

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 10.B – Parks, Parades, Streets and Other Public Areas - Marching Bands; Floats with Music (2026-2028)

1. Description of Uses Covered by the Proposed Tariff

This tariff applies to public performances of any or all of the musical works in SOCAN's repertoire by marching bands or floats with music participating in parades.

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

Users are either event organizers or hosting municipalities who organize or authorize the public performance of musical works in parades. 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 \$13.52 per marching band or float with music with a minimum fee of \$47.33 per day.

The proposed royalties are based on the previously approved tariff. The proposed royalty rate per marching band or float with music and minimum fee have been increased since the previously approved tariff, which was approved in 2022 for the years 2023 to 2025 (2022 CB 6-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 users to report, 30 days after the end of each quarter, the date and name of each parade and the number of marching bands or floats with music participating in each parade. 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 royalty rate and minimum fee for 2026-2028 is found above.
- 2) The proposed tariff specifies that royalties are due 30 days after the end of each quarter requires users to report the information set out above. The previously approved tariff did not specify payment deadlines and reporting obligations. SOCAN has been collecting payments on a quarterly basis under the previously approved tariff. As described above, the basic reporting obligations in the proposed tariffs are needed to calculate and verify the applicable royalties, and are consistent with the reporting that SOCAN has received under this tariff for many years, as well as with Re:Sound's reporting obligations

under Re:Sound Tariff 5.F (Parades).