

# Intercollegiate Broadcasting System, Inc.

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VIA U.S. FIRST CLASS AND ELECTRONIC MAIL

## **Michael J. Huppe, Esq.**

General Counsel

### **SoundExchange**

1121 Fourteenth Street, NW, Suite 700  
Washington, DC 20005

Re: **SoundExchange Proposal to Non-commercial Webcasters**

Dear **Mr. Huppe**,

Thank you for your letter of May 31, 2007.

The Intercollegiate Broadcasting System (IBS) shares your organization's desire to provide high school and college webcasters with fair and practicable rates and terms for period January 1, 2006, - December 31, 2010, while properly paying the performance copyright holders proportionately for their intellectual property.

IBS Members are primarily student-operated radio stations in colleges and high schools simulcasting their audio signals over the Internet, i.e., webcasting. The affiliated educational institutions are primarily educational entities owned by various governmental and not-for-profit educational institutions.

The education of America's Sons and Daughters in the Internet Age about the technology and techniques of digital communication is vital to the economic and societal future of the United States. Webcasting at these institutions is focused on learning: IBS member-webcasters are not driven by building audiences, as is evidenced by their average less-than-five instantaneous listeners to non-sports programming and by their hours-of-operation keyed to particular institutional schedules.

While all of the over one thousand IBS-affiliated schools and colleges are alike in that they are educational, often governmental, enterprises, each is unique in many ways. It is most important that SoundExchange and IBS have a copyright royalty fee program with the flexibility extended to IBS members under SWSA in the past -- a program that, like SWSA, does not preclude operation by all educational webcasters whatever their size. The typical not-for-profit IBS Member has a very limited, fixed annual budget, usually appropriated in advance by a governmental or institutional body.

Thus, the three key characteristics of a reasonable, fair-to-all, and equitable webcasting rates and terms educational model are:

- That students in all educationally affiliated entities, whatever size, may participate in this vital 21st century educational tool.
- That the fee be fixed, annual, and have extremely limited paperwork associated -- certainly no more than could be reasonably expected for a high school student to accomplish.
- That the recordkeeping and reporting requirements be proportionate to the funds to be dispersed to the copyright holders, so that a significant amount of the royalty dollars collected – at least 80-90% -- end up in the hands of the artists. Such recordkeeping and reporting requirements should be practicable for the student volunteers to do and economically reasonable under a cost–benefit analysis for both the copyright holder and the webcaster.

In the past SoundExchange has expressed interest in collective payment by the non-commercial, educationally affiliated webcasters as a means of increasing the efficiency and yield to the artists from these small webcasters. IBS thinks such a plan would be beneficial and practicable.

IBS is encouraged that SoundExchange feels the Congressionally enacted SWSA should again be the basis for non-commercial webcasting rates and terms for 2006-10. The agreements reached under SWSA with IBS and the CPB-qualified webcasters seem to embody all the ingredients necessary for a fair, reasonable, and equitable, settlement. These agreements were signed by SoundExchange/RIAA and the noncommercial webcasters in the past, why not for 2006-10?

Sincerely yours,

Frederick (Fritz) Kass  
Chief Operating Officer

cc: William Malone, Esq.