



H.R. 7084 – Webcaster Settlement Act

FLOOR SITUATION

H.R. 7084 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Jay Inslee (D-WA) on September 25, 2008. The bill was referred to the Committee on Judiciary, but was never considered.

H.R. 7084 is expected to be considered on the floor of the House on September 27, 2008.

SUMMARY

H.R. 7084 contains technical amendments to the Small Webcasting Settlement Act of 2002 (P.L. 107-321) which will permit commercial and noncommercial webcasters to negotiate royalty rates and terms other than those determined by the Copyright Royalty Board (CRB) in its May 2007 decision. That decision was the basis for legislation introduced last year and is currently subject to a legal challenge at the D.C. Circuit Court of Appeals, which has, thus far, upheld the market rates and terms set by the CRB.

BACKGROUND

The principal purpose of the legislation is to facilitate a reduction in Internet streaming rates, something H.R. 7084 will permit to be voluntarily negotiated by willing parties rather than imposed by Congress. Essentially, this bill will allow SoundExchange, the organization which collects royalties on behalf of the music industry, to reach a settlement with the Digital Media Association, the national trade organization for the online audio and video industries.

Webcasting refers to media files distributed over the Internet using streaming media technology. Many news organizations, including the BBC and CNN, have webcasting features. Additionally, popular Internet radio websites such as Pandora utilize webcasting technology to broadcast music.

The Copyright Royalty Board is a Library of Congress agency comprised of three Copyright Royalty Judges who determine rates and terms for copyright statutory licenses and make determinations on distribution of statutory license royalties collected by the United States Copyright Office.

COST

The Congressional Budget Office (CBO) has not produced a cost estimate for H.R. 7084 as of September 26, 2008.

STAFF CONTACT

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