'Seven Year Statute' Talks Reach Impasse

Negotiations between artists groups and the recording industry over California’s "seven-year statute" have broken down. "Negotiations are over -- period," Recording Artists Coalition co-founder Don Henley tells Billboard Bulletin, adding that the "only fair thing" for the group to do now is go for a "straight repeal."

The statute states that artists who leave their labels after seven years can be sued by the record company for damages on undelivered albums.

The impasse comes after months of talks between labels and artists over California State Bill 1246, which calls for the statute’s repeal.

The Recording Industry Association of America (RIAA) had offered some concessions, including reducing the number of albums for which an artist can be sued should he or she leave the label with options remaining. However, the two sides could not come to terms on certain dealbreaking issues, including retroactivity.

RIAA chairman/CEO Hilary Rosen says she believes the trade group’s only option -- if the artists will no longer negotiate -- is to oppose SB 1246. She also says retroactivity was never part of the original agenda.

"[There are] contracts that have been negotiated, advances that have been paid by the terms of the current law," she said, "and to say the contracts are retroactive would give current artists the benefits of all the new limits on damages, but the record companies would get no advantages. You can’t change the rules of

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the game in the middle."

Says Henley, "The labels really didn’t give us anything we thought was fair. So now two things will happen: We will continue to press forward with the hearings on [label] accounting practices, and we will go for a straight repeal."

-- Melinda Newman, L.A.