

What is the RIAA?

RIAA stands for Recording Industry Association of America. They are a trade association and lobbying company representing foreign media conglomerates (SONY, Bertlesman, Vivendi, EMI and others), who control 80% of the world's record sales, and have banded together to lobby for amendments to United States copyright laws. The RIAA claims that Internet file sharing is reducing CD sales and taking money away from artists. Currently, the RIAA is making news for suing peer-to-peer file sharers (specifically targeting college students and teenagers) who distribute RIAA controlled music.

What is Boycott-RIAA.com?

Boycott-RIAA was founded because we love music. More and more the RIAA and the major labels have attempted to lock up our culture and heritage through extensive lobbying, outrageous campaign donations, misleading our political leaders, and lying to the public, while misrepresenting the facts. Changing copyright law is not a solution for poor management. Copy protected CDs lock up the music forever, even when the work in question returns to public domain. This was not part of the copyright bargain our forefathers struck, nor was it ever intended to provide income for the heirs of the copyright holder. It is our intention to make the public, and our leaders aware of the implications and long term consequences to our culture of bowing to every demand the recording industry presents to our congress. It is our intent to continue to unspin the spin and to represent the consumer and independent artists positions on the battlefield that copyright has become.

Facts

- In 1999 music sales were up 11% not down. In the first quarter of 2000 music sales are up 8% over last year. *Testimony of Hank Barry CEO Napster Inc. Before the Senate Judiciary Committee. Based on an RIAA survey.*
- CD prices have risen from \$12.75 in 1996 (RIAA) to \$17.99 in 2001 (*Boycott-RIAA*) representing an increase of 41% in 5 years.
- 85% of all music is released by 5 major labels (Sony, EMI, UMG, Time Warner, & BMG) *Federal Trade Commission (FTC Statement)*
- Every Music CDR since the AHRA was enacted has a hidden tax built into the price! (2% of the manufacturers sales) This is supposedly to pay the artists for home recording. Who Collects the Tax? The RIAA under the auspices of the AARC, who shares office space with the RIAA and has many of the RIAA employees working for it. 4% is set aside for non-featured artists, of the remainder 40% for the featured artist and 60% for the labels. To date Boycott-RIAA has not found one artist who has received one cent of this money. (*Source: RIAA website*) In addition every CD recorder has a \$2.00 surcharge built into the price that goes directly to the RIAA
- At any given point about 20% of the music ever recorded is available legally. The rest is locked away by the labels depriving the creators of a potential source of income, the fans of the music they want, while creating a false market for the band "d'jour."
- There are currently 60 million file sharers in the US. The RIAA is threatening all of them.

Right: Calculation of an artist's royalties.

Source: Steve Albini

(producer of Nirvana's "In Utero)

<http://www.negativland.com/albini.html>

Royalties

The RIAA says it is protecting artist's rights. A quick breakdown of a typical band's royalties calculation shows the opposite is true (income in bold, expenses in plain text).

| | |
|---|-----------------------------------|
| Advance: | \$250,000 |
| Manager's cut: | \$37,500 |
| Legal fees: | \$10,000 |
| Recording Budget: | \$150,000 |
| Producer's advance: | \$50,000 |
| Studio fee: | \$52,500 |
| Drum Amp, Mic and Phase "Doctors": | \$3,000 |
| Recording tape: | \$8,000 |
| Equipment rental: | \$5,000 |
| Cartage and Transportation: | \$5,000 |
| Lodgings while in studio: | \$10,000 |
| Catering: | \$3,000 |
| Mastering: | \$10,000 |
| Tape copies, reference CDs, shipping tapes, misc. expenses: | \$2,000 |
| Video budget: | \$30,000 |
| Cameras: | \$8,000 |
| Crew: | \$5,000 |
| Processing and transfers: | \$3,000 |
| Off-line: | \$2,000 |
| On-line editing: | \$3,000 |
| Catering: | \$1,000 |
| Stage and construction: | \$3,000 |
| Copies, couriers, transportation: | \$2,000 |
| Director's fee: | \$3,000 |
| Album Artwork: | \$5,000 |
| Promotional photo shoot and duplication: | \$2,000 |
| Band fund: | \$15,000 |
| New fancy professional drum kit: | \$5,000 |
| New fancy professional guitars [2]: | \$3,000 |
| New fancy professional guitar amp rigs [2]: | \$4,000 |
| New fancy potato-shaped bass guitar: | \$1,000 |
| New fancy rack of lights bass amp: | \$1,000 |
| Rehearsal space rental: | \$500 |
| Big blowout party for their friends: | \$500 |
| Tour expense [5 weeks]: | \$50,875 |
| Bus: | \$25,000 |
| Crew [3]: | \$7,500 |
| Food and per diems: | \$7,875 |
| Fuel: | \$3,000 |
| Consumable supplies: | \$3,500 |
| Wardrobe: | \$1,000 |
| Promotion: | \$3,000 |
| Tour gross income: | \$50,000 |
| Agent's cut: | \$7,500 |
| Manager's cut: | \$7,500 |
| Merchandising advance: | \$20,000 |
| Manager's cut: | \$3,000 |
| Lawyer's fee: | \$1,000 |
| Publishing advance: | \$20,000 |
| Manager's cut: | \$3,000 |
| Lawyer's fee: | \$1,000 |
| Record sales: | 250,000 @ \$12 |
| | \$3,000,000 |
| Gross Retail Revenue Royalty | [13% of 90% of retail]: \$351,000 |
| | [3% less |
| Less Advance | \$50,000 |
| Producer's Points | \$40,000 |
| Promotional budget | \$25,000 |
| Recoupable buyout from previous label | \$50,000 |
| Net Royalty | -\$14,000 |