



June 21, 2017

[*CB-CDA 2017-070*]

File: SOCAN-Re:Sound – Pay Audio Services Tariffs, 2007-2016

NOTICE OF THE BOARD

The Board takes note of the Parties' offer to supply an update about the repertoire study in one month's time; the schedule is acceptable to the Board. In the meantime, the Board has the following questions to the Parties.

1. During the hearing, Member Majeau asked the following question: "Can you explain the issue with representativeness at the sample and how the two draws were done?" (p. 1097, Volume 6, Public, as revised on June 20, 2017)

Mr. Kent replied that:

[W]e got a bit more detail about the specifics of how the random -- the randomness of the draw would be implemented, it turned out -- I'm not going to say we were concerned or anyone else was concerned. It turned out there was an issue with whether that approach to weighting the sample so as to ensure randomness would be successful.

And so we did a draw to test it, and when the results of the draw were available, it became apparent that the issue that had been identified as possibly affecting the randomness had, in fact, manifested.

And so a different approach that both our expert and my friend's expert agreed on to ensuring randomness was implemented and another draw was done, and it was tested. The results were tested and I think both of the experts were satisfied that the draw that was actually accomplished met the needs of randomness. (pp. 1098-1099, Volume 6, Public, as revised on June 20, 2017)

Please explain in detail the issue with randomness that led to a second draw of the sample. Please detail the initial and second drawing protocols.

2. During the hearing, Mr. Cotter gave some further detail about points 10 and 15 of the repertoire-study outline, as follows:

In the repertoire study outline, if you could turn to page 3, point 10, you'll see that -- so point 10 sets out the formula that's to be used to calculate the repertoire adjustment for

Re:Sound. And you'll see there's been some changes made to the descriptions of the two variables X and Y.

And the explanation there is once the -- after the methodology had been changed for drawing the sample, the parties realized that this formula wasn't going to work quite the way that it was intended, so some adjustments had to be made to how the variables X and Y were defined, so that's the reason for the change in 10.

And there's the exact same change in paragraph 15 that deals with the SOCAN repertoire adjustment. (p. 1096-1097, Volume 6, Public, as revised on June 20, 2017)

Please explain in detail the consequences of removing the words “the Sample during the Sample Period within” from the definition of variable X. Please note if the consequences of removing similar terms from the definition of variable Y are similar. Please explain the specific circumstances which caused you to consider changing these definitions.

The Parties shall respond to these two questions, jointly if possible, by no later than **Tuesday, June 27, 2017**.

The Parties shall provide a further update on the progress of the repertoire study, by no later than **Friday, July 14, 2017**.



Gilles McDougall
Secretary General