

From: [REDACTED]
To: [FN-OMB-IntellectualProperty](#)
Subject: Effect of illegal downloading and counterfeiting of recorded product (CD's, L{P"s. etc.)
Date: Wednesday, March 24, 2010 1:41:04 PM

To whom it may concern

I have operated, for about 57 years, the Delmark record label in the jazz field as well as pioneering the album product of American blues music. A few years I lost money on the Delmark venture but I operate the Jazz Record Mart (largest jazz/blues record store in the world) to cover Delmark losses and earn a living.

Since roughly the turn of the century, Delmark has constantly lost money, causing me to tighten up our recording schedule, diminishing our ability to pay the vocalists and musicians who record for us. Our gross business, including the little money we receive from LEGAL downloading has suffered a 70% reduction.

There is a rumor that the CD will disappear soon. Already numerous retail record shops have all but disappeared. Record wholesalers have gone out of business so distribution to the remaining stores has been diminished. This is particularly true for we independent labels but we have noticed, via our retail store, that even the major labels have had to fire salesmen, promotion people and doubtless office staff to trim their operations.

We have witnessed the merger of the two longest-standing labels (Victor and Columbia, both more than a century old) into one firm, Sony-BMG. Merger talks with Warner-Elektra-Atlantic seem to be ongoing. Universal, who used to own to movie studio, was separated like an unwanted relative. Capitol, part of the oldest world-wide record business. EMI (of the UK) will owned by Citibank if the current owned doesn't come up with 150 million dollars (I think that's the sum).

I hope to keep Delmark going long enough to at least break even again. But it pretty much depends on YOU.

Sincerely
Bob Koester