



music means business!

Fall 2005

Word from the President

SOCAN and the Digital Age



It seems that every few days or weeks, we hear about a new way to distribute music. Podcasting, Internet radio, ringtones/ringtunes and satellite radio are just a few. Keeping up with technology can be a full-time job. It is SOCAN's responsibility to our members – Canadian songwriters, composers and music publishers – and international affiliates to ensure that tariffs are in place so that the creators and owners of the music receive fair compensation for these new uses. A good example is SOCAN's Tariff 22 regarding the Internet, first proposed in 1996, long before downloading became a reality. SOCAN has re-filed its proposed tariff based on the recent Supreme Court decision and after years of court battles. By the time hearings are held and a decision is rendered, SOCAN members will have waited about 12 years to get paid for this use of their music. In what other business are suppliers expected to wait so long? In the end, it is one of SOCAN's goals to encourage new uses of music, just not at our members' expense.

Earl Rosen

SOCAN in the Digital Age: Where Do We Go From Here?

by Alexandra Lopez-Pacheco

There are few aspects of modern life that have not been swept up by the Internet and new technologies. The music industry is no exception. Who would have thought 10 years ago that it would be possible for a teenager to download thousands of songs onto a tiny little contraption called an MP3 player? Or that consumers would be able to listen to music on their cell phones?

In some ways, the music industry is among the most affected by the new technologies—both positively and negatively. The technology provides music creators with sophisticated tools. Musicians, established and newcomers alike, can set up websites, e-mail alerts and connect directly with their fans—and they can sell their CDs online to people all over the world.

On the other hand, while the rapid changes have created an explosion of music in people's day-to-day lives, the increased use of, and appetite for, music has not led to proper compensation for music creators. The fact is, Canada's current copyright laws and the public's ethical awareness of what constitutes theft of music are lagging way behind these technological changes.

From the beginning of the tech boom, SOCAN's approach has been to navigate proactively through these rapids. In the

1990s, for example, SOCAN was already lobbying for changes in Canada's *Copyright Act* to ensure music creators and music owners receive fair compensation. As well, SOCAN first proposed Tariff 22, regarding the communication and performance of musical works on the Internet, in 1996. While SOCAN continues to work towards ensuring that laws catch up with the changes in technology so that the industry remains viable for all, it also looks for innovative ways to help music users adapt and prepare for these changes, such as introducing experimental licences (e.g. podcasting) that allow users to adjust to new tariffs before they are approved by the Copyright Board. SOCAN also uses these advancements in technology to improve efficiencies. For example, in 2002 SOCAN introduced its e-commerce initiative, which allows music users to apply for licences, file reports and make payments online. Visit SOCAN's Website at www.socan.ca for more information. No doubt, more change is coming. However, SOCAN is poised to navigate its customers and members through the rapids, knowing, as Humphrey Bogart in *The African Queen* did, that, "You've got to move faster than the water, otherwise you can't steer."

SOCAN Customers a Big Help to Gordie Sampson



SOCAN and its customers “Are the reason people who do what I do are able to make a living,” says Gordie Sampson, 2005 Juno Award nominee and winner of five awards at this year’s East Coast Music Awards, including SOCAN Songwriter of the Year. With the impact new technologies are having on the music industry, this has never been truer.

“People in Canada just don’t sell many records anymore,” says the Cape Breton songwriter and musician. “It used to be you could sell a couple of hundred thousand records. Today, if you’re lucky, it’s 20,000.”

Songwriters and musicians are not taking it sitting down, however. Now, more than ever, royalties from the communication and public performance of music are a substantial part of a music creators’ livelihood. As such, they are switching gears, doing more tours and seeking out live music venues, says Sampson, who recently toured with international recording artist Keith Urban. To find out more about Gordie, please visit www.gordiesampson.com.

SOCAN, Music and Fairs and Exhibitions: Bringing Canadian Communities Together

by Alexandra Lopez-Pacheco



SOCAN member k-os at the 2005 edition of the world-renowned Calgary Stampede

The Canadian fair and exhibition industry generates more than \$1.3 billion for the economy through tourism and the creation of tens of thousands of jobs. It also provides entertainment to tens of millions of people during the fall and summer. “There’s also the cultural and social value,” says Terry Payne, president of the Canadian Association of Fairs and Exhibitions (CAFE). “These events bring communities together and [bridge] cultural gaps. Music is the spice for all our activities,” says Payne. With Top 40 to Classic Rock tunes dominating midways and live concerts, music is always in the air. The relationship, however, is not one-sided.

“We’re coming out of an era when people thought live venues had gone the way of the dodo bird,” says Payne. During that era, fairs continued to provide a place for live music.

Fairs also contribute to the music industry through competitions such as the

Canadian National Exhibition’s Rising Star talent competition, says CNE general manager David Bednar. And they are a source of income for music creators. “We are very forthcoming with SOCAN because we use a lot of music and feel it is absolutely important that the [songwriters] get paid,” says Jim Laurendeau, programming manager for the Calgary Exhibition & Stampede. “What’s so beautiful about the SOCAN tariff for fairs is that it covers all the wide variety of forms of music we use,” says Bednar. “And it is very straightforward.” The fact that SOCAN has been reasonable in its past negotiations with CAFE has meant that the small non-profit fairs can remain viable. This is another example of SOCAN building relationships with customers that benefit all involved – music creators, the local fair or exhibition and the general public.

Take Advantage of SOCAN’s latest E-commerce initiative You can now pay your licence fees using your AMEX credit card. Payment via AMEX, as with VISA, Mastercard or online, means no more delivery disruptions, lost mailings, time wasted processing invoices and cheques or late payments (which incur interest charges). To learn more about these options, please visit www.socan.ca.

Making the Connection! SOCAN and its customers



SOCAN recently thanked two of its customers who have had a positive impact on the organization - Goodlife Fitness Clubs, with 108 locations coast to coast, and Katzman Enterprises, owners of a group of adult entertainment clubs in Windsor, Ontario. Receiving a SOCAN "Customer Recognition Certificate" on behalf of their companies are Dann Sawa, chief development officer, Goodlife Fitness Clubs (above) and Wanda Lanoue, controller, Katzman Enterprises (at right).

We also invite you to drop by our SOCAN booth at any of these upcoming trade shows:

FitFest, Oct. 28-29, 2005, University of Moncton Campus, Moncton, NB

Recreation & Parks Association of New Brunswick Fall Conference and Trade Show, Nov. 3-4, 2005, Fredericton, NB

TIANS (Tourism Industry Association

of Nova Scotia), Nov. 13-15, 2005, Halifax, NS

Bar & Beverage Conference & Expo, Feb. 5-7, 2006, Place Bonaventure, Montreal, QC

Hotel Association of Canada (HAC) 2006 National Conference and Trade Show, Feb. 14-15, 2006, InterContinental Toronto Centre

Salon Rest-Hôte, March 5-7, 2006
Food Service Expo, March 6-7, 2006, Vancouver, BC

The Alberta Food & Restaurant Association Tradeshow (ARFEX), March 28-29, 2006, The Round-up Centre, Calgary, AB

Alberta Hotel & Lodging Association Tradeshow, May 21-24, 2006, Jasper Park Lodge, Jasper, AB

Hospitality Expo - TBA
SAX Trade Show - TBA
Hospitality Newfoundland and Labrador - TBA



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You Asked Us

A series of FAQs

I've been playing recorded music for years without any problems and without paying copyright fees. Why should I start paying now?

According to the *Copyright Act*, any public performance of copyright-protected musical works requires a licence. When a song gets played in public, music creators are entitled to collect their licence fees - it's part of their livelihood. The tariffs for these uses are set by the Copyright Board, and the fees generally work out to mere fractions of a penny per song. Our business is to make sure that music creators and publishers are fairly compensated for the use of their works. A SOCAN licence allows you access to virtually the world's entire repertoire of copyright-protected musical works. If you authorize the public performance of copyright protected-musical works without obtaining a performing right licence, you are liable for copyright infringement and we may protect these rights by pursuing the matter through legal channels. SOCAN is always looking to make the licensing process for customers as convenient and efficient as possible. By working with music users on behalf of our members, together we're doing "what's right for music."

SOCAN Has a Meeting of the Minds and Finds a Great Fit!

SOCAN is pleased to announce that it has reached licensing agreements with two more leading retailers - Mastermind Toys and American Apparel. With 10 locations across the Greater Toronto Area, Mastermind, one of Canada's foremost toy retailers, is setting the example for our next generation by demonstrating their

respect of music copyright. American Apparel has also joined the ranks of our tens of thousands of customers. Based in Los Angeles, American Apparel has 20 Canadian locations and counting. To find out more about the newest members of the SOCAN family, please visit www.mastermindtoys.com and www.americanapparel.net.

MASTERMIND[®]
EDUCATIONAL **toys**

American Apparel[™]

SOCAN's Licensing Department Completes Re-Engineering

by Rick MacMillan

SOCAN's Licensing department has completed the groundwork for a re-engineering project designed to revisit the department's mandate and structure, with the aim of improving efficiencies and increasing revenue for the organization's members. The Licensing department is the SOCAN business unit

responsible for collecting revenue from SOCAN's various customers, including radio and television broadcasters, concert presenters, restaurants, clubs, pay audio, cinemas and a host of other music users.

On a broad scale, the re-engineering project has led to the creation of three "pillars" or functional areas within the Licensing department: customer service, accounts receivable and business development. As part of the restructuring,

each office will have an industry relations executive who will be responsible to build relationships with key customers and educate potential customers about SOCAN.

"We want to take advantage of the best skills of everyone in order to focus on the right people for the right jobs," explains France Lafleur, SOCAN vice-president Licensing and general manager Quebec and Atlantic division.



SOCAN's Licensing department's three new "pillars."

The process of implementing the new structure will be a gradual one, concluding in 2007.



SOCAN

Society of Composers, Authors and
Music Publishers of Canada

Société canadienne des auteurs,
compositeurs et éditeurs de musique

Help 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.