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iTunes icon
Apple

iTunes Safe, Royalty Rate Unchanged

The Copyright Royalty Board decided to keep royalty rates at 9.1 cents

It has been confirmed that the Copyright Royalty Board decided to keep royalty rates at 9.1 cents, in spite of music publishers demanding an extra 15 cents to be taxed per each downloaded track. Music publishers had drawn a beat on iTunes and RealNetworks' Rhapsody, while concerns of [iTunes shutting down](#) arose. As it turns out, iTunes going offline is not the case. Not that anyone had anything to worry about this being really the case, but when "Fortune" magazine reported that Apple had told the CRB that "it most likely" would shut down iTunes if forced to pay too high a royalty rate, it was bound to make the headlines. The story, however, did not hold water, for two reasons: 1 - Apple's statement to the CRB dates April 2007, and does not specifically say that the company would pull the plug on iTunes because of a few cents added per track (which the consumer would have paid anyway); 2 - too many Apple products and customers rely on the iTunes Store and the iTunes Media player. Music industry sources are now cited as saying that Apple's statement may have gone a long way trying to persuade the group representing music publishers not to boost rates. "Sure it was posturing," said CNet's source. "That's what you do in court. I don't think Apple would have gone out of business but a statement like that from the biggest music retailer is going to carry some weight." Hence, the site is reporting that while music publishers had sought a per-song rate boost from 9.1 cents to 15 cents (a 66 percent increase), the rate is now paid to music publishers by the record companies. The money is sucked from the 70 cents Apple pays them for every song it sells. While the ball is now in Apple's court, "it looks as if the company got what it wanted. In short, Apple won." the report reads. An Apple spokesman is cited as saying, "We're pleased with the CRB's decision to keep royalty rates stable."