

Contents

Part I Economics of Music Copyright

1 Economics of Music Copyright: Income, Media, and Performances . . .	3
1.1 Introduction	3
1.2 Motivation for the Study	4
1.3 Economic Model of Performance Rights and Copyright Holders	6
1.4 Economic Characteristics of Music Production	9
1.5 Brief Overview of Performing Rights Organizations	14
1.6 Music Licensing	15
1.6.1 Performance Rights Licensing	18
1.6.2 Mechanical Rights Licensing	18
1.6.3 Synchronization Licensing	22
References	24
2 Economic Analysis of Music Copyright: Music Users	25
2.1 Introduction	25
2.2 Media Industry Advertising Revenue	25
2.3 Music Users: Radio, Broadcast, Cable Television, and Internet	28
2.3.1 Radio	28
2.3.2 Internet Radio	36
2.3.3 HD Radio	38
2.3.4 Satellite Radio	39
2.3.5 Radio Royalty Payments Controversy	41
2.4 Broadcast, Cable, and Satellite Television	46
2.5 Internet Media	48
2.6 General Licensing and Other Types of Music Users	50
2.7 Performance Census and Sample Surveys	51
2.8 Performances and Airplay	52
2.9 Selected Types of Performances and Airplay	54
2.10 Performances or Airplay Data Collection: Radio and Internet	55
2.11 Performances or Airplay Data Collection: Television	59

2.12	Computing Royalty Payments for Writers and Publishers	61
2.13	Foreign Royalties Collection	62
	References	64
3	Economic Analysis of Music Copyright: Music Publishers	65
3.1	Introduction	65
3.2	Structure of the Music Publishing Industry	68
3.3	Sources of Income for the Music Publisher	70
3.4	Restructuring and Bypassing the Record Label	70
	References	79
4	Economic Analysis of Music Copyright: Songwriters and Composers	81
4.1	Introduction	81
4.2	Impact of the Internet on Songwriting	82
4.3	Two Types of Songwriters and Composers	84
4.3.1	Non-performing Songwriter	84
4.3.2	Performing Songwriter	85
4.4	Division of Labor Among Composers, Songwriters, and Lyricists	86
4.5	Song Title Registration	88
4.6	Music Genre	90
	References	92
 Part II Econometric Analysis		
5	Theory Review	95
5.1	Introduction	95
5.2	Skew Distributions and Their Probability Density Functions	96
5.2.1	The Skew-Normal Distribution	96
5.2.2	The Skew- t Distribution	98
5.2.3	The Log-Skew-Normal Distribution	98
5.2.4	The Log-Skew- t Distribution	99
5.2.5	The Multivariate Skew-Normal Distribution	99
5.3	Model Specifications	100
5.4	Interpretation of Dummy Variables in Semi-logarithmic Equations	101
	References	102
6	Estimation of Skewness, Heavy Tails, and Music Success in a Performance Rights Organization	105
6.1	Introduction	105
6.2	Royalty Payments for Songwriters, Composers and, Publishers	107

6.3	Model Specification and Data Description	107
6.4	Estimation Results	108
6.5	Conclusion	117
	References	118
7	Economics of Songwriters' Performance Royalty Income: Tenure, Age, and Titles	121
7.1	Introduction	121
7.2	Profile of a Non-performing Songwriter	122
7.3	Model Specification and Data Description	127
7.4	Estimation Results	129
7.5	Conclusion	132
	References	134
8	Economics of Radio Blanket License: Format, Region, and Market Size	135
8.1	Introduction	135
8.2	Radio Blanket License	136
8.3	Survey of Radio Performances	137
8.4	Model Specification and Data Description	138
8.5	Estimation Results	140
8.6	Airplay Analysis	144
8.7	Conclusion	147
	References	148
9	Concluding Remarks	149
9.1	Music Users: Radio, Television, and Internet	149
9.2	Music Creators: Composers, Songwriters, and Music Publishers	150
9.3	Performance and Mechanical Royalty Income	153
9.4	Bypassing the PRO: Impact of Direct or Source Licensing	154
9.5	New Business Models	155
9.6	Legislation and Competing Agendas	155
9.7	Econometric Models	156
	References	158
	Appendix	159
	Author Index	169
	Subject Index	171