



July 17, 2007

Copyright ruling destroys webcasters

Seventy-seven million Americans listened to Internet radio. But as of July 15 that has changed. The three-member Copyright Royalty Board (CRB) imposed an Internet-only music royalty fee structure that is forcing webcasting firms to shut down.

Hundreds of thousands of Internet radio listeners, online radio broadcasters, and musicians have united to request that webcasters be allowed to pay musicians a percentage of stations' revenue instead of the per-song fee the CRB imposed. That way the amount of royalties paid would never total more than a station's profit, but would grow when that station's audience, and thus its advertising rates, increased. Musicians would get paid a fair fee, webcasters would be in business to air their music, and Internet radio listeners would hear (and ultimately purchase) that music.

That is the approach the bipartisan S. 1353 and H.R. 2060 (124 cosponsors) take. Paying a percentage will ensure that Internet radio — and the musicians played on it — are allowed to thrive. Further, Congress should prevent three-member panels like the CRB from micro-managing emerging technologies and let the market and American ingenuity guide the future of radio.

~From Reed Bunzel, president and CEO, American Media Services, Internet division, Charleston, S.C.