

## Written evidence submitted by Iain Archer

I am a **Northern Irish songwriter, producer** and performing artist working in the UK Music Industry for almost 28 years. In the last decade the large majority of my work has been as a **collaborative songwriter** for a number of successful artists and bands.

Alongside this I have sat as **Visiting Professor to Leeds College of Music**, taught songwriting at Brighton Institute of Modern Music, am a fellow of the Seamus Heaney Centre at Queens University, Belfast, and sit on both the Songwriter's Committee and the Ivor Novello Awards Committee at the Ivor's Academy.

I am the recipient of **two Ivor Novello Awards** (for James Bay 'Hold Back The River' single, and Snow Patrol's 'Final Straw' album), a **Grammy** nomination, and co-written a **#1 hit Single** (Leona Lewis 'Run'). My songwriting has contributed towards Niall Horan's **US #1 album**, Flicker and numerous **UK #1 albums**.

As a **guitarist and singer** I have performed with artists such as **Snow Patrol, Michael Stipe (REM), Peter Dinklage (REM), Johnny Marr (The Smiths), Ed Sheeran, Michael Kiwanuka, Lucinda Williams, Nils Lofgren (Bruce Springsteen, Neil Young), Thin Lizzy**.

I have made solo studio albums as 'Iain Archer', and am a member of the band 'Tired Pony'.

### Please see attached spreadsheet...

In the spreadsheet I have submitted there is data for up to the last 8 years, detailing four of my songs, relating to total income for each song (both performance and mechanical). It can be seen that the income since 2012 has more than halved in the case of 'Two Fingers' and the others demonstrate similar reductions.

I am told by my publishers that 2013 and 2014 were very poor years for the provision of data, which accounts for the extremely low amounts. The missing income may have fed through in later years, but this only serves to highlight the devaluation of the song over time, as later amounts should take into account that they may be pushed higher by flow-through from latent data.

The total current income for a million streams can be seen to be £900, this would be shared between myself and my co-writer 50/50. At £450 per million streams, when one considers that I will put around 4-6 days' work into a song, from first note to finished demo, provide a studio to host the artist and make the record, keep up subscriptions on software and maintain equipment, travel, provide drinks and snacks, the list goes on... this is clearly not sustainable remuneration.

On a song such as 'Be A Nobody' by the artist 'Soak' this work had 1,402,712 streams in the year 2014 for which my publisher collected £118.80 (this song is 50/50 split with Soak so half of £237.61 total income) due to poor data. I am clearly severely out of pocket on the costs incurred. Over 6 years I stand to make £1355 from this song on 5,671,142 streams. All the above will also be reduced by a publisher's cut, management commission and tax.

The DSP streaming rate is also of note and makes clear the gulf in remuneration between platforms. If Youtube are permitted to pay such a ridiculously low amount of £261 per million streams (see Into The Wild) (and claim safe harbour from other myriad infringements) it allows other platforms to attempt to justify maintaining their own insufficient rates, when it is extremely clear there is no imperative for Youtube to change their inequitable practise.

Streaming urgently needs oversight, if the creators, who contribute to the vibrant culture of the nation both at home and abroad, and it's revenue, are to survive.

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

In writing a song with any given artist, the success of the song is dependent on its release via the streaming services. Spotify, Apple, Amazon, Youtube, Deezer etc - all these platforms will make the recording(s) available to be streamed, with a Record Label (most often a Major) releasing and marketing the recording. My publishers Kobalt Music Ltd will then collect both the Mechanical and Performance royalty due from the work, take commission and pay me quarterly. Streaming has now become the dominant area for the release of recorded musical works for popular use.

As a songwriter it would be my hope, at any given time, that the current mode for making recorded works available to the public would provide enough recompense to cover the costs involved for the writer (and perhaps even a little profit). Unfortunately for the first time in my career this is too often no longer the case. The value of the craft is highly diminished and skilled creators can no longer survive.

If you refer to the spreadsheet provided, it is clear that on Spotify, over the last 8 years the value of these songs have more than halved. Spotify has not increased or adjusted its pricing structure to take any of this into account. Surely in any other industry, this would be an unconscionable situation. Streaming needs to value creators much more highly.

A songwriting session will require two days of my time with an artist, then up to two extra days of my own time completing the work. I provide a studio with world class equipment and instruments, lyric, melody and chordal writing, playing, arrangement and production. I pay the energy company to power and heat/air condition the studio. I provide snacks and drinks. This is all at my own expense, despite the artist often being signed to a multinational record label. Songwriting is not only a process of creating a world class combination of lyric and music, it is also about developing the identity of an artist, working with the artist towards a piece of work that will actively promote their unique selling point - it is a highly skilled task to get this right. The labels work off the claim that they develop the artist and are deserving of the extra remuneration for undertaking this task - all the while aware that the vast majority of this work is being done for free by the songwriter. The label skill is knowing which songwriter to use, getting them involved and then using their time, resources and skillset for free..

A great amount of work is unused in this process. But that does not mean it has no value. By experimenting with different sounds and ideas, songwriters are enabling the artist to zone in on

what works. So it is entirely possible to end up with no work on an artist's album, but have contributed significantly to their enduring identity, and have suffered a financial loss.

In the instance of the work being released through a streaming platform, unless the recording is a hit single, it could be years before I break even on my time and costs.

Songwriters and artists have been depending on the live and broadcast sector to subsidise the lost income from the streaming model increasingly over the last decade. Covid has shone a brutal light on the current state of these inequities. Major record labels fail to respond, yet show all the hallmarks of being highly profitable from streaming, whilst being deeply non-transparent about it.

We need a streaming model that is equitable, transparent, and values the creators who conceive, innovate, design and form the works upon which the entire industry survives.

With Kobalt Music collecting my songwriting royalties I am fortunate to have one of the most efficient systems in the world working on my behalf. However there are still hurdles to getting accurate and timely remuneration. Many territories have differing systems for the collection of performance royalties, with collection societies and middle men all taking cuts from our work, all of which is challenging to penetrate.

The flow of income to songwriters is also deeply impacted by inaccurate metadata, that we depend on collection societies in all territories, publishers and other parties to register correctly, in every territory, on behalf of multiple writers on any given work, for both the performance and the mechanical share. There must be a modernised royalty distribution system to stop bad and missing metadata and misallocated payments.

There have also been significant data challenges for Kobalt Music dealing with Spotify alone - see attached spread sheet and refer to the years 2014 and 2015, where Spotify data was particularly challenging and my income was a fraction of what it should have been.

The current business model for streaming platforms, particularly Spotify, has established itself by claiming to be saving the music industry (post file-sharing), but the reality is that labels have profited at the expense of creators. Spotify files accounts at a loss, but it's directors receive huge bonuses and it's employees a decent wage. The only humans in the whole chain who cannot make a reasonable living are the creators who are making the content the rest of the industry thrives on.

Any solution must value the songwriter and performer contribution to streaming more highly. It must also include checks on the dominance of major music corporations on streaming marketing, licensing and distribution of streaming royalties.

It is an unsustainable model, and more to the point inequitable and unethical.

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

Algorithms and playlists are inherently prone to commercial bias and manipulation.

It is important that there is oversight of platforms so that algorithms are not biased, and provide equal access to the streaming market for all artists, songwriters and performers regardless of whether they are signed or not.

It is also important to have full auditing and disclosure of the relationships between rights owners (music publishers and record labels) and streaming platforms to expose agreements, marketing partnerships and non-licence revenues.

**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.?**

Streaming has diminished artists' and songwriters' control and understanding as to the income and profit share surrounding the exploitation of their work.

It is a system oriented towards the accumulation of greater amounts of content, with scant regard for quality. Daniel Ekk inferring that an artist cannot survive by releasing an album every three years, is in fact a highly self-serving situation - demanding more content from creators keeps Spotify healthy, but it does not keep the quality of the work healthy by any means. This creates a situation where creators simply must 'feed the machine' to survive. It is a race to the bottom where artistry must fall by the wayside.

If we plot forward ten years, tracing current trends, this does not bode well for the creators in the streaming world. Artists hard-pressed due to economic anxiety, to constantly release content which then receives highly inadequate, ever-decreasing remuneration, due to over-saturation of the marketplace of more and more content, is an endless degradation of the overall landscape. It simply does not make sense. The record industry is eating itself, and it is the young new creators who are suffering or unable to establish a career.

We need an equitable model that enables greater value to be placed on the song, a fairer model where the major music corporations do not dominate the marketing, licensing and distribution of streaming royalties, and transparency to stop information being hidden that enables conflicts of interest and prevents creators and performers understanding what they're being paid and why.

**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?**

Currently on YouTube alone, there are hundreds if not thousands of unlicensed performances of my songs, all of them generating revenue for YouTube and those that posted the content. It is totally unacceptable that the UK is not making more efforts to ensure that copyright is protected.

The UK Government must take responsibility for this degradation and disregard of copyright from the most lucrative tech firms on the planet. I would like to see at least equivalent

protection for creators to that awarded in Europe. The UK punches so far above its weight in creating some of the best music globally and we need the Government to show they value this industry and its vital cultural and financial contribution. They should enshrine the liability of online platforms in UK law so that they are liable for hosting unlicensed music, including user-generated content.

We need greater transparency from labels, 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.

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.

Creators should 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.

Assignment of rights to a music company should have a maximum term, after which the rights should automatically return to the creator, who could decide to extend or place their rights elsewhere.

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

The current situation with music streaming is devoid of transparency and opportunities for scrutiny. The only way this will happen is with Government intervention so that current market distortions can be exposed and reformed.

There should be a level playing field in the market so that more ethical streaming companies are encouraged and enabled.

I would also like to see the reclassification for performers of streaming as a 'communication to the public' rather than 'making available' (for songwriters, streaming already has this classification). This would generate royalties to be paid through a collection society such as PPL (like radio does), help unrecouped artists as it would generate new royalties for them that they wouldn't get direct from a label, and generate an income stream for session musicians who currently receive no streaming royalties.

**UK Spotify Streaming Value Over Time - Various Works**

Territory United Kingdom -Y						Territory United Kingdom -Y					
DSP Spotify -Y						DSP Spotify -Y					
Song Two Fingers -Y						Song Into The Wild -Y					
Values						Values					
Years	Gross Song Est £	Streams #	Ave Per Stream Rate Per Year £	Per Mil Stream £ Illustration		Years	Gross Song Est £	Streams #	Ave Per Stream Rate Per Year £	Per Mil Stream £ Illustration	
2012	1,848.86	900,393	0.002053	2,053.39		2013	350.33	258,973	0.001353	1,352.75	
2013	2,870.48	2,132,318	0.001346	1,346.18		2014	660.53	2,775,223	0.000238	238.01	
2014	2,566.21	11,310,622	0.000227	226.88		2015	435.90	2,061,317	0.000211	211.47	
2015	2,204.28	8,176,850	0.000270	269.58		2016	374.96	397,347	0.000944	943.66	
2016	2,266.20	2,247,687	0.001008	1,008.24		2017	257.25	277,626	0.000927	926.61	
2017	2,357.62	2,511,091	0.000939	938.88		2018	186.13	210,490	0.000884	884.25	
2018	2,519.73	2,795,236	0.000901	901.44		2019	120.48	132,088	0.000912	912.11	
2019	1,886.36	2,059,198	0.000916	916.07		<b>Grand Total</b>	<b>2,385.57</b>	<b>6,113,064</b>			
<b>Grand Total</b>	<b>18,519.74</b>	<b>32,133,395</b>									

  

Territory United Kingdom -Y						Territory United Kingdom -Y					
DSP Spotify -Y						DSP Spotify -Y					
SONG Blood And Bones -Y						SONG B A Nobody -Y					
Values						Values					
Years	Gross Song Est £	Streams #	Ave Per Stream Rate Per Year £	Per Mil Stream £ Illustration		Years	Gross Song Est £	Streams #	Ave Per Stream Rate Per Year £	Per Mil Stream £ Illustration	
2017	200.65	223,436	0.000898	898.02		2014	333.30	1,402,712	0.000238	237.61	
2018	274.76	334,374	0.000822	821.73		2015	1,280.78	3,181,361	0.000403	402.59	
2019	137.22	165,150	0.000831	830.89		2016	564.69	528,814	0.001068	1,067.84	
<b>Grand Total</b>	<b>612.64</b>	<b>722,960</b>				2017	301.34	306,492	0.000983	983.18	
						2018	120.56	131,758	0.000915	915.03	
						2019	109.89	120,005	0.000916	915.70	
						<b>Grand Total</b>	<b>2,710.55</b>	<b>5,671,142</b>			

*Treatment of data and points:*  
Using Mechanical Royalties Only, and the collection data associated for Iain Archer's share of the work, this value has been grossed up for the entire work, so represents what has potentially been paid out overtime by Spotify in the UK - this is to make a fair comparison across all works.

Data in 2014/15 looks like it is potentially inaccurate re source/units amount, driving a very low ave per stream rate - after this point Kobalt switch digital collection to AMRA, where you can see it stabilises for all works.

**UK Comparison of DSP streaming rates - Various Works**

Song Two Fingers -Y						Song Into The Wild -Y					
NAME_1 United Kingdom -Y						NAME_1 United Kingdom -Y					
DSP	Gross Song Estimate	Streams	Est Ave Per Stream Rate	Per Mil Stream £ Illustration		DSP	Gross Song Estimate	Streams	Est Ave Per Stream Rate	Per Mil Stream £ Illustration	
Amazon Prime Music	646.20	301,102	0.002146117	2,146.12		Amazon Prime Music	84.91	36,687	0.002314498	2,314.50	
Apple Music	2,813.33	1,537,657	0.001829622	1,829.62		Apple Music	623.06	288,418	0.002160259	2,160.26	
Spotify	18,519.74	32,133,395	0.000576339	576.34		Spotify	2,385.57	6,113,064	0.000390242	390.24	
YouTube	2,829.94	8,703,349	0.000325155	325.16		YouTube	88.70	339,128	0.000261554	261.55	
<b>Grand Total</b>	<b>24,809.22</b>	<b>42,675,503</b>				<b>Grand Total</b>	<b>3,182.24</b>	<b>6,777,297</b>			

  

Song B A Nobody -Y						Song Blood And Bones -Y					
NAME_1 United Kingdom -Y						NAME_1 United Kingdom -Y					
DSP	Gross Song Estimate	Streams	Est Ave Per Stream Rate	Per Mil Stream £ Illustration		DSP	Gross Song Estimate	Streams	Est Ave Per Stream Rate	Per Mil Stream £ Illustration	
Amazon Prime Music	24.35	5,682	0.004284872	4,284.87		Amazon Prime Music	37.06	18,999	0.001950878	1,950.88	
Apple Music	766.87	382,671	0.002004002	2,004.00		Apple Music	89.54	45,908	0.001950435	1,950.43	
Spotify	2,710.55	5,671,142	0.000479555	477.96		Spotify	612.64	722,960	0.000847399	847.40	
YouTube	53.93	165,185	0.000326471	326.47		YouTube	20.08	43,482	0.000461877	461.88	
<b>Grand Total</b>	<b>3,555.70</b>	<b>6,224,680</b>				<b>Grand Total</b>	<b>759.32</b>	<b>831,349</b>			

*Treatment of data and points:*  
Same treatment as sheet one re: Using Mechanical Royalties Only, and the collection data associated for Iain Archer's share of the work, this value has been grossed up for the entire work, so represents what has potentially been paid out overtime by DSPs in the UK - this is to make a fair comparison across all works.

This compares the effective 'per stream rate' in the UK across the various major DSPs - the Spotify rate is lower on the older works, this could be down to the suspected poor data in 2014/2015.