

NOTICE OF GROUNDS FOR PROPOSED TARIFF

Filed with the Copyright Board by SOCAN on 2024-03-08 pursuant to Board Order [CB-CDA 2024-010]

SOCAN Tariff 19 – Fitness Activities and Dance Instruction (2018); Physical Exercises and Dance Instruction (2019, 2020-2022)

1. Description of Uses Covered by the Proposed Tariff

This tariff applies to public performances of musical works in SOCAN's repertoire in conjunction with physical exercises and dance instruction.

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

Users are entities that offer space for physical exercise and dance instruction. This includes gyms, fitness clubs, and other similar venues.

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 rate for 2018, 2019 and 2020-2022 is determined as a flat fee of \$2.50 per room where performances of musical works takes place, multiplied by the average number of participants per week in the room. The tariff also sets out a minimum annual fee of \$74.72.

The proposed royalty rate and minimum annual fee are the same as the previously-approved tariff for the years 2015-2017, as certified by the Copyright Board in June 2017.

4. Submissions on the Collection of Information

The proposed tariff requires users to estimate the average number of weekly participants for each room covered by the tariff and provide this information – along with the royalty fee resulting from applying the royalty formula according to this estimated number – to SOCAN by January 31st of the year covered by the tariff. The tariff is an annual fee tariff, which is paid in advance, based on estimated data; the report made in January of the following year allows SOCAN to verify the fees paid for the previous year and adjust as necessary.

This information is used to calculate and verify the applicable royalty.

5. Explanation of Changes from Previously Approved Tariff

Proposed Tariff 19 includes the following changes from the previously approved tariff:

- 1) The title of the proposed tariff changed after the 2018 proposal to conform to the title change in the certified tariff following the Board's certification of Tariff 19 (2013-2017) in June 2017.
- 2) The proposed tariff makes minor wording changes in the "General Provisions" section for clarity.