



For Immediate Release
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Wyden-Brownback “Internet Radio Equality Act” Introduced in the Senate

Bipartisan Bill Would Save Internet Radio

WASHINGTON D.C. – Legislation introduced by Senators Ron Wyden (D-OR) and Sam Brownback (R-KA) today would save Internet radio from a recent royalty hike that threatens to bankrupt the industry. The Internet Radio Equality Act would vacate a Copyright Royalty Board (CRB) decision to increase fees webcasters pay to play music online by a devastating 300 to 1200 percent. Companion legislation (H.R. 2060) introduced in the House of Representatives on April 26th, by Congressman Jay Inslee (D-WA) and Don Manzullo (R-IL), has already garnered the support of more than 60 cosponsors.

SaveNetRadio.org, a national coalition of webcasters, recording artists, listeners and record labels applauded the bill’s introduction, expressing their gratitude to Senators Wyden and Brownback for their leadership at this critical time for the Internet radio industry and the millions of Americans who listen online every day. “Since the CRB’s ruling, Internet radio listeners, webcasters and the artists they promote have joined together to urge Congress to prevent this vibrant industry from going silent on July 15th,” said Jake Ward, a spokesperson for the SaveNetRadio campaign. “On behalf of Internet radio’s 70 million monthly listeners, thousands of webcasters, and the incredible diversity of talented artists it supports, we commend Senators Wyden and Brownback for their understanding of Internet radio’s importance and for their leadership in taking the steps needed to save it”

Other members of the SaveNetRadio coalition offered their support for the Internet Radio Equality Act:

The Roots Music Association, an international organization representing more than 2200 independent artists and labels, headquartered in San Marcos, Texas said, “we are very pleased by the introduction of the Internet Radio Equality Act in the Senate today. Internet radio has become the lifeblood for so many independent artists that depend on the promotional accessibility it provides niche roots based genres. This legislative solution is the last best hope for the future of Internet radio, and we fully support it.”

Tim Westergren, Founder of Pandora, one of the country's leading Internet radio webcasters, commended the legislation, saying, “we are grateful for Senators Wyden and

Brownback's introduction of the Internet Radio Equality Act. Their support shows an understanding of the invaluable exposure that Internet radio provides to emerging artists, as well as an acknowledgment of the diverse listening experience it offers to music lovers. We are hopeful that, with the Senators' support, this promising industry will finally be treated fairly so that it can continue to grow."

Outbound Music, a Christian webcaster and retailer said, "we are delighted to see the Internet Radio Equality Act introduced in Senate today. Internet music programming reaches millions of listeners who are not within range of Christian broadcast stations. With the passage of this bill, we can rest assured that our spiritually edifying content will continue to reach as wide an audience as possible while allowing fair compensation to artists and affordable rates to webcasters."

Lisa Mathews from the critically acclaimed band Milkshake offered her support of the Internet Radio Equality Act saying, "Milkshake makes original rock music for kids, and kids-at-heart. When it comes to radio, there just aren't many venues for Children's Music via the traditional radio stations. Webcasters provide an outlet for kids and parents to hear new music--music that is pretty much ignored by traditional radio. For me the value is undeniable. I should pay them for the service they do--I really should. The least I can do is keep their rent low, and be fair when it comes to royalties."

Ian Rogers, VP and GM, Yahoo! Music, said, "Internet radio has empowered and benefited artists and music lovers alike by removing the physical limitations and barriers that once separated musicians from their fans. The recent royalty rate increase threatens to limit the potential of net radio as an outlet for musicians, option for music lovers, and a business for webcasters. The Internet Radio Equality Act strikes the appropriate balance between compensating artists for their work and allowing this industry to grow. We applaud Senator Wyden and Senator Brownback for their leadership and urge congress to take notice and action."

Grammy nominated artist, SONiA said, "Internet Radio allows artists like myself in every imaginable form to sing and be heard around the country and around the world. And because my music is now frequently heard on Internet Radio I am maintaining a successful career that would be impossible without this open medium. The tendency is to build a cage, because maybe that is how it was done in the early days of broadcasting. The Internet Radio Equality Act is the only way that thousands of artists can be heard, and I am one of them."

The Internet Radio Equality Act would vacate the CRB's decision and set a 2006-2010 royalty rate at the same level currently paid by satellite radio services (7.5% of revenue.) The bill would also change the royalty rate-setting standard used in royalty arbitrations, so that the standards applying to webcasters would align with the standard that applies to satellite radio royalty arbitrations. The bill also re-sets the royalty rules for noncommercial radio such as NPR stations that offer Internet radio music.

For more information on the SaveNetRadio coalition visit www.savenetradio.org

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U.S. Senate

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Wyden, Brownback Propose Bill to Keep Internet Radio in Play

Washington, D.C. – U.S. Senators Ron Wyden (D-OR) and Sam Brownback (R-KS) today proposed legislation to keep Internet radio alive by vacating a Copyright Royalty Board (CRB) decision that could increase Internet radio sound recording royalties by 300 percent to 1,200 percent.

According to an Arbitron and Edison Media Research, 52 million people listened to Internet radio at least once a month in 2006. Bridge Ratings and Research predicts that number will double within three years and reach nearly 200 million by 2020.

July 15, when collection begins on the new royalty fees, literally will be the day the music died. Most Internet radio Webcasters will be driven out of business because of a massive retroactive royalty rate that is above total revenues for most in the business. For large Webcasters, the royalty increase could be between 40 percent and 70 percent of revenues. For small Webcasters the royalty increase could reach up to 1,200 percent of revenues.

Currently, terrestrial radio stations only pay royalties to songwriters. Internet radio and satellite radio pay royalties to both songwriters and record companies/recording artists. However satellite radio only pays royalties of 7.5 percent of their revenue. The Internet Radio Equality Act of 2007 corrects the enormous disparity created by the CRB by putting Internet radio on par with satellite radio. Additionally, the legislation would create special royalty rules for the Webcasting arms of non-commercial broadcasters like National Public Radio and college radio to ensure they are not left out of reaching new listeners on the Internet.

“Our bill is about standing up for folks ranging from a small Webcaster in a basement in Corvallis to an innovative startup in Beaverton to a new band trying to be heard in Portland to a huge music fan in Coos Bay” Wyden said. **“Keeping Internet radio alive is part of a broader issue that is important to me -- keeping the e-commerce engine running by preventing discrimination against it.”**

“I am alarmed by the recent Copyright Royalty Board decision and the effect it will have on Internet radio – especially small Webcasters with limited revenue streams. I am

hopeful that with this bipartisan legislation Internet radio will continue to flourish,” said Brownback, a member of the Senate Judiciary Committee.

“Jefferson Public Radio joins with all our public radio colleagues in thanking Senators Wyden and Brownback for introducing legislation that will permit us to continue to serve Weblisteners all across America,” said Ronald Kramer, Executive Director of Jefferson Public Radio in Ashland, Oregon. **“The public service mission of public radio Webcasters enables programming diversity not available elsewhere. Without passage of Senators Wyden’s and Brownback’s legislation, the decision of the Copyright Royalty Board will dramatically curtail the Webcast programming diversity we wish to continue providing.”**

The legislation also will undo the prohibitive \$500 per channel minimum royalty fee set by the CRB. Wyden and Brownback noted that Internet radio is not limited by the number of “channels” available, as traditional radio is. Thus, while regular radio stations play a very limited number of mostly popular songs that have a mass audience, Internet radio – not confined by spectrum capacity – gives any artist or consumer the ability to have their own channel. This allows independent artists to have a medium to reach new and old fans and allows consumers to customize their own radio stations to their liking.

Wyden’s and Brownback’s bill will be the Senate companion to H.R. 2060, the Internet Radio Equality Act, introduced April 23 by U.S. Reps. Jay Inslee (D-WA) and Donald Manzullo (R-IL).

“This Titanic rate increase will sink many Webcasters if we don’t act,” said Inslee, a member of the House Energy and Commerce Subcommittee on Telecommunications and the Internet. **“We need a more balanced rate structure that allows Internet radio to thrive, promotes media diversity and rewards artists for the use of their intellectual property.”**

“I applaud Senators Wyden and Brownback for taking leadership of this important legislation in the Senate so we can overturn these unfair royalty rates that threaten to bankrupt our small Webcasters and silence the music on the Internet,” Manzullo said. **“Since we introduced our legislation in the House two weeks ago, I have been inundated with messages from Internet radio listeners throughout the country thanking me for protecting this wonderful medium. This issue has ignited a flurry of passion from music lovers throughout our country, and I again thank Senators Wyden and Brownback for their efforts to help keep the music playing on the Internet.”**