



May 4, 2017

The Honorable Charles Grassley  
Chairman  
Senate Committee on the Judiciary  
224 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Robert Goodlatte  
Chairman  
House Committee on the Judiciary  
2138 Rayburn House Office building  
Washington, D.C. 20515

The Honorable Dianne Feinstein  
Ranking Member  
Senate Committee on the Judiciary  
152 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable John Conyers  
Ranking Member  
House Committee on the Judiciary  
B-336 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Grassley, Ranking Member Feinstein, Chairman Goodlatte and Ranking Member Conyers:

As members of the musicFIRST Coalition, we are writing to you on behalf of tens of thousands of music creators in the United States who deserve to be compensated fairly when their works are used by corporations to turn a profit. Our Coalition is heartened that, under your leadership, the U.S. Congress is poised to modernize the outdated copyright laws that currently govern music. The American music industry is vibrant, creative and innovative, and we welcome the chance to work with you to build a copyright system that matches it.

As you know, the music industry has changed dramatically over the last decade, first with the advent of iTunes followed by music streaming. Today, musicians and their recordings are discovered through social media, digital music services and a multitude of online entertainment and news platforms. The number of small, locally owned AM and FM radio stations that once existed have been subsumed by mega radio corporations. Industry consolidation has created a handful of radio behemoths, a trend that will worsen if the proposed merger between CBS, Corp. and Entercom is approved. This mega merger will create the second largest radio group by revenue—estimated at \$1.7 billion—with control of 244 stations, including stations in 23 of the 25 top markets.

The one thing that has not changed over the years is that, unlike every other platform that delivers music to fans, terrestrial radio never pays a cent to the musicians who perform the songs that radio broadcasts on the air. Radio benefits from a subsidy that no other platform enjoys, skewing the music ecosystem to favor the most profitable traditional radio stations that use the intellectual property of artists to reap billions in advertising revenue annually.

This dynamic must change. That is why our Coalition and our members stand united behind the Fair Play Fair Pay Act. Recently introduced by U.S. Representatives Jerrold Nadler (D-N.Y.) and Marsha Blackburn (R-Tenn.), the Fair Play Fair Pay Act bill corrects the unequal system by:

- **Establishing a performance right for AM/FM radio.** While online platforms like Spotify, Pandora and Apple Music pay performers and producers, the radio industry gets to play by a different set of rules, not paying performers at all. This system endorses unfair competition among platforms. And it is deeply unfair to all the performers – including the featured artists and the background musicians and vocalists who make great American recordings, and the businesses that support them – to allow one platform to build profitable businesses based on the free use of their work. Those who work should be paid, especially when others are making a profit from what they create.

Creating a terrestrial performance right will add much needed fairness to the system and ensure that featured artists and background musicians, vocalists and labels will receive royalties when their work is used by AM/FM radio. Royalties for small and local broadcasters would be capped at just \$500, meaning those that can afford to pay (i.e. Big Radio companies) will and others will be exempt.

- **Ending satellite radio's below-market royalty standard.** The legislation will level the playing field so that all types of radio pay the same fair market value for music.
- **Requiring royalties for pre-72 recordings.** Along with terrestrial radio, some digital services have decided that the law does not require them to pay for music recorded before February 15, 1972 (when federal copyright protection begins). Three courts have already rejected this view, finding that radio still must pay for this music under state law. The bill would resolve this dispute once and for all by requiring all radio services to pay for pre-72 music.

Not only is considering and adopting this legislation, or its elements, a matter of fairness, it is also stands to benefit the economy. The U.S. stands alongside just few other countries, including China, Iran and North Korea, in not recognizing a performance right for music creators. Because we lack this right, our economy misses out on bringing home more than \$200 million a year in performance royalties that are owed to American artists from the foreign radio stations that play their songs for profits overseas.

We respectfully ask that you take into account these factors as you seize the historic moment and prepare to address copyright reform. There is clear momentum for reaching a solution to the inequities that exist today by establishing a right to compensation for all music creators and technology-neutral rules for music services. Our organizations stand ready to serve as a resource to you and your staffs as you advance this important goal. Artists across the U.S. are counting on you to affirm that their work has value so they can earn a living doing what they love – creating music.

Thank you,



CC: Members of the U.S. Senate and House Committees on the Judiciary