TELEVISION MUSIC LICENSE COMMITTEE, LLC

<u>TVMLC Music Use Survey</u>

- ♫ **<u>Purpose and History -</u>**

  - ♪ The purpose of TVMLC's music use survey is **to determine the total amount of music performed on "non-network" local television in a given year and to determine the amount of music controlled by each performing rights organization (PRO).**
    - ♯ The TVMLC music use surveys exclude programming for which performance rights licenses are separately secured from the PROs by the ABC, CBS, NBC, Univision, and UniMas networks.
  - ♪ Historically, the TVMLC music use surveys have measured the amount of music controlled by three of the U.S. PROs – ASCAP, BMI, and SESAC. The surveys now also measure the amount of music controlled by a fourth U.S PRO – GMR.
  - ♪ Because the music use surveys are conducted in most years, they are also used to determine changes in music use and PRO market shares over time.
  - ♪ The first TVMLC music survey measured music use in 2005.

- ♫ **<u>Approach for Measuring Music Use -</u>**

  - ♪ **The TVMLC music use surveys measure music using what we call "Public Performances" (PuPs). We define a PuP as one minute of music broadcast by a single station to a single viewer. The total number of PuPs on local television in a year is calculated as the total number of minutes of music broadcast times the number of viewers tuning in to those broadcasts (i.e. the minutes of music are weighted by audience size).**
  - ♪ By way of example, a program with ten minutes of music and one viewer would result in ten PuPs; a program with one minute of music viewed by ten people would also result in ten PuPs, as would a program with two minutes of music viewed by five people.
  - ♪ To measure the audience size of programs, we use viewership information collected by Nielsen. We use Nielsen's P2+ measure of audience size – that is to say, we count the number of people viewing programs, and not the number of households.
  - ♪ The same measurement technique is used to calculate the number of PuPs attributable to each PRO – the only difference being that rather than count all music, we only count music that is controlled by the PRO being measured.

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♫ **Music Use Survey -**

- ♪ **To carry out the survey we**
  - ♯ **combine data from cue sheets and program schedules to determine the amount of music (both in the aggregate and for each PRO) in licensed broadcasts;**
  - ♯ **with data from Nielsen on the size of the audiences for the licensed broadcasts**
  - ♯ **to calculate PuPs in the licensed broadcasts.**
- ♪ Since it is not practical to collect ratings and cue sheet data for every station for every day, we collect information for a sample of stations and days.
- ♪ **We currently draw a random sample of approximately 200 stations**; for each sample station, we randomly select 2 weeks for which to collect the necessary information; and for each of these weeks, we collect the necessary information for four days – both weekend days and two randomly selected weekdays. Across all stations, we collect information for approximately 1,600 station-days.
- ♪ We calculate PuPs for all of the programs in the sample for which cue sheets are available. We receive cue sheet data from MRI, the stations, ASCAP, and any of the other PROs that agree to provide cue sheets to TVMLC.
- ♪ For programs for which cue sheets are unavailable, we use proxies to estimate the minutes of music.
  - ♯ For some program-episodes where cue sheets are not available, we use information from other episodes of the same program as a proxy for the missing data.
  - ♯ For example, suppose we have an episode of *Friends* for which we have no cue sheet. We estimate the use of music in this episode by looking at all cue sheets for *Friends* episodes.
  - ♯ When local news cue sheets are not available, we do a similar calculation using local news programming aired on the same station.
  - ♯ If neither of these types of proxies can be used, we make a similar calculation using programs in the same genre.
- ♪ The music information (cue sheet and proxied information) for each program in the sample is combined with ratings data from Nielsen. We calculate the size of the audience and multiply that by the minutes of music in the programs in order to get the total number of public performances.
- ♪ Standard statistical techniques are then used to estimate PuPs (both total and for each PRO) across all TVMLC-represented stations based on the information from the sampled stations. The statistical calculations also enable us to calculate how precise the estimates of PuPs are.