



THE RECORDING ACADEMY®

GRAMMYS ON THE HILL®  
ADVOCACY & INDUSTRY RELATIONS

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The Honorable Jason Chaffetz  
U.S. House of Representatives  
1032 Longworth HOB  
Washington, DC 20515

October 1, 2012

Dear Congressman Chaffetz:

On behalf of The Recording Academy, the trade association representing musicians, singers, songwriters and studio professionals, I am contacting you to express our strong opposition to H.R. 6480, the “Internet Radio Fairness Act,” which you introduced on September 21, and the companion bill introduced in the Senate by Senator Ron Wyden (S. 3609).

On September 25, in an interview discussing the bill with *Radio Ink*, you stated that “artists are thrilled about this and it would make a lot of sense for artists on all sides of the equation.” I assure you this is not the case. Unfortunately, for artists and the other individuals who create music, H.R. 6480 is more “chilling” than “thrilling.” In fact, the bill would only add insult to injury for music creators. The insult is that the bill claims to create fairness but fails to address the real inequity that while Internet radio services properly pay creators, terrestrial radio broadcasters pay nothing. The injury is that the bill would severely cut the royalties that digital music providers pay to creators to a below-market level, undermining their ability to make a living from their hard work.

Achieving royalty rate parity for all radio platforms is an important goal that requires Congress’ attention, but real parity must include two critical elements. First, real rate parity must include a royalty rate that reflects the fair market value of the music that radio services use to build their businesses, not pushing all services down to a standard that amounts to a government-mandated, below market subsidy. Second, real rate parity must close the loophole that allows broadcast radio to reap billions of dollars in advertising revenue without compensating the music creators they rely on. Radio broadcasters are the only business in America that can use another’s intellectual property without permission or compensation. Internet, satellite and cable radio all compensate performers. Fairness in radio will only be realized when Congress closes the terrestrial radio loophole.

I urge you to withdraw the “Internet Radio Fairness Act” and work with the artist community to craft a legislative solution that will provide genuine parity for everyone. We stand ready to work with you to provide the music creators’ viewpoint.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Friedman', with a long horizontal flourish extending to the right.

Daryl P. Friedman

Chief Advocacy & Industry Relations Officer  
The Recording Academy

cc:

U.S. House of Representatives

U.S. Senate