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February 1, 2022

Chairman Jerrold Nadler Ranking Member Jim Jordan House Judiciary Committee U.S. House of Representatives Washington, D.C. 20515

Dear Chairman Nadler and Ranking Member Jordan,

You will be holding a hearing on Wednesday, February 2, 2022, entitled "Respecting Artists with the American Music Fairness Act." On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I urge you to support the H.R. 4130, the American Music Fairness Act.

In April 2021, CCAGW joined with several organizations in sending a letter expressing our concern about proposals that would harm the intellectual property (IP) rights of the creative community. As noted in the letter, intellectual property rights are protected by the Constitution, which specifically delegates to Congress authority to protect creative works. Owners of IP should receive fair compensation for their work product. However, current law has created a disparate system for music royalty payments, giving terrestrial broadcast radio stations the right to broadcast these creative works without appropriate compensation, which is provided by similar services, including satellite radio and digital streaming services. As noted in the April 2021 letter, "when a given work is transmitted, common sense and basic fairness dictate that the medium of transmission should not affect the existence of these rights. Yet, under the current regime, a performer does not hold effective or enforceable rights to his or her product when it is distributed through terrestrial radio."

H.R. 4130 addresses these concerns by treating terrestrial broadcast the same as other transmissions, including satellite or digital streaming formats, while providing small terrestrial broadcast stations incremental financial adjustments for royalty payments based on the general revenues earned by the station's operator. This balanced approach to providing appropriate reimbursement for music played on terrestrial radio is long overdue.

Again, I urge you to support H.R. 4130, the American Music Fairness Act, which provides a fair solution to protecting the creative IP rights of music writers and performers whose works are played by terrestrial radio.

Sincerely,
Tom Schatz

CC: House Judiciary Committee Members