

**From:** [REDACTED]  
**Sent:** Wednesday, March 24, 2010 4:16 PM  
**To:** FN-OMB-IntellectualProperty  
**Cc:** Jim Mahoney; info@copyrightalliance.org  
**Subject:** intellectual property

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Dear Ms. Espinel and the Obama Administration,

I own an independent record label and am a board member of A2IM, the U.S. independent music label trade organization, and I would like to weigh in on the discussion regarding intellectual property. I understand that you and your team are preparing a Joint Strategic Plan on the costs and risks of intellectual property infringement, and I wanted you to hear about my experience as a small business owner in America.

My company operates on a 50/50 profit split basis with the artists we work with. Our model is to find great young bands at the beginning of their careers, fund their recording and touring, promote their records, and do so in a financially responsible manner that allows us to recoup our investment quickly and begin profit sharing with the artist. We have been following this model successfully for 19 years. Because of this model, the majority of artists on our label are able to quit their day jobs and begin living as genuine "working musicians", meaning they make enough income off of royalties and touring to spend their time writing new material, recording, and touring. Working musicians have a greater chance of becoming career artists, since they have the time to develop fan bases and hone their craft.

However, the decline in physical sales due to internet piracy has threatened our ability to help our bands become working musicians. When a new album that is coming out in April, let's say, is "leaked" by a pirate onto a website in February, the thousands of free downloads of this album do represent at least hundreds of people who otherwise would have purchased the album when it came out. This may not seem like a big deal to some, but independent labels like mine are the lifeblood of creativity in the US -- whether it is jazz, hip hop, latin, rock, alternative, classical, or whatever style, independent labels are the FUNDERS of creativity. We are the only ones crazy enough to continue taking chances, risking our money and resources on new artists, and helping them to blossom into career artists. The late singer-songwriter Elliott Smith got his start at our label because our then-owner, Slim Moon, believed in him and took a financial risk. Millions of his albums have now been sold worldwide, but more importantly, millions of people have been touched and inspired by his songs.

Music is also not just a stand-alone product. People use music in films, TV shows, ads, department stores, malls, and a million other places. Music sets moods and sells other products. It is really quite an important commodity, and the new notion that "music should be free" doesn't take into account that free music means fewer and fewer working musicians, until music in America is only made by... who? Jingle writers paid by advertising agencies? The independent music industry and independent artists in America do not get government subsidies, like they do in many other countries -- we work because we love it and think music is important. However, if we can't protect our intellectual property and music becomes devalued to the point where we can no longer run our businesses, this will put thousands of people out of work across the country, and allow other countries to become the hotbeds of creativity that America always has been until now.

Thanks for your time and consideration,

Portia Sabin  
President, Kill Rock Stars  
Portland, Oregon