



March 24, 2010

TO: The Obama Administration RE: Intellectual Property Protection

The Copyright Alliance and A2IM (the U.S. independent music label trade organization) have informed me of this welcome invitation from the Obama Administration to share my thoughts on my rights as a creator.

We are an independent music label based in Washington, DC that has been in business since 1996, representing music artists from around the world for music promotion, sales and licensing. Our marquee artist is Thievery Corporation, who has headlined festivals from Australia to Europe to the United States. Their five full-length studio albums have sold over 2 million copies to date.

Our industry is under attack. Our primary product is that of intellectual (copyright protected) property – namely, music. In the past decade we have seen our revenue stream from the sale of music go from making up nearly 75% of our revenue, to now barely accounting for 30%. This is not because other streams have risen, but rather because of the growth of illegal downloads of digital music files and the unmonitored use of file-sharing networks that allow our products to be distributed for free to the end consumer. Because of illegal music download sites and file trading services, our primary product (music) is being devalued, and we have very little power to stop it.

I heard a speech about two years ago at a trade conference where the speaker said the problem of piracy and file-sharing can be solved very quickly... how? By the Internet Service Providers (ISPs). These companies monitor all internet traffic – they know where file sharing is taking place and where illegal downloads are likely to originate. If a firewall can be placed around China – the entire country – then it is within the power of the ISPs to prevent the illegal exploitation of our copyright protected product. It is their choice not to do so as they currently have no obligation to monitor illegal content crossing their networks.

I ask that you evaluate the impact that not enforcing copyright and intellectual property rights for musicians and artists of all kinds has on the market and the potential for artists to succeed. Our musical culture, not to mention future impacts on film and other entertainment outlets, is at risk – if artists cannot reasonably expect their work will be protected so they can profit and prosper from their efforts, there will be fewer artists making a career in this business, and fewer businesses able to help them.

I appreciate your consideration and hope that a heightened dialogue on this topic will create larger awareness of what is at stake.

Sincerely, Philip Hawken CFO ESL Music 1849 Calvert Street, NW Washington, DC 20009