

# SONGWRITER EQUITY ACT OF 2015

## ONE-PAGE SUMMARY

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### **Background** –

When a songwriter's copyrighted composition is reproduced and distributed (by download or CD), federal law requires that the songwriter be compensated. The rate of compensation is set by the Copyright Royalty Board and has increased by only 7 cents, over 100 years, to 9.1 cents per song, an amount far below the going market rate.

When a songwriter's composition is performed publicly, however, federal law establishes a separate right to compensation. Songwriters may negotiate a licensing rate directly, but most contract with performance rights organizations such as ASCAP and BMI, which negotiate and collect royalties on a songwriter's behalf. If an agreement cannot be reached between the performance rights organization and the licensee, either party may turn to the federal rate court to set compensation.

### **The Problem** –

The Copyright Royalty Board currently sets compensation for music downloads and CDs far below the going market rate.

Section 114(i) of the Copyright Act imposes a price control for public performances of songwriter compositions by prohibiting the federal rate court from considering certain evidence, such as the performing artist's level of compensation, when it sets songwriter compensation for a public performance.

### **The Solution** –

The Songwriter Equity Act:

- Directs the Copyright Royalty Board to set compensation for music downloads and CDs according to their fair market value, which is the rate a willing buyer would pay a willing seller; and,
- Removes the statutory prohibition that prevents the federal rate court from considering certain evidence, such as the performing artist's level of compensation, when setting the songwriter royalty rate for a public performance of a composition.