

## **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.A – Parks, Parades, Streets and Other Public Areas - Strolling Musicians and Buskers; Recorded 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 strolling musicians or buskers, or by means of recorded music, in parks, streets or other public areas.

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

Users are event organizers or hosting municipalities who organize or authorize the public performance of musical works in public spaces by strolling musicians or buskers or by means of recorded music. Users can also be individual strolling musicians or buskers. 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 \$50.14 per day with a maximum fee of \$343.37 in any three-month period.

The proposed royalties are based on the previously approved tariff. The proposed daily royalty rate and three-month maximum 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 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 of \$50.14 per day with a maximum fee of \$343.37 in any three-month period, 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 maximum fee.

#### **4. Submissions on the Collection of Information**

The proposed tariff requires users to report, 30 days after the end of each quarter in which a performance of any works in SOCAN's repertoire occurs, the actual number of days in which music is performed. 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 rate and maximum fee for 2026-2028 is found above.
- 2) The proposed tariff specifies that royalties are due 30 days after the end of each quarter and requires users to report the number of days in which music is performed. The previously approved tariff did not specify a royalty payment due date 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.

3) The proposed tariff includes additional language to clarify that concert performances in parks, streets or other public areas are subject to another SOCAN tariff. SOCAN submits that the addition provides clarity for users.