

MY A2IM IS TRUE

In his new role as CEO of A2IM, Richard James Burgess is responsible for protecting the interests of America's indie labels. After a turbulent few months for the sector, he tells *Music Week* why the whole industry needs to present a united front...

INDIES

BY EMMANUEL LEGRAND

Richard James Burgess is back in Washington for a few hours. The recently-appointed CEO of New York-based US independent labels' organisation A2IM is here as the guest of the Music & Entertainment Industry Educators Association (MEIEA). But Burgess is more than familiar with D.C.: he spent 15 years in the US capital, working for the Smithsonian Institution as the head of its non-profit heritage label Folkways Recordings.

Burgess now spends most of his time in New York, steering an organisation that has been crucial to the visibility of the indie community in the past decade. He is the third person to helm A2IM in the past 12 months, following the departure of Rich Bengloff, who held the job for a decade, and Molly Neuman, who took over from Bengloff as interim president and is now with Kickstarter. Burgess was appointed CEO of A2IM in January, but knows the organisation well as he served as chairman of its board for six months before taking the job.

Born in 1949 in London, Burgess has been in the music business all his professional life. His parents moved to Christchurch in New Zealand in 1959 and he still has a hint of an accent from his stay down under. He was an alumni of the Berklee College Of Music in Boston and later worked on a PhD in musicology. He started his career as a musician – a drummer first with such bands as the Buggles; but also as a synthesiser pioneer (Roland and Fairlight) on Landscape's landmark album *From The Tea-Rooms Of Mars... To The Hell-Holes Of Uranus*; a songwriter, performer and producer (Spandau Ballet's *To Cut A Long Story Short*, Kim Wilde and Adam Ant).

Burgess talks fast, layering thoughts one after the other, sometimes going off on tangents, but always focused on trying to convince his audience. At the MEIEA meeting, Burgess' message to the teaching community is quite simple. He wants the industry to work in a more cohesive and united manner, in order to fix its problems; and he is convinced that indie labels are



Richard James Burgess: "Indies bring credibility"

the lifeblood of musical diversity, especially in the US, where companies are scattered across the territory, and cover all music genres. One of his pet talking points is the 'value gap'.

"Value has been created by music but has been channelled away from artists," he tells these educators in the room and his message seems to resonate with them. Many of the questions after his speech were about how music could reclaim its prime position in the cultural and creative economy. These are themes that are close to Burgess' heart.

A2IM has a few busy months ahead. The organisation is putting together the now well-followed Indie Week (June 13-16 in New York) and is also preparing the next edition of the Libera Awards (June 16), the ceremony celebrating the achievements of the indie community. After his one-hour speech, *Music Week* sat down with Burgess to discuss the future of the indie sector...

You have been in the job for a few months now. How has it been so far?

Great and intense. Not so much of a learning curve in the sense that I was on the board [of A2IM] and I was chairman for six months before I started. So in the sense of, Do I know what the issues are?, it's not that much of a learning curve. In a sense of rebuilding, it feels like fixing the bike while we are riding the Tour De France, honestly. I've had to re-staff because we were down to three people and now we are about to get back up to six people. I am bringing in a marketing person because we could do better in terms of awareness of disseminating the information about what we do.

Did the board give you a specific brief as to where they want the organisation to go?

Well, I was part of the board, so I was part of that evolution of that brief and the brief really is growth, but not growth for growth's sake. It is growth because we want to mark out that indie sector; we want to make sure the indie sector is secure and not disadvantaged. We would like it to be done in a way that everybody is on board with it. We don't want to be fighting with other segments of the industry but at the same time we want what is rightfully ours. I'm determined to consolidate the indie position in the industry. Frankly, with the RIAA, and other people, we have some very positive conversations. I think that other entities in the industry realise that we each bring something different to the table and the indies bring a little bit of credibility, and a little bit of respect.

What are the hot potatoes that you have had to deal immediately with?

In terms of real hot potatoes, the transition



Burgess' A2IM predecessors: Rich Bengloff (left) and Molly Neuman

happened right during the [webcasting] hearing submission [to decide US internet radio rates for sound recordings], so we were basically battling for the lives of indies in terms of whether we would wind up with two separate rates, one for the majors and one for the indies. That was pretty stressful and that was before I even became CEO!

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RICHARD JAMES BURGESS, A2IM

The Copyright Royalty Board (CRB) ultimately rejected the majors' bid to get double the indies' rate. You now sit on the board of labels collection society SoundExchange. Do you think that those CRB rates are going to affect SoundExchange's bottom line?

SoundExchange was not happy with the rates setting. We would always want to see them a bit higher, but on the other hand some people pointed out that there was a 20% increase so it wasn't the end of the world. But do I think that the CRB rates are going to affect SoundExchange? I would be more worried about massive direct deals with the services than I would be about the CRB rate.

Some people seem to have a perception that indie rights agency Merlin screwed up for the whole industry by settling with Pandora for lower than the market rates, even though that deal had many different aspects to it. Is that an unfair perception?

I'm not here to defend Merlin and A2IM is not Merlin. First of all, the deal that Merlin

struck was better for the indie labels that signed onto that deal than not doing the deal [would have been]. The idea that it was lower than the rate is not really factual, because this speaks to the problem with the way that the Copyright Royalty Board judges looked at that deal. They completely ignored the extra benefits of the deal and the truth is, labels that signed onto that would make more money under the Merlin deal than they would if they just accepted the statutory rate. If the judges had looked at the revenue share portions of the deal and various other parameters that surrounded it, they would have not made the decision they made and they wouldn't have pointed the finger at Merlin. I think it was an unfair characterisation of that deal, especially because they could have made the same characterisations of a number of other direct deals that were done by the majors and by individual indie labels as well.

Indies are the lifeblood of SoundCloud and yet SoundCloud seem more interested in doing a deal with the majors. What does that say about the status of Indies?

I don't know how that will work out for SoundCloud, and I hope it does. SoundCloud is a very useful organisation and we, as a sector, are pretty forgiving. You get organisations that come over from the dark side, that are stealing copyright, that are using unlicensed music for years and then when they eventually decide to go straight, we generally embrace them. I think that's the right way to approach it, personally. We are not in direct competition with the majors in the sense that I have utmost respect for what the majors are doing, they should get their share as much as we should. My only

concern is that we get a fair share.

The class action suits against Spotify and other streaming services over unlicensed mechanical rights – is that something you follow?

It doesn't directly affect us as labels and as A2IM, but we are concerned about that. There are a couple of things. One is that many of our labels are also publishers. This is where I talk about the zero-sum game. For instance, if the publishers got a better streaming rate from Pandora but it has reduced the sound recording streaming rate, that wouldn't make any sense because it would be a zero-sum game. Rights holders need to do better. I support the idea that mechanicals need to be paid. I support the idea that pre-72 copyrights need to be paid for. I support all music creators and copyright owners in getting a rightful share because, without creators and copyright owners, we don't have a music industry.

In your MEIEA speech, you said the industry should be more united in order to be taken seriously, especially by legislators. Yet it seems like there is more of a divide rather than some sort of united front...

I see that, but at the same time there are conversations that go on behind the scenes that make me feel encouraged about this. I'm not going to say that there isn't going to be the temptation for people to take advantage and to squeeze that extra fraction of a per cent of market share, just for their own benefit. If everybody I'm talking to on all sides of the fence is sensible enough – it's not about ideology, it's about doing better for us all and making more money and being more successful – we can grow the pie jointly. If we are able to convince tech companies that we can fill their pipelines up with even more stuff and find even more ways that music can be monetised, it could work out.

In your speech you said that the industry is probably delusional in thinking that the government could fix the situation.

I was juxtaposing that with the idea that we speak with several voices, therein lies the problem. The government will not fix anything for us as long as the publishers are going in and saying one thing, the labels are saying another and the artists are saying another. The question is, can we fix those problems within the industry so we don't have disparate factions in our own industry speaking out against other factions? Can we de-factionalise the industry effectively and then, as an industry, speak to government and say, This is what we need to fix?

Going back to your Smithsonian days, what did you



Alison Wenham of A2IM's UK ally, AIM

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learn about business while you were there?

From a business perspective, not very much because I was the one who brought the business perspective to Folkways. There really wasn't anybody there who had music business experience to speak of besides me. So, if anything, what I did was reorganise Folkways to be more like a record label, because it is a record label and it functions just like a stand-alone independent label at the Smithsonian. What I really learned at Smithsonian though, which set me up well for this organisation, is about dealing with larger organisations and bureaucracies and reporting to people because I had really always worked for myself. I very much am a 'say yes' person, so learning how to get people to say yes when they actually want to say no is a real big lesson and a useful one.

How about your perspective on the music itself, on the repertoire, and the heritage role you were playing there?

That was what took me there really. It's a unique collection and I had been influenced by that collection since I was a kid. It was really the quality of the collection and what Moses [Asch, who founded Folkways Records in 1948] did too, and that I didn't fully understand until I got there.

Which brings us back to the ethos of indie labels. They're mostly built by strong people with a vision.

When you have those people on your board, it can't be very easy to navigate...

That's an interesting thing because that was the best board I was ever on and I've been on quite a lot of boards in my time! It can get quite heated at times in terms of people having different opinions, but it's incredibly collegial. The thing about entrepreneurs is they are very pragmatic – they just want to get it done. They don't want to faff around, they don't want to talk about it for the theory so much as they just want to get it done. My gut feeling is that everybody who runs an independent label to a successful level has certain common characteristics: they are pretty obstinate, they are pretty opinionated, and they are really good at what they do, and they really know music, they love music, they love their independence. Those are good people to be around.

How do you see Indie Week evolving? Is that going to become the US forum for all matters related to independent labels?

I hope so. What struck me about Indie Week is that it's so high level. The fact that it is so cutting edge is really valuable. We also try to have a level for younger labels or less experienced music industry people, who can come in and learn the basics of how things work. We don't want it to turn into a consumer level conference because there are enough of those and they are very good, but that is not what we do.

How are the bridges between A2IM and AIM?

They're pretty strong. The bridge now would be WIN – the Worldwide Independent Network. We talk on a frequent basis and we are very aware of what they are doing and I think they are very aware of what we are doing. We don't do everything the same, but obviously AIM was the first of this particular set of trade associations, so there is a really good relationship there.

What are you going to be focusing on in the next few months?

Getting Indie Week established. With the Liberas, we are starting to move it from a straight presentation of awards to industry people, [to featuring] more performances. On the policy side, we have to respond to issues that are occurring. I'm really pleased to say the entire community, including the RIAA, has been really together on these last three or four filings and that's pretty exciting because I wasn't seeing that before. Outside of that, my number one priority is servicing our labels better because, even on the best day ever, I never feel like we are quite there yet. So those can be quite small problems sometimes, and sometimes they can be gigantic ones like legislative ones.