



The Ethiopian World Federation, Incorporated

Introduces The X Act

“The Earl Simmons Bill”

STATEMENT OF HISTORICAL STANDING AND LEGISLATIVE INTEREST

OF THE ETHIOPIAN WORLD FEDERATION, INCORPORATED (EWF)

Submitted for the Record in Support of

H.R. ___ — *The X Act*

(The Earl Simmons Bill)

I. ORGANIZATIONAL IDENTITY AND HISTORY

The **Ethiopian World Federation, Incorporated (EWF)** was founded in **1937 in New York, New York** as an International Federation dedicated to the protection, advancement, and preservation of the rights, dignity, labor, and cultural heritage of **Foundational Black Americans and the broader Global African Diaspora right after The Harlem Renaissance.**

EWF was subsequently incorporated in the United States as an “American organization structured to develop interest and pride in American institutions, to promote American principles and ideals and to further the ideals of The American Republic.”

The Federation operates as a transnational civil-society organization with humanitarian, cultural, and advocacy mandates, with activities conducted domestically and internationally.

EWF was established during a period of widespread global exploitation, colonial extraction and dispossession. Its foundational mission has consistently included opposition to systems that profit from human labor, creativity, and identity while denying corresponding protection, transparency, fairness, and equity.

Throughout its history, **EWF** has engaged in American civic advocacy, education, and peaceful intervention efforts addressing labor exploitation, cultural erasure, economic coercion and posthumous dispossession affecting artists, workers, families, and communities.

II. HISTORICAL MANDATE RELEVANT TO ARTIST PROTECTION

EWF's mandate has long encompassed the protection of cultural contributors, including artists, performers, and creators whose labor and intellectual property are frequently extracted without fair compensation, transparency, or long-term security.

Beginning in the early 20th century, during the Harlem Renaissance, Black Artists generated unprecedented cultural and commercial value while operating within recording and distribution systems controlled by a small number of corporate entities. Artists such as Duke Ellington and Bessie Smith were widely consumed and monetized, yet lacked ownership, transparency, and long-term financial participation in the value of their work.

The Federation recognizes that artists—particularly **Foundational Black American Artists**—have historically faced:

- Disproportionate economic exploitation
- Predatory contractual arrangements
- Lack of access to independent financial oversight
- Absence of meaningful health, wellness, and safety protections
- Posthumous manipulation or loss of control over cultural legacies

These conditions represent an early formation of the same structural imbalances. These patterns mirror broader historical systems of labor exploitation that EWF was founded to oppose and reform with **The X Act**.

III. LEGISLATIVE INTEREST IN THE X ACT

EWF submits this statement in support of **The X Act “The Earl Simmons Bill”** as a matter not only of artist protection, but of **urgent federal intervention into a highly concentrated and functionally monopolistic sector of interstate commerce**. EWF asserts that the modern American music industry is no longer operating as a competitive free market.

This concentration is not without historical precedent. During the Harlem Renaissance, recording, publishing, and distribution channels were similarly consolidated among a limited number of firms, resulting in widespread extraction of cultural value without corresponding ownership or control by artists, but rather as an **oligopolistic system** dominated by a small number of vertically integrated entities that:

EWF recognizes “**The Earl Simmons Bill**” as addressing long-standing structural harms, including:

- Control recording, publishing, distribution, and marketing pipelines
- Exercise gatekeeping power over access to audiences and revenue streams
- Impose standardized contractual frameworks with minimal room for negotiation
- Leverage informational asymmetry to perpetuate long-term artist dependency

This concentration of power has produced **systemic coercion disguised as contract**, undermining the foundational principles of fair competition, informed consent, and economic liberty.

- Accordingly, **The X Act** is not merely corrective legislation—it is a **market intervention necessary to restore constitutional commercial balance**.
- Hidden financial instruments, including undisclosed life insurance policies on artists, which commodify human life and create conflicts of interest
- Absence of fiduciary accountability in an industry exercising employer-like control while disclaiming employer responsibility
- Systemic neglect of artist health and safety, including mental health and substance-use intervention
- Posthumous exploitation and estate destabilization resulting in prolonged litigation, family displacement, and cultural distortion

IV. SYSTEMIC FAILURES, MONOPOLISTIC CONTROL, AND PREDATORY PRACTICES

The structural characteristics identified herein reflect longstanding patterns within the American music industry, including those documented during the Harlem Renaissance, where cultural production was decentralized among artists but economic control remained concentrated.

EWF submits that the modern music industry operates under a **dual structure of exploitation and concentration**, wherein:

1. **Market power is consolidated** among a limited number of corporate actors; and
2. **Risk is externalized onto artists**, who lack bargaining parity.

This structure has enabled practices that, taken together, resemble **coordinated market dominance** inconsistent with federal antitrust principles.

A. Monopolistic and Anti-Competitive Conditions

The industry exhibits the following characteristics of unlawful or harmful market concentration:

- **Oligopolistic control** over recording and distribution channels
- **Barriers to entry** for independent artists and labels
- **Cross-collateralization across subsidiaries**, obscuring true financial positions
- **Algorithmic and platform favoritism tied to label relationships**
- **Suppression of independent market alternatives through exclusive licensing structures**

These conditions effectively **limit artist mobility**, suppress price competition, and restrict innovation.

B. Predatory Contractual and Financial Practices

Within this concentrated system, artists are routinely subjected to:

- **Unconscionable royalty structures** disconnected from actual revenue generation
- **Perpetual or near-perpetual rights assignments** with limited or illusory reversion
- **Debt-based contracting models** designed to ensure indefinite recoupment status
- **360 agreements** that extract value from all income streams without proportional fiduciary obligation
- **Opaque accounting practices** that prevent meaningful audit or verification

These practices constitute **structural economic entrapment**, not arms-length negotiation.

C. Undisclosed Financial Instruments and Human Commodification

EWF further identifies the use of:

- **Undisclosed life insurance policies**
- **Financial instruments tied to artist mortality or incapacity**

as practices that introduce **perverse incentives** into contractual relationships, raising profound ethical and legal concerns.

Such arrangements may constitute **unjust enrichment, fraud by omission, or constructive coercion** where informed consent is absent.

D. Failure of Duty of Care and Human Safeguards

Entities exercising employer-like control over artists routinely fail to provide:

- Mental health intervention frameworks
- Substance-use prevention or treatment support
- Occupational safety standards consistent with known risk environments

This constitutes a **de facto labor relationship without corresponding legal responsibility**, creating foreseeable and preventable harm.

E. Posthumous Exploitation and Legacy Seizure

Following the death of artists—including Earl Simmons—the industry has demonstrated patterns of:

- Estate destabilization through litigation
- Continued exploitation of intellectual property without family control
- Brand manipulation inconsistent with the artist’s intent

This reflects a system in which **death does not terminate exploitation, but transforms it into a more legally shielded phase.**

EWF submits that the modern music industry has, for decades, operated under a structural imbalance in which record labels, management entities, and affiliated financial actors exercise employer-like control over artists while disclaiming corresponding employer responsibilities.

This imbalance has enabled systemic failures and **predatory practices** incompatible with American principles of fair dealing, transparency, and fiduciary accountability.

These practices include, but are not limited to:

- Predatory contracting practices, including unconscionable royalty rates, perpetual rights assignments, and restrictive reversion terms
- Predatory financial practices, including opaque accounting, delayed royalty reporting, and debt-loading that renders artists perpetually unrecouped
- Predatory 360-degree agreements extracting non-recording income without proportional investment
- Undisclosed insurance instruments obtained without informed and revocable consent
- Conflicted management and advisory relationships involving undisclosed incentives
- Neglectful working conditions that disregard known medical or psychological risks
- Undisclosed promotional payments, including payola and pay-for-play arrangements, which distort market competition, artificially influence audience exposure, and reinforce the dominance of incumbent industry actors
- Posthumous predatory practices stripping families and beneficiaries of legacy control

While these failures have had a **disproportionate impact on Foundational Black Americans**, EWF emphasizes that such practices affect artists across racial, ethnic, gender, and national lines.

F. Historical Precedent of Cultural Market Extraction

EWF submits that the structural conditions described herein are not novel developments, but rather the continuation of longstanding patterns within the American cultural and entertainment economy.

During the **Harlem Renaissance**, Black artists, musicians, and cultural contributors generated substantial artistic and commercial value within the United States, fundamentally shaping modern American music, performance, and cultural identity. Notwithstanding this contribution, the economic infrastructure through which such works were recorded, distributed, and monetized remained concentrated among a limited number of corporate entities.

Artists of this period—including, but not limited to, **Duke Ellington and Bessie Smith**—operated within systems in which ownership of master recordings, publishing rights, and distribution channels was largely inaccessible to the creators themselves. Compensation structures were frequently fixed, opaque, or otherwise disconnected from the long-term commercial performance of the works produced.

Efforts to establish independent and artist-controlled economic infrastructure, including early Black-owned recording enterprises such as **Black Swan Records**, encountered significant structural barriers, including limited access to capital, restricted distribution networks, and exclusion from dominant market channels. These constraints materially impaired the ability of such entities to compete on equitable terms within the broader marketplace.

EWF asserts that these historical conditions constitute an early and well-documented example of cultural production occurring within a framework of concentrated economic control, in which creative labor was decentralized among artists while ownership, distribution, and financial participation remained centralized.

The contemporary music industry reflects materially similar structural characteristics, including vertical integration across recording, publishing, and distribution functions; consolidation of market power among a limited number of dominant firms; and the persistence of contractual and financial arrangements that limit artist autonomy and long-term economic participation.

Accordingly, the conditions addressed by **The X Act** represent not an isolated or emergent market irregularity, but the continuation of a historically rooted pattern of cultural extraction and economic concentration. The failure to address such conditions at earlier stages of industry development has contributed directly to the entrenchment of the present system.

While the mechanisms have evolved, including the emergence of payola and promotional manipulation in later decades, such practices represent a continuation of the same underlying dynamic: the artificial control of cultural visibility through concentrated economic power.

EWF therefore submits that effective legislative intervention must account for this historical continuity and seek not only to remedy present harms, but to correct structural deficiencies that have persisted across multiple generations of American cultural production.

V. HISTORICAL SIGNIFICANCE OF EARL SIMMONS (DMX)

EWF recognizes the late **Earl Simmons (DMX)** as emblematic of systemic industry failure rather than individual moral deficiency. Public records and litigation history document repeated failures of contractual transparency, financial stewardship and well-deserved protections, including assurance and insurance by entities that materially benefited from his labor.

Such practices function as covert market allocation mechanisms, privileging affiliated or well-capitalized entities while suppressing independent competition.

Honoring Mr. Simmons through enforceable federal protections aligns with **EWF's** historic role in elevating individual cases to expose systemic injustice.

VI. ROLE OF EWF WITH RESPECT TO THIS LEGISLATION

EWF does not seek regulatory authority, financial benefit, or enforcement power under this Act.

EWF's role is limited to:

- Providing historical and civil-society perspective
- Supporting artist education and family advocacy
- Assisting in cultural preservation and FBA legacy stewardship
- Collaborating with lawful oversight mechanisms as permitted

VII. CONSTITUTIONAL AND PUBLIC INTEREST BASIS

EWF affirms that Congress has authority under the **Commerce Clause** and consumer protection powers to regulate:

- Interstate entertainment commerce

- Insurance practices affecting artists
- Unfair or deceptive trade practices
- Labor conditions with foreseeable public harm

VIII. CONCLUSION

The Ethiopian World Federation, Incorporated submits this statement to affirm its historical standing, moral interest, and principled support for **The X Act**.

This legislation represents a necessary correction to decades of unchecked exploitation and aligns with **EWF's** founding purpose: to protect human dignity, cultural legacy, and economic justice against systems that profit without accountability.

IX — ANTITRUST AND MARKET RESTORATION MANDATE

EWF further identifies the persistence of undisclosed promotional payment practices, commonly referred to as “payola,” including indirect or third-party compensation arrangements designed to secure airplay, playlist placement, or algorithmic promotion without transparent disclosure.

Such practices obscure the true basis of market visibility and may constitute deceptive or unfair trade practices where audiences are not informed of paid influence.

A. Expanded Definition of Anticompetitive Harm

For purposes of enforcement under **The X Act**, anticompetitive conduct shall include not only price effects and consumer harm, but also:

- Structural conditions in which:
 - Cultural or creative labor is broadly distributed among independent creators; and
 - Ownership, monetization, or distribution rights are concentrated among a limited number of entities
- Practices that result in:
 - Systematic suppression of artist ownership rights
 - Long-term exclusion from meaningful participation in downstream revenues
 - Dependency through contract structures that inhibit market mobility

Such conditions, as historically evidenced in Section IV(F), shall be considered indicia of market failure and subject to regulatory intervention.

B. Structural Transparency and Disclosure Requirements

The Act shall require all covered entities engaged in recording, publishing, distribution, or artist management to:

- Disclose:
 - Corporate ownership structures and affiliated entities
 - Cross-collateralization practices across subsidiaries
 - Revenue allocation methodologies across recording, publishing, and licensing streams
- Provide:
 - Standardized, federally reviewable contract summaries
 - Clear statements of artist rights, obligations, and reversion conditions

Failure to provide such disclosures shall constitute an unfair or deceptive practice under federal law.

C. Artist Mobility and Market Access Protections

In recognition of historically persistent restrictions on artist autonomy:

- Contracts shall include:
 - Defined maximum term limits
 - Enforceable rights of reversion within a reasonable statutory period
 - Provisions preventing perpetual or functionally perpetual control
- Any contractual structure that:
 - Produces indefinite recoupment status; or
 - Materially prevents an artist from entering alternative market arrangements shall be subject to review and potential invalidation.

D. Regulation of Vertical Integration and Preferential Treatment

The X Act shall require federal regulators to investigate and, where necessary, prohibit:

Preferential treatment in:

- Algorithmic promotion
- Playlist inclusion
- Platform visibility

Where such treatment is tied to:

- Ownership relationships
- Licensing exclusivity
- Affiliation with dominant market actors

These practices shall be evaluated in light of historical patterns of distribution control described in Section IV(F).

E. Anti-Consolidation and Market Share Review

Federal agencies shall:

- Conduct periodic review of market concentration within:
 - Recorded music
 - Publishing
 - Digital distribution
- Establish thresholds at which:
 - Mergers, acquisitions, or exclusive licensing agreements trigger automatic review

Any transaction that materially increases concentration in a manner consistent with historically documented patterns of control shall be presumed to raise antitrust concerns.

F. Independent Audit and Enforcement Mechanisms

The X Act shall:

- Guarantee artists the right to:
 - Independent financial audit
 - Timely access to royalty and accounting data
- Authorize:
 - Civil enforcement actions by federal agencies
 - Private rights of action for materially harmed artists
- Empower regulators to:
 - Impose penalties
 - Mandate restitution
 - Require structural remedies, including divestiture where appropriate

G. Legislative Intent and Historical Continuity

Congress affirms that:

- The failure to address the structural imbalances identified during earlier periods of American cultural production, including those described in Section IV(F), has contributed to the consolidation and practices observed in the present-day music industry
- The purpose of **The X Act** is not solely remedial, but structural:
 - To restore competitive balance
 - To ensure equitable participation in cultural markets
 - To prevent the recurrence of historically documented patterns of economic extraction

Congress has previously acknowledged the cultural significance of movements such as the Harlem Renaissance, yet has not addressed the economic and market structures that enabled the extraction of value from those cultural contributions without equitable participation by the creators. The persistence of these conditions into the modern era necessitates direct statutory intervention.

EWf respectfully urges Congress to interpret and advance **The X Act** in alignment with existing federal antitrust frameworks, including principles embodied in:

- The Sherman Antitrust Act
- The Clayton Act
- The Federal Trade Commission Act

In doing so, Congress must recognize, as set forth in Section IV(F), that the present structure of the music and entertainment industry reflects a historically continuous pattern of concentrated economic control over decentralized cultural production, originating at least as early as the Harlem Renaissance and persisting into the modern era.

EWf respectfully urges Congress to interpret and advance **The X Act** in alignment with existing federal antitrust frameworks, including principles embodied in:

- The Sherman Antitrust Act
- The Clayton Act
- The Federal Trade Commission Act

The X Act should explicitly:

- **Prohibit anti-competitive consolidation practices** within music and entertainment sectors

- Mandate **structural transparency across affiliated corporate entities**
- Require **standardized, federally reviewable contract disclosures**
- Enable **independent audit rights enforceable by law**
- Establish **artist mobility protections**, including reasonable contract exit mechanisms
- Investigate and regulate **exclusive distribution and algorithmic favoritism practices**

Absent such provisions, the industry will continue to operate as a **closed economic system with monopolistic characteristics**.

X. CONCLUSION

The Ethiopian World Federation, Incorporated submits that the conditions documented herein reflect:

- A breakdown in competitive integrity
- A normalization of exploitative contracting
- A systemic imbalance of power incompatible with democratic economic principles

This legislation represents an opportunity for Congress to:

- Reassert regulatory authority over a concentrated industry
- Protect human capital from financial extraction without accountability
- Restore equilibrium between creators and corporate actors

EWF affirms that failure to act will allow the continued operation of a system in which:

Creativity is commodified, control is centralized and accountability is absent.

by The International Executive Council and

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