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NOT SO FAIR: INTERNET RADIO FAIRNESS ACT

A Call to Action

In our last edition of *Soundbyte*, [we reported](#) on the “Internet Radio Fairness Act” (IRFA), introduced by Reps. Jason Chaffetz, R-UT, and Jared Polis, D-CO, and in the Senate by Sen. Ron Wyden, D-OR. The bill would be anything but fair to musicians, and could drastically cut internet radio royalties paid to recording artists and record labels.

Supporters of this bill have been leaving the impression that artists are raking in millions of dollars from their Internet radio streams. While we wish this were the case, these numbers do not reflect the reality for most artists represented by SoundExchange.

On the contrary, the bill is an attempt by Pandora and other webcasters to reduce the royalty fees that artists are paid for the use of their sound recordings on digital radio. Right now, the law requires the webcasting rates to be set under a “willing buyer, willing seller” standard — that is, the fair market value of the recording. Supporters of the bill want the law to be changed so that the rate could be set at less than fair market value, potentially *much less*.

SoundExchange President Michael Huppe recently testified before Congress regarding the need for parity across all platforms, including the fact that AM/FM broadcasters still pay *nothing* in performance royalties to recording artists and record labels (making the United States the only industrialized nation in the

world with this omission). Huppe also touted SoundExchange's belief in digital radio and its future while maintaining the fair market value of music (the main content of a digital radio service).

It is impossible to have a meaningful discussion about true radio rate parity without addressing this unfair exemption. A level playing field should not mean yet further reduced rates paid to artists and record labels. According to *Radio Ink*, "Judiciary Committee Ranking Member John Conyers Jr. (D-MI) also pressed the issue... calling [IRFA] the 'Paycheck Reduction Act.'"

To watch the hearing, please visit [here](#).

Or read Michael Huppe's entire written testimony [here](#).

Artists Sign Open Letter to Congress

In the November 24 edition of *Billboard*, SoundExchange sponsored a two page ad that served as an open letter from 125 artists in direct opposition to the Internet Radio Fairness Act. The artists include Common, Dead Kennedys, Missy Elliot, Vince Gill, Don Henley, Billy Joel, Maroon 5, Martha Reeves, David Sanborn, Michael W. Smith and Roger Waters amongst many others. A second ad featuring more than 130 artists also ran in *Politico* on November 28. View the ad and join these artists in the fight to support the long term value of music.

If you are an artist and would like to join the fight to preserve artists' rights and sign on to future ads, please email press@soundexchange.com.



Ask Congress to Oppose IRFA

The creators of music should not be deprived of the income they deserve.

You're encouraged to [let your representatives in Washington know](#), and tell them not to support the "Internet Radio Fairness Act." Let them know that recording artists and copyright owners deserve more for their creative contributions to the digital music space, not less.

SoundExchange is also asking that you join the organization on Twitter. Tweet #opposeIRFA to help support the long-term value of music.

BACKSTAGE WITH MELANIE FIONA

GRAMMY® award-winning R&B recording artist Melanie Fiona, was born and raised in Toronto, Canada. Her first album, “The Bridge,” was released in 2009. That album featured her first breakout song, “It Kills Me,” and earned her a spot on the Billboard Hot 100 where it entered the top 50 and peaked at number 43. The song also earned Fiona a *GRAMMY* award nomination for Best Female R&B Vocal Performance. Though Fiona did not come away with a trophy in 2009, she earned two *GRAMMY* Awards for Best Traditional R&B Performance and Best R&B Song (as the songwriter) for “Fool for You” performed with CeeLo Green in 2012.



Credit: Paul Morigi Photography

“ I knew it was something special and thought it would be one of those songs people would really love. I did not know it could amount into this #1 record and two *GRAMMY*s ”

According to Fiona, she knew “Fool for You” was going to be a hit from the very beginning.

“I knew it was something special and thought it would be one of those songs people would really love. I did not know it could amount into this #1 record and two *GRAMMY*s and what it has become for me. I was just excited to be making a song with CeeLo Green and now we have made music history together.”

Fiona visited SoundExchange in September and met with *GRAMMY* U students. She offered advice on how to make it in the music industry. *GRAMMY* U is an organization that helps prepare college students for their careers in the music industry and provides them with networking, educational and performance opportunities.

Talking to these young artists, Fiona made it clear that if you want to be successful in this competitive industry you have to be many things. Using herself as an example she said, “It’s about evolving, but I also don’t do what everyone else does. I’m not going to go with the trend and I’m not just going to write or create a song that, you know, has one melody. I’m a singer and I pride myself on that.”

In closing, she offered this: “As an artist, you have to be creative; you have to be able to know where you’re at in your career and know where your sensibilities are. You also need to be able to draw inspiration from different types of genres of music and um – keep up! But stay true to who you are.”



Credit: Paul Morigi Photography



Credit: Paul Morigi Photography

THE SX PLAYLIST

There is a common saying that “music is the soundtrack of our lives.” Since music is such a big part of the lives of those who work at SoundExchange, the organization is offering an opportunity to take a glimpse into the musical world of the SoundExchange staff. Check out the Finance Department’s favorite artists’ channels to stream on Internet radio.

The SX Playlist



[Under the Blue Sky](#)



[Three Days Grace](#)



[Clairy Browne & the Bangin' Rackettes](#)



[Jill Scott](#)



[Regina Spektor](#)



[Metallica](#)



[Azealia Banks](#)



[Carly Rae Jepsen](#)



[Eric Benet](#)



[Nas](#)

IT'S NEVER TOO LATE!

SoundExchange is committed to moving the music industry forward. Part of that mission is ensuring that artists and labels receive the royalties they are due when their music is played in the digital space. In fact, it's never too late [to register](#) to receive royalties for your sound recordings. Even though SoundExchange is authorized by law to release royalties older than three years, artists and labels may continue to earn royalties into the future. If your creative work is being performed on a non-interactive digital source that reports to SoundExchange, the organization is collecting royalties for you. The bottom line is that SoundExchange is dedicated to its mission to support, protect and propel the music industry forward. The organization strives to collect your royalties as efficiently as possible and, ultimately, get individuals the money they have rightfully earned.

SERVICE PROVIDERS: TIPS & REMINDERS

Digital music services often have questions about how to meet the requirements of the statutory license, and SoundExchange is happy to answer those questions anytime. If you're a service provider and you're not sure how to comply with the statutory license, please contact our Licensing & Enforcement department at le@soundexchange.com or 202.559.0555. Below are some common tips to help digital music services fulfill their responsibilities quickly and accurately.

Statements of Account and Payments:

- When you send a payment, it should always be accompanied by a statement of account form. You can find the forms on our website at www.soundexchange.com/service-provider/how-do-i-pay/.
- Sign your statement of account forms before you send them.
- Double-check your contact information on the forms.
- Remember: Annual minimum fees for 2013 are due by January 31, 2013. For existing services electing any of the alternative rates and terms, election forms are also due by the same date. The forms you need for 2013 are on our site at www.soundexchange.com/service-provider/how-do-i-pay/.
- Know the deadlines for submitting forms and payments. For commercial services, monthly royalty payments and monthly statement of account forms are generally due 45 days after the end of each month.

Reports of Use:

- Reports of use and statements of account are different. “Statements of account” show the amount of the royalty payment due, while “reports of use” (i.e. logs) identify the sound recordings that a service performs during the reporting period and the size of the listenership for each track. Statements of account tell us how much money a service is submitting; reports of use tell us how to distribute that money to the artists and copyright owners.
- Know the deadlines for submitting reports of use. For most commercial services, reports of use are generally due 45 days after the end of each month.

- Streaming providers that facilitate the streams for Internet radio stations can often help you produce your reports of use.
- You can also use the templates for reports of use that we provide on our web site at www.soundexchange.com/service-provider/reporting-requirements/.
- If your service operates multiple stations or channels and you report them on a single statement of account, then please submit a single report of use. Please keep a 1-to-1 relationship between statements of account and reports of use.
- Monthly reports of use should include a complete census of all tracks streamed during that month, not a two-week sample.

General reminders:

- If you're streaming and paying royalties to ASCAP, BMI and SESAC, you probably still need to pay royalties to SoundExchange. ASCAP, BMI and SESAC collect royalties for the performance of the musical work, but you still need a separate license to perform the sound recording. If you don't have direct licenses for the sound recording and instead rely on the statutory license, then don't forget to pay your royalties to SoundExchange.
- Make sure you've filed a Notice of Use with the U.S. Copyright Office. You only need to file this form once, when you begin streaming. The Notice of Use form is available at <http://www.copyright.gov/forms/form112-114nou.pdf>. Be sure to send the form to the Copyright Office (not SoundExchange) with the \$25 filing fee.
- SoundExchange does not invoice. It's up to you to remember to submit your payments, statements of account and reports of use on time, every time.
- And last: please contact us with questions anytime. We're here to help.

SOUNDEXCHANGE AROUND THE WORLD

Artists in today's market have a far broader reach to fans around the globe than ever before due to the explosive culture of digital streaming. If you are an artist or label, there is a chance your music is being streamed worldwide. And SoundExchange wants to ensure that as an artist or label, you are receiving your royalties even when your music is played around the world.

One of SoundExchange's member benefits is that the organization will collect your royalties when your music is played in other countries. SoundExchange has agreements with 27 organizations across the globe. Simply by signing up as a member of SoundExchange for free, the organization will take care of the behind the scenes work to get your royalties to you in a single check. Plain and simple.



For a full list of the agreements check [here](#). And be sure to click here to check out this infographic for a visual of the agreements we have around the world.

SATELLITE RADIO ROYALTY RATES INCREASE

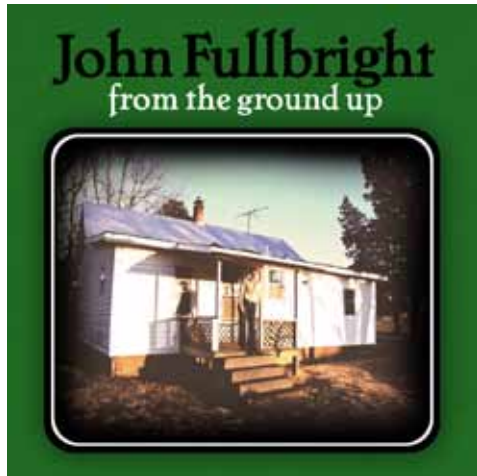
The Copyright Royalty Board (CRB) has increased the rates to be paid by SiriusXM for the contributions of recording artists and record labels to the success of its service. Specifically, the initial determination set the rates at 9 percent in the first year, rising to 11 percent in 2017. To learn more visit, the [CRB website](#).

While SoundExchange supports the upward trend that this case demonstrates, the rates for the next term represent a below-market outcome. This is due in no small part to the CRB's application of a special rate standard that permits below market rates for SiriusXM. It is SoundExchange's belief that all radio services should pay a fair market rate for their use of sound recordings.

The organization will continue to fight for the value of music and protect the rights of creators.

NEWS & REVIEWS

JOHN FULLBRIGHT: FROM THE GROUND UP



John Fullbright just might be the best thing to come out of central Oklahoma since Woodie Guthrie. Just shy of 25 years old, this singer-songwriter recently debuted his first studio album, *From The Ground Up*. The disc exemplifies an innate wisdom that is usually the result of trials and tribulations of love, loss, politics, and religion gathered over a lifetime.

From the outset, it is clear that Fullbright has a few curveballs in store. In the first track, “Gawd Above,” he establishes himself as the voice of God entangled within his homespun blues. He deftly speaks about the paradox of God and man without missing a beat.

Following “Gawd Above” is “Jericho” — a soulful track that combines a simple chorus with a soft, melodic female harmony that subtly strikes an emotional chord with the same strength of Leonard Cohen’s “Hallelujah.”

Fullbright’s fresh style builds throughout the album as he ricochets amongst folk, rock and blues. He never settles into one musical style for too long. And yet, he

displays mastery over them all, avoiding the curse fallen upon many acoustic guitarist, singer-songwriters before him. Whether he is reveling in the memory of a kiss as he strums lustfully along in “Me Wanting You,” or steering a band through the life lessons of an alley man singing the blues in “Moving,” Fullbright continually matches his lyrics to his piano and guitar in perfect harmony.



“ Fullbright continually matches his lyrics to his piano and guitar in perfect harmony. ”

John Fullbright is a fresh face with an old soul, and his career has a bright future ahead.

SOMETHING FROM NOTHING: THE ART OF RAP

Rapper Ice-T is considered one of the pioneers of the gangster rap scene. His directorial debut, the 2012 documentary “Something from Nothing: The Art of Rap,” co-directed by Andy Baybutt, unveils the creative processes behind the innovators of the hip-hop industry. The documentary does not follow a strict timeline of the history of hip-hop. Instead, it encapsulates the stories and styles of legendary rappers, MCs, and producers, such as Chuck D, Grandmaster Caz, KRS-One, Mos Def, Common, Snoop Dogg, Dr. Dre, MC Lyte, Nas, and Kanye West, in order to illustrate what goes on in the mind of a rapper.

“ The greatest rappers understand that sometimes less is more. Every word is used for a reason. Their stanzas leave no word unexploited and no stone unturned. ”

Ultimately, this is a documentary about words and how they are used. It gives us a glimpse of the unique relationship between writers and their words, which must bend and adhere to the circuitous pathways of the rappers' minds. The greatest rappers understand that sometimes less is more. Every word is used for a reason. Their stanzas leave no word unexploited and no stone unturned. "Something From Nothing" manages to capture moments such as Grandmaster Caz's peculiar penmanship (no varying ink pens shall be used on the same page) and Immortal Technique's starvation methods, which gives rise to the visceral hunger in his delivery. These artists are word masters whose methodologies aptly wrap their perspectives around their music.

The film is comprised of nearly two hours of off the cuff a cappella performances, and Ice-T's cinematographic style is simple and successful — showcasing the artists and their distinctive style with the added bonus of a remarkable soundtrack.

JUNIOR'S MUST HAVE GEAR: AMERICANA STRIKES BACK

Electric Banjo

With Mumford & Sons recent release, *Babel* (now GRAMMY® nominated for Best Album at the 55th Annual Awards in February), it seemed like a good time to look into the unique composition that has been hitting our digital airwaves since the group's formation in London in 2007. After the English roots rockers dropped their hit single "Little Lion Man" in 2009, and became ubiquitous on American rock radio in 2010, audiences are now treated to an assortment of familiar, yet unusual sounds from instruments commonly associated with country, bluegrass, and folk music from Europe to the States. Winston Marshall, one of the "Sons," plays the affordable and well-constructed **Gold Tone EBM electric banjo**, which seems to be his go-to instrument for live shows. The gorgeous, two-tone tobacco sunburst EBM is a 5-string, F-style axe with 21-frets, and a thin neck for that special kind of shredding specific to the banjo, with excellent action and a speedy feel. Serious players note that the acoustic sound is on the shy side, so anyone shopping for a true acoustic for live gigs should consider an alternative. The Telecaster-style single coil neck pick-up and humbucker under the head should allow for all the versatility the working banjo player needs for jamming on music that knows its roots but is more than traditional.

<http://www.goldtone.com/products/details/w/instrument/56/EBM-5>



Banjo

Speaking of banjos, Winston Marshall recently joined the Deering Banjos family of artists, picking up one of the notable manufacturer's newest offerings, the **Eagle II 5-string**. The instrument sports Deering's patent pending "Twenty-Ten" tone ring, which players report produces a good sound with a clean, bright tone. The resonator-style banjo has sturdy construction and creates powerful acoustic volume, though an open back version is available if you need to mellow the tone a bit – but that all depends on your style, venue or mood. You might catch Winston on tour slinging this well-balanced, 22-fret beast with a pick-up or DI box when he puts down his electric Gold Tone EBM. At just under \$2,500, this is an excellent entry-level professional instrument for banjoists taking their careers to the next level.

<http://www.deeringbanjos.com/tag/product/list/tagId/308/?dir=desc&order=price>

Accordion

Mumford & Sons's keyboardist Ben Lovett has made the accordion mainstream. He's been using the **Roland FR-7x V accordion** – "V" meaning virtual, as in digital. While Roland historically is known more for its keyboards, the manufacturer has developed accordions, finding success with its proprietary digital modeling technology that allows the instrument to play like a traditional accordion, with amenities you would expect from a world-leader in synth technology. The rechargeable battery-powered piano-style squeezebox carries 41 velocity-sensitive piano keys and 120 bass buttons with after touch, as well as adjustable bellows for flexibility among players with different approaches. A wide variety of sounds and effects, USB, internal memory, and MIDI support can let a



motivated accordionist turn into the stereotypical one-man band. Accordion traditionalists might favor the more natural reed sounds from acoustic accordions manufactured by Hohner and Excelsior, but rockers like Ben Lovett need the electronics to compete effectively with other electrified instruments in live situations. List prices of more than \$6,000 demonstrate that one does not dabble in accordion, but if a player needs flexibility in large venues, then this 21st century aerophone is worth a look.

<http://www.rolandus.com/products/productdetails.php?ProductId=1029&ParentId=32>



GRAMMY® MAGAZINE LAUNCHES

Recently, the *GRAMMY* organization launched their [brand new magazine](#). For more information on the launch, check out the write-up from the folks at the *GRAMMY* organization:

“Welcome to *GRAMMY* magazine, a regular publication aimed to entertain as well as inform Recording Academy® members and other music professionals about the activities of The Academy. The Recording Academy doesn’t just produce the *GRAMMY* Awards, it is a year-round advocate on behalf of music people with charitable affiliates that promote music education and provide for the health and well-being of the music community. What we do probably impacts you. We hope you enjoy the current issue, now in a new reader-friendly format.”

SX EVENTS CALENDAR

midem

January 26–29, 2013
Cannes, France

San Francisco MusicTech Summit XII

February 19, 2013
San Francisco, California

DMW Music

February 20–21, 2013
New York, New York

SXSW Interactive + Music + Film Conferences & Festival 2013

March 8–17, 2013
Austin, Texas

2013 Spring National Student Media Convention

March 9–13, 2013
New York, New York