

NEWSLETTER

An Entertainment Industry Organization



THIS IS NOT YOUR GRANDPARENTS' TV!

Ed Arrow

The President's Corner

Dan Butler

Our March meeting, "Return of the Foreign Sub-Publishers," hosted by past CCC President Teri Nelson Carpenter, gave our members a chance to hear about recent developments in the international music publishing world. Our large and diverse panel featured John Fogarty from the UK, Andy Budde from Germany, Pierangelo Mauri from Italy, Olivier Meulenyzer from France, Lars Wiggman from Scandinavia, Gino Oliveri from Canada, and Chris Gough from Australia/New Zealand. We learned how to maximize foreign income streams, avoid publishing pitfalls, and heard about the latest EU legislation impacting the music community. We also had the pleasure of hearing the always-candid John Fogarty rant and roll about the need for music publishers to fight for a bigger piece of the action in the new digital world order. Thanks to Teri for all her hard work in putting together such a super panel!

Tonight's panel, "TV or Not TV? `What' is the Question," hosted by past CCC President, Steve Winogradsky, promises to be an up-to-the-minute discussion of one of the hottest topics affecting our business. Our knowledgeable panelists are heavily involved in creating new delivery methods for audiovisual programming via the Internet, iPods and personal communication devices, and we look forward to their insight as to how these new forms of delivery will affect the way music is used and licensed in the future. Thanks to CCC Board Member Ed Arrow for writing the article relating to this month's panel. All the best!

Your grandparents might have watched TV in their family room on a 15 inch black and white TV with an ugly rabbit ear antenna sitting on top. Or maybe your grandparents were fortunate enough have one of those big old wooden RCA consoles complete with a 25 inch color TV and stereo phonograph sitting like a log in their living room. If they wanted to watch "Milton Berle," "I Love Lucy," "Bonanza," or "Ed Sullivan" they had to make sure to be home at the time of airing. If not, they missed the show and had to hear about it from others.

Even today, most of us still think of TV as something to watch in the privacy of our home or, for sports fans, in a bar. But that's all changing. Like music, TV is going mobile. Of course portable TV is nothing new. Decades ago, Japanese manufacturers introduced portable 5 inch - battery - operated TV's that came with retractable handles. Later Casio marketed hand held TV's with LCD screens. But these devices were just small TV's that received the same over the air signals that their larger counterparts received.

In the 1970's video cassette recorders became available to consumers as a mass market product. Suddenly people had the ability to record a show they would otherwise miss and watch it at a later date. The introduction of digital video recorders in the 1990's gave consumers even greater flexibility by allowing recording of up to 80 hours of programming which they could watch at a time of their

choosing.

The new TV is a convergence of mobility and storage. It is the ability to watch what you want, when you want, where you want. Go to Target. Buy the new iPod. It holds up to 150 hours of video - more than my TiVo box! Fire up your Internet browser and go to iTunes. In the store you'll find movie trailers, music videos, short films, and best of all, TV shows. "Lost," "The Office," "Desperate Housewives," and "South Park" among others. They'll cost you \$1.99 each. Expecting a long wait in your dentist's waiting room? No problem. Download the latest episode of "Scrubs" and watch it while you wait, commercial free!

TV shows are the fastest growing downloads on the Internet. Disney (owner of ABC) was the first to make a deal with iTunes to sell downloads of their TV shows. NBC Universal, Comedy Central, and MTV soon followed. Some networks are making downloads available through their own websites. Go to CBS's website and you can download episodes of Survivor onto your computer. It won't be long before libraries of off-the-air shows become available.

Even with this content now available from legitimate sources, piracy continues to be a problem. Software like BitTorrent makes it easy to find and download TV shows. Owners of TV shows are in the same position as owners of music. They have a new revenue source for their content, but at the same time, consumers have a new way to steal it.

As TV networks try to sell more downloads and prevent more piracy, they must also be concerned with li-

censing. Old licensing agreements do not address revenue shares derived from video downloads. Years ago union members were burned when the unions agreed to small profits from VHS videos, thinking they would never sell much. Now they must try to negotiate for a bigger piece of the download pie.

Music owners were burned in the same way by agreeing to video buy-outs (one time fixed fees) for sales of motion picture and TV show videos containing their music, rather than a

per unit royalty rate. Music owners must consider whether existing licenses cover digital download rights, and if future licenses should provide for an additional royalty for that right. Music owners will enjoy a public performance right as well. Whether or not you believe that a public performance occurs during the act of downloading a TV show, public performances clearly occur when the shows are viewed.

The good news is that the market for video downloads and on demand video is growing. Today the market is

TV shows. Eventually feature films will be widely available. This technology gives consumers unprecedented convenience when it comes to time, place, and manner of viewing. If enough consumers are willing to pay for that convenience, there will be a huge amount of money to be made by all. The bigger question is how will it be divided?

Yes, our grandparents lived in a simpler time, but wouldn't they have traded that for the chance to never miss an episode of "Gilligan's Island"?

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The applicant agrees to abide by the Charter and By-Laws of the CCC and pay the required membership fee. The annual membership fee is \$55.00 for an individual membership, or \$250.00 for a Corporate Membership. All memberships are renewable each July.

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| <input type="checkbox"/> Music Clearance | <input type="checkbox"/> Attorney |
| <input type="checkbox"/> Songwriter/Composer | <input type="checkbox"/> Accountant |
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