



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

February 9, 2018

Dear Members of the House Committee on the Judiciary:

On behalf of Americans for Tax Reform, **I write to express ATR's support for a suite of bills that significantly update copyright law to the benefit of America's creative community.** The Music Modernization Act of 2017, H. R. 4706; Compensating Legacy Artists for their Songs, Service and Important Contributions to Society (CLASSICS) Act, H.R. 330; and, the Allocation for Music Producers (AMP) Act, H.R. 881.

The **Music Modernization Act of 2017, H. R. 4706**, creates a single licensing entity for all digital compositions, rationalizing the digital music licensing process for both streaming entities and creators, so that distribution platforms can actually find the artists they want and need to compensate. It also raises the Copyright Royalty Board rate setting standard to one that will more clearly reflect rates that would likely result from an unencumbered market negotiation. Currently songwriter compensation from digital services is outrageously low.

Under current copyright law, pre-1972 sound recordings are not given federal copyright protection. The **CLASSICS Act, H.R. 3301**, creates protections for pre-1972 recordings by making unlicensed digital transmissions of these recordings illegal, and provides these recordings with the same licensing rules as later recordings. This brings parity for royalties for pre-1972 and later recordings.

The **AMP Act, H.R. 881**, creates a process by which producers and engineers receive compensation for their contributions in the creative process of a finalized sound recordings. The bills recognizes their efforts by codifying their right to receive royalties.

Digital creation and distribution of musical works have created a broader more inclusive musical ecosystem. The ability to create and disseminate musical works has never been easier than it is now through digital formats, and who knows what will come next. The world of 1s and 0s surpassed the protections of analog copyright law. These updates recognize those changes and update the compensation process in order to provide even more incentive and appreciation for the creative process.

Americans for Tax Reform asks that committee members vote favorably on these three bills to bring copyright law closer to the digital realities of music creation and distribution.

If you should have any questions or comments, please contact Katie McAuliffe by email, kmcauliffe@atr.org, or phone, 202-785-0266.

Onward,

Grover G. Norquist

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T:(202)785-0266

F:(202)785-0261

www.atr.org