

NOTICE OF GROUNDS FOR PROPOSED TARIFF

Filed with the Copyright Board by SOCAN on 2024-10-15 pursuant to Rule 15 of *Copyright Board Rules of Practice and Procedure*

SOCAN Tariff 13.B – Public Conveyances - Passenger Ships (2026-2028)

1. Description of Uses Covered by the Proposed Tariff

This tariff applies to public performances and communications to the public by telecommunication of any or all of the musical works in SOCAN's repertoire by means of recorded music in a passenger ship.

2. Description of Users / Groups of Users Covered by the Proposed Tariff

Users are passenger ship operators. Importantly, it is the nature of the *use*, and not the nature of the user, that determines whether the tariff applies.

3. Explanation of How Royalties are Determined

The proposed royalty rate for 2026-2028 is \$1.62 per person per year, based on the authorized passenger capacity of each ship, subject to an annual minimum fee of \$96.64 per ship.

The proposed royalty rate and minimum fee are based on the previously approved tariff. Both the proposed royalty rate and minimum fee have been increased from the previously approved tariff, which was approved in 2023 for the years 2023 to 2025 (2023 CB 8-T). 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 2022. 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. Notwithstanding the proposed royalty rate and minimum fee, SOCAN requests that the Board certify the maximum inflationary increase that SOCAN is entitled to under the Board's adjustment formula at the time of approval of the tariff and that such inflation calculation commence as of the last inflationary increase to the royalty rate and minimum fee.

4. Submissions on the Collection of Information

The proposed tariff requires each user to report its authorized passenger capacity by January 31 of the year covered by the tariff. The information collected under the proposed tariff is needed to calculate and verify the applicable royalties.

5. Explanation of Changes from Previously Approved Tariff

1) The explanation for the proposed rates for 2026-2028 is found above.