

NOTICE OF GROUNDS FOR PROPOSED TARIFF

Filed with the Copyright Board by SOCAN on 2025-10-22 pursuant to Rule 15 of *Copyright Board Rules of Practice and Procedure*

SOCAN Tariff 9 – Sports Events (2027-2029)

1. Description of Uses Covered by the Proposed Tariff

This tariff applies to the performance of musical works in SOCAN's repertoire in connection with sports events (such as baseball, football, hockey, basketball, skating competitions, races, and track meets). The tariff applies to performances in person as well as performances of recorded music. The tariff does not authorize performances of music at opening and closing events for which an additional admission charge is made

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

Users are sports teams and organizations that use music in conjunction with or during a sporting event. 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 for 2027-2029 is 0.1% of gross receipts from ticket sales, with a minimum fee of \$9.42 for each day on which an event is held, including an event to which the admission is free. When calculating gross receipts from ticket sales, any complimentary tickets are valued at half the lowest price paid for a sold ticket from the same category.

The percentage of revenue royalty is the same as the previously approved tariff, which was approved in 2023 for the years 2024-2026 (2023 CB 4-T). Both the percentage of revenue rate and the rate base are the same as the approved tariff. SOCAN has no indication that the market for this use has changed since previously approved tariff.

The proposed minimum fee (which is also applicable to an event to which the admission is free) has been increased 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 2023. SOCAN has estimated the appropriate inflationary increase based on projected CPI for the relevant 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 minimum fee of \$9.42, 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 minimum fee.

SOCAN reserves the right to adopt and advance additional or alternative valuation methodologies and inflationary rates in the course of the proceedings relating to the proposed tariff.

4. Submissions on the Collection of Information

The proposed tariff requires each user to report quarterly on the number events and royalty owing payable. Along with the quarterly report, the proposed tariff requires each user to provide SOCAN the music program for each event during the quarter. Such music program would provide a list of the musical works performed during the event and will assist SOCAN in distributing royalties to its members.

5. Explanation of Changes from Previously Approved Tariff

The proposed tariff includes the following changes from the previously approved tariff:

- 1) The explanation for the proposed rates for 2027-2029 is found above.
- 2) The proposed tariff clarifies that the minimum fee is payable for each day on which an event is held. That has always been SOCAN's position and practice in applying such minimum fee.
- 3) The proposed tariff adds basic music use reporting requirements. Section 68.1(1)(b) of the *Copyright Act* permits SOCAN to propose tariffs that set out both proposed royalty rates as well as any related terms and conditions. The terms and conditions in this proposed tariff include new music use reporting requirements. SOCAN has proposed these reporting requirements because the data provided in accordance with these requirements enables accurate distribution of royalties. These provisions require users to provide SOCAN with the music program for the event. Music programs are typically available for users of Tariff 9. SOCAN will use this information to determine which works in its repertoire are used at Tariff 9 events. Depending on the granularity and availability of music programs, SOCAN will be in a position to assess any changes to its distribution rules in order to effect a distribution of the royalties collected under this tariff to those rightsholders whose works are used by users pursuant to this tariff.

At this stage of the tariff proposal process, it is not feasible or possible for SOCAN to advance all of the evidence related to the inclusion of basic music use reporting under this proposed tariff. In particular, it may be necessary for SOCAN to rely on evidence that

is not in its possession or publicly available. In which case, SOCAN will need to access this evidence through the interrogatory process or through other evidence-gathering tools available through the Board's process. Upon the Board's consideration of this proposed tariff, it may be that the Board determines that additional evidence is required to establish the music use reporting information available to users in support SOCAN's proposal to include a music use reporting element in the proposed tariff. As a matter of procedural fairness, in the event that the Board determines it requires further evidence, SOCAN requests that the Board identify the nature of that additional evidence and grant SOCAN the opportunity and procedural tools (if required) to advance additional evidence prior to the Board's decision on this proposed tariff.