

September 11, 2007

Mr. John Simson
Executive Director
SoundExchange
1121 Fourteenth Street, NW
Suite 700
Washington, DC 20005

Dear John:

I am writing to express extreme disappointment with SoundExchange's September 10 letter regarding the National Association of Broadcasters' (NAB) June 6 streaming proposal.

The NAB proposal was designed to resolve the very serious issue of the harmful Copyright Royalty Board (CRB) rate increases. Your letter comes over three months after our initial meeting, and the brief response mischaracterizes the offer made on June 6, indicating a lack of understanding with what we presented. NAB participants left the June 6 meeting with the feeling that you understood the proposal and that you would represent it to the SoundExchange board. Certainly, if asked, we would have promptly responded to any questions or need for clarification.

The detailed proposal presented to you and SoundExchange staff sought to achieve a number of important objectives, such as:

1. To encourage greater participation by radio stations in Internet streaming than would otherwise be possible under the misguided CRB rates;
2. To enable greater radio station streaming activity, allowing revenue to artists through SoundExchange to grow beyond that achievable under the CRB rates; and
3. To address ancillary aspects to streaming above and beyond the CRB decision that would be beneficial to musicians and SoundExchange.

Your letter suggests that a next step may be for NAB and SoundExchange to sit down at our earliest convenience. We have awaited that opportunity since June 6. NAB is happy to host any members of the SoundExchange board to ensure that our good faith proposal is fully understood and considered.

Sincerely,



David K. Rehr