

Congressman Paul Hodes  
July 31, 2007 Hearing on Updating the Performance Right and  
Platform Parity in the 21st Century

Mr. Chairman and Members of the Subcommittee, thank you for inviting me to testify today at this hearing on Updating the Performance Right and Platform Parity in the 21st Century. I look forward to sharing my experience as an entertainment lawyer, proprietor of a small independent record label, a performer, producer, songwriter, publisher, member of the American Federation of Musicians, National Music Publishers Association, and American Society of Composer, Authors and Publishers, and former member of the New Hampshire State Council on the Arts.

Most recording artists are much like the other small business owners that drive our nation's economy. They have tight budgets and have to manage their income carefully to stay afloat. Unlike almost any other profession, artists must take advantage of every source of income available in order to stay in business. In addition to selling albums and performing at live concerts, this means collecting royalty payments when their songs are played on internet, cable, and satellite radio, and directed by current law. Because they don't receive any royalty payment when their songs are played on air radio, these small businessmen and women are missing out on a large source of capital that they deserve.

In my first term in Congress and as a Member of the House Committee of Oversight and Government Reform, I have had the opportunity to investigate a wide variety of sectors of federal policy that are outdated and in need of reform. I believe this sector is an area that needs new policy to meet the changing way people listen to music. In the last 15 years new platforms have emerged that helped small scale and independent artists reach new audiences in ways that were never before imagined. As these new formats grew, royalty rates were set that compensated the artists for the hard work and creativity they put into their work. However, terrestrial radio, a format which nearly half of all listeners still choose for their music, still pays no royalty to musicians.

Not only does this market structure give an unfair advantage to AM and FM radio over their competitors, it also discourages aspiring musicians from contributing to the creative economy that is a vital part of our society. Royalty payments are an issue of fairness for thousands of American performers. I look forward to discussing these issues with the members of the Subcommittee today.