COPYRIGHT BOARD PROPOSED TARIFF

Statement of Royalties to Be Collected by SOCAN, Re:Sound, CSI, Connect/SOPROQ and Artisti in Respect of Commercial Radio Stations

In accordance with

Filed with the Copyright Board by SOCAN on 2023-10-15 pursuant to subsection 68(4) and section-70.1567(1) of the Copyright Act, the Copyright Board has certified and hereby publishes the

Proposed Tariff Title: SOCAN Tariff 1.A – Commercial Radio (2025-2027)

For the communication to the public by telecommunication of musical or dramatico-musical works.

Effective Period: 2025-01-01 – 2027-12-31

SOCAN TARIFF 1.A – COMMERCIAL RADIO (2025-2027)

<u>Proposed</u> statement of royalties to be collected <u>from commercial radio stations</u> by the Society of Composers, Authors and Music Publishers of Canada (SOCAN) <u>in compensation</u> for the communication to the public by telecommunication, in Canada, of musical or dramatico-musical works for the years 2011 to 2013, by Re:Sound Music Licensing Company (Re:Sound) for the communication to the public by telecommunication, in Canada, of published sound recordings embodying musical works and performers' performances of such works for the years 2012 to 2014, by CMRRA-SODRAC Inc. (CSI) for the reproduction, in Canada, of musical works for the years 2012 and 2013, by Connect Music Licensing Service Inc. and the Société de gestion collective des droits des producteurs de phonogrammes et de vidéogrammes du Québec (Connect/SOPROQ) for the reproduction, in Canada, of sound recordings for the years 2012 to 2017, and by Artisti for the reproduction, in Canada, of performers' performances for the years 2012 to 2014 forming part of its repertoire.

Ottawa, April 23, 2016

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STATEMENT OF ROYALTIES TO BE COLLECTED FROM COMMERCIAL RADIO STATIONS BY THE-SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA (SOCAN) FOR THE-COMMUNICATION TO THE PUBLIC BY TELECOMMUNICATION, IN CANADA, OF MUSICAL OR-DRAMATICO-MUSICAL WORKS FOR THE YEARS 2011 TO 2013, BY RE:SOUND MUSIC LICENSING-

COMPANY (RE:SOUND) FOR THE COMMUNICATION TO THE PUBLIC BY TELECOMMUNICATION, INCANADA, OF PUBLISHED SOUND RECORDINGS EMBODYING MUSICAL WORKS AND PERFORMERS'—PERFORMANCES OF SUCH WORKS FOR THE YEARS 2012 TO 2014, BY CMRRA SODRAC INC. (CSI) FOR THE REPRODUCTION, IN CANADA, OF MUSICAL WORKS FOR THE YEARS 2012 AND 2013, BY CONNECT—MUSIC LICENSING SERVICE INC. AND THE SOCIÉTÉ DE GESTION COLLECTIVE DES DROITS DES—PRODUCTEURS DE PHONOGRAMMES ET DE VIDÉOGRAMMES DU QUÉBEC (CONNECT/SOPROQ) FOR THE REPRODUCTION, IN CANADA, OF SOUND RECORDINGS FOR THE YEARS 2012 TO 2017, AND BY ARTISTIFOR THE REPRODUCTION, IN CANADA, OF PERFORMERS' PERFORMANCES FOR THE YEARS 2012 TO 2014

Short Title

1. This tariff may be cited as the *Commercial Radio Tariff (SOCAN: 2011-2013; Re:Sound: 2012-2014; CSI: 2012-2013; Connect/SOPROO: 2012-2017; Artisti: 2012-2014 2025-2027*).

Definitions

2. In this tariff,

"Act" means the Copyright Act; (« Loi »)

"collective societies" means SOCAN, Re:Sound, CSI, Connect/SOPROQ and Artisti; (« sociétés de gestion »)

"gross income" means the gross amounts paid by any person for the use of one or more broadcasting services or facilities provided by a station's operator, including the value of any goods or services provided by any person in exchange for the use of such services or facilities, and the fair market value of non-monetary consideration (e.g. barter or "contra"), but excluding the following:

- (a) income accruing from investments, rents or any other business unrelated to the station's broadcasting activities. However, income accruing to or from any allied or subsidiary business, income accruing to or from any business that is a necessary adjunct to the station's broadcasting services and or facilities or which, or income accruing to or from any other business that results in their being used the use of such services or facilities, including the gross amounts received by a station pursuant to turn-key contracts with advertisers, shall be included in the station's "gross income";
- (b) amounts received for the production of a program that is commissioned by someone other than the station and which becomes the property of that person;
- (c) the recovery of any amount paid to obtain the exclusive national or provincial broadcast rights to a sporting event, if the station can establish that the station was also paid normal fees for station time and facilities; and
- (d) amounts received by an originating station acting on behalf of a group of stations, which

do not constitute a permanent network and which broadcast a single event, simultaneously or on a delayed basis, that the originating station subsequently pays out to the other stations participating in the broadcast. These amounts paid to each participating station are part of that station's "gross income_z".

In the case of CSI, this This definition is understood to include any income from simulcast; (« revenus bruts »)

"ingest copy" means a reproduction of a sound recording of a musical work made for the purpose of ingesting that sound recording into a radio station's broadcast system; ("copic d'incorporation")

"live performance copy" means a reproduction made by a radio station of a live performance of one or more musical works that occurs either at the radio station or at a remote location, but excludes any live performance embodied in a published sound recording; (« copie de prestation en direct »)

"low-use station (sound recordings)" means a station that

(a) broadcasts published sound recordings of musical works for less than 20 per cent of its total broadcast time (excluding production music) during the reference month; and

(b) keeps and makes available to Re:Sound, Connect/SOPROQ and Artisti complete recordings of its last 90 broadcast days; (« station utilisant peu d'enregistrements sonores »)

"low-use station (works)" means a station that

- (a) broadcasts works in the repertoire of SOCAN for less than 20 per cent of its total broadcast time (excluding production music) during the reference month; and
- (b) keeps and makes available to SOCAN and CSI complete recordings of its last 90 broadcast days; (« station utilisant peu d'œuvres »)

"month" means a calendar month; (« mois »)

"performer's performance" means a performer's performance that has been fixed with the authorization of the performer; ("prestation")

"production music" means music used in interstitial programming such as commercials, public service announcements and jingles; (« musique de production »)

"reference month" means the second month before the month for which royalties are being paid; ("mois de référence")

"service provider" means a professional service provider which may be retained by a collective society to assist in the conduct of an audit or in the distribution of royalties to rights holders; (« prestataire de services »)

"simulcast" means the simultaneous, unaltered, real-time streaming of the over-the-air broadcast signal of the station, or of another station that is part of the same network as the station, via the Internet or other similar digital network; (*« diffusion simultanée »*)

"voice tracking copy" means a reproduction of a sound recording of a musical work made to facilitate the making of a spoken word recording to be broadcast in association with that sound recording; (« copie de préenregistrement vocal »)

"year" means a calendar year. (« année »)

Application

- 3. (1) This tariff sets the royalties to be paid each month by commercial radio stations
 - (a) in connection with the over-the-air broadcasting operations of a station
 - (i) to communicate to the public by telecommunication in Canada musical or dramaticomusical works in the repertoire of SOCAN and published sound recordings embodying musical works and performers' performances of such works in the repertoire of Re:Sound, and
 - (ii) to reproduce in Canada musical works in the repertoire of CMRRA or SODRAC, sound recordings in the repertoire of Connect or SOPROQ and performers' performances in the repertoire of Artisti; and
 - (b) in connection with a simulcast to reproduce, to communicate to the public by telecommunication in Canada musical or dramatico-musical works in the repertoire of CMRRA or SODRAC SOCAN.
- (2) This tariff also entitles a station to authorize a person to communicate to the public by telecommunication a musical work, sound recording or performer's performance and to reproduce a musical work or performer's performance for the purpose of delivering it to the station, so that the station can use it as permitted in subsection (1).
- (3) This For greater certainty, this tariff does not apply to uses of music covered in other tariffs, including:

(a) authorize the use of any reproduction made pursuant to subsection (1) in association with a product, service, cause or institution; or

- (a) communication to the public by telecommunication of musical works in connection with a background music supplier, such as those covered by SOCAN Tariff 16;
- (b) apply to a communication to the public by telecommunication that is subject to another tariff, including SOCAN Tariffs 16, 22 or 25, Re:Sound Tariff 8, the Satellite Radio Services Tariff or the SOCAN-Re:Sound Pay Audio Services Tariff of musical works by an online service, such as those covered by SOCAN Tariff 22, including an online music service, an online audiovisual service, a user generated content service or an allied audiovisual service;
- (4) In respect of CSI, this tariff applies for the period of November 7, 2012, to December 31, 2013
 - (c) communication to the public by telecommunication of musical works in connection with a satellite radio service, such as those covered by SOCAN Tariff 25; and
 - (d) communication to the public by telecommunication of musical works in connection with a pay audio service, such as those covered by SOCAN Tariff 26.

4. This tariff is subject to the special royalty rates set out in subparagraph 68.1(1 paragraph 72(2)(a)(i)) of the Act.

Royalties

5. (1) A low-use station (works) shall pay, on its gross income for the reference month,

	SOCAN	CSI	
on the first \$625,000 gross income in a year	1.5%	(0.103 × X)%	
on the next \$625,000 gross income in a year	1.5%	(0.198 × X)%	
on the rest	1.5%	(0.332 × X)%	

where the discount factor $X = 1 - (0.363 \times (A \div B))$, and wherein

- B is the total number of ingest, live performance and voice tracking copies that are being made by the radio station, and
- A is the actual number of these copies in compliance with the requirements of section 30.9 of the Act.
 - (2) A low-use station (sound recordings) shall pay, on its gross income for the reference month,
 - (a) for the period from January 1, 2012, to November 6, 2012,

	Re:Sound	Connect/ SOPROQ	Artisti
on the first \$625,000 gross income- in a year	0.75%	0.134%	0.003%
on the next \$625,000 gross incomein a year	0.75%	0.257%	0.005%
on the rest	0.75%	0.431%	0.009%

(b) from November 7, 2012,

	Re:Sound	Connect/ SOPROQ	Artisti
on the first \$625,000 gross income in a year	0.75%	(0.103 × Y)%	(0.003 × Y)%
on the next \$625,000 gross income in a year	0.75%	(0.196 × Y)%	(0.004 × Y)%
on the rest	0.75%	(0.329 × Y)%	(0.007 × Y)%

where the discount factor $Y = 1 - (0.351 \times (C \div D))$, and wherein

- D is the total number of the ingest and voice-tracking copies being made by the radio station, and
- C is the actual number of these copies in compliance with the requirements of section 30.9 of the Act.
- (3) For the purpose of subsections 5(1) and 5(2), the discount factors X and Y are calculated twice a year for the most recent 6 month period ending on June 30 or December 31, and are used until new discount factors are calculated for the next 6 month period.
- 6. (1) Except as provided in section 5, a station shall pay, on its gross income for the reference month,

(a) for the period from January 1, 2012, to November 6, 2012,

	SOCAN	Re:Sound	Connect/ SOPROQ	Artisti
on the first \$625,000 gross income in a year	3.2%	1.44%	0.302%	0.007%
on the next \$625,000 gross income in a year	3.2%	1.44%	0.593%	0.012%
on the rest	4.4%	2.1%	1.231%	0.025%

(b) from November 7, 2012,

	SOCAN	Re:Sound	CSI	Connect/SOPROQ	Artisti
on the first \$625,000 gross income in a year	3.2%	1.44%	(0.233 × X)%	(0.230 × Y)%	(0.005 × Y)%
on the next \$625,000 gross income in a year	3.2%	1.44%	(0.457 × X)%	(0.452 × Y)%	(0.009 × Y)%
on the rest	4.4%	2.1%	(0.948 × X)%	(0.940 × Y)%	(0.019 × Y)%

where the discount factor $X = 1 - (0.363 \times (A \div B))$, and wherein-

B is the total number of ingest, live performance and voice-tracking copies that are being made by the radio station, and

A—is the actual number of these copies in compliance with the requirements of section 30.9 of the *Act*; and where the discount factor $Y = 1 - (0.351 \times (C \div D))$, and wherein

D is the total number of the ingest and voice tracking copies being made by the radio station, and

C is the actual number of these copies in compliance with the requirements of section 30.9 of the Act.

(2) For the purpose of subsection 6(1), the discount factors X and Y are calculated twice a year for the most recent 6-month period ending on June 30 or December 31, and are used until new discount factors are calculated for the next 6-month period. 7. All royalties payable under this tariff are exclusive of any federal, provincial or other governmental taxes or levies of any kind.

Administrative Provisions

8. (1) No later than the first day of each month, a station shall

- (a) pay the royalties for that month;
- (b) report the station's gross income for the reference month; and
- (c) provide to CSI, for the reference month, the gross income from any simuleast, as well as the number of listeners and listening hours or, if not available, any other available indication of the extent of the listeners' use of simuleast; and
- (d) provide to the collective societies <u>SOCAN</u> the sequential lists of all musical works and published sound recordings, or parts thereof, broadcast during each day of the reference month. For greater clarity, sequential list reporting requires full music use reporting for each day of the month, for 365 days per year.
- (2) On September 1 and March 1, a station electing to benefit from the discount factors X and Y referred to in sections 5 and 6 shall report to CSI, Connect/SOPROQ and Artisti the values A, B, C and D and provide all the information necessary to assess the level of compliance of the station with section 30.9 of the *Act* for the 6 month periods ending on June 30 and December 31 respectively.
- 9. At any time during the period set out in subsection 11(2), a collective society SOCAN may require the production of any contract granting rights referred to in paragraph (c) of the definition of "gross income,", together with the billing or correspondence relating to the use of these rights by other parties.

Information on Repertoire Use

- 10. (1) Each entry provided under paragraph $8(1)(4\underline{c})$ shall include the following information, where available:
 - (a) the date of the broadcast;
 - (b) the time of the broadcast;
 - (c) the title of the sound recording;
 - (d) the title of the musical work;
 - (e) the title of the album;
 - (f) the catalogue number of the album;
 - (g) the track number on the album;
 - (h) the record label;

- (i) the name of the author and composer;
- (j) the name of all performers or the performing group;
- (k) the duration of the sound recording broadcast, in minutes and seconds;
- (1) the duration of the sound recording as listed on the album, in minutes and seconds;
- (m) the Universal Product Code (UPC) of the album;
- (n) the International Standard Recording Code (ISRC) of the sound recording; and
- (o) the cue sheets for syndicated programming, with the relevant music use information inserted into the report.
- (2) The information set out in subsection (1) shall be provided in electronic format (Excel format or any other format agreed upon by the collective societies SOCAN and the station), where possible, with a separate field for each piece of information required in subsection (1) other than the cue sheets which are to be used to insert the relevant music use information into each field of the report.
- (3) For certainty, the use of the expression "where available" in subsection (1) means that all the listed information in the station's possession or control, regardless of the form or the way in which it was obtained, must mandatorily be provided to the collective societies SOCAN.

Records and Audits

- 11. (1) A station shall keep and preserve, for a period of six months after the end of the month to which they relate, records from which the information set out in subsection 10(1) can be readily ascertained.
- (2) A station shall keep and preserve, for a period of six years after the end of the year to which they relate, records from which the station's gross income can be readily ascertained.
- (3) A station shall keep and preserve, for a period of six months after the end of the period to which they relate, records from which the information set out in subsection 8(2) can be readily ascertained.
- (4) A collective society SOCAN may audit the records referred to in subsections (1) and (2) at any time during the period set out therein, on reasonable notice and during normal business hours. The collective society SOCAN shall, upon receipt, supply a copy of the report of the audit to the station that was the object of the audit and to the other collective societies.

(5) Any of CSI, Connect, SOPROQ and Artisti may audit the records referred to in subsection (3) at any time during the period set out therein, on reasonable notice and during normal business hours. The collective society shall, upon receipt, supply a copy of the report of the audit to the station that was the object of the audit and may also supply a copy of the report to one or more of the other collective societies on request.

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(4) If an audit discloses that royalties due have been understated in any month by more than 10 per cent, the station shall pay the reasonable costs of the audit within 30 days of the demand for such payment.

Confidentiality

- 12. (1) Subject to subsections (2), (3) and (4), information received from a station pursuant to this tariff shall be treated in confidence, unless the station that supplied the information consents in writing and in advance to each proposed disclosure of the information.
- (2) Information SOCAN may share information referred to in subsection (1) may be shared
 - (a) amongst the other collective societies and their which have a certified tariff that applies to the station, along with SOCAN's or the other collective societies' service providers (to the extent required by the service providers for the service they are contracted to provide);
 - (b) with the Copyright Board;
 - (c) in connection with proceedings before the <u>Copyright</u> Board, if the station had the opportunity to request that it be protected by a confidentiality order;

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- (d) in connection with the collection of royalties or the enforcement of a tariff;
- (e) to the extent required to effect the distribution of royalties;
- (f) with royalty claimants any person who knows or is presumed to know the information; or
- (eg) if required by law.
- (3) Where confidential information is shared with service providers as per paragraph (2)(a), those service providers shall sign a confidentiality agreement which shall be shared with the affected station prior to the release of the information.
- (4) Subsection (1) does not apply to information that must be provided pursuant to the *Copyright* <u>Act</u>, to information that is publicly available, to aggregated information, or to information obtained from someone other than the station that supplied the information and who is not under an apparent

duty of confidentiality to that station with respect to the supplied information.

Adjustments

13. Adjustments in the amount of royalties owed (including excess payments), as a result of the discovery of an error or otherwise, shall be made on the date the next royalty payment is due.

Interest on Late Payments

14. Any amount not received by the due date shall bear interest from that date until the date the amount is received. Interest shall be calculated daily, at a rate equal to one per cent above the Bank Rate effective on the last day of the previous month (as published by the Bank of Canada). Interest shall not compound.

Addresses for Notices, etc.

- 15. (1) Anything addressed to SOCAN shall be sent to 41 Valleybrook Drive, Toronto, Ontario M3B 2S6, email: licence@socan.eecom, fax number: 416-445-7108, or to any other address, email address or fax number of which a station has been notified in writing.
- (2) Anything addressed to Re:Sound shall be sent to 1235 Bay Street, Suite 900, Toronto, Ontario M5R 3K4, email: radio@resound.ca, fax number: 416 962 7797, or to any other address, email address or fax number of which a station has been notified in writing.
- (3) Anything addressed to CSI shall be sent to 1470 Peel Street, Tower B, Suite 1010, Montréal, Quebec H3A 1T1, email: csi@cmrrasodrac.ca, fax number: 514-845-3401, or to any other address, email address or fax number of which a station has been notified in writing.
- (4) Anything addressed to Connect shall be sent to 85 Mowat Avenue, Toronto, Ontario M6K 3E3, email: radioreproduction@connectmusic.ca, fax number: 416 967 9415, or to any other address, email address or fax number of which a station has been notified in writing.
- (5) Anything addressed to SOPROQ shall be sent to 6420 Saint Denis Street, Montréal, Quebec H2S 2R7, email: radioreproduction@soproq.org, fax number: 514-842-7762, or to any other address, email address or fax number of which a station has been notified in writing.
- (6) Anything addressed to Artisti shall be sent to 1441 René Lévesque Boulevard W, Suite 400, Montréal, Quebec H3G 1T7, email: radiorepro@uda.ca, fax number: 514 288 7875, or to any other address, email address or fax number of which a station has been notified in writing.
- (7) Anything addressed to a station shall be sent to the last address, email address or fax number of which a collective society SOCAN has been notified in writing.

Delivery of Notices and Payments

- 16. (1) Royalties payable to Connect/SOPROQ are paid to Connect. All other information to which Connect/SOPROQ is entitled pursuant to this tariff is delivered to Connect and SOPROQ separately.
- (2) A notice may be delivered by file transfer protocol (FTP), by hand, by postage-paid mail, by email or by fax. A payment must be delivered by hand, by postage-paid mail, or by electronic bank transfer (EBT), provided that the associated reporting is provided concurrently to the collective society SOCAN by email.
- (32) Information set out in sections 8 and 10 shall be sent by email.
- (43) Anything mailed in Canada shall be presumed to have been received four business days after the day it was mailed.
- (54) Anything sent by fax, email, FTP or EBT shall be presumed to have been received the day it was transmitted.

Transitional Provisions

17. For a period of a maximum of 180 days following the certification of this tariff, a radio station who has never provided a complete sequential list as required under paragraph 8(1)(d) in the past, and who is unable to comply with this requirement immediately, shall continue to be subject to the requirements of section 10 of the Commercial Radio Tariff certified on July 10, 2010. However, during this transitional period, the information it provides must include the music use information listed in subsection 10(1) of this tariff.

18. Any amount that is otherwise due or payable pursuant to this tariff on or before May 1, 2016, shall be due or payable no later than September 1, 2016, and shall be increased by using the multiplying interest factor (based on the Bank Rate) set out in the following table with respect to each period.

	2011	2012	2013	201 4	2015	2016
January	1.0613	1.0488	1.0363	1.0238	1.0113	1.0025
February	1.0602	1.0477	1.0352	1.0227	1.0104	1.0019
March	1.0592	1.0467	1.0342	1.0217	1.0096	1.0013
April	1.0581	1.0456	1.0331	1.0206	1.0088	1.0006
May	1.0571	1.0446	1.0321	1.0196	1.0079	1.0000
June	1.0560	1.0435	1.0310	1.0185	1.0071	
July	1.0550	1.0425	1.0300	1.0175	1.0063	
August	1.0540	1.0415	1.0290	1.0165	1.0056	
September	1.0529	1.0404	1.0279	1.0154	1.0050	
October	1.0519	1.0394	1.0269	1.0144	1.0044	
November	1.0508	1.0383	1.0258	1.0133	1.0038	
December	1.0498	1.0373	1.0248	1.0123	1.0031	