

**Congress of the United States**  
**Washington, DC 20515**

July 1, 2013

**See Pink Floyd's USA Today Op-Ed on Internet Radio Payments**

Dear Colleague:

As co-chairs of the Congressional Songwriters Caucus, we wanted to bring a USA Today op-ed by Pink Floyd, "Pandora's Internet Radio Royalty Ripoff," to your immediate attention. Pink Floyd doesn't pull any punches when it comes to exposing the so-called Internet Radio Fairness Act (IRFA) that was introduced last Congress.

They allege that Pandora tried to "trick artists into supporting this unfair cut in pay" while promoting IRFA. Their accusations are serious and the implication is that Pandora may have engaged in unfair and deceptive practices aimed at the creative community for profit.

Pink Floyd continued saying, "We've heard Pandora complain it pays too much in royalties to make a profit... But a business that exists to deliver music can't really complain that its biggest cost is music. You don't hear grocery stores complain they have to pay for the food they sell. Netflix pays more for movies than Pandora pays for music, but they aren't running to Congress for a bailout." It makes sense that one of Pandora's core input costs should be royalties paid to the creators of the music our constituents love to hear.

We also agree with Pink Floyd's analysis that, "Everyone deserves the right to be paid a fair market rate for their work, regardless of what their work entails. We're not saying that the music business is perfect or that there is no room to compromise. Artists would gladly work with Pandora to end AM/FM's radio exemption from paying any musician royalties – a loophole that hurts artists and digital radio alike." The idea that we have a subsidy for terrestrial broadcasters doesn't mean we should create another new subsidy for a newer entrant into the music distribution business. It means we should level the playing field in a way that recognizes private property is the bedrock foundation to the health and well-being of our economy.

We hope Pink Floyd's direction can help inform our policy decisions with respect to any potential copyright reforms Congress might consider in the near future. If you have any questions or if you'd like to learn more about upcoming activities with the Congressional Songwriters Caucus please reach out to Josh Lynch ([josh.lynch@mail.house.gov](mailto:josh.lynch@mail.house.gov)) in Rep. Marsha Blackburn's office and Ellen McLaren ([Ellen.McLaren@mail.house.gov](mailto:Ellen.McLaren@mail.house.gov)) in Rep. Ted Deutch's office.

Sincerely,



Marsha Blackburn  
Member of Congress



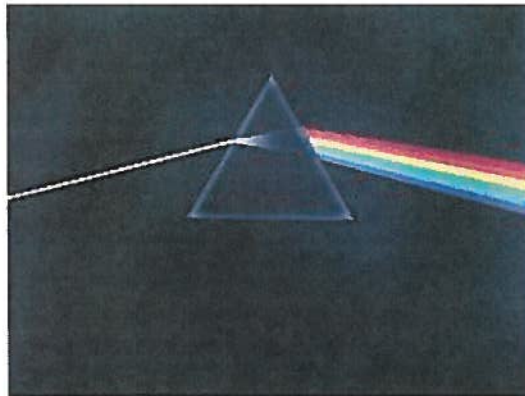
Ted Deutch  
Member of Congress

**USA Today**

## **Pink Floyd: Pandora's Internet radio royalty ripoff**

Roger Waters, David Gilmour and Nick Mason 4:26 p.m. EDT June 23, 2013

**Internet radio companies are trying to trick artists into supporting their own pay cut.**



*Shown is the cover the album The Dark Side of the Moon by Pink Floyd, (1973)(Photo: 2004 file photo)*

Great music can inspire deep emotions, and businesses have long sought to harness this power in order to make money. Nothing wrong with that – everyone deserves to make a living – but too often it leads to less than scrupulous behavior. The latest example is how Pandora is pushing for a special law in Congress to slash musicians' royalties – and the tactics they are using to trick artists into supporting this unfair cut in pay.

It's a matter of principle for us. We hope that many online and mobile music services can give fans and artists the music they want, when they want it, at price points that work. But those same services should fairly pay the artists and creators who make the music at the core of their businesses. For almost all working musicians, it's also a question of economic survival. Nearly 90% of the artists who get a check for digital play receive less than \$5,000 a year. They cannot afford the 85% pay cut Pandora asked Congress to impose on the music community.

Last year, we joined over 130 other bands and artists to oppose Pandora's campaign to cut the royalties paid for digital radio spins. Widespread artist opposition stopped them last year, so this year Pandora is trying to enlist artists support for their next attempt at passing this unfair legislation.

Musicians around the country are getting emails from Pandora – even directly from the company's charismatic founder Tim Westergren – asking them to "be part of a conversation" about the music business and sign a simple "letter of support" for Internet radio.

Sounds good. Who wouldn't want to be "part of a conversation"? Who doesn't support Internet radio? What scrooge would refuse to sign such a positive, pro-music statement?

Of course, this letter doesn't say anything about an 85% artist pay cut. That would probably turn off most musicians who might consider signing on. All it says about royalties is "We are all fervent advocates for the fair treatment of artists." And the only hint of Pandora's real agenda is the innocent sounding line "We are also fervent supporters of internet radio and want more than anything for it to grow." The petition doesn't mention that Pandora is pushing the growth of its business directly at the expense of artists' paychecks.

Fine print is one thing. But a musician could read this "letter of support" a dozen times and hold it up to a funhouse mirror for good measure without realizing she was signing a call to cut her own royalties to pad Pandora's bottom line.

We've heard Pandora complain it pays too much in royalties to make a profit. (Of course, we also watched Pandora raise \$235 million in its IPO and double its listeners in the last two years.) But a business that exists to deliver music can't really complain that its biggest cost is music. You don't hear grocery stores complain they have to pay for the food they sell. Netflix pays more for movies than Pandora pays for music, but they aren't running to Congress for a bailout. Everyone deserves the right to be paid a fair market rate for their work, regardless of what their work entails.

We're not saying that the music business is perfect or that there is no room to compromise. Artists would gladly work with Pandora to end AM/FM's radio exemption from paying any musician royalties – a loophole that hurts artists and digital radio alike.

Other changes and compromises may be possible as well. The open letter to Pandora that we signed last year said, "Lets work this out as partners" and that's what we should do. But tricking artists into signing a confusing petition without explaining what they are really being asked to support only poisons the well.

*Roger Waters, David Gilmour and Nick Mason are members of Pink Floyd which recently released the 40th anniversary edition of Dark Side of the Moon.*