



February 23, 2015

Dear Senator:

I am writing to ask that you support property owners' rights to be compensated for the use of their property and to oppose the "Local Radio Freedom Act," a misnamed and misleading resolution intended to thwart an important debate over property rights.

In America, no business should be allowed to take another's product for its own use without asking, without compensation and without the property owners' right to decline, even if the business asserts that it is "doing the property owner a favor" by "promoting" the product to more people. Yet, this is exactly what broadcasters are doing to those who create and own sound recordings.

Here are the facts: the U.S. is the only developed country in the world that does not give creators and owners of sound recordings the right to be compensated when their music is played on broadcast AM/FM radio, placing us in the company of countries like Iran, China, and North Korea. Unlike songwriters and music publishers – who rightly do get paid by broadcasters – artists and recording owners never see a penny when broadcasters use their songs in their programming. The disparity makes no sense, and is further called into question by the fact that all other radio platforms in the U.S. marketplace – including satellite, cable, and Internet – do pay performers.

Understandably, broadcasters wish to hold on to their unique, and profitable, exemption that has provided them with a windfall for nearly a century. They are now using the "Local Radio Freedom Act" to suggest that a performance right will present a "severe economic hardship" to local radio stations. This fear-mongering could not be further from the truth. Performance right legislation has ensured that small broadcast stations would be protected. The intention is not to disadvantage broadcast radio; rather, it is to level the playing field for all radio platforms and to provide performers with appropriate compensation for the use of their music to attract advertisers for the profit of the radio station.

Of course, the "free publicity and promotion" that broadcasters assert is the same claim made by satellite, cable and Internet radio stations. So why is that broadcasters' primary justification for this unique exemption? Further, when has incidental promotion ever excused a business from paying for use of others' property? A movie certainly promotes the book upon which it is based, yet the creator must still be compensated. The "free publicity" by broadcasters that may or may not result in a sale is hardly a symbiotic relationship; it is more appropriately seen as free use of

our valuable works to build a thriving broadcast business – a \$16 *billion* business – and unfair competition against every other radio platform.

NAB is right: the U.S. has boasted the most prolific and innovative sound recording industry in the world. So why, then, is our government ignoring our country's artists and very economy by giving away the millions these songs are worth to foreign broadcasters? Only if we pay our own artists will overseas broadcasters fulfill their legal commitment to pay them. It's time to make that happen.

As we continue the discussion of a performance right, please remember that broadcast radio's exemption directly affects thousands of artists, performers, producers, recording owners, and others in the music industry. There is no place here for NAB's outrageous rhetoric or political stunts. This is not a new "tax." This is not a blind money grab. This is simple fairness that should have been in place a long time ago. This is about correcting the unimaginable and making sure we are compensated for the taking of our property.

The "Local Radio Freedom Act," is anachronistic, unfair, and anti-competitive legislation, and we respectfully ask that you refrain from signing on. Thank you very much for your consideration of this important issue and I would be happy to answer any questions you may have.

Sincerely,

A handwritten signature in dark ink, appearing to read 'C. Sherman', with a stylized flourish at the end.

Cary Sherman  
Chairman and CEO  
Recording Industry Association of America