

NATIONAL ACADEMY OF RECORDING ARTS & SCIENCES®

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ADVANCING THE RIGHTS OF THE MUSIC COMMUNITY

SUMMER 2008

FROM CONCERT HALLS TO THE HALLS OF CONGRESS

Academy members take the case for creators' rights to the U.S. Senate



Lyle Lovett and Alice Peacock testify at a Senate hearing Photo: Paul Morigi/WireImage.com



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ADVOCACY & GOVERNMENT RELATIONS

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Recording Academy Members Testify Before U.S. Senate

Hearing is followed by bipartisan legislation on Performance Rights Act

In a packed Senate hearing room in November, Recording Academy Chicago Chapter President Alice Peacock spoke — and sang — about fairness for music creators, while Academy Texas Chapter member Lyle Lovett added his views about fair compensation for artists. Both witnesses spoke on behalf of the musicFIRST Coalition to advance a performance right for terrestrial (AM/FM/HD) radio.

At the request of The Recording Academy, Peacock and Lovett served as witnesses at the Senate Judiciary Committee hearing titled “Exploring the Scope of Public Performance Rights,” primarily to examine the exception in copyright law that allows U.S. terrestrial radio broadcasters to play sound recordings without compensation to those who create them, while broadcasters around the world (and in the United States on the Internet and satellite radio) do compensate artists.



Ray Benson, Sen. John Cornyn (R-Texas), Lyle Lovett, Sen. Patrick Leahy (D-Vt.), Alice Peacock and Sen. Arlen Specter (R-Pa.)

And who better to make the case for a performance royalty than performers themselves?

Peacock, a singer/songwriter from Chicago, spoke for “the great middle class of artists” who deserve to earn compensation from any business that profits from their music. “Music may be our calling,” Peacock told the senators, “but make no mistake, it’s also our job.” To demonstrate that this issue is more than legalities and legislation, she closed her testimony by performing one of her songs. Sen. Patrick Leahy (D-Vt.), chairman of the committee, noted that it brought back fond memories of the late singer/songwriter Harry Chapin, who also sang in that chamber years before.

GRAMMY-winning artist Lovett added the important point that session musicians and background singers would also benefit from the new right. In fact, all artists on a

recording would receive direct payment of this royalty (i.e., it would not be recouped by the artists’ record label). Record producers would also benefit from the new right. Fellow Texan and GRAMMY winner

“Music may be our calling, but make no mistake, it’s also our job.”

Ray Benson also met with the senators to discuss the topic. A longtime elected leader at The Recording Academy, Benson has advocated for the right for years.

In both houses of Congress, legislators seemed to take seriously the artists’ plight. Before the congressional session adjourned for 2007, a bipartisan group of leading legislators in both the House and Senate introduced the Performance Rights Act, which, if passed, would create the new revenue stream for creators and owners of sound recordings.

First and foremost, the legislation removes the exemption that gives radio the right to play tracks without compensating those that create the recordings that are the backbone of its business. But the bills also include other important provisions that would protect current songwriter royalties and accommodate small and noncommercial radio with a minimal fee to play the music.

Although the quest for this basic issue of fair compensation dates back decades, the current campaign began in earnest with the launch of the musicFIRST Coalition last summer. The Recording Academy is a founding member of the

Coalition (with a seat on its executive board) and is joined by the American Federation of Musicians, American Federation of Television and Radio Artists, the Recording Artists’ Coalition, The Latin Recording Academy and other leading music organizations.

Individuals wishing to support this legislation can send an e-mail to Congress through The Recording Academy’s “Advocacy Action” Web site at www.grammy.com/musicfirst. ■

Performance Right Effort Reaches Millions On GRAMMY Telecast

The performance rights campaign got a boost beyond the usual parties of legislators and music makers when Academy President/CEO Neil Portnow referenced the campaign on the 50th Annual GRAMMY Awards broadcast on Feb. 10. Portnow noted in his on-air remarks, “This year, we will fight to pass legislation to once and for all ensure that, just like in every other developed country in the world, all music creators are compensated for their performances when played on traditional radio.” It was a line that received loud applause in the arena, and no doubt in the homes of music makers and music fans tuned in to the telecast. ■



Photo: Michael Caulfield/WireImage.com

Congress Passes "GRAMMY Bill"

House and Senate resolution honors Recording Academy on its golden anniversary



Reps. Marsha Blackburn, Darrell Issa, Linda Sánchez, Howard Coble and Michael McCaul present framed House resolution to Jimmy Jam and Neil Portnow

"This weekend millions of Americans will view the GRAMMY Awards gala and rise today to recognize a most important milestone for the organization responsible for this program."

So began House floor comments submitted into the Congressional Record by Rep. Mary Bono (R-Calif.) who, along with her Recording Arts and Sciences Congressional Caucus Co-Chair Steny Hoyer (D-Md.), led efforts to pass House Concurrent Resolution 273 recognizing the 50th anniversary of the National Academy of Recording Arts & Sciences. Sen. Patrick Leahy (D-Vt.) shepherded the resolution through the Senate.

The resolution had more than 60 co-sponsors evenly divided between both political parties and passed the House and Senate unanimously. At the GRAMMY Week Special Merit Awards

Ceremony, Reps. Marsha Blackburn (R-Tenn.), Howard Coble (R-N.C.), Darrell Issa (R-Calif.), Michael McCaul (R-Texas) and Linda Sánchez (D-Calif.) presented the framed resolution to Recording Academy President/CEO Neil Portnow and Chair Jimmy Jam.

On the House floor, Reps. Virginia Foxx (R-N.C.) and Paul Hodes (D-N.H.) spoke highly of The Academy's work and asked for passage of the resolution. ■



Rep. Paul Hodes

GRAMMY Town Hall Adds D.C. Focus To GRAMMY Week

Event gives Academy members opportunity to speak with legislators

Amid a week of celebrity-filled parties, paparazzi-filled red carpets and one-of-a-kind performances, The Recording Academy set aside time on Feb. 9 to discuss music policy matters with the men and women who set it. Four members of Congress joined more than 200 Academy members for the GRAMMY Town Hall, a dialogue between Congress and the music community one day before the 50th Annual GRAMMY Awards.

With an audience that included Academy leadership, label heads, trade association executives, media and Academy members from across the country, the diverse discussion ranged from radio royalties to such topics as artist



Reps. Michael McCaul and Linda Sánchez

immigration issues and protection of intellectual property. Moderated by The Academy's VP of Advocacy & Government Relations Daryl Friedman, the participants included Reps. Marsha Blackburn (R-Tenn.), Darrell Issa (R-Calif.), Michael McCaul (R-Texas), and Linda Sánchez (D-Calif.). Academy President/CEO Neil Portnow and Los Angeles Chapter

President Tom Sturges opened the program with introductory remarks.

Noted industry blogger Moses Avalon called the GRAMMY Town Hall "the crown jewel" of GRAMMY Week, and many in the audience stayed long after the program ended to speak one-on-one with the legislators, grateful for their commitment to engaging an inquiring music community on policy matters. ■



Reps. Darrell Issa and Marsha Blackburn

Two Key Academy-Supported Bills Pass House

Touring artist visas and mental health focus of legislation



Rep. Patrick Kennedy



Rep. Howard Berman

After two hard-fought campaigns — and numerous e-mails from Academy members to legislators — two Academy-supported bills have passed the U.S. House of Representatives.

The Arts Require Timely Service (ARTS) Act (HR 1312), which is sponsored by Rep. Howard Berman (D-Calif.) and 12 other bipartisan leaders, was passed by the House on April 1. U.S. arts organizations have found difficulty inviting foreign artists to perform because the visa process can take up to six months to be completed unless the arts organization pays a prohibitive \$1,000 premium processing fee. The legislation would give the U.S. Citizenship and Immigration Services a 30-day window to process such applications (by or on behalf of nonprofits) for performers and the people accompanying

them. If the 30-day deadline is missed, the application would be fast-tracked and the premium processing fee waived. The next step is for the legislation to be approved by the U.S. Senate. A similar bill, S. 2178, has already been introduced by Sens. Orrin Hatch (R-Utah) and John Kerry (D-Mass.).

The Paul Wellstone Mental Health and Addiction Equity Act, supported by The Academy and MusiCares, was passed by the full House by a vote of 268–148 in March. The legislation, sponsored by Rep. Patrick Kennedy (D-R.I.), would require insurance companies that cover mental health issues to do so at the same level of coverage as for physical illness. Passage is a key goal for MusiCares, as it would benefit many of its clients with addiction and other mental health issues. An alert went out to Academy members in advance of the vote asking them to call their legislator in support of the bill. The bill will now have to come before a conference committee to resolve the differences between the House and Senate versions. ■

VIEW FROM THE HILL

Un(convention)al Wisdom

by Daryl P. Friedman

This summer, the Republican and Democratic parties will hold their annual conventions, and everyone in politics knows the drill.

Inside the convention centers: official business will be conducted, speeches will be made, and nominations will be confirmed. Outside the hall: corporations will throw parties, lobbyists will press the flesh, and special interests will be advanced.

It's an environment that is tried and true for promoting corporate interests, but could the setting also be used to promote a worthy cause?

The GRAMMY Foundation is betting yes. In Denver (Democrats, Aug. 25–28)

and Minneapolis (Republicans, Sept. 1–4) the Foundation and its supporters will work to raise the awareness of the value and impact of music and arts education in our country. There will be a captive audience of policy makers to receive a critical message reinforcing the importance of a sound arts policy.

And it's a message that is gaining momentum. This past April, The Recording Academy once again served as a national co-sponsor of Arts Advocacy Day, the annual grassroots day in Washington to convince lawmakers of the importance of the arts and arts education. In many meetings I attended with

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Top Attorneys Attend GRAMMY Roundtable



The Recording Academy's Advocacy office and the GRAMMY Foundation's Entertainment Law Initiative jointly produced a GRAMMY Industry Roundtable at The Academy's Santa Monica headquarters in January. Leading attorneys representing music creators attended the discussion, which focused on compensation issues for music makers. Standing l-r: Sam Folio, Kim Roberts-Hedgpeth, Roberta Reardon, Tom Lee, Nick Ferrara, Scott Goldman, Neil Portnow, John Branca, Jay Rosenthal, David Nimmer and Bobby Rosenbloum. Seated, l-r: Terrie Bjorklund, Bob Donnelly, Dina LaPolt, Daryl Friedman, Ken Abdo, Jay Cooper and Patricia Polach.

Advocacy Roll Call

News briefs for the music community



Joe Kennedy, John Simson, PNW Chapter Executive Director Ben London, Daryl Friedman, Rep. Jim McDermott, Bob Kimball and Tom Mara at the MusicTech Summit

Seattle Tech Summit Includes Legislative Panel

The Recording Academy Pacific Northwest Chapter in conjunction with the Producers & Engineers Wing presented its 2nd Annual MusicTech Summit at Experience Music Project's JBL Theater. Included was a legislative panel on Nov. 2 titled "Is The House Rockin'?: How Policy In Congress Makes Or Breaks The Music Business." Rep. Jim McDermott (D-Wash.) joined a panel consisting of Joe Kennedy of Pandora, Tom Mara of KEXP, Bob Kimball of RealNetworks, and John Simson of SoundExchange with The Academy's Daryl Friedman as moderator. Webcasts of the sessions can be viewed at www.grammypnw.com.

Recording Academy Advocacy At SXSW

The Academy was well represented at South by Southwest in Austin in March

with two activities produced by The Academy's Advocacy & Government Relations department. A panel on legislation affecting the music community was presented as part of SXSW's continuing legal education program. Chip Roy, senior counsel to Sen. John Cornyn (R-Texas), joined Academy Trustees John Simson and Christine Albert and Academy VP of Advocacy & Government Relations Daryl Friedman for a wide-ranging discussion about pertinent congressional activities. Also during the week, in cooperation with the GRAMMY Foundation's Entertainment Law Initiative, leading music creators' attorneys continued their discussion about issues that impact the rights of music makers at the GRAMMY Industry Roundtable.

Music CEO Retreat Convened

Presidents, CEOs and executive directors representing every sector of the

music community gathered in March for their annual retreat designed to strengthen working relationships and discuss ways to advance the industry. Moderated and co-hosted by Academy President/CEO Neil Portnow, the group consists of heads of organizations representing artists, producers, songwriters, labels, publishers, and performing rights organizations.

Washington Music Community Heads To Congress

During its "lobby day" on Feb. 27, the National Association of Broadcasters brought more than 600 industry representatives to lobby Congress on their issues. Chief among them is working to defeat the Performance Rights Act, an Academy-backed bill that would remove the broadcasters' exemption from paying performance royalties to creators of sound recordings (see page 2). The Academy and other members of the musicFIRST Coalition organized a "truth squad" of working musicians and music advocates to have a presence on Capitol Hill and present the pro-music side of the argument. The music delegation played music in the halls and offices of Congress and at a special event with artists Chuck Brown and BeBe Winans.

XM And Sirius One Step Closer To Merger

In March, the Justice Department gave the merg-

er of satellite radio providers XM and Sirius the green light. As of this writing, the companies will have to go before the FCC before the \$13 billion deal can become final. One Justice Department official stated that there are many options other than satellite radio and therefore the two companies can merge without "diminishing competition." The National Association of Broadcasters opposes the decision saying that the merged company will be a monopoly and as such will raise prices and limit offerings.

Arts Advocacy Day

The Recording Academy was once again a national co-sponsor of Arts Advocacy Day on April 1, promoting arts funding and music education on Capitol Hill. Academy Advocacy staff were joined by a delegation of leaders from the New York Chapter who came to Washington for the day. The group met with Reps. John Hall (D-N.Y.), Paul Hodes (D-N.H.), Darrell Issa (R-Calif.) and Jerry Nadler (D-N.Y.). ■



Academy Trustee Paul Katz, New York Chapter Executive Director Elizabeth Healy, Rep. John Hall and Trustee Ray Chew at Arts Advocacy Day

SOUND POLICY

by Neil Portnow

Why would 20 presidents and CEOs of leading music associations pack their bags, turn off their BlackBerrys, and sequester themselves for two days in March given their always busy schedules these days?

Simply because there's too much at stake *not* to.

Shortly after I took the helm of The Recording Academy five years ago, we conceptualized a "Music CEO Summit" along with the Songwriters Guild of America and the Recording Industry Association of America — a meeting where the heads of every music trade association, union, guild and performing rights organization could gather in a closed-door, off-the-record conversation to learn from each other and help improve our business and the environment for music makers and music fans.

That idea became a reality, and the now semiannual meeting attracts leaders representing every facet of our industry: artists and songwriters, studio professionals, performing

rights organizations, labels and publishers (both major and independent), and organizations representing specific music genres.

From that first gathering in 2005, we knew we had created something significant. Many of the presidents and CEOs — who have toiled for years in the same industry — had never met face-to-face. Bringing us all together to forge personal relationships and friendships was in itself an important result. But as the conversa-

tions began, this quickly went far beyond a networking opportunity; the high-level dialogue had us all seeing different perspectives, speaking off our usual and routine talking points, and thinking about the issues in new and perhaps more open-minded ways.

Needless to say, in the complex, sometimes perilous, and always exhilarating years that followed that first retreat, there has been and continues to be much to discuss. Where participants disagree about issues, we have very frank and open dialogue designed to increase understanding. More often, we discuss

our common interests and how to work together productively in an era when outside forces — from technology to legislation — demand that we reassess our business models and methods every day.

The most recent retreat in a remote area of South Carolina included a short boat ride on a nearby river. The symbolism was not lost on any of us. We are truly all in

the same boat, with the same destination in mind. Though the waters are sometimes choppy, working as a team we will surely reach a safe harbor.

I offer my sincere thanks to all of these visionary CEOs who participated in this historic voyage. ■

(Sound Policy is a regular column by Recording Academy President/CEO Neil Portnow on Recording Arts issues.)



VIEW FROM THE HILL

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Recording Academy leaders, we were met by receptive legislators who didn't need much convincing.

To be sure, challenges in arts funding remain. But in recent years, the Arts in Education budget has received incremental increases, to last year's level of \$37.5 million. Congressional leaders such as Rep. Louise Slaughter (D-N.Y.), Rep. Chris Shays (R-Conn.), and 74 members of the U.S. House of Representatives signed their names in support of increasing Arts in Education funding to \$53 million in 2008.

But the GRAMMY Foundation's presence in Denver and Minneapolis will not be about legislation. It will be about music. With prominent artists performing and explaining the importance of music education in their daily lives, policy makers from both parties will gain a deeper understanding of the importance of supporting arts policy in theirs.

These GRAMMY Foundation programs promise to be the most unconventional of convention events. Instead of promoting special interests, they will promote the public interest. Instead of hosting lobbyists, they will shine the light on music makers. And in place of speeches, there will be music.

When Congress returns to Washington the week following the conventions, we think they will remember a very unique voice speaking — no, singing — on behalf of a very noble cause.

Now that's what I call a party. ■

(Daryl P. Friedman is the Vice President of Advocacy & Government Relations at The Recording Academy.)



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