

The following is a letter from AARC's Executive Director:

Dear Members and Friends:

Hello! My name is Linda Bocchi, Executive Director of the Alliance of Artists and Recording Companies (AARC), your worldwi

de

leader in hometaping, rental and lending music royalties management. In the past few years, our membership, and activities performed on your behalf, have expanded dramatically. In these hectic times, it is more important than ever to keep you informed of what AARC is doing for our Members, and so, I will be updating you periodically regarding our efforts in protecting and defending your

worldwide

rights to hometaping, rental and lending royalties.

As you know, AARC is the only U.S. music royalty collective representing featured performers and sound recording copyright owners – both Majors and Indies – **worldwide** in the area of hometaping. In the U.S., hometaping is authorized under the Audio Home Recording Act of 1992 (AHRA). As part of our mandate, AARC collects and distributes U.S. and foreign hometaping royalties, generated in the U.S. by the sales of blank media (CDs and DATs) and recording devices (personal audio recording devices, media centers, satellite radio recording devices, and car audio systems with recording capabilities).

AARC also administers foreign royalties collected for the rental of music by commercial entities and the lending of music by noncommercial entities. For nearly two decades, AARC has successfully protected the **worldwide** hometaping, rental and lending rights of our 142,000-plus featured recording artists and label Members.

Domestic Efforts

Written by Robert Wednesday, 08 August 2012 09:51 -

I am happy to announce that AARC's enforcement efforts in the U.S. have succeeded in increasing the list of manufacturers/importers that pay hometaping monies. In addition to distributors of CD and DAT devices and blank media that have traditionally paid royalties, AARC's enforcement efforts are responsible for adding distributors of **home theatre media centers**. satellite radio

recording devices and car audio systems

to the ever-growing list of royalties payors.

AARC's efforts, which include membership in the Consumer Electronics Association and vigilant monitoring of new technologies, continue to ensure all distributors of hometaping equipment and blank media pay the requisite royalties. This continues to be a top priority for AARC.

Efforts Abroad

Our triumphs, however, are not restricted to the U.S. Internationally, AARC has **23 hometaping, rental and lending agreements**

with our sister societies around the world. These agreements were negotiated in conjunction with the American Federation of Musicians (AFM), The Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA) and The AFM & SAG-AFTRA Intellectual Property Rights Distribution Fund. We have made great strides in the past year alone; in fact, AARC succeeded in signing agreements with collectives in both

Germany

and

France

, two countries with considerable music markets. We also signed agreements with Croatia

Denmark

Estonia

Greece

and

Sweden

. Finalizing these many agreements can only mean great things for our Members, particularly in these tough economic times. With many other exciting agreement opportunities on the horizon, the future promises to bring even more great news.

These accomplishments are the result of our tireless efforts around the world on your behalf. To

Written by Robert Wednesday, 08 August 2012 09:51 -

ensure that other nations recognize the rights of the performers and labels of U.S. music to be **p** rotected

and

compensated

, we engage in labor-intensive negotiations with our international counterparts around the world. Our efforts include in-depth legal analysis, negotiations (both via visits to and continuous communication with collectives around the world), and membership in the organization of societies that administer performers' royalties around the world, including involvement in its legal and royalty administration committees. Our work, however, doesn't end with the signing of international agreements.

The status of copyright royalties – particularly hometaping royalties – in other countries is often a precarious one. Many governments still refuse to extend royalty rights to U.S. music and its rightsholders. What's more, many countries are legalizing hometaping *without compensating* rightsholders. And so, our efforts to

protect

and

defend

your hometaping rights

worldwide

are ongoing, and often entail lengthy battles with foreign governments and collectives.

Many countries have hometaping laws, like the AHRA, which create royalty rights for recording artists and record labels. However, each nation's laws and societies' regulations include complicated requirements regarding such things as data exchange and taxes. The royalty collection process can be overwhelming for an individual claimant. **AARC's** expert staff ensures

at

each country's legal and procedural requirements for collection of royalties are satisfied for each and every one of our Members.

We work hard – leveraging our expertise and dedication – to protect your rights. This fight, however, is far from over; dozens of nations still refuse to recognize the right of performers and labels to be compensated for the use of U.S. music. As AARC continues to fight and defend your rights

worldwide

, we are confident in our ability to bring all countries with hometaping, rental and lending laws to the negotiating table.

Written by Robert Wednesday, 08 August 2012 09:51 -

In short, great things are happening at AARC, and it would not be possible without your support and membership. We hope to work with, and for, you for many years to come. We will continue to fight the good fight for you, our valued Members.

We are here to represent you! If you've been contacted by an organization other than AARC with regard to your **worldwide** hometaping, rental and lending royalty rights, <u>please contact us</u> to confirm your membership with AARC

your collective

Thank you,

Linda R. Bocchi, Esq. **Executive Director**

Learn more about AARC at www.aarcroyalties.com.