

**From:** [REDACTED]  
**To:** [REDACTED]  
**Subject:** PRO-IP Act of 2008: Advice Regarding Piracy from independent music label, TommyBoy Entertainment  
**Date:** Thursday, March 18, 2010 5:32:28 PM  
**Attachments:** [Decline in U.S. Music Sales.pdf](#)

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Dear Victoria Espinel:

The Copyright Alliance and A2IM (the U.S. independent music label trade organization) have informed me of this welcome invitation from the Obama Administration to share my thoughts on my rights as a creator.

I created what was once called a record company called Tommy Boy back in 1981 in a bedroom of my New York City apartment with a \$5000 loan from my parents. Evidently I was in the right place at the right time because I stumbled on an artist called Afrika Bambaattaa, now considered the spiritual founder of hip hop. I built my independent record company into a company that achieved annual revenues approaching \$100,000,000 in the 90's. We discovered and nurtured the careers of Queen Latifah, De La Soul, Digital Underground, Naughty by Nature, House of Pain, Coolio, Ru Paul and many many more artists while pioneering the hip hop genre worldwide. At our peak, we had 115 employees in the U.S. and another 12 in London and Germany. Today we have 9 employees and are preparing to move to smaller offices in order to further downsize.

In addition to running Tommy Boy, I am also a founding board member of the American Association of Independent Music, a board member of Merlin (the international licensing body for the independents), WIN (the World Independent Network), RIAA (the Recording Industry Association of America), and SoundExchange. I have served on the board of the Rock & Roll Hall of Fame, the Dance Music Hall of Fame, the National Association of Record Merchandiser (NARM) manufacturers' advisory board, NAIRD (the prior independent label trade association) and many others. I received a NARAS Heroes award in 2000 and I was the honoree of Population Connection (formerly Zero Population Growth) in 2002. I will be receiving the NARM Independent Spirit Award this May.

I also run a music conference called the New Music Seminar which

looks at the music industry and suggests alternative futures for it. I have done exhaustive research on music sales in America for the New Music Seminar and would like to share some slides with you (attached). The most impactful shows the value of music in retail from 1973 when the RIAA began keeping records until 2009 with extrapolations to 2013. This slide is adjusted for inflation and shows that current music sales (both physical and digital combined) have declined to values prior to 1973 (most likely 1968). It also indicates that this fall will bring the music business to a retail value below that in 1964 when the Beatles released their first album and all albums were mono. You will also see slides that show the decline in the top 10 albums as well as albums that sold over 250,000 units (the breakeven level for major labels).

In 2008 there were 105,000 albums released. Our data shows that in 2008 only 225 artists broke the 10,000 album unit mark for the first time. As the business shrinks, investment in new talent dries up and new artists are left to fend for themselves. Only 12 artists out of that 225 were not signed to a significant record label. The system is broken. Hundreds, if not thousands of talented American artists are unable emerge from obscurity and rise to their true potential.

Less than 10 years ago, America represented 40% of the world's music business. Today, it represents less than 25% and falling. America's musical culture has dominated the world's music for over 60 years. America is responsible for creating the genres of blues, jazz, country, R&B, rock and roll, and hip hop. Virtually every important genre of music had its root in America. America's musical culture is so vast that its economic and cultural worth are hard to value but most would agree that it is priceless.

The creative economies in America are the greatest in the world. These economies are not polluting and create positive balance of trade yet they employ millions in diverse, entrepreneurial, inflation resistant small businesses everywhere. They form the backbone of America; her cultural heritage and her bright future.

In Garret Hardin's environmental epic, "The Tragedy of the Commons", Hardin lays out the case for protecting the environment.

Central to Hardin's article is an example of a hypothetical and simplified situation based on medieval land tenure in Europe, of herders sharing a common parcel of land, on which they are each entitled to let their cows graze. In Hardin's example, it is in each herder's interest to put the next (and succeeding) cows he acquires onto the land, even if the carrying capacity of the common is exceeded and it is temporarily or permanently damaged for all as a result. The herder receives all of the benefits from an additional cow, while the damage to the common is shared by the entire group. If all herders make this individually rational economic decision, the common will be depleted or even destroyed to the detriment of all. Once lawmakers understood this "tragedy," strong laws were passed but enforcement lagged behind. Eventually, once enforcement caught up with the law, America's air and water began to improve. But creating strong laws and enforcing them made today's improving ecology possible.

Whether it is protecting the earth or state troopers enforcing speeding laws, our society needs good laws and strong enforcement of them.

America's creative environment is succumbing to weak laws and lack of enforcement just as our physical environment was threatened in the 60's. Our creative community is the most vital in the world and is what makes America America. We must strengthen laws that protect the rights of our creators and vigorously enforce those laws in the United States before we can successfully attack piracy outside our country.

Love Always,  
Tom Silverman

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