



The American Music Fairness Act

Substantive Highlights

Summary

US Representatives Ted Deutch (D-FL) and Darrell Issa (R-CA) are leading a bipartisan group of cosponsors to introduce the American Music Fairness Act, a bill to ensure that artists and music creators are fairly compensated when their songs are played on terrestrial radio stations.

The American Music Fairness Act will:

- **Ensure performers are compensated when their songs are played on terrestrial radio.** Terrestrial (AM/FM) radio stations do not pay artists for the music they play on the radio. This is because of an antiquated loophole that allows AM/FM radio stations to play music while only compensating the songwriter, not the artists who perform the songs. In 2019, music broadcasters made over \$10 billion by selling ad revenue, yet did not pay artists for the product – the music – that generates this revenue. ***The AMFA would require terrestrial radio stations to compensate all artists for their property.***
- **Treat competing music platforms the same.** AM/FM stations are the only media outlets that do not compensate artists for their music. It is long overdue for terrestrial radio stations to compensate artists for their music, just like streaming services, satellite radio, and every other platform that profits off copyrighted content. ***The AMFA would create a fair market value for music performance royalties by including terrestrial broadcasts in the existing Section 114(d)(1) of title 17 of the United States Code.***
- **Protect small, local broadcasters.** Consolidation in the music industry and the COVID-19 pandemic have impacted the true small and local radio stations that provide invaluable services to our communities. Small radio stations deserve to be treated differently than Big Radio. ***The AMFA would exempt radio stations that fall under a \$1.5 million in annual revenue AND whose parent companies make less than \$10 million in annual revenue overall. For less than \$2 per day (\$500 annually), small and local stations can play unlimited music.***
- **Exempts Qualified Public, college, and other noncommercial stations.** ***These stations would only pay \$100 a year.***
- **Exempt super small stations.** The smallest stations, those with revenue under \$100,000 annually, ***would only pay just \$10 a year.***
- **Support American artists abroad.** The terrestrial radio loophole harms American artists when foreign radio stations play their music overseas. The US is one of the only developed nations in the world that does not recognize a performance right for artists on terrestrial radio. Foreign countries routinely seize royalties that should go to US artists due to the lack of an American terrestrial performance copyright. This represents hundreds of millions of US dollars being left on the table around the world. ***The AMFA would ensure that foreign countries pay US artists when their songs are played overseas.***
- **Protects Songwriters and Publishers.** As with all previous versions of performance rights legislation, the bill ensures that there will be no harmful impact on the public performance rights and royalties payable to songwriters, musical work copyright owners, and publishers.

Conclusion

Fairness and equity are bedrock American principles. As the country recovers from a year and a half of tremendous personal loss and economic suffering, it is vital that Congress protect the livelihoods of those who create the music we know and love.