



## **FAIR COMPENSATION FOR MUSIC CREATORS: SUPPORTING ALL ARTISTS' RIGHT TO EARN FAIR COMPENSATION FOR THEIR WORK**

### **ACTION NEEDED**

We urge Congress to:

- Support the establishment of a performance right for sound recordings broadcast by terrestrial (AM/FM) radio.
- Give music makers control of their own work and empower artists to seek fair compensation for their music.
- Oppose the misleading, anti-artist "Local Radio Freedom Act" (LRFA).

### **TALKING POINTS**

- Terrestrial radio (AM/FM stations) is the only industry in America that can take and use another's intellectual property without permission or compensation.
- AM/FM radio profits without paying a single cent to the musicians, vocalists, union performers, and recording artists whose works they exploit.
- The U.S. is the only developed nation that doesn't recognize a performance right, resulting in a loss of more than \$200 million annually in royalties earned by American performers whose work is broadcast internationally.
- The Local Radio Freedom Act (LRFA) puts members of Congress on the record against fairly compensating the many talented and hard-working artists and creators in their districts and against intellectual property.
- LRFA has little to do with local radio and more to do with ensuring that radio conglomerates can continue to generate billions in annual revenues without compensating performers.
- Many lawmakers, along with leaders in the music and arts community, support bipartisan and bicameral common-sense solutions that give creators control of their own work, while ensuring true community broadcasters can continue to thrive.

### **BACKGROUND**

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, musicians, or artists on the track. So, when you hear Whitney Houston's "I Will Always Love You" on the radio, songwriter Dolly Parton receives royalties, but the estate of Whitney Houston receives nothing. Neither do the studio musicians, backing vocalists, nor producers.

Such a discrepancy is unique to AM/FM radio in the U.S. Digital platforms such as satellite radio, cable subscriber channels, and internet radio — including digital broadcasts of FM stations — all pay royalties directly to performers (45 percent) and to the sound recording copyright owner (50 percent) via SoundExchange. Non-featured performers receive 5 percent of the royalties, via a royalty pool managed by the American Federation of Musicians and SAG-AFTRA.

Bipartisan and bicameral Congressional leaders have long championed the establishment of a terrestrial performance right and the fundamental principle that all artists should have the right to control their own work and seek fair compensation. In the 117th Congress, leaders in the music and arts communities will continue to advance fair and balanced solutions that promote artists' rights while truly protecting local and community broadcasters.