

Songwriter Equity Act

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Press Availability
February 25, 2014
House Triangle



Speakers

In Order of Appearance

Rep. Doug Collins (GA-09)

Mr. Paul Williams, ASCAP

Mr. David Israelite, NMPA

Mr. Michael O'Neill, BMI

Mr. Daryl Friedman, The Recording Academy

The Songwriter Equity Act of 2014 (SEA)

Background: Songwriters and composers earn royalty income through two separate rights; the right to publicly perform their musical works, and the right to make reproductions of those works and distribute those reproductions. **Two outdated portions of the Copyright Act, Section 114(i) and Section 115, prevent songwriters from receiving royalty rates that reflect fair market value for the use of their intellectual property. This has created inequity in the marketplace that harms America's songwriters and music publishers.**

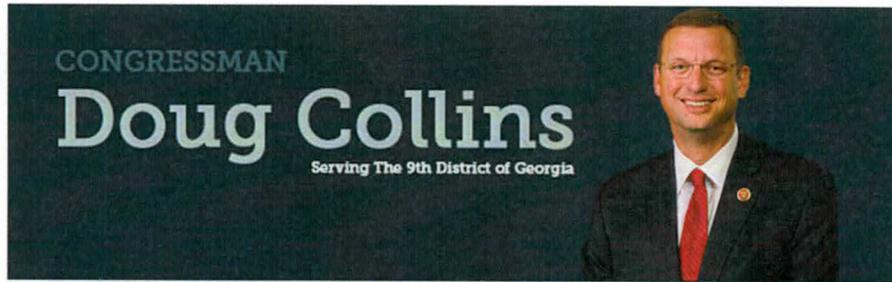
Section 114(i) of the Copyright Act forbids federal rate courts from considering sound recording royalty rates as a relevant benchmark when setting performance royalty rates for songwriters and composers. In fact, the performing rights organizations (PROs) that collectively license on behalf of songwriters and publishers to music users including satellite radio, digital music services, restaurants, television and more, are not allowed to present this evidence to the courts at all. The result is an uneven playing field where songwriters and composers receive substantially less than sound recordings for a performance, or “stream,” of the same song.

Section 115 of the Copyright Act has regulated musical compositions since 1909, before recorded music existed. Section 115 allows anyone to seek a compulsory license to reproduce a song in exchange for paying a statutory rate. The initial rate set by Congress in 1909 was 2 cents per song. Today, that rate is 9.1 cents per song. This minimal increase is due to current law, which directs the Copyright Royalty Board (CRB) – the government body responsible for setting the rate – to apply a standard that does not reflect market value.

Specifically, the SEA would:

- **Allow a “rate court” to consider other royalty rates as evidence when establishing digital performance rates** | Amend Section 114(i) of the Copyright Act and allow a rate court to consider all relevant evidence when determining songwriter compensation, an ability that is currently prohibited by law. The specifics of how the rate court will apply the evidence are left to the rate court’s discretion.
- **Adopt a fair rate standard for reproduction (mechanical) licenses** | Replace the current substandard rate currently used by the CRB to determine mechanical royalties with a rate that reflects free market conditions.

The Songwriters’ Equity Act is an important step toward modernizing the music licensing system and leveling the playing field to ensure that songwriters, composers and publishers are appropriately compensated for the use of their intellectual property.



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COLLINS INTRODUCES SONGWRITER EQUITY ACT Legislation Allows Fair Pay for Songwriters

WASHINGTON, [Feb 25] – Congressman Doug Collins announced today the introduction of the Songwriter Equity Act. The Songwriter Equity Act updates Sections 114 and 115 of the Copyright Act that have prevented modern songwriters from collecting fair market royalty rates for their work.

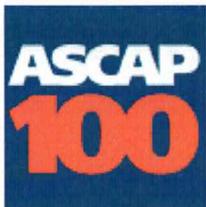
To remedy this, the SEA would allow a “rate court” to consider other royalty rates as evidence when establishing digital performance rates, and it would adopt a fair rate standard for reproduction (mechanical licenses).

Congressman Collins commented, *“Fostering the development of intellectual property has been an important part of the Constitution for more than 200 years. Now, we have to make sure we’re doing it on 21st century terms. Songwriters, in one way or another, touch the lives of every American. Today, there are more than 45,000 songwriters in Georgia that deserve honest pay for their honest, original work. For their sake and for the generations of these talented innovators to come, we have to update our laws to encourage creativity and ensure fairness in the marketplace.”*

The bill has received public support from The American Society of Composers, Authors, and Publishers (ASCAP), The National Music Publishers’ Association (NMPA), Broadcast Music, Inc. (BMI), and The Recording Academy (National Academy of Recording Arts & Sciences), and SESAC.

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INDUSTRY SUPPORT FOR SONGWRITER EQUITY ACT



"The Songwriter Equity Act is an important first step toward a more effective and efficient licensing system that will benefit everyone – consumers, music licensees and the songwriters and composers who are the foundation of the rapidly changing music environment. I commend Congressman Collins for his vision and efforts on this issue.

By updating the outdated provisions of the Copyright Act in Sections 114(i) and 115, Congress has an opportunity to modernize the music licensing system so that songwriters and composers can thrive alongside the businesses that use our music."

-- Paul Williams, President and Chairman of the Board, ASCAP



"The Songwriters' Equity Act represents an important step to inject fairness into a process that is undeniably stacked against songwriters and publishers, and I applaud Congressman Collins for his leadership on the issue.

Roughly two-thirds of a songwriter's income is heavily regulated by law or through outdated government oversight. This results in devalued intellectual property rights.

This legislation addresses two significant inequities under current copyright law that prevent songwriters and music publishers from receiving compensation that reflects the fair market value of their work. I fear that without the Songwriters' Equity Act, songwriting as a profession will give way to songwriting as a hobby, and an important American treasure will be in jeopardy."

-- David Israelite, CEO, NMPA



"This bill is an important step on the road to fairness for songwriters and music publishers. The current environment, where performances of sound recordings are valued at 12 times those of the musical compositions that underlie them, is untenable. We are simply asking Congress to take the evidentiary blinders off of the judges who control a significant portion of our writers' income.

We believe that an open and full picture of the market will permit our rate court to recognize the value of musical works. We are grateful to Congressman Collins for sponsoring this important bill and we look forward to working with them and Congress to find an equitable solution."

-- Michael O'Neill, CEO, BMI



THE RECORDING ACADEMY®

"The Songwriter Equity Act will bring more fairness to those who write and compose the music loved worldwide. We are grateful to Representative Collins for supporting our songwriter members, and appreciate their working with us to ensure that The Academy's performers and studio professionals are protected in the new bill.

All music creators deserve to be paid fair market value for their talents, and we now look forward to advancing this legislation at our grassroots GRAMMYS on the Hill Advocacy Day in Washington this Spring."

-- Neil Portnow, President & CEO, The Recording Academy



"Our goal is to maximize the value of the copyrights we represent on behalf of our songwriters and publishers. Passing this important legislation will help sustain that value and safeguard the intellectual property of our creators and copyright proprietors."

-- Pat Collins, President & COO, SESAC

CONGRESSMAN DOUG COLLINS (GA-09)



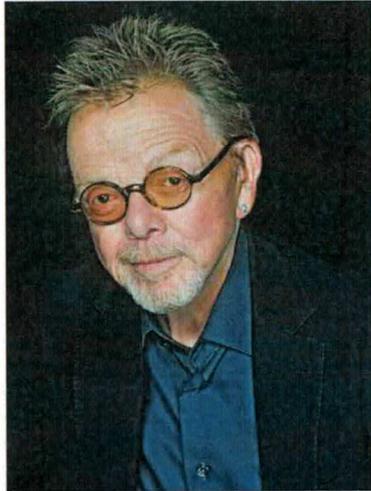
Congressman Doug Collins grew up in Hall County, where he learned about service to others from his dad, a Georgia State Trooper, and his mom, who provided care services to local senior citizens. Doug graduated from North Hall High School and went on to earn a degree in Political Science and Criminal Justice from North Georgia College & State University. He later earned his master's degree in divinity from New Orleans Baptist Theological Seminary while serving the community full-time as the senior pastor at Chicopee Baptist Church.

In November 2006, Doug was elected to represent District 27 in the Georgia House of Representatives. Over his first term, Doug earned a law degree from John Marshall Law School in Atlanta. During his time in the Georgia legislature, Doug led House Republicans as the governor's primary Floor Leader, shepherding through legislation that made responsible reforms to state programs, like the Georgia HOPE scholarship, to secure them for future generations.

Aside from his service as a pastor, state representative, and now United States Congressman, Doug has ministered to members of our military as a chaplain in the Air Force Reserve since 2002. In 2008, he served a combat tour stationed at Balad Air Force Base in Iraq. During the government shutdown of 2013, Doug offered and the House passed H. Con. Res. 58, a resolution urging the Obama Administration to stop its infringement on religious liberty and the First Amendment and allow chaplains of any denomination or faith to continue providing religious services.

For over 25 years, Doug has been married to Lisa Collins, a 5th grade teacher at Mount Vernon Elementary School in Gainesville. Over the years, Doug and Lisa have operated small businesses ranging from a scrapbook supply store to the law firm of Collins and Csider, LLC. Doug and Lisa have three children, a daughter Jordan and sons Copelan and Cameron. As a family, they are very involved at Lakewood Baptist Church.

In the 113th Congress, Doug serves on the House Committee on the Judiciary, the Oversight and Government Reform Committee, and the House Committee on Foreign Affairs. Continuing the work he began in the Georgia state house to streamline government and save money for hardworking families, he is co-founder of the Freshman Regulatory Reform Working Group and has sponsored "Sue and Settle" legislation to allow public discourse for agency rule-making.

PAUL WILLIAMS, PRESIDENT AND CHAIRMAN OF THE BOARD, ASCAP

Paul Williams is one of the most beloved and respected music creators in the world today. A lyricist and composer who has won an **Oscar Award**, three **Grammy Awards**, two **Golden Globe Awards** and earned induction into the **Songwriters Hall of Fame**, his songs, from “We’ve Only Just Begun,” “Rainy Days and Mondays” and “You and Me Against the World” to “An Old Fashioned Love Song,” “Let Me Be the One” and “The Rainbow Connection,” have touched millions of people for generations. As **President and Chairman of the Board of the American Society of Composers, Authors and Publishers (ASCAP)**, he is also a leading spokesman for music creators in the digital age.

Williams’ standards have been recorded by such diverse musical icons as Elvis Presley, Frank Sinatra, Barbra Streisand, Ella Fitzgerald, Ray Charles, David Bowie, Tony Bennett, Sarah Vaughn, Sarah McLachlan, Jason Mraz, The Carpenters, Luther Vandross,

Willie Nelson, REM, Anne Murray, Gladys Knight, Diana Ross, Diana Krall, The Dixie Chicks, Gonzo and Kermit The Frog.

Although Williams is widely known as an actor in dozens of films and on television, it is his musical legacy that continues to inspire. “The Rainbow Connection,” from the children’s classic *The Muppet Movie* (which earned Williams his second Grammy), is one of two of Williams’ songs that grace the **American Film Institute’s List of Top Movie Songs of All Time**; the second, “Evergreen,” is from the award winning Barbra Streisand/ Kris Kristofferson remake of *A Star Is Born*, and for which Williams won a Grammy, a Golden Globe and an Academy Award. Additional song scores include the cult favorites *Phantom of the Paradise* and *Ishtar*, as well as *The Muppet Christmas Carol*, *Bugsy Malone*, and *Emmet Otter’s Jugband Christmas*, the latter of which has now been adapted for the stage.

His recent work has remained wonderfully diverse, from creating the story and writing the songs for Disney’s Emmy-nominated *A Muppets Christmas: Letters To Santa* and penning the music and lyrics for Garry Marshall’s theatrical sensation *Happy Days*, to writing with the Scissor Sisters. His career, life, work in recovery have been chronicled in the acclaimed documentary, *Paul Williams Still Alive*, released in 2012. Williams’ song, “Still Alive,” written as the title track, was nominated for a **Critics’ Choice Award**. In 2014, Williams earned an Album of the Year Grammy for co-writing two songs which he also performs, “Touch” and “Beyond,” with Daft Punk on their critically-acclaimed album *Random Access Memories*.

Since being elected ASCAP President and Chairman in 2009, Williams has been a tireless advocate for defending copyright both at home and on the world stage. He has frequently lead delegations of some of today’s leading songwriters and composers to Washington, DC to visit with policymakers, discuss music creator rights and perform at the U.S. Library of Congress. He is a much sought-after speaker at conferences around the world for his charisma, vision, knowledge of the issues and strong communication skills, as well as his gift for fostering common ground among diverse constituencies. As such, he is called upon often to testify before the U.S. Congress on vital Intellectual Property matters.

Williams was also elected **President of The ASCAP Foundation** in 2009. He helps lead the public charity's work in supporting American music creators and encouraging their development through music education and talent development programs, including songwriting workshops, grants, scholarships, awards, community outreach and humanitarian programs for songwriters, composers and lyricists.

In addition to his Oscar, Grammy and Golden Globe wins, he has been honored with six Oscar, seven Grammy, six Golden Globe and two Emmy Award nominations. Williams' other awards and honors include a **People's Choice Award** in 1977, induction into the **Songwriters Hall of Fame** in 2001, a **National Music Publishers President's Award** in 2004 and the **2012 Auteur Award presented by the International Press Academy**.

Williams is currently working with Mexican film director Guillermo del Toro and Argentine composer Gustavo Santaolalla on a stage musical adaptation of del Toro's acclaimed fantasy film *Pan's Labyrinth*. His first book, *Gratitude and Trust: Recovery is Not Just For Addicts*, co-written with Tracey Jackson, will be released in September by Penguin/Blue Rider Press.

DAVID ISRAELITE, PRESIDENT AND CEO, NATIONAL MUSIC PUBLISHERS' ASSOCIATION (NMPA)



David Mark Israelite is the President and Chief Executive Officer of the National Music Publishers' Association. Founded in 1917, The National Music Publishers' Association (NMPA) is the premiere trade association representing American music publishers and their songwriter partners. 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. Music publishers control the copyrights for the underlying compositions of songs on behalf of the songwriters they represent. The Harry Fox Agency, Inc., the leading U.S. mechanical rights organization, is a wholly owned subsidiary of the NMPA.

From 2001 through early 2005 Israelite served as Deputy Chief of Staff and Counselor to the Attorney General of the United States. In this capacity he helped manage the United States Department of Justice's 112,000 employees and \$22 billion annual budget. In addition to his general management responsibilities, Israelite served as the Attorney General's personal advisor on all legal, strategic and public affairs issues. In March of 2004, the Attorney General appointed Israelite Chairman of the Department's Task Force on Intellectual Property. As Chairman Israelite lead a team of high-ranking officials in examining all aspects of how the Department of Justice handled intellectual property issues and implemented proposals developed by the Task Force.

Prior to joining the Department of Justice, Israelite served as the Director of Political and Governmental Affairs for the Republican National Committee. In that role he was the senior advisor to the Chairman of the National Republican Party, and was responsible for the Republican Party's Campaign Operations, Government Affairs, Research, and Presidential Liaison Divisions.

From 1997 through 1998, Israelite served as Missouri Senator Kit Bond's Administrative Assistant, making him the youngest AA in the United States Senate. Israelite also served as Campaign Manager for Senator Bond's successful 1998 re-election campaign.

From 1994 through 1997, Israelite practiced law in the Commercial Litigation Department at the firm of Bryan Cave, LLP in Kansas City, Missouri. Israelite earned his Juris Doctor from the University of Missouri in 1994 and received a B.A. in a double major of Political Science and Communications from William Jewell College in 1990. While in college, Israelite was named Top Speaker by the National Cross Examination Debate Association, recognizing him as the nation's top collegiate debater.

MICHAEL O'NEILL, CEO, BROADCAST MUSIC, INC. (BMI®)



Michael O'Neill is Chief Executive Officer of Broadcast Music, Inc.® (BMI®). In this role, Mr. O'Neill oversees all of BMI's business operations, both domestically and globally, and directs the Company's strategic growth to benefit BMI's writers, composers, music publishers and licensees. He is also a member of BMI's Board of Directors.

Mr. O'Neill has served BMI for nearly 20 years, most recently overseeing all aspects of BMI's writer, composer and publisher relations, domestic licensing and revenue generation including radio, television, cable, satellite and the General licensing division, and managing royalty

distributions and administrative services groups. He has led licensing negotiations, developed new licenses and sales policies and spearheaded a new customer relations campaign.

Additionally, Mr. O'Neill has overseen the exponential growth in signing up more than 40,000 new affiliates each year over the past four years, and has been instrumental in developing the groundbreaking BMI Live program, which pays performing songwriters for live performances in small venues. Under his leadership, BMI has maximized revenues to support its affiliated songwriters, composers and publishers.

Mr. O'Neill joined BMI in 1995 as Director, Group and National Accounts from CBS-TV Network, where he was Director, CBS Affiliate Relations. Within two years, he was appointed Assistant Vice President, Media Licensing and two years later, Vice President, Sales and Administration, Media Licensing. In 2006, he was appointed Senior Vice President, Licensing, and in 2010, Senior Vice President, Repertoire and Licensing. In September of 2013, he received his most recent appointment as Chief Executive Officer.

Mr. O'Neill holds an MBA from Rutgers University in Marketing and Finance and received his undergraduate degree in Business Administration from Montclair University. He is a member of the Broadcaster's Foundation Golf Committee, the BMI Foundation Corporate Advisory Council and the Board of Directors of the Monmouth Medical Center Foundation.

DARYL P. FRIEDMAN, CHIEF ADVOCACY & INDUSTRY RELATIONS OFFICER, THE RECORDING ACADEMY



Daryl P. Friedman is Chief Advocacy & Industry Relations Officer for The Recording Academy (The GRAMMY organization). Called “the D.C. chief for music’s creative community” by Daily Variety, Friedman serves as the Washington representative for the 20,000 members of The Academy and as the liaison to relevant music industry organizations.

Friedman joined The Academy in 1997 and established the organization's Washington office. He created and oversees the Academy's "GRAMMYs on the Hill" initiatives, which include a number of programs to advance the rights of the music community through advocacy, education and dialogue. He speaks on numerous music policy panels each year and has been quoted in media such as The New York Times, Business Week, BBC World News, Variety, Billboard and The Washington Post.

A music industry professional for nearly 30 years, Friedman previously directed external affairs for the Wolf Trap National Park for the Performing Arts. In 2000, Friedman was named Executive of the Year by the Washington Area Music Association. He serves on the boards of the Copyright Alliance, the National Music Council and Creative Community for Peace, is a member of the Music Education Policy Roundtable, and was an original board member of SoundExchange. Friedman received his M.A. in Arts Management from the American University in Washington, D.C., and his B.A. in Economics from the University of California (Santa Cruz).