

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

In the Matter Of	)	
	)	
2014 Quadrennial Regulatory Review –	)	MB Docket No. 14-50
Review of the Commission’s Broadcast	)	
Ownership Rules and Other Rules Adopted	)	
Pursuant to Section 202 of the	)	
Telecommunications Act of 1996	)	
	)	
2010 Quadrennial Regulatory Review –	)	MB Docket No. 09-182
Review of the Commission’s Broadcast	)	
Ownership Rules and Other Rules Adopted	)	
Pursuant to Section 202 of the	)	
Telecommunications Act of 1996	)	
	)	
Promoting Diversification of Ownership In the	)	MB Docket No. 07-294
Broadcasting Services	)	
	)	
Rules and Policies Concerning Attribution of	)	MB Docket No. 04-256
Joint Sales Agreements In Local Television	)	
Markets	)	

**Comments of the National Academy of Recording Arts & Sciences**

The National Academy of Recording Arts & Sciences (“The Recording Academy”) appreciates the opportunity to submit these reply comments to the Federal Communications Commission (“the Commission”) on behalf of the creative music professionals it represents. The Recording Academy is a trade association for music creators whose voting membership and board leadership consists of individual music professionals with creative and technical credits on commercially released recordings. Its members primarily fall into three categories: 1) the songwriters and composers who create the musical works, 2) the vocalists and musicians who perform the works, and 3) the producers and engineers who create the overall sound of the recordings. There are no company or institutional members. Accordingly, The Recording Academy is the only organization that advocates for all individual music creators: songwriters, performers, and studio professionals.

Specifically, The Recording Academy would like to respond to the comments submitted by the National Association of Broadcasters (“NAB”). In their comments, the NAB asks the Commission to change the local radio ownership rule in response to the changing marketplace for audio music services. In particular, the NAB asks the Commission to consider “the competitive impact of new platforms and services” such as Pandora Internet radio, SiriusXM satellite radio, and on-demand subscription music services such as Spotify. However, the NAB

neglects to disclose the significant competitive advantage it has over all of these competitors which greatly distorts this marketplace.

Every new digital audio music service that has emerged in the marketplace must compensate performers through a system of licenses. Some of these services rely on a statutory license and pay royalty fees according to a rate set by the Copyright Royalty Board. Other services negotiate directly with rights holders to acquire the licenses they use. But regardless of the method used to acquire the licenses, all of these services pay hundreds of millions of dollars annually in royalties to compensate artists and rights holders for the use of their sound recordings. AM/FM radio broadcasters have no such obligation. Because of a loophole in the federal copyright law, terrestrial radio broadcasters do not pay anything for the use of the sound recordings that fuel their billion-dollar businesses. As a result, radio broadcasters enjoy a tremendous financial advantage over their new competitors. This competitive edge is the equivalent of a financial windfall of savings that serves to preserve their market dominance and subsidizes their own new ventures into providing digital services. For broadcast radio to truly be on a level playing field with other music services, it must recognize a performance right for sound recordings and compensate artists and rights holders the same way every other such service does.

Respectfully submitted,

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