



Changes to PPL's online linear webcast licences

8 October 2020

Dear Licensee

We are writing to consult you regarding potential changes to the way that PPL licenses online linear webcast services from 1 January 2021. This letter sets out PPL's current thinking alongside information as to how you can provide feedback to PPL on the potential changes.

1. About this consultation

PPL is committed to fair, reasonable and proportionate consultation with its licensees when proposing a new tariff or making significant changes to existing licences or tariffs. With this letter, we are therefore seeking responses from existing online linear webcast licensees that will be affected by the proposed changes to the online linear webcast licence.

More information about PPL is available at www.ppluk.com.

2. Summary of the potential changes

PPL reviews its online licensing framework each year. This year, following a review of the UK webcast market, analysis of the broader market for these rights (including the prevailing international comparators) and a review of the reporting supplied by its current online linear webcast licensees, PPL is planning to make some changes with effect from 1 January 2021. In summary, the potential changes on which PPL is seeking feedback are:

- PPL's three current linear webcast licences (***Small Webcaster Licence***, ***Standard (Non-Commercial) Webcaster Licence*** and the ***Standard (Commercial) Webcaster Licence***) would be combined into a single, tiered licence, further simplifying the way online linear webcasters can obtain a PPL licence.
- PPL would make it simpler for licensees to report what they have streamed.
- PPL would introduce a lower cost, lower tier or smaller licensees.
- The dubbing/copying rights needed to operate an online linear webcast service would now be included as standard.
- The main rate per stream for larger services would increase from 0.0854p to **0.1p per stream**.

3. PPL's current Webcaster Licences

Online linear webcast services are defined as services (for example, online radio stations) where the audience cannot change their listening experience by, for example, skipping tracks or pausing the broadcast, and that are not a simulcast of another station's existing output. PPL currently (i.e. for 2020) offers three different types of licence for online linear webcast services:

Small Webcaster Licence: applies for online linear webcast channels targeted at the UK only and generating fewer than 270,000 streams per annum and less than £5,000 in revenue per annum.

Standard (Non-Commercial) Webcaster Licence applies for online linear webcast channels that are either:



- targeted at the UK only, are generating more than 270,000 streams per annum and less than £5,000 in revenue per annum, or,
- are targeted at multiple territories and generate less than £5,000 in revenue per annum.

Standard (Commercial) Webcaster Licence applies for online linear webcast channels generating more than £5,000 per annum or more than 270,000 streams, or is operating in multiple territories.

Other terms and conditions apply to these licences, and licence eligibility is subject to an application process where we will ask you to provide details of your service. Further information on the licences' eligibility criteria and application processes is available from linearwebcast@ppluk.com.

The 2020 rates and reporting requirements for these licences are set out in the table below:

Webcaster Licence type	2020 fee per Channel	Performance Cap / 2020 Rate	Webcasting Report	Territory Report	Music Usage Report
Small	£231	270,000 Performances	Required quarterly	<i>On request</i>	<i>On request</i>
Standard (Non-commercial)	£438	0.0742p per stream (£0.000742) (0.0854p/£0.000854 per stream including dubbing rights)	Required quarterly	Required quarterly	Seven day sample report required twice yearly
Standard (Commercial)	£754		Required quarterly	Required quarterly	Required quarterly

Note: Standard Webcaster licensees have the right, subject to the payment of an additional administrative fee, to target audiences in some territories outside of the UK. PPL is a signatory to the IFPI Webcasting Reciprocal, which means it can [license linear webcasts into certain ex-UK territories](#). For further information, please contact us at linearwebcast@ppluk.com.

4. PPL's potential changes: 2021 Linear Webcast Licence

PPL is planning to combine all three existing licences into a single, simple tiered licence, the **2021 Linear Webcast Licence**.

PPL recognises that there are a significant number of licensees operating services with a relatively small number of streams per annum (analysis of historic reporting demonstrated that at least 20% of Small Webcaster licensees do not generate over 150,000 streams per annum). PPL is therefore planning to launch a lower per channel fee in the first band of the licence to make licensing less expensive for these smaller licensees.

The new licence would provide both communication to the public and dubbing rights (copying rights, to the extent they are needed to operate a qualifying online linear webcast service).

The new licence would have will three simple Bands:

Band 1 would apply to services targeted at the UK only with fewer than 150,000 streams per channel per annum.

Band 2 would apply to services targeted at the UK only with between 150,001 and 270,000 streams per channel per annum.



Band 3 would apply for larger services with more than 270,000 streams per channel per annum and/or where the service is targeting both UK and ex-UK territories and/or generates more than £5,000 in revenue per annum to any qualifying multi-territory channels.

PPL has benchmarked the 2020 rate charged for online linear webcast services against the rates charged both in the US and continental Europe. This shows that the UK rate for this type of online service had become significantly out of step with the rates charged by its international equivalents (for example the 2020 US rate per stream set by the Copyright Royalty Board is \$0.0018 (£0.0014/0.14p) per stream). Consequently, under PPL's planned changes, the rate per stream for the UK, where it is applied, will increase to **0.1p per stream for 2021**.

Analysis of licensees' reporting demonstrates that the vast majority of current PPL webcaster licensees will pay no more than the advance payment under the new terms, and at least 20% of licensees will pay a reduced fee in comparison with 2020. The vast majority of PPL's licensees will therefore experience no material change in their licence fee due to this change.

For licences purchased with a start date that falls part way through a calendar year, the fees payable would be pro-rated to the beginning of the calendar quarter in which the start date falls (e.g. a licence starting on 5 May would be charged at three quarters of the full year licence fee).

In addition, for many licensees, PPL is also planning to reduce the frequency for smaller licensees from quarterly to twice per annum.

Band 3 licensees would continue to report on a quarterly basis as the fee structure will consist of a recoupable advance and PPL needs to be able to monitor the amount of streams each service is generating accurately. For music usage reporting, licensees that recouped their advance in the previous licence year would be required to provide this, as will any Band 3 licensees that make use of a digital playout system.

Band	Lower stream limit (per annum)	Upper Stream limit (per annum)	2021 licence fee per Channel	Webcasting Report	Territory Report	Music Usage Report
1	0	150,000	£150 non-returnable fee	Required twice per annum	Not required	On Request
2	150,001	270,000	£250 non-returnable fee	Required twice per annum	Not required	On Request
3	270,001 or n/a for any multi territory service	n/a	£500 non-returnable advance, recouped against 0.1p per stream	Required Quarterly	Required Quarterly	Recouped licensees, or those using a digital playout system: Quarterly Others <i>On Request</i> .

From 1 January 2021, there will be two minor changes to the territories covered under the Reciprocal arrangements. Details of these changes and the applicable administration fees for multi-territory services are available via [the PPL website](#).



PPL 1 Upper James Street London W1F 9DE
T +44 (0)20 7534 1000 / F +44 (0)20 7534 1111
info@ppluk.com / ppluk.com

5. Next steps

PPL is consulting its licensees and we are seeking responses from existing individual licensees that will be affected by the potential changes to the Small Webcaster Licence, Standard (Non-Commercial) Webcaster Licence and Standard (Commercial) Webcaster Licence.

Please provide any feedback on any aspect of the changes using the response form provided by email to linearwebcast@ppluk.com. The deadline for responding is **6 November 2020**. All response forms received on or before this date will be reviewed and considered.

All details relating to this consultation are also available [on our website](#).

If you have any questions in relation to the consultation please contact us at linearwebcast@ppluk.com.

Following the deadline for submission of consultation responses, PPL will carry out a review of all responses received, publish a summary and confirm the finalised details of the changes in November.

Yours faithfully

PPL – Broadcast Licensing
linearwebcast@ppluk.com