

**Copyright Board**Filed by / Déposé par: SOCANDate: 2022-11-14***Notice of Grounds for Proposed Tariff*****SOCAN Tariff 25 – Satellite Radio Services (2024-2026)**

November 14, 2022

**1. Description of Uses Covered by the Proposed Tariff**

This tariff applies to the communication to the public by telecommunication of works in SOCAN's repertoire by Satellite Radio Services, defined as any "multi-channel subscription satellite radio service licensed by the Canadian Radio-television and Telecommunications Commission as well as any similar service distributed in Canada."

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

At present, the only such service operating in Canada is SiriusXM Canada.

**3. Explanation of How Royalties are Determined**

The proposed royalty rate for 2024-2026 is 5% of service revenues, subject to a minimum fee of 50¢ per subscriber per month. The proposed tariff adjusts the minimum fee in concert with the higher percentage of revenue royalty.

The percentage of revenue royalty is based on the previously approved tariff, which set a rate of 4.26% of service revenues. The proposed rate increase is intended to reflect changes in the satellite radio market, including increased efficiencies and expanded uses of music. It is anticipated that as part of the 2024-2026 tariff proceeding, SiriusXM Canada (or any other potential objector) will produce information and documents that will assist in establishing the value and monetization of satellite services during the relevant period. The anticipated information and documents are highly confidential and not otherwise available to SOCAN. As in prior tariff proceedings, it is expected that this relevant information and expert analysis will enable SOCAN to provide a detailed valuation analysis to permit the Copyright Board to set an equitable royalty rate for satellite radio services during the relevant period.

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

The proposed tariff requires each licensee to report, on a monthly basis, the service's revenue, total number of subscribers, and music use information. The information collected under the proposed tariff is needed to calculate royalties and distribute those royalties to rights holders.

**5. Explanation of Changes from Previously Approved Tariff**

1. The proposed tariff introduces increases to the percentage of revenue rate and minimum per-subscriber fee, as described above.
2. The proposed tariff introduced changes to the confidentiality provisions to allow sharing of reporting information with SOCAN's agents and service providers. SOCAN relies on service providers to facilitate efficient processing of reporting data, among other things.

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