

Keynote Address at Minnesota Music Summit
March 11, 2014
Casey Rae, Interim Executive Director, Future of Music Coalition

Good morning. Thank you for all for being here, and thank you for having me at the Minnesota Music Summit. It's truly an honor to be joining you at this amazing event. Today, I want to explore the future of music, which is still being written, and which you all can play a part in writing. Some of the issues I'll be bringing up will no doubt be familiar to you. Others may not be as familiar. But it's not just about me giving some prepared remarks, it's about dialog. It's about the very real connections between people who are passionate about music, who create it and nurture it. And those are the connections that I love to make. In 2014, there's no single approach to being a musician or composer, so it's become critical that we listen and learn from one another. And I look forward to learning from all of you.

Before I dive into some of the challenges and opportunities facing musicians, I wanted to give you a bit of background about myself and my organization, the Future of Music Coalition. I've been playing music all of my life, and had my big run in 1990s, when everyone had a goatee, a nose ring and a street team—remember those? I had the goatee and the street team, but was kind of freaked out about nose rings—I had all these irrational fears about catching it on someone's lip ring. This was the slacker version of an occupational hazard.

Anyway, I did that for a while, touring all over the Northeast, causing trouble and, like the story goes, and, like the story goes, breaking up with my band on the verge of hitting the big time. OK, it wasn't quite that dramatic, but it sure felt like a big deal at the time. OK, maybe not so glorious, but for a kid who didn't finish college and thought this was his only shot, it felt like a big deal. Ultimately not meant to be, and as it turns out, that's probably for the best. So I took some time off to run an independent record store—remember those?—and work as an audio engineer, mixing records and making a handful of my own. After that, I became a full-time music journalist—remember those?—mostly covering the avant-garde and underground scenes. So if you wanna talk about obscure Japanese noise rock or Italian prog from the early '70s, I'm your dude. All the while, I was working faders and putting out albums at a time when this whole Internet thing was just taking off. On a lark, I moved to Washington, DC. I suppose we can blame Fugazi. I wasn't exactly sure about what I was supposed to do in Washington, but I somehow stumbled across this think tank for musicians that seemed to define itself against the traditional industry goobers responsible for ruining radio and burying us in boy bands. Somehow, Future of Music Coalition took a chance on bringing me on as their Communications Director, and they haven't been able to get rid of me yet.

It was a great place to land. The organization was founded in 2000—a year before the original Napster upset the entire industry applecart. Future of Music was the brainchild of some incredibly forward looking folks in the DC music scene, including

Jenny Toomey and Kristin Thomson of the band Tsunami, who also ran a label called Simple Machine records. These two visionary women took it upon themselves to publish a pamphlet called the “Mechanic’s Guide to Putting out a Record,” which tons of DIY-minded folks across the country sent a self-addressed envelope to receive. That paper-and-staples toolkit was called “the guide that launched a thousand indie record labels,” and it established the basic framework that Future of Music Coalition operates under to this day. For fourteen years now, FMC has worked to translate the complex issues impacting musicians and songwriters, with a pragmatic approach to the issues that sometimes gets us in trouble with music industry and technology big shots, but is always rooted in the real-world experiences of musicians.

I wanted to give you a sense of how we go about our work before I get into some of the issues that will have an outsized impact on the future of music for creators and fans. FMC’s efforts can be organized into three main buckets: research, education and advocacy. We’ve done a ton of important work on the research side, guided by the conviction that decisions made at the federal level in Washington, DC have more of an impact on the music community than most people would realize. We conduct qualitative and quantitative studies to not only highlight the effects of public policy on musicians and composers, but also to hold policymakers accountable for their decisions.

Our earliest research looked at how consolidation in the commercial radio sector affected local and independent musicians. Some of you may not remember this, but radio wasn’t always a national jukebox. When I was a kid, you could have blindfolded me and put me in the back of a car and drove me across the country—note: this did not actually happen to me—and even at age 10, I could’ve told you where we were just by what was on the dial. Now, you could drive from Portland Maine to Portland Oregon and hear the same 5 songs in whatever category of commercial station you were listening to. Why is that? Well, in 1996, Congress passed a bill called the 1996 Telecommunications Act that did a lot of things—some good, some not so good. One of the bad things it did was to remove the caps on the number of radio stations a single broadcast company could own. Practically overnight, you went from a vibrant and diverse universe of mom and pop broadcasters to the era of Clear Channel.

Now, even before I got into the world of policy, I probably could’ve told you anecdotally when radio started sucking: it was the afternoon of June 26, 1996 (I totally made up that date). But in all seriousness, this was something that my friends and I experienced even in our rinky-dink towns. Previously, we were getting played on full-power commercial stations in major markets like Boston. Then, boom, that door was closed. Consolidation in commercial radio was devastating for local and regional music scenes that could previously count on the local station as an important first rung. And so we did the research and presented it to the Federal Communications Commission, which is tasked by Congress to review existing media ownership rules every four years. And every four years the major broadcasters try

to relax the rules so they can gobble up even more stations. Well, because of our work on behalf of musicians, we've held the line on further consolidation. And, perhaps as significantly, FMC and our allies pushed for and won a major expansion of noncommercial radio. After ten years of dedicated work from a ragtag group of musicians, nonprofits and radio enthusiasts, Congress finally passed a law in 2010 allowing for Low Power FM stations to set up in larger towns and cities. Previously, these stations were only available in places with lots of cows. I can say that because I grew up in Vermont, and we had an LPFM. So that's one example of the work FMC does in coalition with groups and individuals who care deeply about sustainable local music scenes.

Our work can be organized into two buckets: access and compensation. When I talk about radio, I'm talking about access to potential audiences. That logic applies to the Internet as well. Which brings me to my next tale of danger and adventure.

There's no doubt that the Internet is a sticky wicket for musicians and composers. Our research into musician attitudes about the Internet going back to 2003 confirms as much—some musicians think the Internet is made of magic, others think it made their crops fail and their cattle go dry. (What's with me and cows?) So news flash: musicians aren't a monolithic group, and they have a range of opinions.

But one thing that is clear: musicians now depend on the Internet in practically every aspect of our lives and careers. Frankly, it's the most powerful tool we have—besides performance—to reach audiences and cultivate fans. When FMC started in 2000, we had a sense that this technology was going to be incredibly disruptive to traditional business models. And obviously, that was borne out. The ripple effects of the digital disruption continue to be felt and some of that starry-eyed optimism about how awesome the web would be for creators has faded. But as someone who straddles the divide between the analog, scarcity-based era and this brave new world of connectivity and abundance, I want to remind folks that the old system wasn't great shakes for the vast majority of artists. We can and we must continue to put pressure on the new gatekeepers to not disadvantage our communities, but we also need to ensure that the Internet remains accessible to artists and entrepreneurs of all backgrounds, shapes and sizes and not just a closed circuit for giant media conglomerates and technology companies.

Let me make that real for you.

Back in the early 2000s, the Internet Service Providers—you know, the folks you pay a hundreds of dollars to every month for the privilege of connecting to the network?—made it clear that they wanted to charge content providers, like musicians and other entrepreneurs, a toll to deliver their content, sites and services to end users. In plain terms, this would make the Internet like cable television, or even commercial radio with its payola practices. We thought this would be terrible for independent artists and labels. So we pushed back to preserve the basic

structures that make the web accessible to everyone. This is called “net neutrality.” How many of you have heard that term?

Given the push to corporatize the Internet by the ISPs and some of the major content companies who don't seem to like competition, FMC and thousands of our artist friends—including Pearl Jam, R.E.M., Death Cab for Cutie, Kronos Quartet and more—all banded together in support of “net neutrality”—which is the concept that lawful traffic shouldn't be blocked or restricted based on an ISPs business or even political preferences. And then the musicians union, AFM and the indie labels climbed aboard. And we were successful: in 2010, the FCC issued basic rules of the road for ISPs to keep the Internet lanes open to the little guy. Unfortunately, the legal rationale they used to produce their Open Internet Order was tossed out by a federal court a few months ago. Which doesn't mean they don't have the authority; they just have to find a better way to assert it. More on that in a second.

Now, as an artist you may be more concerned with how to protect your rights online. And you should be: piracy is the devil. Like, I personally want to punch piracy in the face. As a matter of fact, back when my organization started, we said something along the lines of, “if copyright goes away, it'll be the smaller artists and rightsholders that are hurt the most.” So we're very much pro-artist rights. But what I'm talking about here is more about the ability to compete alongside the biggest companies in an open marketplace built on creative expression and innovation. Smaller artists and labels are the folks who are most likely to be in the position to use a new platform or tool to our competitive advantage, because we can pivot quickly. The bigger players have to basically steer the Titanic. But anyone who can remember what it was like to compete with the major labels for distribution, shelf space and access to radio knows that preserving a level online playing field is in our best interests.

I want you to keep in mind that net neutrality rules only apply to lawful content, sites and services, so network operators and rightsholders have plenty of leeway to combat piracy. I can't stress that enough. And I'll get to some of the current efforts to curb piracy momentarily.

Now, you probably have heard the complaints some musicians and songwriters have about streaming services like Spotify. Many artists don't want to participate on these platforms, and if you own your copyrights, you don't have to. Alternatives do exist. Platforms like Bandcamp are really popular with musicians who like the flexibility in pricing and offerings, and the fact that it gives YOU control over your fan relationships and data. But a Bandcamp or some future artist-friendly service is unlikely to get off the ground if they have to pay blood money to an ISP for the privilege of reaching users. Then there's the fact that ISPs on mobile and the wireline web are already charging users overages for going over set data amounts. But they're also excepting their own services and preferred partnerships from these caps. Now, I'm pretty sure that Spotify, which is co-owned by the major labels and

backed by Goldman-Sachs, can afford to pay for unfettered access to customers. But what about your website?

Right now, the FCC needs to hear from you. They have a docket open in a proceeding to come up with new rules to preserve an accessible Internet. You should all feel free to email me—I'm not kidding, every one of you can do this—at c-a-s-e-y@futureofmusic.org, and I'll point you in the direction. You don't need to be a policy wonk or an IT genius to weigh in. Just let them know that you don't want to be a second-class citizen online, artistically or otherwise.

At the end of the day, a lot of the battles that we fight are based on a simple question: who sets the price for access to culture? As the people who create culture, we should have some say in that. Future of Music Coalition takes a principled stand for access, equitable compensation and leverage in whatever structures come to define the 21st century music ecosystem. Who controls access and distribution? Is it Comcast, which has already gobbled up NBC-Universal and is now making a bid for Time Warner Cable? Is it the major labels and publishers, who have aggregated the most copyrights over the past century and can strike direct deals with big tech companies that favor their interests ahead of the rest of the creative marketplace? Is it Clear Channel and the multimillion-dollar broadcasters that continue to enjoy a loophole allowing them to not pay performers for the use of their work? These are the broad strokes policy questions that are shaping the future of music.

Now let's talk about your rights online.

At Future of Music Coalition, we're artist advocates and market pragmatists. Back when P2P filesharing first arrived, we were on record saying that "the only alternative to an illegal Napster is a legal one." And to a large extent, that has turned out to be true. Never at any point in the history of the Internet has there been so many legal, licensed music services. But we still have major problems. The policy question here is how to protect copyright and intellectual property online without compromising the dynamics that allow for these platforms to come to the marketplace. Another complicating factor are the business models. Musicians, myself included, are very skeptical that new services, like the streaming model, will amount to significant revenue for artists who operate at a more modest scale than, say, Coldplay. Not every artist has mass-market ambitions, nor should they. And that's why conversations not only about rates of pay, but HOW artists get paid and under what conditions are extremely important.

The licensing universe for music is incredibly complicated, to the extent that many lawyers don't have a complete grasp of how it works. I could probably explain it to you, but I'm more interested in you staying awake for the next panel. So let me just say that the frameworks that govern how music is licensed are based in copyright law, and those laws were simply not devised with the Internet in mind. So what's the fix? If my work in this space has taught me anything, it's that there's likely no silver-bullet solution. The thing that I am the most adamant about, however, is that

policymakers must consider the perspectives of actual musicians and not just the major industry players who tend to view the world through narrow marketplace objectives. Interests often align, but not always. I'm not convinced that we arrive at a cogent cultural policy based solely on RIAA talking points. Nor do I think that the technology giants, who have very little direct experience in understanding the needs of creators, should be setting the agenda on their own. Musicians need to stay informed and engaged. And that's exactly what my organization exists to assist with. Right now, Congress and the federal agencies are considering everything from "the Next Great Copyright Act" to the vagaries of music licensing to enforcement protocols that balance innovation with rightsholders' interests. Our website, FutureOfMusic.Org is a great place to learn more about this, and you can always shoot me an email and I will be delighted to point you in the right direction to get involved.

One of the things that has bedeviled policymakers is a lack of hard data about how musicians and composers are affected by these sweeping changes. There's tons of really good industry data about how technology has impacted the bigger companies in the music biz, but not really anything about how musicians are faring. Which is why we spent the last three years on the Artist Revenue Streams research project, or ARS. You can find it at Money.FutureofMusic.Org.

The goal here wasn't to produce any hard-and-fast policy takeaways, but rather to capture a snapshot of what the revenue picture looks like for musicians and composers in 2012, and how that picture has shifted over the past 5-10 years. Our methodology is pretty interesting. First, there was an online survey that asked some very detailed questions about where and how artists are being paid. These questions evolved from a thought-exercise we engaged in a few years earlier where we tried to identify how many revenue streams are available to modern-day musicians and composers. We came up with something like 42 discrete revenue streams, which vary by discipline and role. This survey was piggybacked by a number of professional music and membership organizations so that we could benefit from the depth of experience of those creators. But we didn't want to foreclose non-affiliated musicians from participation. All in all, it was a good mix of respondents, some 6,000 of them. In addition to the online survey, we conducted anonymous financial audits of musicians and composers from various backgrounds and disciplines in order to better understand how their compensation had changed over time. We did not select these artists ourselves; we employed a peer-referral approach. In fact, I don't even know who these folks are, and I wouldn't be able to tell you even if you waterboarded me. So please don't waterboard me.

Lastly, we collected anecdotal responses from a range of folks talking about how they perceive their earnings currently and historically. Taken together, this triple-methodology gives us a picture that is reflective of the experiences of music practitioners across a broad range of disciplines and roles. Our Director of Programs, Jean Cook, has a wonderful presentation that summarizes many of the findings from this study—you can find it at the Future of Music Coalition YouTube

page. And again, the case studies, data memos, reports and presentations based on this research lives at money.futureofmusic.org.

We do work like this because we firmly believe that it doesn't do musicians any good to make policy based on assumptions. This is not only true at the federal level, but at the local and state level. Which is why, as musicians and advocates, you should dig down deep and find whatever gumption you've got to inform the process right here in your own backyard. Minnesota Music Coalition is a great resource, and Future of Music Coalition is also here to help, although as a tiny nonprofit, we unfortunately can't be in every single community. We're working on changing that, though! Which is one reason I'm thrilled and honored to be here today: to establish connections so we can build off our individual and collective passion and energy for making the world a better place for musicians.

Now is a good time to talk about local communities and how to improve conditions for creators of all kinds. At FMC, we tend to take a holistic view of what we've come to call "cultural infrastructure." We would consider access to the local airwaves cultural infrastructure. That's why we pushed so hard for expanded Low Power FM licensing opportunities. We could consider affordable, high-speed broadband access to be cultural infrastructure. New York, LA and Nashville are awesome, but we need MORE music cities. Right now, broadband is expensive, there's little choice in providers and the quality is falling behind other countries. I've seen firsthand what's possible with gigabit speeds. Music hackathons to build the next great app, collaboration with other media-makers, civic cloud initiatives, libraries and anchor institutions focusing on local culture; connected schools where kids can learn the value of music by participating directly in its creation and distribution; small business partnerships with musicians. On the consumer side this is an issue, too: if you're paying a couple of hundred bucks for broadband access plus a mobile data plan, maybe even 10 bucks a month to Spotify feels like a lot. We can and should do better.

As a matter of policy, we need to be looking at what resources creatives need to set and achieve their goals on their own terms. We also think that live music and art spaces and smart public transportation can make a huge difference. Sure, money from the National Endowment for the Arts can really help, but that's not the only way that smart government can aid in sustainable cultural communities.

The effects of this kind of investment are well documented. Nationally, the arts sector generated \$135.2 billion of economic activity—\$61.1 billion by the nation's nonprofit arts and culture organizations in addition to \$74.1 billion in event-related expenditures by their audiences. This economic activity supports 4.13 million full-time jobs and generates \$86.68 billion in resident household income. Our industry also generates \$22.3 billion in revenue to local, state, and federal governments every year. This is more money in local coffers than comes from tourism, if you can believe it.

Cultural infrastructure can also be access to affordable health insurance for musicians. Now, way before the Affordable Care Act became the law of the land, Future of Music Coalition conducted research to determine musician access to health insurance. What we found confirmed our anecdotal observations, because who hasn't played a benefit show for a fellow musician in a health crisis? Still, the results from a 2010 study were very troubling: We found that of 1,450 musicians surveyed, some 33 percent didn't have insurance. A 2013 survey of artists of all types— musicians, dancers, visual artists, filmmakers— found that 43 percent were currently uninsured, more than twice the amount of than the general public.

These studies, including an earlier one from 2005, led us that same year to create HINT – the Health Insurance Navigation Tool. HINT provides informed, musician-friendly support and advice to musicians who need information about health insurance, for free. And it's still active, although our emphasis now has been helping musicians understand the ins and outs of the ACA, and how to get enrolled. But this is the kind of thing that really makes a difference to a musician's life and livelihood. Here's another URL for you: health.futureofmusic.org offers tons of info about musicians and health insurance.

So, that's a lot of ground for a 6-person nonprofit to tackle! We can't do it alone. We'd love it if you went to our website and signed up for our newsletter, or followed us on Twitter or liked us on Facebook. Because we need to hear from you about what YOU want the future of music to be. More importantly, we want to help you get engaged in the process. Because of my work, I get to meet a lot of amazing people, and a ton of musicians. Making a career in music or the arts in general is always a challenge, but what bums me out more than the long odds is when musicians feel disempowered. If you get anything out of my yapping, I hope it's that you don't have to be disempowered. You can be a leader. You can be an inspiration. You can be a change agent. You can even do this while you do all the other things, although trust me, you will probably need to take some power naps. But you're definitely not alone in this thing. The sun hasn't set on musicians, even if the music industry has taken some knocks. Know your power, own your voice and use it.