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AFM and AFTRA Alert Members to SiriusXM's Anti-Artist Licensing Offer

Los Angeles and New York (October 27, 2011) --- The American Federation of Musicians (AFM) and the American Federation of Television and Radio Artists (AFTRA) alerted members of their respective unions about SiriusXM's "direct license" deal, which would set up independent labels to pay a performer's share to the copyright owner – the independent record label – rather than the performer.

Since the beginning of satellite radio, Sirius and XM broadcast music under the statutory license established by Congress, and pay the required royalties to SoundExchange. SoundExchange pays half of those royalties directly to artists (45%) and to the AFM/AFTRA Fund for distribution to session performers (5%) and half to the record labels. Artists – whether featured royalty artists or session singers or players – benefit from this system because performers get the 50% share Congress allocated to them directly and without recoupment. Artists and labels both benefit from SoundExchange's transparent operations, low administrative costs, vigorous efforts to set fair license rates for music, and responsiveness to artist and label concerns. SoundExchange is governed by a Board composed equally of label and artist representatives, including the unions.

SiriusXM is seeking to undo all that, and lower the rates for music on the backs of artists and musicians. "SiriusXM wants to bypass SoundExchange and pay the artists' and musicians' share to the label," explains AFM President Ray Hair. "That move would send all 100% of the license fee to the label, cutting direct payment to performers right out of the equation."

"The race by SiriusXM and independent record labels to grab performer copyright royalties hurts the music industry," continues Hair, "it erodes the value of music industry-wide, where no one — artists, musicians, or record companies—can earn a fair living creating and investing in the music everyone wants to hear."

AFTRA National Executive Director Kim Roberts Hedgpeth said, "This move is blatantly anti-artist and anti-musician. The statutory license established by Congress and the system administered by SoundExchange ensures transparency, efficiency, accountability – and most important – direct, non-recoupable payment to artists of their fair share of royalties for SiriusXM's use of their music."

Hair and Hedgpeth also called on members to "let your labels know that you believe they should support the long-term value of music by refusing the SiriusXM offer and insisting on the statutory license administered by SoundExchange."

For more information, visit the Web site at www.afm.org.

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