



For Immediate Release
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Platform Parity and Artist Compensation Focus of Senate Hearing

Senators, Artists, Labels, and Webcasters Agree: Platform Parity is Only Fair

WASHINGTON D.C. – The Senate Judiciary Committee today heard testimony from **seven** witnesses from every side of the royalty debate, **yet each** one of them seemed to say the same thing. From the multiple artists, the record executive, Senators Wyden (D-OR) and **Corker** (R-TN), Pandora CEO, Joe Kennedy and even Jon Simson himself, each witness that came before the Committee to address the Perform Act (S. 256) offered their steadfast support for artist compensation and platform parity. The definition of the word parity and the idea of fair, however, continued to be hotly contested throughout the hearing ([available here](#)).



“It was encouraging to hear so many people advocate for the creation of a level playing field and platform parity for the industry at today’s hearing,” said Jake Ward, a spokesperson for the SaveNetRadio campaign. “It was confusing however, to hear many of those same people continue to oppose efforts to set a royalty rate for Internet radio webcasters equal to the rate paid by their competition – cable and satellite radio. As the Internet radio industry fights for its survival, it seems duplicitous for anyone to champion

equality while forcing webcasters to pay as much as 80 percent of their revenue while charging cable and satellite 7.5%.

Ward continued “As Jon Simson, the Executive Director of SoundExchange, said during his testimony today – ‘parity does not necessarily mean everyone pays the same rate or is measured by the same standard.’ So, parity does not necessarily mean parity and equal is not necessarily fair. I’m glad we cleared that up.”



Matt Nathanson, the 2007 recipient of the Boston Music Award for National Male Vocalist of the Year and the most played artist on Pandora.com, testified before the committee today that, “it is wrong that the smallest industry, which plays the most music by independent artists and labels, pays disproportionately high royalties. I am here today for a very simple reason – because it is in this Committee’s power and this Congress’ power to protect one of the mediums that has enabled me to have a career in music. Please level the playing field for Internet radio; please protect the next generation of artists.”

BACKGROUND:

A March 2, 2007, decision by the Copyright Royalty Board (CRB), a division of the Library of Congress charged with establishing performance royalty rates for “digital radio” broadcasters, increased rates for webcasters by an unjustified and unprecedented 300 to 1200 percent.

Since the Copyright Royalty Board (CRB) increase royalty rates for webcasters 16 months ago, there has been an immediate and devastating effect on Internet radio services. Three of the most-listened-to services (AOL Radio, Yahoo! Radio and Pandora) have either left the business, limited listener access to their services, or announced they are likely to shut down in the near future if royalties are not significantly reduced. Just as importantly from the perspective of the artists that depend upon Internet radio, recent Arbitron data demonstrates clearly that royalty-paying webcast listening has diminished substantially since the CRB decision.

Legislation introduced last year to correct the discrepancy between Internet radio and cable and satellite radio providers by establishing an equal rate for all digital radio –

cable, satellite and internet radio – at 7.5% of revenue is still pending with more than 150 Congressional cosponsors. The Internet Radio Equality Act (S. 1353/H.R. 2060) was introduced in the U.S. Senate by Ron Wyden (D-OR) and Sam Brownback (R-KA) and in the House by Congressman Jay Inslee (D-WA) and Don Manzullo (R-IL).

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

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