

117TH CONGRESS
2^D SESSION

H. CON. RES. 102

Expressing the sense of Congress that it is the duty of the Federal Government to establish a new royalty program to provide income to featured and non-featured performing artists whose music or audio content is listened to on streaming music services, like Spotify.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 9, 2022

Ms. TLAIB (for herself and Mr. BOWMAN) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary

CONCURRENT RESOLUTION

Expressing the sense of Congress that it is the duty of the Federal Government to establish a new royalty program to provide income to featured and non-featured performing artists whose music or audio content is listened to on streaming music services, like Spotify.

Whereas streaming music services have become the dominant method of music consumption, and presently account for roughly 83 percent of total recorded music revenue in the United States;

Whereas providers of streaming music service, like Spotify, saw a 13.4-percent increase in revenues in 2020, bringing Spotify's streaming music service total revenue to \$10,100,000,000;

Whereas musicians have created the content responsible for these record valuations, but are only compensated on average \$0.007 per stream;

Whereas providers of streaming music service compensate featured artists at a significantly lower rate than traditional physical record sales;

Whereas non-featured artists are presently compensated for digital radio play but receive no compensation by providers of streaming music service for streaming plays;

Whereas the COVID–19 pandemic has significantly disrupted the live concert industry, thereby reducing alternative sources of non-royalty income for musicians;

Whereas, to the extent the rise of streaming music services has benefited musicians, it has done so in an unequal manner, with benefits accruing mostly to those with sufficient bargaining power to negotiate with large companies on an individual basis;

Whereas existing royalty and remuneration practices are insufficient to address and cover new modes of consumption and distribution of music, as well as properly reflect the value captured by streaming music services through data gathering and advertising sales;

Whereas ensuring that both featured and non-featured artists are adequately compensated for their work strengthens the creative economy and creates an environment within the United States wherein such artists feel respected;

Whereas the United States risks falling behind in investing in musicians within the United States compared to countries such as France and Canada, that have proposed new legislation in the past 4 years to address inequities in the music-streaming industry;

Whereas major record companies, like Universal Music Group and Sony Music, who license musical works to streaming music services simultaneously hold significant shareholder stakes in the underlying streaming audio service-providing companies, encouraging collusion at the expense of the musicians and performing artists themselves; and

Whereas copyright collectives like SoundExchange, which administer statutory licenses and collect and distribute royalties on behalf of featured and non-featured artists, and owners of copyrights in music recordings, are critical to the economic health of the music industry: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring), That is the sense of Congress that—*

3 (1) it is the duty of the Federal Government to
4 establish a new statutory royalty program—

5 (A) to provide musicians, whose recorded
6 work is listened to on streaming music services,
7 like Spotify, reasonable remuneration through a
8 royalty payment earned on a per-stream basis;

9 (B) to ensure streaming music services,
10 which have become the dominant method of
11 music consumption, compensate musicians at
12 fair rates that are not significantly lower than
13 rates earned on traditional physical record
14 sales;

15 (C) to avoid falling behind in investing in
16 musicians within the United States compared to

1 other countries that have already proposed leg-
2 islation to address inequalities in the music in-
3 dustry; and

4 (D) to promote an environment wherein
5 the musicians within the United States feel re-
6 spected; and

7 (2) the statutory royalty program should be—

8 (A) administered by SoundExchange and
9 the Copyright Royalty Board, who will together
10 calculate, collect, retain, and distribute the roy-
11 alty payments to all eligible musicians whose re-
12 corded work is listened to on streaming music
13 services in accordance with the standards and
14 guidelines established by the scheme; and

15 (B) funded by mandatory pro rata con-
16 tributions collected by SoundExchange from eli-
17 gible providers of music-streaming service, as
18 defined by the program, with the option for
19 SoundExchange to request additional direct
20 public funding as it deems to be necessary and
21 appropriate.

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