



*PRS for Music*  
Passenger Vessels Tariff  
**Customer Consultation**

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# 1. Introduction

*PRS for Music* is undertaking a consultation on the charging structure used to license the use of copyright music on passenger vessels.

The key objectives of the consultation are to (i) publish the proposed tariff and (ii) invite views on the proposal from those affected.

The consultation is being undertaken in accordance with the *PRS for Music* Code of Conduct. This outlines our commitment to undertake fair, reasonable and proportionate consultations when proposing to introduce a new tariff or to make significant changes to an existing tariff. *PRS for Music* aims to set reasonable terms and to apply and administer all licensing schemes fairly and consistently. The Copyright Tribunal has jurisdiction over all existing and proposed licensing schemes operated by *PRS for Music*.

The consultation will run for a period of 5 weeks from 11 November 2016 until 16 December 2016. *PRS for Music* will review all responses received on or before the closing date. Details on how to respond to the consultation can be found in Section 8.

The consultation does not include the licence required for the sound recordings, when recorded music, including radio and TV, is played in public. This is administered by the Phonographic Performance Limited (PPL). PPL and *PRS for Music* are two separate independent Collective Management Organisations and in most instances a licence is required from both organisations to lawfully play recorded music in public. While both organisations license the use of music and collect royalties for the music industry, each represents different rights holders and have separate licences and terms and conditions. PPL collects and distributes money for the use of recorded music on behalf of record companies and performers. *PRS for Music* collects and distributes money for the use of the musical composition and lyrics on behalf of authors, songwriters, composers and publishers. For further details on PPL, please visit [www.ppluk.com](http://www.ppluk.com)

In early 2016 *PRS for Music* and PPL confirmed plans to create a new joint venture for public performance licensing (details can be found [here](#)). The plans do not affect this consultation as the two Societies will continue to develop their tariffs separately.

## 2. PRS for Music

*PRS for Music* (Performing Right Society Limited) represents the rights of over 118,000 songwriters, composers and music publishers in the UK. As a membership organisation it ensures creators are paid whenever their music is played, performed or reproduced and champions the importance of copyright to protect and support the UK music industry. *PRS for Music* provides business and organisations with easy access to over 10 million songs through its music licences. *PRS for Music* is one of the world's most efficient performing rights organisations. With over 100 representation agreements in place globally, *PRS for Music's* network represents over two million music creators. *PRS for Music* is a not for profit organisation. After deducting running costs, all the income received from licence fees is distributed back to members.

For businesses and organisations, *PRS for Music* plays a valuable role. *PRS for Music* members have entrusted the organisation to make their copyrighted songs available to be used in exchange for fair compensation and *PRS for Music* provide the required licences for this in a simple and cost effective way. This gives businesses and individuals the right to use millions of copyrighted songs from around the world, without the need to negotiate individual licensing terms for these works with the songwriters or publishers.

*PRS for Music* surveys thousands of businesses to find out what music they are playing. Similar music use information is also supplied by TV and Radio broadcasters, as well as concert venues. Based on this information, *PRS for Music* distributes royalties to the songwriters, composers and publishers of the music that has been played.

### 3. The Simplification Programme

*PRS for Music* is consulting on its intention to simplify its tariff for passenger vessels whilst proposing to remain broadly cost neutral for the average customer (although variances for some customers may occur when moving to the proposed tariff). This consultation is part of the *PRS for Music* tariff simplification programme, the aim of which is to create revised tariffs that are easy to understand, simple and efficient for customers to use, whilst fairly reflecting the value of music.

For example, one of our objectives is to reduce the number of questions required to be answered by a passenger vessel operator when applying for a licence and taking part in their annual licence review. We believe this will make the licensing process quicker and simpler for our customers.

The proposals set out in this consultation are part of an extensive programme to review and simplify most *PRS for Music* public performance tariffs. These tariffs have been in use for some time and ad-hoc revisions to keep them up to date with how music is performed and consumed have resulted in overly long and complicated arrangements.

*PRS for Music* is proposing that the new tariff structure is based on a 'core music' fee with 'bolt-on' options for additional uses of music. The 'core music' fee will be a single metric covering the most common uses of music on passenger vessels. Music usage additional to the core music use will be charged using 'bolt-on' fees which will allow our customers to tailor their licence to their specific needs.

## 4. The Current Approach

Currently *PRS for Music* applies its Passenger Vessels tariff 'Tariff PV' to charge for the use of copyright music on cruise liners and other sea-going vessels, local ferries, lake, river and pleasure craft and all other vessels. The tariff uses fragmented metrics to determine annual licence fees and follows a lengthy "check list" structure. As a result, gathering and declaring the required licence information can require considerable time and effort from our customers.

Given the varied use of music on passenger vessels, Tariff PV contains several charging metrics (summarised below):

- **Fees for background music in lounges, bars, saloons, dining saloons & other public rooms**  
Based on the number and types of device(s) used and the seating capacity of each room
- **Fees for background music in gangways, companionways, staterooms and cabins**  
Based on the number of cabins available for passengers
- **Fees for background music in retail areas**  
Based on the area size of each retail store
- **Fees for discotheques, karaoke, music quizzes & other featured recorded music**  
Based on the frequency of events and the capacity of the area where each event takes place
- **Fees for performances of live music**  
Based either on 4% of total annual expenditure spent on live performers  
**OR**  
the annual total of live music events and the capacity of the area where each live music event takes place.
- **Fees for audio jukeboxes**  
Based on the number of audio jukeboxes. Additional fee payable if the machine has an added facility to play background music
- **Fees for video jukeboxes**  
Based on the number of video jukeboxes and their screen sizes. Additional fee payable if the jukebox has an added facility to play background music
- **Fees for aerobic, keep fit and dancing classes**  
Based on the number of classes and the capacity of the room where each class takes place
- **Fees for film shows**  
Based on the number of film shows and the seating capacity of the room where the shows take place

The Appendix sets out where to view the current Tariff PV in full.



## 5. PRS for Music's proposal to simplify its licensing of passenger vessels

PRS for Music believe that a simpler tariff would be more desirable for operators of passenger vessels by making the process of licensing and the annual licence review more straightforward.

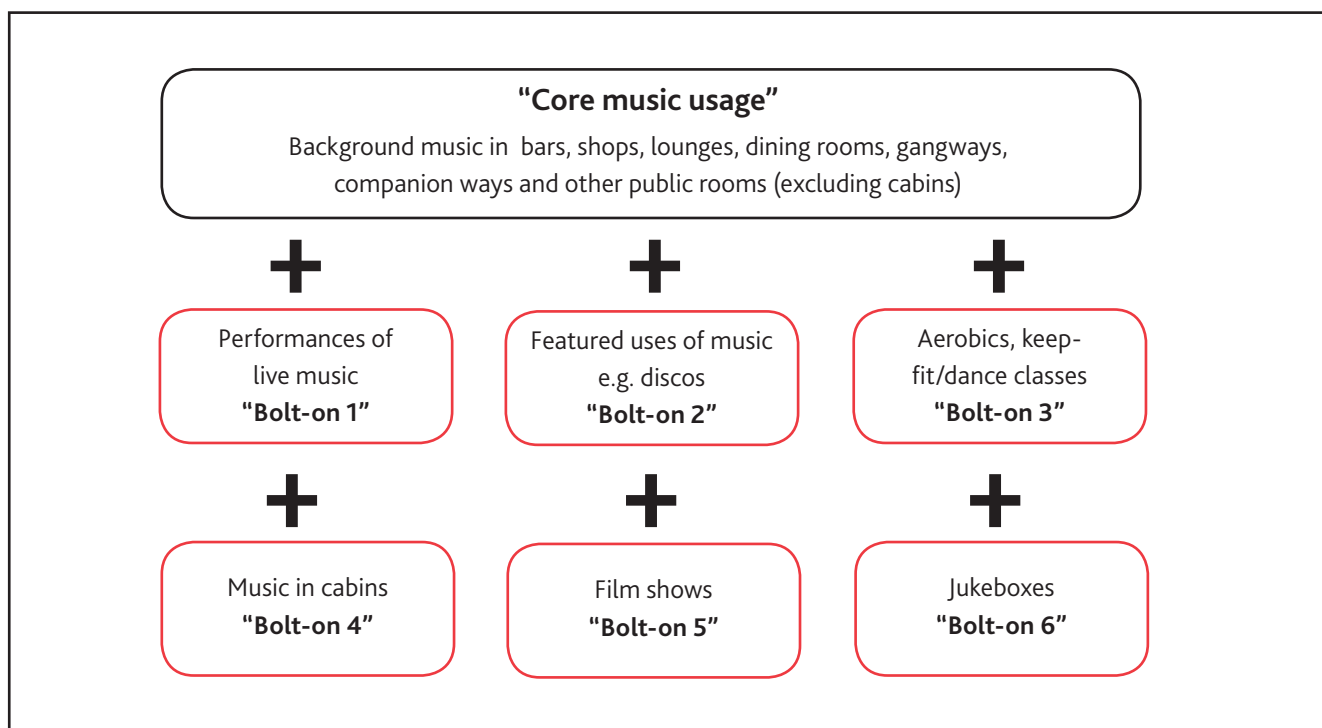
We are proposing to introduce a new tariff which consolidates several of the charging metrics and fees from the current Tariff PV. As a result, the proposed tariff will be set out across fewer pages than the current Tariff PV, making it much easier for our customers to quickly identify their annual fees as well as reducing the amount of paperwork associated with PRS for Music's Public Performance Licences.

### 5.1 Passenger vessels: proposed metrics and fees

The metrics and fees in this section will apply to performances of music used on board all passenger vessels including:

- cruise liners and other ocean or sea-going vessels
- local ferries, lake, river and pleasure craft
- and all other vessels

Figure 1: Summary of 'core' music usage and additional 'bolt-on' music usage for passenger vessels.



## Passenger vessels: Core music usage fees

Type of music usage	Proposed new metric	Annual fee
<b>Background music played using audio and/or audio-visual devices in bars, shops, lounges, dining rooms, gangways, companion ways and other public rooms (excluding cabins)</b>	<p>The fee will be based on the total area size in square metres of each bar, lounge, dining room, shop, gangway, companion way and other public rooms on a passenger vessel where music is audible; i.e. the "audible area".</p> <p>We have not included different fees for specific audio and audio-visual devices in the tariff. This means that passenger vessels can make use of any type of background music device without incurring any additional fees.</p>	Fees will start from £275 for a passenger vessel up to 100 square metres

## Passenger vessels: Bolt-on music usage fees

Type of music usage	Proposed new metric	Annual fee
<b>Performances of live music (annual expenditure on live performers £14,486 or more)</b>	<p>4% of total annual expenditure on live performances.</p> <p>We are proposing to retain the existing charging metric from our current Tariff PV.</p>	Fee starts from £579.44
<b>Performances of live music (annual expenditure on live performers less than £14,486)</b>	<p>Fee per live event, which scales upwards dependent on the frequency of events and the capacity of the area where each event takes place.</p> <p>We are proposing to reduce the initial capacity threshold from 100 to 50 persons. This offers a reduced fee for passenger vessels who hold live music events in small rooms. The 'per event' fee will scale upwards in increments of 50 persons capacity (or part thereof).</p>	Fee starts from £5 per event
<b>Featured uses of music e.g. DJ events, karaoke, music quizzes</b>	<p>Fee per event, which scales upwards dependent on the frequency of events and the capacity of the area where each event takes place.</p> <p>Similar to the new 'performances of live music' fee, we are proposing to reduce the initial capacity threshold from 100 to 50 persons. This offers a reduced fee for passenger vessels who hold events with featured music in small rooms. The 'per event' fee will scale upwards in increments of 50 persons capacity (or part thereof).</p>	Fee starts from £5 per event
<b>Aerobics &amp; keep fit classes</b>	<p>Fee per class</p> <p>We are proposing to remove the capacity of classes as a charging criteria in order to create a single charge regardless of class size.</p>	£1.53 per class
<b>Dance tuition lessons e.g. ballroom</b>	<p>We are proposing to introduce a new 'per lesson' fee to charge dance tuition lessons where the music performed is discontinuous and useful knowledge and/or principles can be learned.</p>	£0.95 pence per lesson
<b>Music in cabins and guest bedroom</b>	<p>Fee per 15 cabins (or part thereof)</p>	Fee starts from £70 per 15 cabins (or part thereof)
<b>Film show</b>	<p>Fee per film show</p> <p>We are proposing to retain the existing charging metric from our current Tariff PV</p>	Fee starts at £2.46 per film show
<b>Jukeboxes</b>	<p>We are proposing to introduce a new fixed 'per machine' fee to cover the use of any type of jukebox (audio &amp; video).</p>	£265 per machine

***N.B. All rates are indicative based on 2015 figures and will be adjusted annually in line with inflation when the new tariff comes into force.***



## 6. Proposed Passenger Vessels Tariff

6.1 The revised charging structure of the Passenger Vessels Tariff is set out in full below:

<b>CORE MUSIC FEES</b>	<b>Background music played using audio and/or audio-visual devices in bars, shops, lounges, dining rooms, gangways, companion ways and other public rooms (excluding cabins)</b>	
	<b>Total area size in vessel where music is audible (m<sup>2</sup>)</b>	<b>Annual fee</b>
	Up to 100	£275
	101 - 200	£595
	201 - 400	£1,195
	401 - 800	£1,595
	800+	£1,595 for the first 800m <sup>2</sup> plus £1,175 per additional 200m <sup>2</sup> (or part thereof)
<b>BOLT-ON MUSIC FEES</b>	<b>Featured use of music</b>	
	<b>Type of music usage</b>	<b>Annual fee</b>
	Live music (annual expenditure £14,486 or more)	4% of annual expenditure
	Live music (annual expenditure less than £14,486)	£5 per event per 50 person capacity (or part thereof)
	Discotheques, karaoke, music quizzes & other events with featured recorded music	£5 per event per 50 capacity (or part thereof)
	Film shows	Fee per show is £2.46 for the first 100 persons capacity plus £0.61 per additional 25 persons (or part thereof)
	Aerobics & keep fit classes	£1.53 per class
	Dance tuition lessons	£0.95 pence per lesson
	<b>Music in cabins</b>	<b>Annual fee</b>
	Per 15 cabins (or part thereof)	£70
	<b>Jukeboxes</b>	<b>Annual fee</b>
Per jukebox	£265	

For a licence continuing from year to year the minimum annual royalty per passenger vessel will be £50.

***N.B. All rates are indicative based on 2015 figures and will be adjusted annually in line with inflation when the new tariff comes into force.***

## 7. The impact of the proposals

We have compared annual fees under the current Tariff PV and the proposed Tariff to illustrate the impact of the proposals on different types of vessels.

### Example 1.

**"A pleasure craft with background music (CD player) in a dining area with 50 seats"**

*The conversion of number of seats to square metres has been calculated as 1 to 1.*

**Figure 2: Comparison of pleasure craft assessed under Tariff PV and the proposed Tariff**



**Example 2.**

**“A cruise liner using music in several areas as detailed below:”**

1. Background music (CD players and televisions) in the following areas:
  - Five retail stores
  - Six restaurants
  - Seven bars
  - One health spa

Combined total size of all areas using background music devices (2,600 square metres\*)

2. 631 cabins with background music (televisions)
3. 487 discos and karaoke sessions per year
4. Events with live music: Annual expenditure on performers (£70,125)
5. Two cinemas showing 575 films per year

*\*The conversion of number of seats to square metres has been calculated as 1 to 1.*

**Figure 3: Comparison of a cruise liner assessed under Tariff PV and the proposed Tariff**



### Example 3.

"A ferry using music in several areas as detailed below:"

1. Background music in
  - three bars
  - one restaurant

Combined total size of all areas using background music devices (568 square metres\*)

2. Two cinemas showing 1806 films a year
3. Events with live music: Annual expenditure on performers (£135,000)
4. 15 cabins with background music (televisions)

\*The conversion of number of seats to square metres has been calculated as 1 to 1.

Figure 4: Comparison of a ferry assessed under Tariff PV and the proposed Tariff



## 8. How to respond to the consultation

All the details of this review, and any updates, are available on the *PRS for Music* website:

[www.prsformusic.com/passengervesselsconsultation](http://www.prsformusic.com/passengervesselsconsultation)

Respondents should complete the response form on the website above.

Online responses are preferred.

Written responses can be posted to:

**Tariff PV Consultation Responses**

**PRS for Music**

**2 Pancras Square**

**London N1C 4AG**

Or by email to:

[pv.consultation@prsformusic.com](mailto:pv.consultation@prsformusic.com)

Please entitle your response 'PV Consultation'

[Click here to download a paper form](#)

Or visit: [www.prsformusic.com/passengervesselsconsultation](http://www.prsformusic.com/passengervesselsconsultation)

**All responses should be received by 16 December 2016**

*PRS for Music* will consider all comments received and we have also provided some questions for you to consider when formulating your response which can be found on the website above. If you would like *PRS for Music* to keep your response confidential, or if you wish to provide confidential data in support of your response, please let *PRS for Music* know by stating this on the response form.

This consultation does not obligate *PRS for Music* to implement any of the changes proposed. *PRS for Music* may propose an alternative tariff in the light of responses to this consultation.

### 8.1 Next Steps

Following the deadline for submission of the consultation responses. We will carry out a review of all the responses received and publish a summary of these on our website. We will seek to hold discussions with customers and representative bodies, as required, and announce a new tariff based on the consultation feedback and subsequent discussions.

## 9. Appendix

Full details of the current Tariff PV can be found using the link below:

**Tariff PV – Passenger Vessels**

**<http://www.prsformusic.com/SiteCollectionDocuments/PPS%20Tariffs/pv-tariff.pdf>**





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