



music means business!

Fall 2004

Word from the President

Why should I pay for music?



A few weeks ago, I received a call from a friend — a dentist — asking what SOCAN is and why it is demanding money for playing music in his dental office. He was contacted by SOCAN as part of a campaign to sign up various groups of music users.

I asked him why he plays music in his office. He told me that music helps create a more relaxing atmosphere for patients. “So,” I asked, “shouldn’t the writers who create the music you play be paid for this service?” While on the phone, we went to the SOCAN website, where he could see for himself that the fee would be about \$90 per year. Many people don’t realize that for songwriters around the world, creating music is their livelihood. But a songwriter on Salt Spring Island, in Dublin or Durban, cannot track every use of his music. That’s where SOCAN comes in. For a reasonable fee, SOCAN provides access to virtually the world’s entire repertoire of copyright-protected music. In the case of a typical dental office, the annual cost for music is significantly less than what the dentist charges for an hour’s work.

Earl Rosen

Reaching out to recreational facilities

by Alexandra Lopez-Pacheco

“Our experience with SOCAN has always been a very good one,” says Michel Philion, who manages the City of Gatineau’s 250 recreational and community facilities. “But all my people tell me that Tariff 21 has made the reporting much easier.”

What is Tariff 21? It’s a one-stop, cost-effective licence SOCAN is now offering to recreational and local community facilities whose gross revenues fall under a set threshold. It covers live or recorded music for such events as receptions, fairs, ice-skating, fashion shows, circuses, fitness activities, minor-league hockey and other sporting events.

“The argument used to be that a small community centre that has ice-skating, had a wedding in its reception hall and has fitness activities, had to pay a different tariff each time,” says Laurence Godfrey, regional sales manager, SOCAN. “With Tariff 21, we’re saying, ‘We know you are a small community and you have a service to provide to that community. Now, one cost-effective fee will allow you to do everything you need to do, provided your gross revenue is less than the amount we’ve established.’”

Tariff 21 is only one example of SOCAN’s dedication to improve its services to music customers. Another initiative that a

growing number of SOCAN customers are very excited about is online payment, which allows them to calculate, file and make payments online.

“We’ve reported three times online,” says Deb van Adrichem, event co-ordinator for the Prince George Civic Centre. “Our administrative co-ordinator uses this method now, and we’re saving lots of time and paper doing it that way.”

At the end of the day, regardless of what new services SOCAN offers, the backbone of its relationship with customers continues to be the personalized assistance its licensing representatives provide customers. Says van Adrichem, “The SOCAN representative who we dealt with was exceptionally helpful in walking us through the online payment method.” Livio Piovesan, who runs the Lansdowne Park Administration in Ottawa, echoes the feeling. “Our licensing representative has always been tremendous,” he says. “Whenever I have a question, she returns my call immediately. With whatever question I have, she always provides clear and concise information on what has to be collected or how it has to be collected.”

So if you run a community or recreational facility, don’t be shy — ask your licensing representative about Tariff 21.

SOCAN support “vital” to country artist Lisa Brokop



At the tender age of 31, country singer/songwriter Lisa Brokop is approaching veteran status in a highly competitive industry. Her new album's first single, “Wildflower,” was released this past summer.

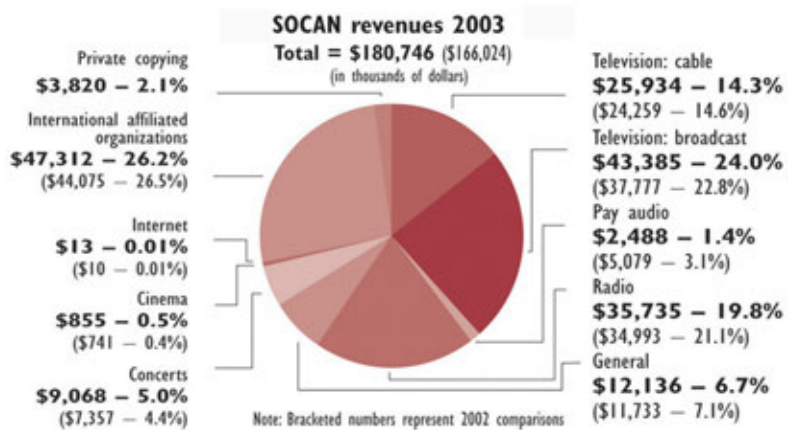
“I’ve been playing quite a bit over the summer and trying out the new songs,” she told Music Means Business. “The new album is pretty much all my own material.” After attending this year’s Canadian Country Music Awards in Edmonton, Lisa headed back to Nashville, where she spends winters away from her hometown of Vancouver.

“I’ve been a member of SOCAN for years,” she says. “But I didn’t really start songwriting in a serious way until the last five or six years. Now, when I’m not playing, I’m writing. SOCAN has been awesome for me, really supportive in every way. I think everyone in Nashville is pretty jealous of the support we get in this country.”

“There are some writers who only write songs, so they really depend on SOCAN. Sales are down now and everybody’s suffering a little. We all need to work together to keep our industry strong and keep those great songs coming.”

Lisa Brokop has an information-packed new website at www.lisabrokop.com.

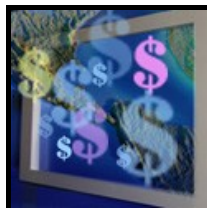
SOCAN’s financial report for 2003



By all measures, 2003 was an outstandingly successful year for SOCAN. The organization enjoyed a record year with regard to foreign and domestic revenues as well as for the overall amount available for distribution. Total revenues for the year amounted to \$180.7-million, including \$47.3-million from international affiliated performing-rights organizations, representing earnings abroad for Canadian music creators and publishers.

SOCAN's revenue in 2003 came from the two usual streams mentioned above, but for the first time, a small amount of revenue (\$3.8-million) was derived from private-copying royalties. Domestic performing-rights revenue relates to Canadian radio, television, cable, concerts, cinemas, pay audio, Internet and other general licensing tariffs covering music used in retail stores, bars and restaurants, hotels, halls, etc.

Total performing-rights and private-copy royalty distributions to SOCAN's music creator members (songwriters, lyricists and composers) and publisher members, including those affiliated with international performing-rights organizations, amounted to \$149.9-million. During the year, a total of 19,790 SOCAN members received performing-rights royalties and 680 members received private-copy royalties through our organization. The average distribution to each of those members in 2003 was \$2,783 for performing rights and \$384 for private copy.



SOCAN'S website: e-commerce made easy

“Using the SOCAN e-commerce method for submitting payment has made our administrative co-ordinator’s job a great deal more efficient,” says Deb van Adrichem of the Prince George Civic Centre. Check us out at www.socan.ca.

Making the Connection SOCAN and its customers

One of the many ways SOCAN tries to connect with its customers is through trade shows. It's the fastest way to reach a



large number of people in a fixed time frame, and it is still the most effective way to reach you, our customers. That's why we participate in a number of these events throughout the year. We want to get to know you better, to listen to you, to understand your concerns and to find out how we can serve your business better. It's part of our commitment to improve our communication with you.



So if you're a business that already uses

music, or if you're considering using music in the future and uncertain whether or not you should obtain a SOCAN music licence, drop by the SOCAN booth and talk to one of our knowledgeable representatives. It's an opportunity to let you know who we are, what we stand for and how we can assist you.

SOCAN Licensing representatives are also available for any speaking

engagements you or your organization/association may be hosting. As well, SOCAN will gladly provide your trade publication or newsletter with informative articles about SOCAN upon request.

SOCAN plans to attend the following list of upcoming trade shows. We hope to see you there:



Recreation and Parks Association of New Brunswick, Nov. 4, Delta Brunswick Hotel, Saint John, NB

CAPACOA, Nov. 6 & 7, The Westin, Edmonton, AB

Curves International Convention, Nov. 4 – 6, Las Vegas

Congrès 2004 des festivals, événements et attractions touristiques, Nov. 17-19, Laval, QC

The Hospitality Trade Exposition, Nov. 22 & 23, 2004, Vancouver Convention and Exhibition Centre, Vancouver, BC; **visit us at booth #611**

Bar & Beverage Conference & Expo, Jan. 23 – 25, 2005, Place Bonaventure, East Hall, Montreal, QC

You Asked Us

A series of FAQs

If I own or operate a restaurant, do I have to pay a fee to play a CD over a speaker system? Did I not already cover copyright fees when buying the CD?

Yes, you do need a SOCAN licence if you own or operate a restaurant and play music for your customers and/or staff. Typically that licence will cost you less than \$100 per year for a small restaurant, a modest fee considering the value that music delivers to your business.

It may be a shock to you to learn that not every songwriter, composer or publisher is "a big star." SOCAN represents all types and sizes of music creators, from the international superstar to the independent writer. However, it makes no difference how successful a creator is, since the fact remains that the creator of the music owns that music, and to use that product for your benefit without proper compensation to the creator constitutes copyright infringement. When you purchase the product, you have done so for personal entertainment only, but when you bring that product before an audience, you are allowing that music to be performed publicly and therefore require a licence.

B.C. and Nunavut Ministries of Education follow Quebec's lead and get on board!

SOCAN is pleased to announce that it has reached licensing agreements with both the B.C. and Nunavut Ministries of Education regarding the public performance of music that is not covered by the educational exemption of the *Copyright Act*. "SOCAN is excited about this win-win-win opportunity," says André LeBel, CEO of

SOCAN. "These ministries have set a commendable example of complying with copyright requirements, the students learn the value of respecting copyright and SOCAN is able to license dozens of music users through a singular agreement. We welcome similar agreements with ministries of education across Canada."



Who pays for music used at recreational facilities

WHO PAYS FOR MUSIC? Any public performance of music — large or small, live or recorded — needs a SOCAN performing rights licence. A Tariff 21 licence covers any live or recorded music used during a number of different types of events held at a recreational facility or local community hall.

These events include receptions, fairs, ice-skating, fashion shows, circuses, fitness activities, minor hockey and other sporting events. The fee for a Tariff 21 licence is a set annual amount plus applicable taxes. To be eligible, you have to be sure that your facility's gross revenue generated from events like those mentioned above doesn't exceed the annual threshold amount.

WHY WAS A TARIFF 21 LICENCE IMPLEMENTED?

The Tariff 21 licence was created to streamline the licensing process for recreational facilities that commonly have multiple types of events where music is used. A number of different music uses that are common to community halls have been bundled together so that only one licence may be required.

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at recreational facilities



If you'd like more details about SOCAN and why you have to pay for music, please check us out at www.socan.ca

As always, we're here to assist you and answer any questions.



SOCAN

Society of Composers, Authors and Music Publishers of Canada

Société canadienne des auteurs, compositeurs et éditeurs de musique

Helping us help you!

The most efficient and dynamic way for SOCAN to communicate with its customers is through the power of technology. Send us your e-mail address now and you can enjoy up-to-the-moment updates from SOCAN. Your local Licensing representative is only an e-mail away at customers@socan.ca.