

Copyright Board
Canada



Commission du droit d'auteur
Canada

Date	2025-11-06
Order of the Board	CB-CDA 2025-099
Proceeding Number	PT25-10
Proceeding	SOCAN Tariff 2.C –Télé-Québec (2023-2028)
Case Manager	Katherine Braun

[1] The Board has several questions for SOCAN, contained in the Annex.

[2] SOCAN shall answer those questions by **Thursday, December 18, 2025**.

Annex

1. In the Notice of Grounds for Proposed Tariff 2023-2025, SOCAN writes as follows:

The proposed annual royalty for each of the years 2023-2025 is as follows:

2023: \$269,601.97

2024: \$273,362.11

2025: \$277,122.25

The proposed rates for 2023-2025 are inflationary increases based on the Board's established inflation adjustment methodology from the previously-approved rate, which has been in place since 2014. There is also a separate increase to account for a change in the “websites and other technological platforms” portion of the rate. This portion of the overall royalty rate was increased from 1.9% to 3.0% to match the proposed Online Audio-Visual Services (“OAVS”) rate.

2. Divide the difference between the last-approved rate (in 2022, \$216,000) and the proposed rate for 2023 into the two components referred to in the Notice of Grounds: the portion related to inflation, and the portion due to the change in the websites and other platforms (“WOTP”) rate.

3. Detail the calculations for the inflation component.

4. Detail the calculations for the WOTP component. In addition, describe the rate base used as part of this calculation.

5. The Board has not yet approved the Online Audiovisual Services (“OAVS”) tariff for the years 2014-2026. In that proceeding, the proposed rate is 3.0% and the last-approved rate is 1.9%. Explain why SOCAN’s proposed rate in OAVS should be the proxy for the WOTP rate? In addition, explain the basis for the increase of the WOTP rate, other than by referring to the OAVS rate.

6. In the Notice of Grounds for Proposed Tariff 2026-2028, SOCAN writes as follows:

The proposed annual royalty rate for 2026-2028 is \$334,602.95.

The proposed royalties are based on the previously approved tariff. The proposed royalties have been increased since the last approved tariff which received a rate increase, which was approved in 2017 for the years 2014 to 2017. This proposed increase accounts for inflation according to the Board’s established CPI-adjustment formula and the Board’s default methodology as published by the Board in its *Inflation Adjustment to Royalty Rates – Default Methodology*. The inflation calculation commences in January 2014. SOCAN has estimated the appropriate inflationary increase based on projected CPI for years that full CPI data is not available. According to the Board’s adjustment formula, this figure will likely change once actual CPI data is available [...].

What is the starting point for the proposed rate for 2026? Divide the difference between the last-approved rate (in 2022, \$216,000) and the proposed rate for 2026 into the two components referred to in the Notice of Grounds: the portion related to inflation, and the portion due to the change WOTP" rate. Give a detailed explanation for the increase in each component and provide the calculations.

7. Télé-Québec is a Crown corporation of the Province of Québec which receives most of its revenue from the Government of Québec.

One rationale for increasing rates expressed in dollars (rather than percent) due to generalized inflation is to account for the fact that the companies paying the tariffs are raising the prices of their final goods roughly in the same rhythm as generalized inflation. This should be easily seen in a graph of their total revenue in nominal terms over time.

What is the justification for applying an inflationary adjustment to a Crown corporation whose revenues are primarily Parliamentary appropriations?

8. In the past decade linear television watching of Francophone Quebec stations has declined, as data from the CRTC website demonstrates. In particular, data on the webpage <https://applications.crtc.gc.ca/OpenData/CASP/COMMUNICATION%20MONITORING%20REPORTS/Television%20Sector/English/data-television-sector.xlsx>, on Tab TV-T23, show a decline from 219.9 million hours in 2015-2016 to 177.2 million hours in 2023-2024. How does this trend justify an increase in the royalties payable by Télé-Québec to SOCAN?