

**Subject: Complaint Regarding Potential Labor Law
Violations in the Music Industry**

November 14, 2023

Dear Sir/Madam,

My name is Tiffany Red. I'm a Grammy-winning songwriter and founder and executive director of the music creative advocacy organization [The 100 Percenters](#). I am writing to inform you of potential labor law violations within the music industry involving major entities such as Universal Music Group, Warner Music Group, Sony Music, Spotify, Apple Music, Amazon Music, Pandora, Deezer, Tidal, Google Play, and the Copyright Royalty Board.

The music industry, particularly the recorded music sector, has experienced substantial growth, generating a global revenue of \$26.2 billion in 2022, with 65% originating from streaming. While these figures highlight the industry's success, alarming disparities in revenue distribution raise concerns about anticompetitive practices.

Key Concerns:

Compensation Disparities and Copyright Royalty Board Influence:

- In the streaming era, songwriters face a significant challenge being confined to the publishing share of the revenue from the song.
- Songwriters and publishers receive a mere 15.1% of total streaming revenue in the U.S., while record labels and artists claim 52% - 57%, and digital service providers (DSPs) secure 27.9% - 32.9%.

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- These rates, decided on by the Copyright Royalty Board, contribute to a disproportionate distribution, impeding our ability to earn a livable wage.
 - In 2022, U.S. recorded music made \$15.9 billion, while U.S. music publishing made \$5.6 billion. That's a \$10.3 billion difference.
 - Songwriters are denied songwriting fees from record labels and artists for their contribution to the creation of the song's recording, while producers are paid a fee and given the right to negotiate a contract.

Pro-Rata System Inequities:

- The current streaming model's pro-rata system disproportionately favors popular singles, placing middle-class songwriters who create the remaining songs on the album/project that aren't the singles at a financial disadvantage.

Misallocation of Publishing Rights:

- A common practice is that artists or their representatives receive publishing rights for songs they did not contribute to, leading to reduced royalties for actual songwriters and producers.

Negotiation Restrictions:

- Music creatives are often discouraged from negotiating fair compensation with artists and labels and threatened with retaliation.

Misclassification:

- Music creatives are classified as independent contractors but are denied fundamental rights, including the right to self-govern and receive payment for their services.

These practices have led to income erosion for music creatives while major music groups and streaming platforms amass significant profits. Despite ongoing concerns voiced by the songwriting community, the industry has neglected the urgent need for change.

I urge the Labor Enforcement Task Force to thoroughly investigate these allegations and take appropriate action to ensure fair competition, transparency, and just compensation within the music industry.

Respectfully,



Tiffany Red
Founder & Executive Director
100 Percenters Foundation