



# Soundcheck

Volume VIII, Number 5

July/August 2008

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## Three to Get Ready

*A few words from Gary Churgin, HFA President & CEO*

With the Copyright Royalty Board hearing entering its final phase, I'm often asked how HFA is preparing to implement the decision of the Copyright Royalty Judges. While it's difficult to prepare for something that's still unknown, it's not impossible.

We understand the range of the various proposals. We are reviewing how we would implement each known proposal and report to our publishers appropriately. Of course, once the rates are announced in October and we finalize our system updates, we will let you know what changes are in store from a technology perspective, such as new fields in reports.

But there is work that the publishers can do now to make sure that their HFA-represented catalog is ready for these new rates, and specifically, for the payment of royalties on on-demand streams and limited downloads for the past seven years.

First, make sure that your catalog is properly registered with us and the ownership split information is current. You can do this online through POLI+, and request any changes using eSong.

Second, review your monthly HFA licensing reports, also available online, to see if there are any discrepancies for

covered services (aka subscription services). If you have songs that you believe should have been licensed, or that have incorrect information in the reports, let us know now, so we can pursue the licenses or correction before we start to collect and distribute royalties on incorrect information. Don't forget that digital format licenses don't require signature, so you do not receive individual copies of the license – the activity is only reflected in the report.

Finally, if for some reason you've done direct licenses with an online service, and are concerned about how you will administer it, know that HFA may be able to help you administer these licenses. Keep in mind that certain rate structures might also increase the complexity of conducting royalty examinations.

So don't delay - an investment of time now will help ensure that once we are finally able to pay subscription service royalties, you receive the proper amount due to your catalog and your songwriters.

A handwritten signature in dark ink, appearing to be 'G. Churgin', is written in a cursive style.

## **Recent HFA Press Releases**

### **HFA Catalog Crosses Two Million Song Mark**

*HFA Makes it Simple to Navigate Music Licensing Process*

HFA now represents over 2 million songs for licensing within the U.S. HFA licenses a variety of formats, including CDs, digital downloads, lyrics, tablature, ringtones and more. Cumulatively, HFA administers over 15.2 million licenses. Nearly 36,000 publisher catalogs are represented by HFA.

“Two million songs in the HFA catalog is an incredible milestone,” said Gary Churgin. “But what is really impressive is the data behind those songs: our knowledge of the various ownership splits, authorizations, licensing history, payment information, and other business rules as they apply to each composition. It’s this knowledge base, combined with HFA’s expertise and proprietary administration tools, which makes us such a valuable partner for both publishers and licensees.”

“With digital formats triggering an exponential increase in music licensing, the need for HFA’s services has never been greater,” said Michael Simon, SVP of Business Affairs, General Counsel and Chief Strategic Officer for HFA. “HFA manages the complex data related to the compositions it licenses, streamlining the licensing and royalty payment process. Customers and clients need only maintain their current information with HFA, rather than thousands of individual companies.”

Song data can have many components. One composition can have multiple writers and multiple publishers (termed “splits”). Each of those splits may have different licensing guidelines and instructions for royalty payment. Ownership shares in a song can change hands, requiring accurate documentation and maintenance of the new split structure to ensure the proper representation and royalty payment on past and future licenses. However, HFA has several easy to use licensing applications, including eMechanical and Songfile®, which seamlessly use this data to deliver mechanical licenses almost instantly.

#### ***HFA by the Numbers:***

- Almost 36,000 publishers
- Over 2 million unique songs in the catalog
- More than 15.2 million licenses under administration

## **HFA Adds License Reorder Option to Songfile® Online Mechanical Licensing Service**

*Over 500,000 Songfile Licenses Issued;  
New Option Speeds Transactions for Returning Customers*

HFA has added a “license reorder” capability to its popular Songfile online mechanical licensing service, available at [www.harryfox.com](http://www.harryfox.com). This new option comes just as Songfile has reached the 500,000 issued license milestone.

Songfile’s License Reorder option lets previous customers create a new license request from a prior license that was issued to them. This enables customers to quickly obtain licenses for additional copies of the same recording; to obtain licenses for the same recording but for a different format; or to build a new license request using those songs for a different recording (such as for a “greatest hits” or a live album).

“We want to make licensing as easy as possible. License reorder makes it even simpler for returning customers to obtain additional mechanical licenses through Songfile, as they do not need to re-enter all their previous information to request additional licenses for the same songs,” said Maurice Russell, VP of Licensing and Business Development, HFA. “We have already issued over half a million licenses through Songfile since its inception in 1999, which goes to show how these small, independent licensees collectively create an important community for music publishers.”

The License Reorder option is available in the “View My Licenses” area of a user’s Songfile account. They can select which license they wish to reorder by clicking the “reorder” button on the far right. The Songfile system will then verify HFA’s current representation of the song. Once the status is verified, the Songfile Cart appears. Users can then remove or add songs to the cart. When the customer is ready to check out, the fields will be auto-populated with the licensee and artist information from the original transaction, which can be edited as necessary.

### **What Publishers Need to Know About HFA’s Songfile:**

- Songfile licenses are at full statutory rate – 9.1¢ for songs five minutes or less
- HFA takes no commission on Songfile royalties – you receive 100%
- Licenses are paid in full at time of issue – no waiting for royalties
- Designed for the needs of the smaller-quantity licensee (2,500 units or less) – no need for you to handle the paperwork and processing of small payments
- You can even add text to your website to direct these users to Songfile – see [www.harryfox.com/hfalink](http://www.harryfox.com/hfalink).

## Updates to HFA Royalty Statements

In response to publisher requests, HFA is pleased to announce several updates to our online and paper copy royalty statements. These changes should not require technical changes to your system, but should improve the business review process of HFA royalty statements.

The following enhancements are effective for all payments processed after July 21, 2008:

1. The order of the supporting HFA Royalty Detail Statements is now the same as the order of the individual publisher statements listed on the check (or direct deposit) voucher. This should help you to match information more easily.
2. We have removed the Top Publisher Total line from the bottom of the last page of the Royalty Detail Statement. This line was causing confusion for publishers that have multiple payees.
3. The “Pub Page” count on the Royalty Detail Statement will restart for each HFA P# included in the statement; “Run Page” will track the total number of pages in the entire statement. This will also help to more easily find sub-publisher information within the statement.
4. If an adjustment was made to reported units based on additional information included in the same check statement, HFA will no longer include the “adjusted unit quantity” in the final unit total, eliminating the “double-counting” of these units. However, if the adjusted units are from a different source, these unit quantities will be included in the final unit total of the HFA Adjustments page so they are properly counted.

To further streamline your HFA royalty payments, we encourage you to sign up for Direct Deposit, if you have not already done so. With Direct Deposit, the funds for your royalty payments are submitted electronically to your bank. Within three business days, the money is in your account – usually well before the check would arrive in the mail – and immediately available to you (no waiting for the check to clear). You get paid faster, and there’s no risk of losing the check in transit or under a pile of papers – and you don’t have to make any more extra trips to the bank. If you have an HFA Online account, you can see the deposit information immediately through our Online Royalty Statements, so you know in advance that the money was transmitted. You will also get a notice of the deposit in the mail.

If you have any questions about consolidated payments, or would like to sign up for Direct Deposit, please contact your HFA Publisher Services agent, or use the main Publisher Services phone (212-834-0100) or email ([publisherservices@harryfox.com](mailto:publisherservices@harryfox.com)).

## HFA Royalty Compliance Examination Information Available on HFA Online

Publishers with HFA Online accounts can obtain information regarding HFA's Royalty Compliance Examination (RCE) schedule and distributions. RCE is the process by which HFA examines the books and records of licensees to evaluate the accuracy of royalty statements submitted and payments remitted by licensees, and enters into settlements for additional monies owed if applicable.

Once a publisher has logged in as a registered user at [www.harryfox.com](http://www.harryfox.com), the RCE information can be found under the Royalty Compliance tab at the upper right. There is a link to a list of current and pending examinations, as well as those that have been distributed or are pending distribution. Separately, this area of the site is also where you can find a list of manufacturers HFA is not currently licensing because of their failure to settle royalty compliance examinations.

To sign up for an HFA Online account, contact Publisher Services at 212-834-0100 or [publisherservices@harryfox.com](mailto:publisherservices@harryfox.com).

## Reminder: Bertelsmann Settlement Distribution

The Garden City Group, a class action settlement administrator, was appointed to act as the claims administrator for the settlement between the NMPA, Bertelsmann AG and Bertelsmann, Inc. relating to Bertelsmann's relationship with Napster in 2000-2001. HFA was not involved with the distribution of this settlement, so any inquiries relating to the administration of the settlement should be directed to the Garden City Group. We do understand that they began distributions for this settlement in May.

The Garden City Group has set up a special website [www.leibersettlement.com](http://www.leibersettlement.com) and a tollfree number, 1-800-918-1028. The email address is [LeiberSettlement@gardencitygroup.com](mailto:LeiberSettlement@gardencitygroup.com).

As stated in the settlement notice, Bertelsmann paid \$130 million, of which up to \$32 million will be applied to cover litigation expenses, including attorneys' fees. Settlement payments were calculated by multiplying the net settlement fund (after deducting litigation expenses, service payments and administrative costs as approved by the Court) by each participating class member's total percent market share of mechanical royalties received from U.S. distribution of recordings (physical and digital) during 2001 and 2002. If information regarding direct licensing arrangements was not submitted to The Garden City Group as described in the class notice, the distribution was calculated based on mechanical royalties received and distributed by HFA during this period.

## News from the U.S. Copyright Office

### **eCo - New Online Copyright Registration System**

The U.S. Copyright Office and Library of Congress just launched a new online feature to process copyright applications, eCo. eCO offers several advantages such as a lower filing fee of \$35 for a basic claim, faster processing time, earlier date of registration, and online status tracking. Works published in hard copies (such as CDs) may be registered via eCO but will still require submission of the material. eCO will actually create a shipping slip to be attached to your submission for better processing. Certain types of registration are not yet available in eCO, including renewals or corrections.

While copyright registration is not a condition of copyright protection in the U.S., it does provide several advantages. An infringement suit cannot be filed in the U.S. on an unregistered work, and depending on the date of registration and the alleged infringement, prior registration may allow the copyright owner to be awarded statutory damages should they win their case.

For more information on eCO, visit [www.copyright.gov](http://www.copyright.gov).

### **NMPA Updates**



During the June NMPA annual meeting in New York in June, the NMPA Songwriter Icon Award was presented to Amy Lee, co-founder and lead singer of the rock band Evanescence, pictured at left with NMPA President and CEO David Israelite.

The NMPA has named **Jay Rosenthal** as Senior Vice President and General Counsel. Rosenthal comes to the NMPA from the Washington, D.C. law firm of Berliner, Corcoran & Rowe, LLP. While at Berliner he was the General Counsel of the Recording Artists' Coalition (RAC), and represented other music industry organizations including SoundExchange, The Washington Area Music Association, and the American Federation of Television and Radio Artists (AFTRA). He has also represented numerous songwriters, publishers, recording artists, independent record labels, managers, radio personalities, and producers, including Thievery Corporation, ESL Records, Mya, Salt N Pepa, Sweet Honey in the Rock, Dr. Bernice Johnson-Reagon, Jonathan Edwards and Mary Chapin-Carpenter.

## Word on the Street . . . HFA Affiliate Publisher News

**Boosey & Hawkes** (B&H) has announced the signing of Chinese composer **Qigang Chen**. The new agreement covers Chen's future compositions, while his earlier works remain published by Billaudot. Chen will be the musical director for the opening ceremony of the Beijing 2008 Olympic Games, and future projects include an orchestral work for the Hong Kong Philharmonic and a second ballet.

*One More Step!*, the autobiography of song-and-dance man **Johnny Brandon**, is now available in the US. Born in London in 1924, Johnny Brandon was appearing in West End Shows in his early teens, and later penned hit songs for himself and others, starting with "Once Upon a Wintertime," recorded by Vera Lynn, and including Sarah Vaughan, Bill Haley and the Comets, Theresa Brewer and The Andrews Sisters. His many awards include an Ivor Novello Award Certificate of Honor. Brandon is based in New York and owns and operates the publishing company **Grenadier Music**.

**olè** has purchased the **Jody Williams Music** catalog, adding over 3,300 titles to its 35,000-song catalogue, including a trio of Top 10 hits from the #1 U.S. country music album *Taylor Swift*: "Tim McGraw," "Picture To Burn," and "Teardrops On My Guitar." Other notable titles include the 2005 *Billboard* Country Song of the Year "That's What I Love About Sunday," "Long Black Train," and "What If She's an Angel."

**olè** also announced the direct signing of a multi-year worldwide publishing deal with Juno-Award winner **Rupert Gayle**. Aside from receiving numerous SOCAN #1 Awards for the chart-toppers "Bad Boy" and "Does He Love Me" by Keshia Chanté, "Run" by Rex Goudie and "Talk To Me" by George, Gayle has been a staple contributor to the debut album released by almost every *Canadian Idol* winner since the program premiered five years ago.

**The Rodgers & Hammerstein Organization** announced that it has acquired the stock and

amateur rights to the hit Broadway musical [*title of show*] written by Jeff Bowen (music and lyrics) and Hunter Bell (book). In addition to licensing the musical through R&H Theatricals, the Organization will represent Bowen's score through its music publishing division, **Williamson Music**. Williamson Music is currently developing a song book that will reflect the latest incarnation of [*title of show*].

**Universal Music Publishing Group** (UMPG) has announced the signing of an exclusive worldwide publishing administration agreement with **Missy Elliott**, four-time GRAMMY® award winner and multi-platinum artist/hit-maker. Elliott's publishing catalog includes her #1 hits "Hot Boyz," "Work It," and "Gossip Folks," among many others.

*In Other News. . .*



The Sixth Annual **SOURCE Foundation Awards** dinner honoring outstanding women in the music business will be held on August 21 at the Musicians Hall of Fame in Nashville. This year's honorees are **Rose Drake, Helen Farmer, Reba Hancock, Lucy Coldsnow Smith, Hazel Smith** and **Virginia Team**. Reservations go on sale August 1 and seating is limited. Tickets are \$50.00 each and a check must be sent with the request. Send check to SOURCE Foundation Awards, Attn: Judy Wray, P O Box 331126, Nashville, TN 37203-7510.

*"Word on the Street" is taken from press release material.*

**“On the Road Again?”  
Make Sure Your Mail’s Not  
Marked “Return to Sender”**

On the move? Make sure HFA has your current contact information. You can obtain change of address information on our website at [www.harryfox.com](http://www.harryfox.com) or by contacting HFA Publisher Services at 212-834-0100.

The HFA website also has a list of publishers for whom we may be holding royalties due to the lack of a valid mailing address - see the “Help Us Find Publishers” link.

**Go Green! Get HFA  
Soundcheck by Email Only**

You can now opt to receive HFA Soundcheck by email only, instead of on paper. Email delivery gets Soundcheck to you faster, and helps us contain our costs for paper and postage. You will receive notification that a new issue is on the website, with a link.

If you would like to discontinue receiving the paper copy, please send an email to [Soundcheck@harryfox.com](mailto:Soundcheck@harryfox.com) and include your name and your company, and we will update your account.

If you have any comments regarding HFA Soundcheck, please contact Laurie Jakobsen at 212-834-0133 or Isabel Mayoral at 212-922-3290, or email [soundcheck@harryfox.com](mailto:soundcheck@harryfox.com).

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