

Congress of the United States
Washington, D.C. 20515

September 22, 2020

The Honorable Robert E. Lighthizer
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Lighthizer:

As your negotiations on a United States-United Kingdom Trade Agreement progress, we urge you to make full national treatment for American music creators a priority. A U.S.-UK agreement presents an historic opportunity to stop the UK's practice of discriminating against U.S. performers by denying them the full protections available to UK performers under their laws. Your success in achieving this protection in the United States-Mexico-Canada Agreement (USMCA) and your persistence in confirming its implementation in Canada was welcome progress. Ensuring national treatment for American artists in the UK would both establish an expectation for future agreements and represent meaningful progress toward eliminating the more than \$330 million global shortfall in royalties imposed upon American music creators every year because of this discrimination.

We should expect all of America's trading partners to extend U.S. music creators the same rights and protections afforded to other music creators under their laws. Discrimination against U.S. performers in the UK is particularly troubling, however, given the significant income UK music creators receive as beneficiaries of the digital performance right under U.S. law.

In the U.S., all music creators, regardless of their nationality, are entitled to receive royalties paid for the use of a sound recording. While the scope of rights protecting the use of sound recordings in the U.S. is more limited than in most countries, the digital performance right in US law has been the largest single source of sound recording performance royalties in the world for many years. The result is that UK performers enjoy the same protections as American performers when their recordings are used by music platforms in the United States and are significant beneficiaries of U.S. royalty collections. In 2019 alone, SoundExchange paid \$37 million in U.S.-generated royalties to British artists and record labels, a sum so significant that it was noted as a highlight in the British collecting society's annual report. In return, however, U.S. artists and labels represented by SoundExchange received only \$1.3 million of the reported \$236 million in domestic royalty collections in the UK. Despite the British collecting society gathering royalties paid for both FM radio broadcasts and public performances (e.g., plays in bars, restaurants, and other public places) of American sound recordings, American artists never directly receive those royalties because of this unfair lack of national treatment.

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We urge you to insist that the UK eliminate this mistreatment of American performers. If the United States is going to continue to treat UK performers and record labels equally in the distribution of royalties from the United States, American performers should likewise expect equal treatment under UK law. We applaud the progress you made in USMCA to reduce the worldwide royalty deficit facing American music creators, and we urge you to vigorously pursue equal treatment for America's music creators as you negotiate the U.S.-UK free trade agreement and all future trade agreements.

Sincerely,



Judy Chu
Member of Congress



George Holding
Member of Congress



Linda T. Sánchez
Member of Congress



Ron Estes
Member of Congress

Nanette Diaz Barragán
Member of Congress

Daniel T. Kildee
Member of Congress

Don Beyer
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