



August 2, 2018

[CB-CDA 2018-174]

NOTICE OF THE BOARD

File: SOCAN Tariff 21 – Recreational Facilities Operated by a Municipality, School, College, University, Agricultural Society or Similar Community Organizations (2013-2020)

On March 30, 2012, April 2, 2013, March 31, 2014, and March 31, 2017, the Society of Composers, Authors and Music Publishers of Canada (SOCAN) filed pursuant to section 67.1 of the *Copyright Act*, statements of proposed royalties to be collected for the performance of musical works in a recreational facility operated by a municipality, school, college, university, agricultural society or similar community organizations for the years 2013 to 2020. The proposed tariffs were published in the *Canada Gazette*. On each occasion, prospective users or their representatives were given notice of their right to file objections to the proposed tariffs.

Except for 2014, the 2013-2020 tariff proposals did not include substantive changes from the previously certified Tariff 21, which was certified on June 29, 2012. The proposed changes are as follows:

Last certified	Proposed			
2011-2012	2013	2014	2015-2017	2018-2020
\$185.07 for each facility if licensee's yearly gross revenues from specific events* are less than \$15,422.88	\$185.07 for each facility if licensee's yearly gross revenues from specific events* are less than \$15,422.88	\$185.07 for each facility	\$198.58 for each facility if licensee's yearly gross revenues from specific events* are less than \$15,422.88	\$198.58 for each facility if licensee's yearly gross revenues from specific events* are less than \$17,500
Reporting requirement to confirm that licensee's gross revenues do not exceed \$15,422.88	Reporting requirement to confirm that licensee's gross revenues do not exceed \$15,422.88	Does not include a reporting requirement but includes an audit right	Reporting requirement to confirm that licensee's gross revenues do not exceed \$17,500	Reporting requirement to confirm that licensee's gross revenues do not exceed \$17,500

* Events that would otherwise be subject to:
 Tariff 5.A (Exhibitions and Fairs); Tariff 7 (Skating Rinks); Tariff 8 (Receptions, Conventions, Assemblies and Fashion Shows); Tariff 9 (Sports Events, including minor hockey, figure skating, roller skating, ice skating, youth figure skating, carnivals and amateur rodeos); Tariff 11.A (Circuses, Ice Shows, etc.) or Tariff 19 (Fitness Activities and Dance Instruction)

Objections were filed with the Board in relation to all years except 2015-2017. The reasons for objecting to the tariff proposals were essentially twofold:

- It would be unfair to require not-for-profit organizations with limited resources such as community leagues to pay for such a tariff; and
- The reporting requirements placed on community operators of recreational facilities are too burdensome.

The Board is ready to examine Tariff 21 for the years 2013-2020. The Board intends to proceed with a paper-only hearing, based on the objections received and any complementary information the Parties may wish to add in writing.

Accordingly, Parties (listed in the Annex) are to file with the Board by no later than **Friday, August 24, 2018**, any additional submissions they wish to provide in support of their positions. In addition, Parties are to provide by the same date answers to the questions below.

Parties may reply thereto by no later than **Friday, September 7, 2018**.

Questions to SOCAN

1. The fixed fee and upper limit in the proposed tariff for 2018-2020 are higher than in the last certified tariff, and not by the same percentage. Please provide an explanation.
2. The 2014 proposal does not include either an upper limit for yearly gross revenues or a reporting obligation, but contains an audit right. Please provide an explanation.
3. The 2015-2017 proposal provides for an increase of the fixed fee but it is unclear whether the upper limit is increased: the upper limit figure is \$15,422.88 but the reporting requirement refers to \$17,500. Please provide an explanation.

Questions to all Parties

4. In light of the tariff administration and reporting difficulties raised by the objectors, should a definition of “gross revenues” be added to clarify that these are only the gross revenues of the operator of the recreational facility in relation to the listed events?
5. For the purpose of calculating the tariff’s revenue upper limit, should the definition of “gross revenues” also identify the types of revenues to be included (e.g., rental, beverages, admissions, sponsorship, etc.)?



Gilles McDougall
Secretary General

Annex

List of Parties

File: SOCAN Tariff 21 – Recreational Facilities Operated by a Municipality, School, College, University, Agricultural Society or Similar Community Organizations (2013-2020)

Collective

SOCAN

Objectors

Aldergrove Community League
Athlone/Dunvegan Community League
Avonmore Community League
Baturyn Community League
Calder Community League
Canora Community League
Delwood Community League
Dovercourt Community League
Edmonton Federation of Community Leagues
Goldbar Community League
Idylwylde Community League
Jasper Park Community League
La Perle Community League
Leefield Community League
McQueen Community League
North Glenora Community League
Ogilvie Ridge Community League
Queen Mary Park Community League
Ridgewood Community League
Royal Gardens Community League
West Meadowlark Community League