



## **DCMS CONSULTATION 'THE BALANCE OF PAYMENTS BETWEEN TELEVISION PLATFORMS AND PUBLIC SERVICE BROADCASTERS'**

*PRS for Music*<sup>1</sup> is a collecting society with over 111,000 composer, songwriter and publisher members. We license, through our network of reciprocal agreements with other societies, the rights for over 10 million works and 2 million rightsholders. Our members, not just in the UK but around the world, depend on copyright and our ability to license it in order to sustain their businesses and create the works so essential to the success of the UK's creative industries.

We license broadcasters so they have the rights to use the global repertoire of musical works we represent across their networks and services. In 2014, revenues from broadcasters to PRS for Music were £165m million, as such they are an important source of income for our members. Therefore, PRS welcomes the opportunity to comment on the DCMS's consultation on the balance of payments between television platforms and the public service broadcasters.

We support the Government's proposal to remove Section 73 of the Copyright, Design and Patents Act (CDPA). Any legislation which reduces the scope of rights for rightsholders must be clearly justified, setting out why the loss of rights is outweighed by the public value, and evidenced. In that the consultation notes the original justification for Section 73 is no longer applicable we believe it is essential that it now be repealed. We also would question whether Section 73 is compatible with European Law.

In addition to Section 73 being no longer justified, we believe it is creating unfair market conditions for broadcasters and complexities in the licensing of rights. In an increasingly digital broadcasting market we believe this legislation is granting an unfair competitive advantage to cable providers over other broadcasting providers. While Section 73 is being used by some online content aggregator, claiming to be exempt from copyright, as a mean not to take a licence for the use of the rights we represent.

The consultation seeks views on what "*the impacts of removing section 73 (CDPA 1988) will be?*" We believe the primary benefit will be to ensure that broadcasters who use copyright works, in this case both musical and audio visual works, must obtain a licence from the rightsholders. This principle is paramount and is the basis from which music creators and rightholders can negotiate appropriate fees for the use of their works.

In relation to question 6 on transitional arrangements, we see no reason for there to be specific transitional arrangements to accompany the removal of Section 73 of the CDPA. PRS has a long standing understanding of the broadcasting market and our broadcasting tariffs are well established. We believe that broadcasters will have sufficient time

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<sup>1</sup> *PRS for Music* Limited is a wholly owned subsidiary of PRS that provides operational services to PRS and also to MCPS through a services agreement.

between the Government's response to this consultation and the coming into force of any changes to agree a licence with PRS for the use of the music we represent.

As a member of UK Music and the British Copyright Council we support their submissions to this consultation.

If you have any questions about this submission, or anything else relating to PRS for Music's activities, please contact us at [policy@prsformusic.com](mailto:policy@prsformusic.com)

30 June 2015