

# THE NATIONAL OPERA CENTER AMERICA

## STATEMENT OF CONCERN FAIR COMPENSATION FOR MUSIC CREATORS

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### BACKGROUND

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House Judiciary Chairman Bob Goodlatte (R-VA) and Ranking Member Jerry Nadler (D-NY) have called on the committee to address music licensing during the 115<sup>th</sup> Congress. With laws that predate World War I, music licensing is woefully outdated and in need of modernization to reflect the digital era and to ensure that all music creators are paid fairly for their work.

For instance, although royalties are paid to songwriters and publishers whenever their work is used by terrestrial radio, this public performance right does not extend to the performers or the sound recording copyright owner. So, when you hear Whitney Houston singing "I Will Always Love You" on the radio, the songwriter, Dolly Parton, and her publisher are compensated appropriately, but Whitney Houston never received compensation for the performance. Neither do the studio musicians, backing vocalists, or the record label. In the U.S., AM/FM radio is the only medium that broadcasts music without compensating artists or labels for the performance.

And when it comes to songwriters, the digital era has left them in the dust. Songwriter rate standards remain firmly rooted in the Player Piano Era, with royalties having only increased a few pennies since 1909. Further, consent decrees issued by the Department of Justice in 1941 impact songwriters' ability to seek fair compensation in an open and free market.

### STATEMENT OF CONCERN

As congress considers modernizing music licensing laws, we urge Members of Congress to **not** support any policy that would deny music creators their right to earn fair compensation for their work. No legislation should be considered that devalues musical works, suppresses music creator's ability to earn royalties in the open market, and/or strips away their statutory rights.

Specifically, we ask Congress to **oppose** H. Con. Res. 13 and S. Con. Res. 6, the misleading "Local Radio Freedom Act" (LRFA), which puts members of Congress on the record against compensating performers for their work broadcasted on terrestrial radio. Despite its name, LRFA has little to do with local radio and more to do with ensuring that big radio broadcasters can continue to generate billions in annual revenues without compensating performers.

Performers are entitled to be compensated for their work. Such royalty payments are standard abroad, are not a form of taxation, and are not a financial burden on large broadcasters. And with an appropriate carve-out for non-commercial broadcasters, paying compensation to performers won't interfere with true local radio broadcasters such as college, community, and public stations.

We urge Members of Congress to stand with, not against, artists and creators. Congress should support legislative efforts to modernize music licensing that protect the rights of creators and have broad support from relevant stakeholders in the music and arts community.