Future of Music Coalition

1325 13th Street NW, Suite 900 South, Washington, DC 20005 202.661.2065 202.518.4117

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The Future of Music Coalition (FMC) supports the Recording Artist Coalition (RAC) and AFTRA who are calling for the repeal of the 1987 amendment to Labor Code Section 2855 which singled out recording artists to be treated differently than all other persons rendering personal services in the state of California. The amendment plainly discriminates against those artists and subjects them to be bound to contracts for periods that could be substantially in excess of seven years. It should be repealed.

Any serious examination of the labor and contract practices must consider the fact that the music industry in America is fundamentally broken. In 1999, less than 1 percent of the total number of albums released sold more than 10,000 copies.2 Commercial radio airplay is often sold to the highest bidder through a shadowy network of "independent radio promoters,"3 while attempts to create new non-commercial Low Power FM stations have been gutted by Congress.4 The dreams of stardom chased by many are met head on with the sad reality that an estimated 75 percent of releases from major labels are not even currently in print, leaving artists with a huge debt to the record companies that they have no means to pay back.

The mechanism that props up and establishes the legal framework of this failed model is the standard industry contract. Attached you will find the FMC's working critique of several of the standard major label industry clauses. While we are not arguing that these contractual clauses are illegal or should be necessarily be legislated as such, we are submitting this critique here as a means to shed light on the major label working environment which leaves an estimated 99.6 percent of artists in debt to their record labels. Repealing the 1987 amendment to Labor Code Section 2855 would give many of these artists a chance to move past these imbalanced deals and to bring the value of their artist labor back into the marketplace.

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2 David Segal, "They Sell Songs the Whole World Sings: Mass Merchants Offer Convenience, Less Choice," *Washington Post*, February 21, 2001, Page A1.

3 Eric Boehlert "Pay for Play," *Salon*, March 14, 2001.

4 Stephen Labaton, "Congress Curtails a Plan for Low-Power Radio Stations," *New York Times*, December 19, 2000, A1.

Who We Are

The Future of Music Coalition is a not-for-profit collaboration between leading independent musicians and experts from the worlds of technology, public policy and intellectual property law. The FMC seeks to educate the media, policymakers, and the public about music / technology issues, while also bringing together key stakeholders in an effort to come up with creative solutions to some of the challenges in this space. The FMC also aims to identify and promote innovative business models that will help independent musicians and the public benefit from new technologies.

We firmly believe that the music industry as it exists today is, at a very basic level, anti-artist, and that any serious examination of a digital future must take into account the structures in place in our analog present. While the final solutions to the challenges in this space will be driven in many ways by technology and the market, there are a number of critical policy decisions in front of Congress that could make a significant difference in the lives of artists. The Future of Music Coalition remains eager to work with any organization that shares our concern for improving the conditions for artists in these exciting times.

Sincerely,

Jenny Toomey

Jennifer Toomey

Executive Director
Future of Music Coalition