

Written evidence submitted by Just East of Jazz

Evidence submission to the Music Streaming Inquiry

Introduction

My name is Rick Finlay, I am a freelance drummer and percussionist working primarily in live performance but with a small number of recorded performances available on the digital streaming sites.

I also run, with my business partner, an independent record label *Just East of Jazz* set up to record and release the music of a single band, itself called *Just East of Jazz* originally, but now simply *Just East*. I am the percussionist in that band.

I'm submitting evidence because, like many small independent labels, our income from physical sales has almost disappeared since the growth of the digital domain.

Question one: what are the dominant business models of platforms that offer music streaming as a service?

We distribute our music through an aggregator (Orchard) to all the main streaming sites, including Apple Music, Spotify, Amazon, and many of the minor sites.

We believe that most of our streams are requested by our small fanbase, most of whom are *subscribers* to streaming sites. We would like to be able to make up some of the lost income from physical sales of albums, most of which were made direct to public at live performances. That income has disappeared, partly because live performances have stopped during the COVID crisis, but mainly (and the decline started many years ago) because listeners prefer the convenience of streaming over owning physical product.

In practice our income from streaming is negligible, and so this important source of funding for our project has dried up.

We can see from our streaming statements that we get (for a jazz group) a lot of streams, but these produce almost no revenue. We believe that a user-centric model of payment by the streaming companies would mean that a substantial amount of subscription income would come directly to us instead of being shared out predominantly to major artists who our fanbase would never stream.

For example, this recent statement shows 900 subscription streams generating just \$4.90.

Transaction Type	Quantity	Revenue	Preferred
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			Currency
Download Tracks	20	9.68036	USD
Ad-Supported Audio Streams	3270	5.053532	USD
Subscription Audio Streams	900	4.89872	USD
Download Albums	1	4.368429	USD
Streaming Bonus	196	0.217079	USD
Cloud Match Units	246	0.081231	USD
Mid-Tier Subscription Audio Streams	1	0.01415	USD
Total		24.313501	

We believe that an improved streaming business model would include checks on the dominance of major music corporations on streaming marketing, licensing and distribution of streaming royalties. We think user-centric payments would play a large part in this.

The decline of physical sales and the lack of make-up revenue from streaming for grassroots artists is detrimental to the creativity and vibrancy of the UK music scene and unfairly penalises fringe artists.

Question two: Have new features associated with streaming platforms, such as algorithmic curation of music or company playlists, influenced consumer habits, tastes, etc.?

Curated playlists are a curse for grassroots fringe artists, as they obscure our work in the noise of mainstream pop and commercial music.

Major labels have the marketing resources to exploit curated playlists to their advantage, and their contractual relationship to the streaming platforms are hidden by NDAs. *These relationships should be public to enable scrutiny and prevent a skewed marketplace.*

We believe there should be oversight of platforms so that algorithms are not biased, and provide equal access to the streaming market for all artists, songwriters and performers

Question three: what has been the economic impact and long-term implications of streaming on the music industry, including for artists, record labels, record shops, etc.?

As has already been stated, for a grassroots “cottage industry” like a jazz band and label, the growth of streaming has decimated a major source of revenue in physical sales, to the extent that many smaller projects fail after a short time, regardless of substantial audience support within their genre.

We want to see an equitable model that enables greater value to be placed on the song,

and a fairer model where the major music corporations do not dominate the marketing, licensing and distribution of streaming royalties.

Question four: how can the Government protect the industry from knock-on effects, such as increased piracy of music? Does the UK need an equivalent of the Copyright Directive?

While this issue doesn't immediately impact on our own label, the individual performers within our band have all worked as session musicians in other settings, including some very successful recordings. We believe that the EU Copyright Directive offers protection in this world, and we think the UK should adopt equivalent or better provisions after leaving the EU.

More broadly we seek:

- 1. Better or equivalent copyright protections for creators to those awarded elsewhere, particularly in Europe.*
- 2. Greater transparency amongst record labels, music publishers, streaming platforms and other licensing entities so that creators can effectively use their right to audit music companies they are signed to or who administer royalties for them.*
- 3. Enshrine the liability of online platforms in UK law; this means that platforms, including those that host user-generated content, will be liable for hosting unlicensed music.*
- 4. Contracts between music creators and companies tasked with exploiting their works should always ensure that all creators will be paid appropriately and proportionally to their music's success.*
- 5. Be able to renegotiate contracts if the remuneration originally agreed under a license or transfer of rights turns out to be disproportionately low compared to revenues generated by a creator's music.*

Question five: do alternative business models exist? How can policy favour more equitable business models?

We are pleased to see Deezer trialling user-centric subscription payments and we would like to see that widely adopted.

Our musicians in their other role as session players are not receiving Equitable remuneration from streaming because it is considered usage under the "Making available" right. We understand from published reports that a considerable proportion of streamed listening is done from curated playlists and other "pushed" models: where the music is pushed to the listener. ***We consider this no different from traditional radio broadcasting and should therefore be subject to Equitable Remuneration for the session musicians as it really falls under the "Communication to the Public" right.***