

To: Public Radio System Leaders
From: Bruce Theriault
Senior Vice President, Radio
Corporation for Public Broadcasting
Date: January 13, 2009
Re: CPB-SoundExchange Agreement

Dear Colleagues;

We are pleased to announce that the cooperative efforts of the Corporation for Public Broadcasting, NPR, and the Station Resource Group have resulted in an agreement with SoundExchange (SX) that defines the terms, conditions, and costs for public broadcasters to provide (music) sound recordings over the Internet. This important and comprehensive agreement sets out fair and responsible terms for public radio entities that use sound recordings online.

As a team, CPB, NPR and SRG have crafted an agreement in partnership with SoundExchange which assures that the incredible variety of musicians and labels played on public radio station websites will receive the compensation to which they are entitled. The agreement also recognizes public radio's special public service mission and non-commercial nature.

CPB will make a single payment to cover qualified public radio stations and NPR, PRI, APM, and PRX for the entire term of the agreement (Jan. 1, 2005 through Dec. 31, 2010). Eligible stations or organizations that want to be covered by this agreement will be directed to a CPB designated website where they can review the agreement and, by affirmatively signing up and agreeing, secure the benefits and be covered under this agreement. Details on the website will be coming soon.

The agreement defines the type and format of the reports that public radio stations must provide to take advantage of the CPB-SX blanket agreement. To secure the benefits of this agreement, stations will have an obligation to provide quarterly data on usage of their Internet streams and accurate playlists of sound recordings played on their websites. These reports will supply SX with the information necessary to make payments to artists and labels. To assist stations in complying with SX reporting requirements, CPB is making an additional investment to establish an independent reporting support structure to help stations create and gather playlists and usage data, aggregate it and deliver it to SoundExchange. We will communicate details on this reporting assistance as soon as possible.

Throughout this process our work was greatly aided by the expertise and assistance of NPR and the Station Resource Group. Individually, I'd like to thank Dana Davis Rehm, Denise Leary and Mike Riksen at NPR, and Terry Clifford, Tom Thomas and John Crigler at SRG. I'd also like to thank Steve Altman and Jeff Luchsinger at CPB for their work on this agreement.

The attached Q &A should answer many of the questions you may have about the agreement. And, CPB will have more information about signing up and reporting support very soon.