed tariffs 1.A – Commercial Radio for each year from 2014 to 2018. It also filed proposed tariffs 22.3 for the years 2007 and 2008 and proposed tariffs 22.C for the years 2009 to 2013.

[7] Proposed tariffs 1.A cover the OTA broadcasts of commercial radio stations signals while proposed tariffs 22.3 and 22.C cover webcasts of radio stations signals.

[8] The proposed tariffs were published in the *Canada Gazette*. The CAB objected to all of the proposed tariffs except proposed Tariff 22.C for the year 2007.

[9] In respect of the OTA signals, the proposed tariffs 1.A provide a rate of 1.5% of gross income for low use stations. For other stations, the proposed tariffs provide rates of 3.2% on the first \$1.25 million in gross income and 4.4% on the rest. These rates are the same rates as those fixed by the Board in the Last Approved SOCAN Tariff 1.A.

[10] In respect of webcasts of radio stations signals, the proposed tariffs provide that radio stations pay the greater of 15% of gross revenues earned by the radio station website or 15% of the gross operating expenses of the website, subject to a minimum monthly fee of \$200.

### **C. The Agreement and the JST**

[11] On June 14, 2023, the Parties informed the Board that they had concluded an agreement with respect to SOCAN's proposed tariffs 1.A for the period 2014-2018 and proposed tariffs 22.3, 22.C and 22.B for the period 2007-2018. As per their agreement, they agreed that the rates applicable to the OTA broadcasts for 2014 to 2018 would be those set out in the Last Approved SOCAN Tariff 1.A. They also agreed that the rates applicable to Internet broadcasts for 2007 to 2018 would be the tariff 22.B rates set out in *SOCAN - Tariffs 22.B to 22.G (Internet - Other Uses of Music), 1996-2006*<sup>2</sup> (the most

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<sup>1</sup> *Commercial Radio Tariff (SOCAN: 2011-2013; Re:Sound: 2012-2014; CSI: 2012-2013; Connect/SOPROQ: 2012-2017; Artisti: 2012-2014)* (approved tariff) (April 23, 2016), C Gaz Supplement Vol. 150, No. 17.[Last Approved SOCAN Tariff 1.A]

<sup>2</sup> *SOCAN - Tariffs 22.B to 22.G (Internet - Other Uses of Music), 1996-2006* (approved tariff) (October 25, 2008), C Gaz Supplement Vol. 142, No. 43.

recently approved tariff 22.B at the time). The agreement was executed on July 20, 2018.

[12] On October 28, 2023, the Board approved *SOCAN Tariff 22.B – Commercial Radio and Satellite radio (2007-2018)*.<sup>3</sup>

[13] On October 16, 2024, SOCAN and the CAB requested that the Board approve the SOCAN commercial radio tariff for the years 2014 to 2018 in respect of OTA broadcast signals. The request was supported by a JST which specifies the rates for the communication to the public by telecommunication of musical works in SOCAN's repertoire by commercial radio stations in respect of OTA broadcasts.

[14] In their submissions, the Parties explained that the rates provided in the JST are identical to those of the Last Approved SOCAN Tariff 1.A, that is, 1.5% of gross income for low use stations and, for other stations, 3.2% on the first \$1.25 million in gross income and 4.4% on the rest. They added that given the foregoing, users would not owe greater royalties pursuant to a tariff based on the JST than under the proposed tariffs.

[15] The Parties also requested that the Board not approve proposed tariffs 22.3 (2007-2008) and 22.C (2009-2013) for simulcasts. They submit that the uses covered by these proposed tariffs are already covered by another approved tariff, namely the Last Approved SOCAN Tariff 22.B

[16] Finally, the Parties assert that the CAB is a party to the agreement on behalf of all its members, which include the vast majority of commercial radio broadcasters as measured by absolute numbers and by revenue. They noted that the Board has accepted in the past that the CAB was sufficiently representative of the commercial radio broadcasting sector in the context of SOCAN Tariff 1.A.

[17] The request was amended on October 25, 2024, when the Parties filed a revised JST with a minor correction. The JST, in its revised form, only concerns OTA broadcasts and does not address simulcasts.

### **III. Issues**

[18] Three issues were identified for determination:

1. Should the Board approve a tariff for simulcasts of commercial radio station signals?
2. Is the Last Approved SOCAN Tariff 1.A a good proxy for what could be considered fair and equitable for the years 2014-2018?
3. Should the JST be used as a basis for the tariff, and if so, are any changes warranted?

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<sup>3</sup> *SOCAN Tariff 22.B – Commercial Radio and Satellite radio (2007-2018)* 2023 CB 6-T-1 (October 28, 2023), C Gaz I, Supplement Vol. 157, No. 43. [Last Approved SOCAN Tariff 22.B]

#### **IV. Analysis**

##### **Issue 1: Should the Board approve a tariff for simulcasts of commercial radio station signals?**

[19] The Parties submit that the activities covered by proposed tariffs 22.3 (2007-2008) and proposed tariffs 22.C (2009-2013), specifically the communication via the Internet of musical works as part of the signal of a conventional radio station that is otherwise subject to Tariff 1.A, are already subsumed under the Last Approved SOCAN Tariff 22.B.

[20] The Board concurs with this submission. Given that the Last Approved SOCAN Tariff 22.B covers the communication of musical works by commercial radio stations via the Internet, including simulcasts, there is no need to approve proposed tariffs 22.3 and 22.C, as these activities are already addressed by an existing, applicable tariff.

[21] Therefore, we find that no further approval is necessary for simulcasts, and the Board declines to approve proposed tariffs 22.3 (2007-2008) and 22.C (2009-2013).

##### **Issue 2: Is the Last Approved SOCAN Tariff 1.A a good proxy for what could be considered fair and equitable for the years 2014-2018?**

[22] The Board is of the view that the Last Approved SOCAN Tariff 1.A, which applies to OTA broadcasts of commercial radio station signals from 2011 to 2013, is a reasonable proxy for determining what would be fair and equitable for the years 2014-2018. The rates and terms set out in the Last Approved SOCAN Tariff 1.A have been continued in the JST for the period 2014-2018. Additionally, the Parties have agreed to apply the terms of the Last Approved SOCAN Tariff 1.A to the period up to 2018. There is no indication that any significant changes that would justify departing from the rates and terms established in the Last Approved SOCAN Tariff 1.A have occurred in the relevant market during the period 2014 to 2018.

[23] As such, the Board finds that the Last Approved SOCAN Tariff 1.A is an appropriate starting point and remains suitable for the period 2014-2018.

##### **Issue 3: Should the JST be used as a basis for the tariff, and if so, are any changes warranted?**

[24] Given that the JST is essentially identical to the Last Approved SOCAN Tariff 1.A, the Board finds that the JST is a reasonable basis for the approval of the tariff for OTA broadcasting in the period 2014-2018.

[25] There is, however, one minor adjustment needed in the French and English versions of the JST. Specifically, the reference to a \$100 special royalty rate for sound recordings, which applies to Re:Sound and not SOCAN, is not relevant to the current proceeding. The Board removes this reference from the tariff to avoid any confusion.

## **V. Decision**

[26] The proposed tariffs are approved in the form set out in the JST, with the minor correction concerning the reference to the special royalty rate for sound recordings, under the title *SOCAN Tariff 1.A – Commercial Radio Tariff (2014-2018)*. The rates approved are of 1.5% of gross income for low use stations and, for other stations, 3.2% on the first \$1.25 million in gross income and 4.4% on the rest.

[27] Furthermore, proposed tariffs 22.3 (2007-2008) and 22.C (2009-2013) are not approved, as these activities are already covered by *SOCAN Tariff 22.B – Commercial Radio and Satellite radio (2007-2018)*.