

Written evidence submitted by SonicData Limited

Julian Knight MP
Chairman DCMS Select Committee House of Commons
London SW1A 0AA

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Dear Sir,

Economics of Music Streaming

I have been watching the DCMS Session on Music Streaming with great interest and I thank you for all the time and effort you and the committee put in to this important issue.

For understanding and disclosure, we are a new British business that has created a Patented technology platform that is empowering artists and rights holders bringing transparency to the music industry. We ensure 100 per cent accuracy of all data across broadcast, social media and streaming. This means artists and rights holders will earn what is rightfully theirs.

Technology exists for this to happen now.

Music is going to always struggle with paying fair royalties to artists and music creators until such time as its technology base catches up with how the leading technology platforms have changed the way music is consumed and used.

Our experience is that some embrace change and tech that offers 100 per cent accurate reporting and transparency. Others do to a point and many resist it as they either benefit from the status quo.

On streaming. The royalty split is very important. Even if this were resolved two additional issues remain a problem.

Transparency
Allocation

For content that is used in non-traditional streaming platforms, such as TikTok, for example, the understanding of what is used, what is played, shared and consumed is completely unclear, untracked and they are not paying the creators of that music fairly. This platform would not exist without music. Broad deals have been put together but simply put, they do not address the issue. Why should some benefit and others not.

Hundreds of millions of dollars, even billions, of plays remain untracked, unreported and royalties uncollected and unpaid. This is true across multiple platforms. Again, the technology has not caught up with modern music consumption.

To quote Andrea Martin, PRS Chief Executive, in your Committee Session from 19 January 2021 when talking about You Tube: “....they have an issue with recognition...it is effective to a point”.

To amplify this further, in real terms this means millions of dollars are not tracked and reported and are not allocated or paid to the artist or rights holder. At best someone else is getting the money; at worst You Tube keeps it.

Indirectly, this point was backed up by Peter Leatham with his comments about The Momentum Fund. This was taken as a good or positive force in music. Perhaps so. While it does a great deal of good it is false

accounting, as this is money that cannot not be reported correctly as the incumbent technology is not fit for purpose.

The Momentum Fund is money that belongs to a myriad of smaller or up and coming artists who are forced to forego their royalties, or have no visibility of these royalties. This black box of someone else's earnings is then given to others and promoted as a force for positive action by an industry.

The PPL by its own admission cannot allocate the £15m each year because its technology does not allow it.

This is unfortunately a fact that runs through much of the music industry not only here but across the world. It affects the artist, music creator and rights holder singularly and directly in the pocket.

Artists and rights holders want transparency, they deserve a system that rewards them for every play and use of their works across broadcast, streaming and social media platforms. This is not about handouts and funds and support; it is about ensuring everyone is paid directly for that which they have created.

The debate you are driving is critical. The music business requires support from the legislators to drive change that puts money in the pockets of all artists, fairly, no matter whether they are self-releasing, signed to an independent or major label.

The public and fans the world over enjoy, share and play music across all kinds of streaming and social platforms; they listen through broadcasters on traditional platforms and on new digital platforms. A system that accounts for all monies for all artists is essential in an industry that is woefully short of critical capability, knowledge and data.

On the face of the current system is not working for anyone other than a major record label.

Finally some interesting questions that all stakeholders in the music business should be addressing on behalf of their artists:

Are you **able** to pay each artist for each and every play/ use on radio or television?

Are you **able** to pay each artist for each and every every play on streaming and social media platforms?

How are you paying artists for use of their music on TikTok? How is that reporting structured and what is its content? Are artists rewarded for all use of their works? Are they being rewarded with a share of the advertising that is driven by the use of their works?

In conclusion, until we address the fundamentals of transparency, 100 percent accurate royalty reporting and payment, injustice will continue for all artists.

We are a new business passionate about the benefits of transparency for all artists. We provide our technology free to all artists and music creators.

I hope you find this useful. We are of course very happy to answer any questions you or any of your team may have on these issues.

With thanks for your time and consideration.

Yours faithfully

Kelly Sumner
Chairman
SonicData Limited