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FOR IMMEDIATE RELEASE

October 2, 2008

NMPA Hails Copyright Board's Rate Decision Positive Result for Songwriters and Music Publishers

WASHINGTON – October 2, 2008 - The Copyright Royalty Board announced today, new mechanical rate terms for physical products (such as CDs), permanent downloads (such as iTunes) and ringtones. Songwriters and music publishers will be paid a rate of 9.1 cents for digital downloads. The CRB judges also ruled that the rate for physical products will remain at 9.1 cents. Each will be subject to an overtime rate. The CRB judges also established for the first time a rate of 24 cents for each ringtone subject to the Section 115 mechanical license. Furthermore, music publishers will have the right to seek a 1.5 percent late fee, calculated monthly.

David Israelite, President and CEO of the National Music Publishers' Association – which represented songwriters and music publishers before the Board – hailed the decision as a positive development for all songwriters and music publishers.

“We are happy that the judges recognize the importance of songwriters and music publishers to the music industry,” said Israelite. “Coupled with the historic agreement announced two weeks ago, this decision represents an important milestone for the music industry. These events will bring clarity and order to an environment that for the past decade has been hampered by litigation and uncertainty on all sides. In the end, songwriters and music publishers will have incentive to create and market music, and music fans will reap the rewards.”

The announcement is the culmination of a trial that began in January, and marks the first time the Board has established mechanical royalty rates for songs distributed digitally.

The Board also adopted the terms of an historic industry settlement on rates for two other types of services – interactive streaming (such as some Napster services) and limited downloads (such as Rhapsody To Go). Details of that agreement between NMPA, the Nashville Songwriters Association International (NSAI), the Songwriters Guild of America (SGA), the Recording Industry Association of America (RIAA) and the Digital Media Association (DIMA) were announced last week.

The music publishers and songwriters were represented in the trial by the NMPA, along with NSAI and SGA.

Steve Bogard, NSAI President, said, “The Nashville Songwriters Association International (with the California and Texas Songwriters Associations,) is pleased that the Copyright Royalty Board has chosen to recognize the personal investment and contribution of

songwriters to the American music industry. The United States, the source of so much of the world's great popular music must lead the way in compensating creators for their work and making it possible for our publishing partners to continue to invest in the nurturing and development of great young songwriting talent. NSAI believes that in the long run this decision is in the very best interests of consumers, digital media content providers, and the entire music industry."

Rick Carnes, President of SGA, said, "The CRB has confirmed the proposal of rates for interactive streaming and limited downloads formulated cooperatively by songwriters, music publishers, the recording industry and the digital media groups, which will clarify the licensing of this growing area of digital commerce and provide needed royalty payments to songwriters. The Songwriters Guild of America is gratified that the CRB has adopted these rates, which will assist music creators in their quest to make a living from their profession.

Carnes added, "Today, the CRB also faithfully implemented U.S. copyright law by giving songwriters the ability to earn a fair return on their works. As so many songwriters testified during this process, our community has been struggling to keep our profession alive, and the CRB's decision could not have come at a more important time."

"Today's announcement is the culmination of months and months of tireless work by staff and outside counsel on behalf of music publishers and songwriters, and I want to acknowledge and thank them for their commitment," Israelite said.

About the NMPA

Founded in 1917, the National Music Publishers' Association (NMPA) is a trade association representing American music publishers. The NMPA's mandate is to protect and advance the interests of music publishers and their songwriter partners in matters relating to the domestic and global protection of music copyrights.