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Sent by Email :
gebre@soundcredit.com

Gebre Waddell
Chief Executive Officer
Sound Credit

Dear Gebre

Further to the congressional hearings tomorrow on the issue of performers and record companies having a right for payment if their recordings are played on terrestrial radio I have the following brief comments to make on the topic.

1. Commercial radio pays licence fees to record companies and performers in many countries around the world and it has not stopped commercial radio from operating or thriving.
2. Most businesses pay for the raw materials that go into creating their product and commercial radio should be no different. A significant proportion of the output of a commercial radio music station is made up of the playing of recordings with no payment being made to the record companies and performers that created and own that recording.
3. If a performer were to be paid for the use of their sound recording then that would benefit the performer at any point that the sound recording is broadcast during the life of the copyright in the sound recording and would pass onto his/her beneficiaries in the event of his/her death.
4. The making of payments, and the matching of recordings used to a database to identify the copyright owner and the performers on a recording is a very manageable piece of work. This is already conducted by SoundExchange in the US for various digital services and shows the work can be done.
5. US performers currently do not qualify for payment in many other countries around the world for broadcast (radio and TV) and public performance (bars, nightclubs, restaurants, shops, offices etc) licensing as the US does not protect performers resident in those countries when their recordings are broadcast in the US. So a change in licensing in the US would not only benefit US performers in respect of US radio but also would provide payments from many other countries around the world where this licensing is already taking place but US performers do not qualify due to the lack of reciprocal rights. Given the popularity of US recordings around the world this would result in a net inflow of money to the US music industry and economy.

I hope that this is of assistance. I would be very happy to assist further in the future if that would be of help given the importance of this issue to the recorded music industry.

Yours sincerely

Peter Leatham
PPL Chief Executive Officer