NATIONAL ACADEMY OF RECORDING ARTS & SCIENCES®

CAPITOL TRACKS[®]



ADVANCING THE RIGHTS OF MUSIC CREATORS

WINTER 2009

BRINGING MUSIC TO THE PARTIES

Academy promotes the value of music at Democratic and Republican national conventions





Joe Nichols (left) performs at the Republican National Convention Photo: Cory Ryan/Wirelmage.com; Chris Daughtry (right) performs at the Democratic National Convention Photo: Soren McCarty/Wirelmage.com

Academy Rocks The National Political Conventions

Academy and artists promote the value of music

The hot ticket at any political convention is the moment when the presumptive nominee accepts the party's nomination for president. This year, the second-hottest tickets in Denver and Minneapolis were for The Recording Academy's GRAMMYs Rock The Convention events, which brought artists and songwriters to the respective centers of the political universe at the Democratic and Republican national conventions.

Of course, it's not surprising that if you take successful music creators and a group of politically motivated people and convene them in the best venue a city has to offer, you have a recipe for fun with a meaningful purpose.

The Rock The Convention events benefiting the GRAMMY Foundation were different in each city, but shared some common traits. Academy Chair of the Board Jimmy Jam and President/CEO



Everclear performs at GRAMMYs Rock The Convention during the Democratic National Convention Photo: Joshua Norton/Wirelmage.com



Joe Nichols, Alice Peacock, Brett James and Jennifer Hanson at "Up Close And Personal: The Hit Songwriters" during the Republican National Convention Photo: Cory Ryan/Wirelmage.com

Neil Portnow spoke at each event, addressing the importance of music education and public support for the arts. But while many convention parties use music to convey their message, at these events music was the message. To drive that message home, at each function artists spoke about their own commitments to music, education, and The Academy's affiliated charities.

Dems Rock The Church

Local favorites the Flobots, along with rock acts Everclear and Daughtry, performed at the Democratic installment of GRAMMYs Rock The Convention on Aug. 26 at the Church in Denver.

Once a gothic-style house of worship,

the Church is known as one of the best dance clubs in the city and attracts top international DJs on a regular basis. The Flobots mesmerized the audience with their brand of engaging progressive hip-hop. Adding to the chart-topping group's impact, guitarist/vocalist Andy Guerrero was once a member of The Academy's public service initiative What's The Download's Interactive Advisory Board. After the set, he spoke to the audience about The Academy's program designed to find ways to improve the music environment for both creators and fans.

The night concluded with Everclear and Daughtry performing rare acoustic sets for a rapt audience of Democratic power brokers.

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Everclear Talks Artist Rights At DNC

In performing a captivating set at the GRAMMYs Rock The Convention event in Denver on Aug. 26, Everclear frontman Art Alexakis was just getting warmed up. The next day he and fellow bandmate Sam Hudson set out to spread the word in support of artists' rights to literally dozens of members of Congress on behalf of the musicFIRST Coalition.

Following U.S. House Speaker Nancy

Pelosi's (D-Calif.) leadership tea and discussing performance rights with a group of political officials, Alexakis and Hudson attended a staff briefing where they spoke with congressional staff working on intellectual property issues, addressing the need for a fair radio performance royalty for artists. The policy staffers were even treated to an impromptu short acoustic set of Everclear hits.

It was then on to the Democratic National Convention floor where Alexakis, his daughter Anna Alexakis, and Hudson witnessed Sen. Joe Biden (D-Del.) accept the vice presidential nomination. At the convention, Alexakis and Hudson also had more opportunities to speak with members of Congress and underscore the importance of artists' rights.



Rep. Hilda Solis (D-Calif.), Sam Hudson, Rep. Lynn Woolsey (D-Calif.), Art Alexakis, Anna Alexakis, and Rep. Nita Lowey (D-N.Y.)

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GRAMMYs Rock The Conventions

Democratic National Convention The Church, Denver



Academy Chair **Jimmy Jam** with **Rep. Linda Sánchez** (D-Calif.)



Flobots members (I-r) Andy Guerrero, Jesse Walker, Jonny 5, Kenny Ortiz, Mackenzie Roberts and Brer Rabbit



Rep. Debbie Wasserman Schultz (D-Fla.) and Academy President/ CEO Neil Portnow



Jimmy Jam and Sen. Byron Dorgan (D-N.D.)



GRAMMY-winning musician Herbie Hancock with Neil Portnow



Back row: (I-r) Daughtry's Josh Paul, Daughtry manager Stirling McIlwaine, Jimmy Jam, Academy Vice President of Advocacy & Government Relations Daryl Friedman, Neil Portnow, and GRAMMY Foundation Senior Vice President Kristen Madsen; front row: (I-r) Daughtry's Chris Daughtry, Brian Craddock, Josh Steely and Joey Barnes

Republican National Convention University of Minnesota's McNamara Alumni Center, Minneapolis



Daryl Friedman, Neil Portnow, Gov. Jim Gibbons (R-Nev.), Jimmy Jam and songwriter Brett James



(I-r) Matt Abdo, Mari Abdo and Jake Abdo of the Abdomen speak about their experience at GRAMMY Camp in 2005 with Daryl Friedman (right)



Jennifer Hanson performs at "Up Close And Personal: The Hit Songwriters"



Greg Laswell performs prior to "The Hit Songwriters" session



Brett James performs at "Up Close And Personal: The Hit Songwriters"

hotos: Soren McCarty/WireImage.com

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Radio Performance Royalties Effort Makes Key Strides

Music community optimistic about issue's momentum

The quest for a radio performance royalty for artists — a top priority on The Recording Academy's advocacy agenda — passed several major milestones in the 110th Congress scheduled to conclude in December. The effort is now well positioned for continued deliberations in the 111th Congress scheduled to begin in January 2009.

The Academy and other music organizations founded the musicFIRST Coalition in June 2007 to address the performance royalty issue. In the short time since the coalition was formed. more progress has been made on this long-standing issue than in the previous 80 years combined. Since the launch, the Performance Rights Act was introduced in both the U.S. House of Representatives and U.S. Senate with bipartisan support. Three hearings have been held with several Academy witnesses and supporters testifying including GRAMMY-winning artist Lyle Lovett and Chicago Chapter Governor and singer/songwriter Alice Peacock. The bill also cleared a major hurdle on June 26 when the U.S. House Judiciary Committee's copyright subcommittee approved the measure on a voice vote — a major step toward possible passage.

The Performance Rights Act removes

the corporate radio loophole and requires broadcasters to compensate artists for radio play, similar to payment models in Internet and satellite radio.

The bill is at the heart of the debate between the music community and broadcasters. Performers want to close the decades-old exception that allows radio stations to play music without paying the performers, contending that it is only fair to pay musicians and copyright owners for the very thing that brings listeners to radio. Meanwhile, broadcasters have vowed to kill the legislation, arguing that radio's promotional value more than compensates performers for their music.

At least on the subcommittee level, broadcasters lost that fight when the panel approved a version of the bill that gives performers this critical right.

"The broadcasters have refused to acknowledge that there may be a sum above zero that they are willing to pay," said Rep. Howard Berman (D-Calif.), the panel chairman and chief author of the bill.

Under the version of the bill reported out of the subcommittee, performance royalties would be capped at \$5,000 per year for radio stations with less than \$1.25 million in annual revenue. Noncommercial stations would pay a maximum of \$1,000 to performers annually for music. ■

Academy Leaders Help Advance Royalty Issue In Washington

Nitty Gritty Dirt Band delivers a musical message



Rep. Henry Waxman (D-Calif., center) with Nitty Gritty Dirt Band members (I-r) Jeff Hanna, Jimmie Fadden, Bob Carpenter and John McEuen

The initial discussion for a campaign in support of radio performance royalties for artists was launched at a GRAMMY Industry Roundtable in February 2007, so it's no surprise that numerous Recording Academy leaders and supporters have led the fight for this basic right for music creators ever since.

The first two hearings before the U.S. House and U.S. Senate were both populated by Academy-requested witnesses: artists Judy Collins, Lyle Lovett, Sam Moore and Alice Peacock.

Among the most recent efforts in June, just as the House subcommittee was scheduling a vote on the bill, the Nitty Gritty Dirt Band came to Washington, D.C., to discuss — and demonstrate — the importance of this issue. Los Angeles Chapter Governor Bob Carpenter and Nashville Chapter Governor Jeff Hanna joined fellow band members Jimmie Fadden and John McEuen for an afternoon on Capitol Hill.

The band members illuminated the issue in the best way possible, through music. After playing "Mr. Bojangles" — a

top 10 radio hit for the band in 1971 — they informed the congressional audience that their cumulative radio royalties for the song amounted to exactly zero dollars and zero cents. It was a poignant illustration that the issue must be addressed for the sake of fairness to artists

and musicians.

On June 11 Academy Trustee Dan Workman joined other music makers for a lobby day on Capitol Hill. Meeting with Rep. Sheila Jackson Lee (D-Texas) and other members of Congress, Workman helped explain the creative community's position on the Performance Rights Act on the day of the House subcommittee vote. Rep. Jackson Lee ended up voting in support of the legislation.

As the issue of performance royalties continues into 2009 and beyond, Academy representatives will continue to lead the charge in support of artists and musicians.



Rep. Sheila Jackson Lee with Academy Texas Chapter Trustee **Dan Workman**

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Radio Performance Right Addressed At Senate Hearing And Radio Conclave

Academy Trustee Simson, musician Ondrasik testify

SoundExchange Executive Director and Recording Academy Trustee John Simson and Five For Fighting frontman John Ondrasik were among the witnesses who testified on July 29 at the U.S. Senate hearing "Music And Radio In The 21st Century: Assuring Fair Rate Rules Across Platforms."

The hearing, largely convened to address royalty performance rates for webcasting, not surprisingly also addressed performers' quest to be compensated for traditional AM and FM radio as well. This initiative, backed by The Academy and other organizations in the musicFIRST Coalition, had unprecedented movement in the 110th Congress ending December 2008. It's no secret that the broadcast industry wants to keep the legislation bottled up, and the most expedient way to do that is to prevent any debate that there needs to be a change in the way over-the-air radio does business. Fortunately for musicians' advocates it didn't work out that way.

During the hearing Simson explained to the lawmakers that a radio royalty would be good for a society that prides itself in its ability to incubate creative talent. Like the webcast performance royalty that has aided thousands of musicians across the country, an overthe-air royalty would also have the benefit of supporting the general creative environment for musicians.

"For some reason, there are those who treat music as something they should have for free or below its real value." Simson told the lawmakers.



"Ignored in all of this is the hard work of the performers the endless practice sessions. the second jobs, the lessons, the road trips — or the thousands of people who work in the

recording industry promoting, investing, marketing, developing, [and] producing all those recordings. Frankly, the attitude that music should be free or devalued is inherently wrong."

Ondrasik began his music advocacy in Washington, D.C., as headliner at The Academy's GRAMMYs on the Hill event in 2006. Simson, Ondrasik and other music advocates are hoping that the "Music And Radio In The 21st Century" hearing can help push the legislation forward since negotiations with broadcasters have yet to begin.

In a related development, Academy Vice President of Advocacy & Government Relations Daryl Friedman squared off in June against National Association of Broadcasters President David Rehr during

the Conclave, an annual broadcaster gathering in Minneapolis. When Friedman offered to begin negotiations the next business day, Rehr said, "I'd rather cut my throat than negotiate on performance royalties. That's the opinion we have at the NAB."

But even some NAB members seem to see the writing on the wall. Triad Broadcasting Company President/CEO David Benjamin said in August, "You would have to be blind not to see [the issue] is picking up traction." With three congressional hearings and a positive subcommittee vote, the Performance Rights Act continues to move forward and the bill will have strong momentum when reintroduced in early 2009.



in 2006 Photo: Douglas A. Sonders/Wirelmage.com

Academy Rocks continued from page 3

Songwriters Serenade The Republicans

For the Republican National Convention in Minneapolis on Sept. 2, the focus turned to the songwriter. Held at the University of Minnesota's McNamara Alumni Center. The Academy hosted an event featuring a songwriters session that put the spotlight on one of the organization's key membership categories.

"Up Close And Personal: The Hit Songwriters" was led by Chicago Chapter Governor and singer/songwriter Alice Peacock and featured artist/songwriter Jennifer Hanson, GRAMMY-winning songwriter Brett James, and GRAMMY nominee Joe Nichols. Each songwriter performed a brief three-song set and discussed the creative process. Prior to the session, L.A.-based singer/songwriter Greg Laswell performed a set of his songs.

Opening the event was the Abdomen, a sibling band from Minneapolis whose members performed and discussed the valuable experience they gained from attending the GRAMMY Foundation's GRAMMY Camp program in 2005.

The two events succeeded in making clear the cultural and inspirational message of music and making that message evident to the attending lawmakers. And the GRAMMY Foundation was able to garner more support to fulfill its ongoing educational mission. Special thanks for the GRAMMYs Rock The Convention events go to lead sponsor Greenberg Traurig; major sponsors Best Buy, COMPTEL, Hall Wines, Lockheed Martin, and Southern Company; and BMI, SESAC, SoundExchange, and National Beer Wholesalers Association.

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Recording Academy Launches Advocacy Amplified Initiative

Program connects Academy members with national legislators in local music communities



In a continual effort to harness the advocacy power of its most important resource — its members — The Recording Academy recently launched Advocacy Amplified, a program designed to facilitate local meetings between music makers and members of Congress to allow legislators

to better understand how national music

issues impact their own constituents.

"Our Recording Arts Day in Washington brings our members face-to-face with their legislators in the Capitol, while Advocacy Action @ GRAMMY.com facilitates e-mails to Congress from members around the country," noted Daryl Friedman, The Academy's Vice President of Advocacy & Government Relations. "This new program will combine the best of both approaches

into a very effective grassroots program."

The launch of the program took place on May 2 in Orlando, Fla., as Rep. Tom Feeney (R-Fla.) met with members of The Academy's Florida Chapter to discuss their support of the Performance Rights Act (see story on page 6). The meeting participants represented a cross section of Florida's

music community including Bryan Bassett, musician and Florida Chapter Governor; Neil Crilly, Florida Chapter Senior Executive Director; Rene Flores, musician and sales manager, Music Sales Group; Hunter Menning, Audiotronics course director, Full Sail University; and Thomas Player, entertainment attorney.

"We appreciated Rep. Feeney's willingness to meet with our group while he was home in Orlando, and I believe he too appreciated hearing directly from his constituents," said Crilly. "The congressman was very engaged, and I felt we had a constructive dialogue."

Additional Advocacy Amplified meetings have taken place or are planned in New York, Pennsylvania, Texas and Wisconsin with more locations to follow.

Stepping Up To The MIC

Academy in coalition to ensure consideration for audio professionals in FCC "white space" testing

The Recording Academy is among the advocates for proper "white space" device usage, stressing the importance of the technology not harming existing uses of the wireless spectrum by the concert industry. This summer, Federal Communications Commission engineers completed another round of testing for new portable devices that use the frequencies in the "white space" for portable broadband. This latest round of tests was designed to determine if the devices can identify an open signal in the part of the wireless spectrum used by the concert industry for wireless microphones and monitors.

On behalf of its members who rely on wireless technologies in the concert industry, The Academy requested that the FCC conduct a portion of its testing at the Lollapalooza music festival in August to ensure that the complexities of a real-world concert festival were considered in the analysis.

"We believe the test results from this festival [Lollapalooza] would lend significant value and engineering insight for the commission," noted Daryl Friedman, The Academy's Vice President of Advocacy & Government Relations, in a letter to the FCC, adding that the FCC should ensure that "new devices provide effective and robust interference solutions."

The FCC, however, chose to conduct tests in August at an NFL game at FedEx Field in Washington, D.C., and at a Broadway performance of "Phantom Of The Opera" at the Majestic Theater in New York. Testing results were released on Oct. 15 with prototypes of the new devices in some cases showing a poor ability to "sense"— and stay away from — frequencies used by wireless microphones, an area of concern for the engineering community.

Despite these concerns, the FCC may green light the use of new devices such as PDAs this fall. The Microphone Interests Coalition (MIC) — a group including The Academy, Shure, the Grand Ole Opry and others — is concerned that rushing new technologies into the marketplace will disrupt concert operations, as well as other uses of wireless microphones from sporting events to houses of worship.

"It is essential that the FCC consider the uneven results of its own testing and not rely on sensing technologies that have proven unreliable. The commission owes that to artists and fans alike," commented Maureen Droney, Executive Director of The Academy's Producers & Engineers Wing.

The Recording Academy has submitted comments to the FCC in advance of the vote to support a proposal by the wireless microphone community offering a reasonable compromise to protect microphone operations that have been in use for decades. The proposal calls for a limited frequency dedicated for microphone use and other protections.

Whatever the outcome, The Academy will continue to keep its members informed and work to protect the interests of the professional audio community.

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SOUND POLICY by Neil Portnow

Shortly after Chinese pianist Lang Lang performed at the 50th GRAMMY Awards, he was gracious enough to extend an offer that I could not refuse. The Recording Academy's newly designated GRAMMY Cultural Ambassador to China invited me to attend the Beijing 2008 Olympic Games this past August to witness the amazing spectacle and watch him perform at the opening ceremony. I accepted his kind offer; though, as much as I appreciated the skill and artistry displayed by the competing Olympic athletes, I was motivated to make the trip with a different type of artistry in mind.

The arts in China have been on my

mind lately. Some of my discussions in Washington, D.C., during Recording Arts Day in September 2007 addressed Chinese music piracy and its impact on Academy members and our music industry. The issue has not yet significantly changed, so during my visit to China I was determined to have a face-to-face meeting with Robin

Li, the chairman/CEO of Baidu — the "Google of China." The site is as popular in China as it is known among the copyright community in America for not protecting copyrighted material. Our meeting was productive with frank discussion about intellectual property that I hope will continue and ultimately produce some positive results.

China has also been on my mind because as The Academy continues its quest for a traditional radio royalty for performers, I often cite China as an illustration of a nation with a weak record on protecting intellectual property. When it comes to this particular lack of basic compensation for music creators, I often ask members of Congress, "Do we want the United States to be in the same category as China on this issue?"

Finally, China has occupied my thoughts as I frequently engage in conversations regarding government leadership and culture. GRAMMY-winning legend and Academy 50th Celebration Ambassador

Quincy Jones and I discuss this topic nearly every time we meet. Quincy, an avid world traveler and advocate for the critical importance and value of the arts in world culture, notes that most of the countries he has visited have what the United States lacks: the equivalent of a "culture minister." Yes, even China has one.

Few in the music community would doubt the need for additional

government support and leadership for the arts. And yet, as Americans, we are correctly wary of the negative potential of government interference in the free expression of music, dance, theater, and the visual arts. Of course, Congress' attempt some years ago to nearly eliminate the National Endowment for the Arts due to debates about funding art it deemed inappropriate is still in our recent collective memory.

One could look at China and the United States as almost polar opposites on this issue. In China, the government takes great interest in the arts, runs national museums, promotes its nation's artists at home and abroad, and provides significant funding to do so. But it is also a government that can limit free expression as evidenced by the review this past summer of set lists of musical artists to guard against "threats to national unity." (This coming after Björk offended some fans and government officials by shouting "Tibet! Tibet!" at her Shanghai concert in March.)

In contrast, the First Amendment affords American artists the freedom to express their opinions for or against the government (or on any other subject). But other than the NEA, the federal government shows little interest in the promotion or creation of the arts. 2008's NEA funding of about \$145 million is meager by government agency standards and only provides approximately 50 cents of support for each American. And given the significant value and financial benefits that the arts contribute at home and from export abroad to our nation's economy, this lack of interest is not only shortsighted, but poor policy.

Is there a better way?

This summer in Washington, I met with Bill Ivey, a former Chairman/President of The Recording Academy and former NEA chairman. In his latest book, Arts, Inc.: How Greed And Neglect Have Destroyed Our Cultural Rights, Bill has proposed the creation of a U.S. Department of Cultural Affairs. It is a noble idea, but one that still



RODIN LI AND INEII PORTNOW PROTO: Juliette Zhuo

has skeptics concerned that the government support and promotion of artistic expression can lead to far too much involvement and interference.

As conversations widen beyond Bill, Quincy, and myself, we continue working toward that elusive middle ground where government can provide more support and promotion for the arts while not exerting control over content. The Academy has since started dialogue with CEOs in the music, motion picture, and television industries, as well as traditional nonprofit arts organizations that have long hoped for more federal support.

The arts and entertainment industries are vital to our country's financial and cultural well-being. With the dawn of a new administration coming to Washington, the time is now right to enlist high-level federal government support for this critical component of our lives. As The Recording Academy pursues this goal and helps uncover a middle ground, I invite you to e-mail me at ceo@grammy.com to offer your ideas and comments.

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

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GRAMMYs On The Hill Gospel Brunch Raises The Roof

Event helps pass Gospel Music Heritage Month congressional resolution

While the world of gospel music had its eyes on Washington, D.C., for the 2008 GRAMMY Salute To Gospel event on June 18, official Washington also took its turn at the pulpit. That morning, a room in the Capitol typically used by the U.S. House's Ways and Means Committee was transformed into the GRAMMYs on the Hill: Gospel Brunch. The musical event was designed to advance a congressional resolution establishing September 2008 as Gospel Music Heritage Month in recognition of the genre's valuable longstanding contributions to American culture.

Numerous members of Congress including Reps. Mary Bono-Mack (R-Calif.), Steve Cohen (D-Tenn.), and John Conyers Jr. (D-Mich.), and Sens. Orrin Hatch (R-Utah) and Blanche Lincoln (D-Ark.) joined Recording Academy President/CEO Neil Portnow and Gospel Music Channel

President Charles Humbard to celebrate the cultural heritage of gospel music.

The event concluded with the whole room joining in the Edwin Hawkins Singers' hit "Oh Happy Day." It turned out to be a song come true; a week later the gospel resolution passed the House and Senate.



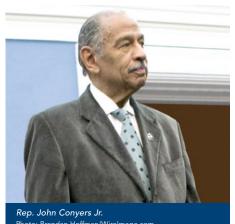




Photo: Brendan Hoffman/Wirelmage.com

Legislative Victories

Recording Academy members' support helped pass health parity, intellectual property and recording preservation legislation in recent months.

Health Parity Legislation

The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 passed in October. The legislation will require insurance companies that cover mental health issues to do so at the same level of coverage as for physical illnesses. Passage is key for The Academy and its health and human services charity MusiCares, as it has the potential to benefit many MusiCares clients.

Enforcement Of IP Rights

In October Congress passed the Prioritizing Resources and Organization for Intellectual Property Act, a major copyright enforcement bill endorsed by The Academy and much of the music and entertainment industry. The law will provide greater copyright enforcement through the creation of an executive-level intellectual property enforcement coordinator, who will report directly to the president and Congress on domestic intellectual property issues and create a nationwide plan to combat piracy.

Sound Recording Preservation

Congress passed legislation in September reauthorizing the Library of Congress' National Recording Registry, a program that identifies and preserves recordings deemed culturally and historically significant. Academy and **GRAMMY Foundation President/CEO** Neil Portnow and GRAMMY Foundation Senior Vice President Kristen Madsen sit on the Library's National Recording Preservation Board.



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