

REPLY TO NOTICES OF GROUNDS FOR OBJECTION

Filed with the Copyright Board by SOCAN on 2025-01-24 pursuant to Rule 21 of the *Copyright Board Rules of Practice and Procedure*

SOCAN Tariff 11.A – Circuses, Ice Shows, Fireworks Displays, Sound and Light Shows, Dance Shows and Similar Events (2026-2028)

1. This Reply is in response to the Notice of Grounds for Objection filed by the Canadian Association for the Performing Arts (CAPACOA).
2. CAPACOA has filed numerous grounds for objection. SOCAN denies these grounds and any factual or evidentiary assertions made in the Notices of Grounds for Objection and puts CAPACOA to the strict proof thereof.
3. CAPACOA has challenged SOCAN's proposed inflationary adjustment to the minimum fee in this tariff. The Board has repeatedly held that adjustments to royalty rates to account for inflation are appropriate to preserve the purchasing power of copyright owners. Failing to make such adjustments could, over time, erode the value of the royalties collected through tariffs. To this end, the Board has established a default methodology for inflationary adjustments. SOCAN submits that CPI all-items is the most appropriate measure for inflationary adjustments to nominal values in the proposed tariff. The proposed increase to the minimum fee is consistent with the Board's default methodology. SOCAN's explanation of the proposed inflation adjustment is set out in its Notice of Grounds for the proposed tariff. The previously-approved tariff is – by statutory definition – fair and equitable. The Board has been clear that rightsholders are entitled to a cost of living adjustment. If CAPACOA is advocating for a departure from the Board's established approach, it must provide an explanation and file supporting evidence.
4. Much of CAPACOA's objection is aimed at the structure of the approved tariff. The Board has approved Tariff 11.A in the same form on multiple occasions and has concluded that this structure is fair and equitable. Most recently, the Board approved Tariff 11.A in 2023 for the years 2023-2025. SOCAN has only proposed three changes from the last-approved Tariff 11.A: (a) inflationary increase to the minimum fee; (2) specifying that royalties and reports are due 30 days after the end of each quarter; and (3) including "dance shows" to the list of example events covered by the tariff. When the Board approves a tariff, it is – by statutory definition – fair and equitable. If CAPACOA intends to challenge the structure that the Board has determined to be fair and equitable, it must provide an explanation and file supporting evidence.