

November 16, 11

The Honorable Patty Murray
448 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Jeb Hensarling
129 Cannon House Office Building
Washington, D.C. 20515

Dear Madame Chairwoman and Mr. Chairman:

As organizations concerned about the nation's fiscal health and devoted to advocating for the rights of music creators, we write to offer our views about how the Joint Select Committee on Deficit Reduction ("Joint Select Committee") can tackle the goals set by Congress for reducing our nation's deficit. We believe incentive spectrum auctions are essential to deficit reduction and the Federal Communications Commission ("FCC") should be given the expanded authority to conduct such auctions. We also urge the Committee to consider public policies that have given windfalls to the broadcasters in determining what portion of auction proceeds would be allocated to broadcasters.

We are advised that there has been considerable discussion about extending the Federal Communications Commission's existing authority to conduct auctions by allowing incentive spectrum auctions of television spectrum as a means of generating additional federal revenues (and as part of the Federal Communications Commission's National Broadband Plan). The FCC's National Broadband Plan has called for redesignating 40 percent of spectrum—120 MHz—currently licensed to television stations to be used for wireless broadband. The President has estimated that TV spectrum auctions will result in \$28 billion in proceeds and, after modernizing public safety networks, a net gain of \$18 billion.

We strongly support such auctions, not only for the sake of our economic recovery, but also as a means of encouraging the greater adoption of broadband and greater access to the Internet generally, particularly to exciting new digital platforms that fairly compensate artists. As you may be aware, we have advocated for basic economic and civil rights for musicians, including a performance right for musicians when their music is played on terrestrial radio.

Under current law, when a song is played on any other format -- including Internet radio -- performers are compensated. Because of special interest lobbying, terrestrial radio is the only format where performers are not compensated. At the same time, radio broadcasters profit from ad revenues generated from playing songs. We endorse measures that encourage broadband adoption because they grow the number of Internet users and, in turn, hasten the migration of music fans to cutting edge platforms that compensate artists.

The National Association of Broadcasters ("NAB") has lobbied against incentive auctions and has consistently advocated that any such auctions must reimburse stations for any business costs associated with compliance. Given the NAB opposition to radio broadcasters paying their fair share owed to artists for their work, it requires turning a blind eye to irony to embrace the NAB's position that they shouldn't pay their own business costs. It's like a bank robber complaining about his ATM fees.

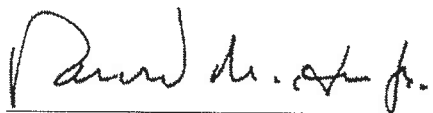
In considering these arguments, and the cost to the federal budget that would be incurred under the NAB proposal, the Joint Select Committee should consider the windfall the NAB has gained in the form of free use of public spectrum. It would seem to us that the NAB is not entitled to spectrum owned by the public, or costs associated with relinquishing it, and the federal government reclaiming

this spectrum for purposes of deficit reduction is the kind of shared sacrifice that is required in these difficult times.

Moreover, for years broadcasters have utilized the public airwaves free of charge to lobby for public policies that are in their personal pecuniary interest, while – at times – declining to even sell ads to opposing viewpoints. In doing so, they have saved millions of dollars in advertising and lobbying costs and scored legislative victories they would have been unable to with a level playing field.

Thank you for your consideration of these views and for your efforts to promote spectrum policies that promote greater benefits to the public and performers.

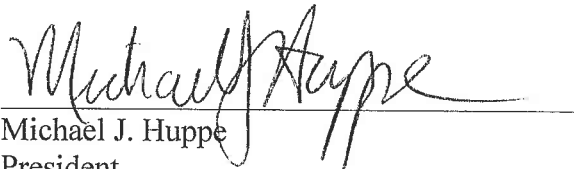
Sincerely,



Raymond M. Hair, Jr.
President
American Federation of Musicians



Neil R. Portnow
President/CEO
The Recording Academy



Michael J. Huppe
President
SoundExchange



Barry Bergman
President
Music Managers Forum

cc: Members, Joint Select Committee on Deficit Reduction

The Honorable Fred Upton, Chair, House Energy and Commerce Committee

The Honorable Henry A. Waxman, Ranking Member, House Energy and Commerce Committee