



January 18, 2017

Dear Member of the 115<sup>th</sup> Congress,

On behalf of the thousands of American musicians, recording artists, managers, music businesses and performance rights advocates in every state who comprise the musicFIRST coalition, congratulations on being elected to serve your constituents in the 115<sup>th</sup> Congress.

musicFIRST pursues one goal – that market-based principles drive compensation for all artists and creators whenever and however their music is played. Since 2007, we have worked across party lines and in both chambers of Congress to strengthen and improve U.S. law to allow artists and musicians to seek fair market compensation for their work as exciting new technologies and opportunities emerge. We’ve made progress as, because of strong U.S. law, digital downloads and streaming services are launching new careers and opening new pathways for established artists. We’ve even seen a renaissance in vinyl as fans relish the authenticity of great music played through a classic medium.

But there are a number of areas where the law does NOT dictate market –based compensation for artists and creators. The 115<sup>th</sup> Congress has a unique opportunity to address these long-standing concerns with straightforward solutions.

First, terrestrial radio must join EVERY other platform that builds a business delivering copyrighted content and compensate artists for their music. Radio in the U.S. is a big business – 10 companies control 50% of the U.S. market, and long-gone are the days when radio helped “discover” performers. Only a small percentage of songs played on radio are new, and music fans overwhelmingly look to streaming and other platforms to discover music. The imaginary argument that radio “compensates” artists by promoting them in the era of social media, digital services and 24-hour entertainment news doesn’t hold up anymore. Big radio makes billions by playing (predominantly older) music, pure and simple. In any other market-based arrangement they would have to compensate the owner of that music at market rate. Congress can very easily fix this.

Big Radio is again this Congress asking Members to sign a House Resolution, supported by old facts and crony capitalist logic, stating that big corporate radio should never pay for its only input – music. We strongly urge you not to cosponsor this controversial resolution, the so-called “Local Radio Freedom Act.” It is seeking to tie the hands of the House Judiciary committee which has been working very hard to find consensus market-based solutions to this issue for several years.

Next, federal copyright law does not cover works made before February 15<sup>th</sup> 1972. It’s an inexplicable anomaly in federal law that even the Library of Congress can’t explain. So, most music from before 1972 is not compensated for when it is played on digital radio, satellite radio



and, obviously, terrestrial radio. Older artists have been forced to chase large, profitable music services across multiple state courts in lengthy and expensive litigation to pursue basic compensation for their valuable catalogs. Nearly every music service in the U.S. has discovered that this anomaly in U.S. law allows them to not pay for pre-72 music, so they don't. Simple legislation will address this.

Finally, we seek a simple and market-based rate standard for all music services. Digital services like Pandora use a market-based rate, satellite services like SiriusXM use a grandfathered below-market rate and, again, terrestrial radio plays music for free. We want every business that delivers music to consumers to thrive and grow, but they all should pay a market-based rate to the artists and creators that they depend on.

If you want to learn more, you can find all of the facts at [www.musicfirstcoalition.org/home](http://www.musicfirstcoalition.org/home) Chris Israel, Executive Director of the musicFIRST Coalition can also provide additional background and information.

Thank you for supporting music creators.

Sincerely,

