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## Apple threatens iTunes closure

### Over increased royalty payments

by Amy-Mae Elliott published on 1 October 2008

Apple has threatened to close iTunes rather than pay out more in royalty costs, it has been revealed.

The US Copyright Board will rule this week on a decision to increase in the royalty on digital sales from 9 to 15 cents per track, as per the Music Publishers' Association's claim.

But, the head of Apple's Internet Services division, Eddy Cue, said Apple will not cover the extra 6 cents.

"The result would be to significantly increase the likelihood of the store operating at a financial loss - which is no alternative at all", he wrote to the Royalty board.

"Apple has repeatedly made clear that it is in this business to make money, and most likely would not continue to operate iTunes if it were no longer possible to do so profitably."

